



General Assembly

Substitute Bill No. 5728

January Session, 2007

* HB05728GAE 042507 *

AN ACT CONCERNING BONDS OF MUNICIPAL WATER POLLUTION CONTROL AUTHORITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Bonds" means any bonds, notes or other obligations authorized
- 3 to be issued by a municipality pursuant to this section;
- 4 (2) "Legislative body" means (A) the board of selectmen in a town
- 5 that does not have a charter, special act or home rule ordinance
- 6 relating to its government, (B) the council, board of aldermen,
- 7 representative town meeting, board of selectmen or other elected
- 8 legislative body described in a charter, special act or home rule
- 9 ordinance relating to government in a city, consolidated town and city,
- 10 consolidated town and borough or a town having a charter, special act,
- 11 consolidation ordinance or home rule ordinance relating to its
- 12 government, and (C) the board of burgesses or other elected legislative
- 13 body in a borough;
- 14 (3) "Sewage system project" means the acquisition, purchase,
- 15 construction, reconstruction, improvement or extension of a sewage
- 16 system or sewage system facility and includes repair, improvement,
- 17 acquisition or extension, and road, water and drainage improvements
- 18 customarily made in connection therewith; and

19 (4) "Sewer revenue" means revenue derived by a water pollution
20 control authority from the operation of a sewage system, including,
21 but not limited to, revenue from sewage system use or connections and
22 benefit assessments.

23 (b) For the purpose of financing any portion of a sewage system
24 project under this section, a municipality may authorize and issue
25 general obligation bonds in the principal amount not exceeding three
26 million dollars, provided (1) such bonds are secured by a pledge of
27 sewer system revenue to pay the bonds when due, or (2) the water
28 pollution control authority agrees to levy, collect and pay to the
29 municipality the amount of debt service on the bonds from sewer
30 revenues. An agreement pursuant to subdivision (2) of this subsection
31 may provide that the water pollution control authority shall pay the
32 municipality at such times and in such amounts that vary from the
33 debt service payments, except that the total amount to be paid by the
34 water pollution control authority over the term of the bonds shall be
35 not less than the total amount due on the general obligation bonds
36 issued pursuant to this section. The bonds authorized under this
37 section may be issued pursuant to the terms, conditions and provisions
38 applicable to other bonds authorized under chapter 103 of the general
39 statutes.

40 (c) (1) If the water pollution control authority does not comply with
41 the provisions of subsection (b) of this section, the municipality may
42 seek reimbursement from the water pollution control authority and
43 such municipality possesses and may exercise all rights against the
44 water pollution control authority to enforce said subsection (b) that a
45 bond holder would have under chapter 103 of the general statutes.

46 (2) Any agreement under subsection (b) of this section may (A)
47 contain any provision, term or covenant, including provisions for a
48 pledge of and lien upon sewer revenues, (B) be executed by any
49 member, director or agent, (C) be evidenced by any document or
50 agreement, and (D) have the same effect that would be authorized or
51 effected if the agreement were made to bond holders.

52 (3) The water pollution control authority shall be liable for all costs
53 of collection, including attorney's fees, in any action brought by a
54 municipality to enforce the provisions of subsection (b) of this section.

55 (d) Notwithstanding any provisions of the general statutes or any
56 charter or special act, bonds issued pursuant to this section may be
57 authorized, after a public hearing conducted by the water pollution
58 control agency, upon a two-thirds vote of such legislative body and a
59 two-thirds vote of the water pollution control authority. Notice of the
60 time, place and purpose of such hearing shall be published at least five
61 days before the date thereof in a newspaper having a general
62 circulation in the municipality. Such hearing may be conducted in
63 conjunction with any other public hearing required under this chapter.

64 (e) The provisions of this section shall apply to municipal water
65 supply system improvements and bonds issued under chapter 102 of
66 the general statutes except that (1) the votes shall be taken and the
67 public hearings conducted by the agency having authority to
68 implement water improvements and set water rates, (2) the term
69 "water revenue" shall be substituted for "sewer revenue", and (3) the
70 terms and conditions of bonds, notes and other obligations issued for
71 sewer projects shall apply to water supply system improvements.

72 Sec. 2. Section 7-261 of the general statutes is repealed and the
73 following is substituted in lieu thereof (*Effective from passage*):

74 Bonds or notes issued under the authority of this chapter or section
75 1 of this act, except those which are secured only by sewerage system
76 use charges, shall be obligatory upon the municipality and the
77 inhabitants and property thereof according to the tenor and purport of
78 the same and the full faith and credit of the municipality shall be
79 pledged to the payment thereof, whether or not such pledge is stated
80 in the bonds or notes or in the vote authorizing their issuance, and
81 thereafter the municipality shall appropriate in each year during which
82 any such bonds or notes are outstanding, and there shall be available
83 on or before the date when the same are payable, an amount of money

84 which, together with other revenue available for such purpose, shall be
85 sufficient to pay the principal and interest on such bonds or notes
86 payable in that year, and there shall be included in the tax levy for
87 each such year an amount which, together with other revenues
88 available for such purpose, shall be sufficient to meet such
89 appropriation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	7-261

PD *Joint Favorable Subst.*

FIN *Joint Favorable*

GAE *Joint Favorable*