



General Assembly

January Session, 2007

Raised Bill No. 7223

LCO No. 4509

04509_____CE_

Referred to Committee on Commerce

Introduced by:

(CE)

AN ACT CONCERNING BUSINESS AND ENERGY INDEPENDENCE DISTRICTS.

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

1 Section 1. (NEW) (*Effective October 1, 2007*) As used in sections 2 to
2 16, inclusive, of this act:

3 (1) "Business and energy independence district distributed
4 resources" means one or more of the following owned, leased, or
5 financed by a Business and Energy Independence District Board: (A)
6 Customer-side distributed resources, as defined in section 16-1 of the
7 general statutes; (B) grid-side distributed resources, as defined in said
8 section 16-1; (C) combined heat and power systems, as defined in said
9 section 16-1; and (D) Class III sources, as defined in said section 16-1;

10 (2) "Project" means the acquisition, purchase, construction,
11 reconstruction, improvement or extension of one or more of energy
12 improvement district distributed resources.

13 Sec. 2. (NEW) (*Effective October 1, 2007*) (a) Any municipality may,
14 by vote of its legislative body, establish a business and energy

15 independence district within such municipality. The affairs of any such
16 district shall be administered by a Business and Energy Independence
17 District Board. The members of any such board shall be appointed by
18 the chief elected official of the municipality and shall serve for such
19 term as the legislative body may prescribe and until their successors
20 are appointed and have qualified. Vacancies shall be filled by the chief
21 elected official for the unexpired portion of the term. The members of
22 each such board shall serve without compensation, except for
23 necessary expenses.

24 (b) After a vote by a municipality to establish a business and energy
25 independence district, the chief elected official of the municipality shall
26 notify each property owner of record by mail of said action. An owner
27 may record on the land records in the municipality its decision to
28 participate in the business and energy independence district and the
29 provisions of sections 2 to 16, inclusive, of this act. Any owner of
30 record, including any new owner of record, may rescind said decision
31 at any time.

32 Sec. 3. (NEW) (*Effective October 1, 2007*) (a) A Business and Energy
33 Independence District Board shall fund business and energy
34 independence district distributed resources in its district and shall
35 prepare a comprehensive plan for the development and financing of
36 such resources, except on state or federally owned properties, with a
37 view to the increase and efficiency, reliability and the furtherance of
38 commerce and industry in the business and energy independence
39 district. The board may lease or acquire office space and equip the
40 same with suitable furniture and supplies for the performance of work
41 of the board, and may employ such personnel as may be necessary for
42 such performance. The board also shall have power to:

43 (1) Sue and be sued;

44 (2) Have a seal and alter the same;

45 (3) Confer with any body or official having to do with electric power

46 distribution facilities within and without the district, and hold public
47 hearings as to such facilities;

48 (4) Confer with electric distribution companies with reference to the
49 development of electric distribution facilities in such district and the
50 coordination of the same;

51 (5) Determine the location, type, size and construction of business
52 and energy independence district distributed resources, subject to the
53 approval of any department, commission or official of the United
54 States, the state or the municipality where federal, state or municipal
55 statute or regulation requires it;

56 (6) Make surveys, maps and plans for, and estimates of the cost of,
57 the development and operation of requisite business and energy
58 independence district distributed resources and for the coordination of
59 such facilities with existing agencies, both public and private, with the
60 view of increasing the efficiency of the electric distribution system in
61 the district and in the furtherance of commerce and industry in the
62 district;

63 (7) Make contracts and leases, loans and execute all instruments
64 necessary or convenient to carry out their duties under the provision of
65 this section, including the lending of proceeds of bonds issued in
66 accordance with subdivision (9) of this section, to owners, lessees or
67 occupants of facilities in the business and energy independence
68 district;

69 (8) Fix fees, rates, rentals or other charges for the purpose of all
70 business and energy independence district distributed resources
71 owned by the Business and Energy Independence District Board and
72 collect such fees, rates, rentals and other charges for such facilities
73 owned by the board, which fees, rates, rentals or other charges shall be
74 sufficient to comply with all covenants and agreements with the
75 holders of any bonds issued pursuant to section 4 of this act;

76 (9) Operate and maintain all business and energy independence
77 district distributed resources owned or leased by the board and use the
78 revenues from such resources for the corporate purposes of the board
79 in accordance with any covenants or agreements contained in the
80 proceedings authorizing the issuance of bonds pursuant to section 4 of
81 this act;

82 (10) Accept gifts, grants, loans or contributions for the United States,
83 the state or any agency or instrumentality of either of them, or a person
84 or corporation, by conveyance, bequest or otherwise, and expend the
85 proceeds for any purpose of the board and, as necessary, contract with
86 the United States, the state or any agency or instrumentality of either
87 of them, to accept gifts, grants, loans or contributions on such terms
88 and conditions as may be provided by the law authorizing the same;

89 (11) Maintain staff to promote and develop the movement of
90 commerce through the business and energy independence district; and

91 (12) Use the officers, employees, facilities and equipment of the
92 municipality, with the consent of the municipality, and pay a proper
93 portion of the compensation or cost.

94 (b) Nothing in the provisions of sections 2 to 16 of this act shall be
95 construed to authorize a Business and Energy Independence District
96 to:

97 (1) Be an electric distribution company, as defined in section 16-1 of
98 the general statutes, or provide electric distribution or electric
99 transmission services, as defined in said section 16-1, or own or
100 operate assets to provide such services;

101 (2) Be a municipal electric utility, as defined in section 7-233 of the
102 general statutes, or provide the services of a municipal electric utility;

103 (3) Sell electricity to persons or entities in its municipality outside of
104 the Business and Energy Independence District;

105 (4) Undertake any authority or jurisdiction granted by the general
106 states to the Connecticut Siting Council, the Department of Public
107 Utility Control, or any other state agency, or to undertake any actions
108 under the jurisdiction of any federal agency; or

109 (5) Acquire property by eminent domain.

110 Sec. 4. (NEW) (*Effective October 1, 2007*) (a) A Business and Energy
111 Independence District Board may, from time to time, issue bonds
112 subject to the approval of the legislative body in the municipality in
113 which the business and energy independence district is located, for the
114 purpose of paying all or any part of the cost of acquiring, purchasing,
115 constructing, reconstructing, improving or extending any business and
116 energy independence district distributed resources project and
117 acquiring necessary land and equipment thereof, or for any other
118 authorized purpose of the board. The board may issue such types of
119 bonds as it may determine, including, but not limited to, bonds
120 payable as to principal and interest: (1) From its revenues generally; (2)
121 exclusively from the income and revenues of a particular project; or (3)
122 exclusively from the income and revenues of certain designated
123 projects, whether or not they are financed in whole or in part from the
124 proceeds of such bonds. Any such bonds may be additionally secured
125 by a pledge of any grant or contribution from a participating
126 municipality, the state or any political subdivision, agency or
127 instrumentality thereof, any federal agency or any private corporation,
128 copartnership, association or individual, or a pledge of any income or
129 revenues of the board, or a mortgage on any project or other property
130 of the board, provided such pledge shall not create any liability on the
131 entity making such grant or contribution beyond the amount of such
132 grant or contribution. Whenever and for so long as any board has
133 issued and has outstanding bonds, the board shall fix, charge and
134 collect rates, rents, fees and other charges in accordance with section 6
135 of this act. Neither the members of the board nor any person executing
136 the bonds shall be liable personally on the bonds by reason of the
137 issuance thereof. The bonds and other obligations shall so state on the

138 face, shall not be a debt of the state or any political subdivision thereof,
139 except when the board or a participating municipality which, in
140 accordance with section 13 of this act, has guaranteed payment of
141 principal and of interest on the same, and no person other than the
142 board or such a public body shall be liable thereon, nor shall such
143 bonds or obligations be payable out of any funds or properties other
144 than those of the board or such a participating municipality. Such
145 bonds shall not constitute an indebtedness within the meaning of any
146 statutory limitation on the indebtedness of any participating
147 municipality. Bonds of the board are declared to be issued for an
148 essential public and governmental purpose. In anticipation of the sale
149 of such revenue bonds the board may issue negotiable bond
150 anticipation notes and may renew the same from time to time, but the
151 maximum maturity of any such note, including renewals thereof, shall
152 not exceed five years from the date of issue of the original note. Such
153 notes shall be paid from any revenues of the board available therefor
154 and not otherwise pledged, or from the proceeds of sale of the revenue
155 bonds of the Business and Energy Independence District Board in
156 anticipation of which they were issued. The notes shall be issued in the
157 same manner as the revenue bonds. Such notes and the resolution or
158 resolutions authorizing the same may contain any provisions,
159 conditions or limitations which a bond resolution of the board may
160 contain.

161 (b) A Business and Energy Independence District Board may issue
162 bonds as serial bonds or as term bonds, or both. Bonds shall be
163 authorized by resolution of the members of the authority and shall
164 bear such date or dates, mature at such time or times, not exceeding
165 twenty years from their respective dates, bear interest at such rate or
166 rates, or have provisions for the manner of determining such rate or
167 rates, payable at such time or times, be in such denominations, be in
168 such form, either coupon or registered, carry such registration
169 privileges, be executed in such manner, be payable in lawful money of
170 the United States of America at such place or places, and be subject to
171 such terms of redemption, as such resolution or resolutions may

172 provide. The revenue bonds or notes may be sold at public or private
173 sale for such price or prices as the Business and Energy Independence
174 District Board shall determine. Pending preparation of the definitive
175 bonds, the Business and Energy Independence District Board may
176 issue interim receipts or certificates which shall be exchanged for such
177 definitive bonds.

178 (c) Any resolution or resolutions authorizing any revenue bonds or
179 any issue of revenue bonds may contain provisions, which shall be
180 part of the contract with the holders of the revenue bonds to be
181 authorized, as to: (1) Pledging all or any part of the revenues of a
182 project or any revenue-producing contract or contracts made by the
183 Business and Energy Independence District Board with any individual,
184 partnership, corporation or association or other body, public or
185 private, to secure the payment of the revenue bonds or of any
186 particular issue of revenue bonds, subject to such agreements with
187 bondholders as may then exist; (2) the rentals, fees and other charges
188 to be charged, and the amounts to be raised in each year thereby, and
189 the use and disposition of the revenues; (3) the setting aside of reserves
190 or sinking funds or other funds or accounts as the board may establish
191 and the regulation and disposition thereof, including requirements
192 that any such funds and accounts be held separate from or not be
193 commingled with other funds of the board; (4) limitations on the right
194 of the board or its agent to restrict and regulate the use of the project;
195 (5) limitations on the purpose to which the proceeds of sale of any
196 issue of revenue bonds then or thereafter to be issued may be applied
197 and pledging such proceeds to secure the payment of the revenue
198 bonds or any issue of the revenue bonds; (6) limitations on the
199 issuance of additional bonds, the terms upon which additional bonds
200 may be issued and secured, the refunding of outstanding bonds; (7) the
201 procedure, if any, by which the terms of any contract with
202 bondholders may be amended or abrogated, the amount of bonds the
203 holders of which must consent thereto, and the manner in which such
204 consent may be given; (8) limitations on the amount of moneys derived
205 from the project to be expended for operating, administrative or other

206 expenses of the board; (9) defining the acts or omissions to act that
207 shall constitute a default in the duties of the board to holders of its
208 obligations and providing the rights and remedies of such holders in
209 the event of a default; (10) the mortgaging of a project and the site
210 thereof for the purpose of securing the bondholder; and (11) provisions
211 for the execution of reimbursement agreements or similar agreements
212 in connection with credit facilities, including, but not limited to, letters
213 of credit or policies of bond insurance, remarketing agreements and
214 agreements for the purpose of moderating interest rate fluctuations.

215 (d) If any member whose signature or a facsimile of whose
216 signature appears on any bonds or coupons ceases to be such member
217 before delivery of such bonds, such signature or such facsimile shall
218 nevertheless be valid and sufficient for all purposes the same as if he
219 had remained in office until such delivery. Notwithstanding the
220 provisions of sections 2 to 16, inclusive, of this act, or any recitals in
221 any bonds issued under the provisions of this section, all such bonds
222 shall be deemed to be negotiable instruments under the provisions of
223 the general statutes.

224 (e) Unless otherwise provided by the ordinance creating the
225 Business and Energy Independence District Board, bonds may be
226 issued under the provisions of this section, without obtaining the
227 consent of the state or of any political subdivision thereof, and without
228 any other proceedings or the happening of other conditions or things
229 than those proceedings, conditions or things which are specifically
230 required by sections 1 to 16, inclusive, of this act.

231 (f) A Business and Energy Independence District Board may, out of
232 any funds available to it, purchase its bonds or notes. The Business and
233 Energy Independence District Board may hold, pledge, cancel or resell
234 such bonds, subject to and in accordance with agreements with
235 bondholders.

236 (g) A Business and Energy Independence District Board shall cause
237 a copy of any bond resolutions adopted by it to be filed for public

238 inspection in its office and in the office of the clerk of each
239 participating municipality and may thereupon cause to be published at
240 least once, in a newspaper published or circulating in each
241 participating municipality, a notice stating the fact and date of such
242 adoption and the places where such bond resolution has been so filed
243 for public inspection and the date of the first publication of such notice
244 and also stating that any action or proceeding of any kind or nature in
245 any court questioning the validity or proper authorization of bonds
246 provided for by the bond resolution, or the validity of any covenants,
247 agreements or contracts provided for by the bond resolution, shall be
248 commenced not later than twenty days after the first publication of
249 such notice. If any such notice is published and if no action or
250 proceeding question the validity or proper authorization of bonds
251 provided for by the bond resolution referred to in such notice, or the
252 validity of any covenants, agreements, contracts provided for by the
253 bond resolution is commenced or instituted not later than twenty days
254 after the first publication of said notice, then all residents and
255 taxpayers and owners of property in each participating municipality
256 and all other persons shall be forever barred and foreclosed from
257 instituting or commencing any action or proceeding in any court, or
258 from pleading any defense to any action or proceeding, questioning
259 the validity or proper authorization of such bonds, or the validity of
260 such covenants, agreements or contracts, and said bonds, covenants,
261 agreements and contracts shall be conclusively deemed to be valid and
262 binding obligations in accordance with their terms and tenor.

263 (h) Notwithstanding any provision of the general statutes, (1) the
264 state shall not have any liability or responsibility with regard to any
265 obligation issued by the board, and (2) no political subdivision of the
266 state shall have any liability or responsibility with regard to any
267 obligation issued by the board except as expressly provided by
268 sections 2 to 16, inclusive, of this act.

269 Sec. 5. (NEW) (*Effective October 1, 2007*) A Business and Energy
270 Independence District Board may secure any bonds issued under the

271 provisions of section 4 of this act by a trust indenture by way of
272 conveyance, deed of trust or mortgage of any project or any other
273 property of the board, whether or not financed in whole or in part
274 from the proceeds of such bonds, or by a trust agreement by and
275 between the board and a corporate trustee, which may be any trust
276 company or bank having the powers of a trust company within or
277 without the state or by both such conveyance, deed of trust or
278 mortgage and indenture or trust agreement. Such trust indenture or
279 agreement may pledge or assign any or all fees, rents and other
280 charges to be received or proceeds of any contract or contracts
281 pledged, and may convey or mortgage any property of the board. Such
282 trust indenture or agreement may contain such provisions for
283 protecting and enforcing the right and remedies of the bondholders as
284 may be reasonable and proper and not in violation of law, including
285 provisions that have been specifically authorized to be included in any
286 resolution or resolutions of the board authorizing the issue of bonds.
287 Any bank or trust company incorporated under the laws of the state
288 may act as depository of the proceeds of such bonds or of revenues or
289 other moneys and may furnish such indemnifying bonds or pledge
290 such securities as may be required by the board. Such trust indenture
291 may set forth rights and remedies of the bondholders and of the
292 trustee, and may restrict the individual right of action by bondholders.
293 In addition to the foregoing, such trust indenture or agreement may
294 contain such other provisions as the board may deem reasonable and
295 proper for the security of the bondholders. All expenses incurred in
296 carrying out the provisions of such trust indenture or agreement may
297 be treated as part of the cost of a project.

298 Sec. 6. (*Effective October 1, 2007*) (a) A Business and Energy
299 Independence District Board may fix, revise, charge and collect rates,
300 rents, fees and charges for the use of and for the services furnished or
301 to be furnished by each project and to contract with any person,
302 partnership, association or corporation, or other body, public or
303 private, in respect thereof. Such rates, rents, fees and charges shall be
304 fixed and adjusted in respect of the aggregate of rates, rents, fees and

305 charges from such project so as to provide funds sufficient with other
306 revenues, if any, (1) to pay the cost of maintaining, repairing and
307 operating the project and each and every portion thereof, to the extent
308 that the payment of such cost has not otherwise been adequately
309 provided for, (2) to pay the principal of and the interest on outstanding
310 revenue bonds of the board issued in respect of such project as the
311 same shall become due and payable, and (3) to create and maintain
312 reserves required or provided for in any resolution authorizing, or
313 trust agreement securing, such revenue bonds of the board. Such rates,
314 rents, fees and charges shall not be subject to supervision or regulation
315 by any department, commission, board, body, bureau or agency of this
316 state other than the board. A sufficient amount of the revenues derived
317 in respect of a project, except such part of such revenues as may be
318 necessary to pay the cost of maintenance, repair and operation and to
319 provide reserves and for renewals, replacements, extensions,
320 enlargements and improvements as may be provided for in the
321 resolution authorizing the issuance of any revenue bonds of the board
322 or in the trust agreement securing the same, shall be set aside at such
323 regular intervals as may be provided in such resolution or trust
324 agreement in a sinking or other similar fund which is hereby pledged
325 to, and charged with, the payment of the principal of and the interest
326 on such revenue bonds as the same shall become due, and the
327 redemption price or the purchase price of bonds retired by call or
328 purchase as therein provided. Such pledge shall be valid and binding
329 from the time when the pledge is made; the rates, rents, fees and
330 charges and other revenues or other moneys so pledged and thereafter
331 received by the board shall immediately be subject to the lien of any
332 such pledge, without any physical delivery thereof or further act, and
333 the lien of any such pledge shall be valid and binding as against all
334 parties having claims of any kind in tort, contract or otherwise against
335 the board, irrespective of whether such parties have notice thereof.
336 Neither the resolution nor any trust indenture or agreement by which
337 a pledge is created need be filed or recorded except in the records of
338 the board. The use and disposition of moneys to the credit of such

339 sinking or other similar fund shall be subject to the provisions of the
340 resolution authorizing the issuance of such bonds or of such trust
341 agreement. Except as may otherwise be provided in such resolution or
342 such trust indenture or agreement, such sinking or other similar fund
343 shall be a fund for all revenue bonds issued to finance a project of such
344 board without distinction or priority of one over another.

345 (b) All moneys received by the board pursuant to sections 2 to 16,
346 inclusive, of this act, whether as proceeds from the sale of bonds or as
347 revenues, shall be deemed to be trust funds to be held and applied
348 solely as provided pursuant to this section.

349 Sec. 7. (*Effective October 1, 2007*) Any holder of bonds, notes,
350 certificates or other evidences of borrowing issued under the
351 provisions of section 4 of this act, or of any of the coupons
352 appertaining thereto, and the trustee under any trust indenture or
353 agreement, except to the extent the right may be restricted by such
354 trust indenture or agreement, may, either at law or in equity, by suit,
355 action, injunction, mandamus or other proceedings, protect and
356 enforce any and all rights under the provisions of the general statutes
357 or granted by sections 2 to 16, inclusive, of this act, or under such trust
358 indenture or agreement or the resolution authorizing the issuance of
359 such bonds, notes or certificates, and may enforce and compel the
360 performance of all duties required by said section or by such trust
361 indenture or agreement or solution to be performed by the Business
362 and Energy Independence District Board or by any officer or agent
363 thereof, including the fixing, charging and collection of fees, rents and
364 other charges.

365 Sec. 8. (NEW) (*Effective October 1, 2007*) A Business and Energy
366 Independence District Board, in the exercise of its powers granted
367 pursuant to sections 2 to 16, inclusive, of this act, shall be for the
368 benefit of the inhabitants of the state, for the increase of their
369 commerce and for the promotion of their safety, health, welfare,
370 convenience and prosperity, and as the operation and maintenance of

371 any project which the board is authorized to undertake constitute the
372 performance of an essential governmental function, no board shall be
373 required to pay any taxes or assessments upon any project acquired
374 and constructed by it under the provisions of said sections. The bonds,
375 notes, certificates or other evidences of debt issued under the
376 provisions of section 4 of this act, their transfer and the income
377 therefrom, including any profit made on the sale thereof, shall at all
378 times be free and exempt from taxation by the state and by any
379 political subdivision thereof.

380 Sec. 9. (NEW) (*Effective October 1, 2007*) Bonds issued by a Business
381 and Energy Independence District Board pursuant to section 4 of this
382 act, shall be securities in which all public officers and public bodies of
383 the state and its political subdivisions, all insurance companies, trust
384 companies, banking associations, investment companies and
385 executors, administrators, trustees and other fiduciaries may properly
386 and legally invest funds, including capital in their control or belonging
387 to them. Such bonds shall be securities that may properly and legally
388 be deposited with and received by any state or municipal officer or any
389 agency or political subdivision of the state for any purpose for which
390 the deposit of bonds or obligations is now or may hereafter be
391 authorized by law.

392 Sec. 10. (NEW) (*Effective October 1, 2007*) A municipality may, by
393 ordinance, and any other governmental unit shall, without any
394 referendum or public or competitive bidding, and any person may sell,
395 lease, lend, grant or convey to a Business and Energy Independence
396 District Board, or to permit a board to use, maintain or operate as part
397 of any distributed resource facility, any real or personal property that
398 may be necessary or useful and convenient for the purposes of the
399 board and accepted by the board. Any such sale, lease, loan, grant,
400 conveyance or permit may be made or given with or without
401 consideration and for a specified or an unlimited period of time and
402 under any agreement and on any terms and conditions that may be
403 approved by such municipality, governmental unit or person and that

404 may be agreed to by the board in conformity with its contract with the
405 holders of any bonds. Subject to any such contracts with the holders of
406 bonds, the board may enter into and perform any and all agreements
407 with respect to property so purchased, leased, borrowed, received or
408 accepted by it, including agreements for the assumption of principal or
409 interest or both of indebtedness of such municipality, governmental
410 unit or person or of any mortgage or lien existing with respect to such
411 property or for the operation and maintenance of such property as part
412 of any business and energy independence district distributed resources
413 facility.

414 Sec. 11. (NEW) (*Effective October 1, 2007*) A municipality,
415 governmental unit or person may enter into and perform any lease or
416 other agreement with any Business and Energy Independence District
417 Board for the lease or other agreement with any municipality,
418 governmental unit or person of all or any part of any business and
419 energy independence district distributed resource facility or facilities.
420 Any such lease or other agreement may provide for the payment to the
421 board by such municipality, governmental unit or person, annually or
422 otherwise, of such sum or sums of money, computed at fixed amount
423 or by any formula or in any other manner, as may be so fixed or
424 computed. Any such lease or other agreement may be made and
425 entered into for a term beginning currently or at some future or
426 contingent date and with or without consideration and for a specified
427 or unlimited time and on any terms and conditions which may be
428 approved by such municipality, governmental unit or person and
429 which may be agreed to by the board in conformity with its contract
430 with the holders of any bonds, and shall be valid and binding on such
431 municipality, governmental unit or person whether or not an
432 appropriation is made thereby prior to authorization or execution of
433 such lease or other agreement. Such municipality, governmental unit
434 or person shall do all acts and things necessary, convenient or
435 desirable to carry out and perform any such lease or other agreement
436 entered into by it and to provide for the payment or discharge of any
437 obligation thereunder in the same manner as other obligations of such

438 municipality, governmental unit or person.

439 Sec. 12. (NEW) (*Effective October 1, 2007*) For the purpose of aiding a
440 Business and Energy Independence District Board, a municipality, by
441 ordinance or by resolution of its legislative body, shall have power
442 from time to time and for such period and upon such terms, with or
443 without consideration, as may be provided by such resolution or
444 ordinance and accepted by the board, (1) to appropriate moneys for
445 the purposes of the board, and to loan or donate such money to the
446 board in such installments and upon such terms as may be agreed
447 upon with the board, (2) to covenant and agree with the board to pay
448 to or on the order of the board annually or at shorter intervals as a
449 subsidy for the promotion of its purposes not more than such sums of
450 money as may be stated in such resolution or ordinance or computed
451 in accordance therewith, (3) upon authorization by it in accordance
452 with law of the performance of any act or thing which it is empowered
453 by law to authorize and perform and after appropriation of the
454 moneys, if any, necessary for such performance, to covenant and agree
455 with the board to do and perform such act or thing and as to the time,
456 manner and other details of its doing and performance, and (4) to
457 appropriate money for all or any part of the cost of acquisition or
458 construction of such facility, and, in accordance with the limitations
459 and any exceptions thereto and in accordance with procedure
460 prescribed by law, to incur indebtedness, borrow money and issue its
461 negotiable bonds for the purpose of financing such distributed
462 resource facility and appropriation, and to pay the proceeds of such
463 bonds to the board.

464 Sec. 13. (NEW) (*Effective October 1, 2007*) For the purpose of aiding a
465 Business and Energy Independence District Board in the planning,
466 undertaking, acquisition, construction or operation of any distributed
467 resource facility, a participating municipality may, pursuant to
468 resolution adopted by its legislative body in the manner provided for
469 adoption of a resolution authorizing bonds of such municipality and
470 with or without consideration and upon such terms and conditions as

471 may be agreed to by and between the municipality and the board,
472 unconditionally guarantee the punctual payment of the principal of
473 and interest on any bonds of the board and pledge the full faith and
474 credit of the municipality to the payment thereof. Any guarantee of
475 bonds of the board made pursuant to this section shall be evidenced by
476 endorsement thereof on such bonds, executed in the name of the
477 municipality and on its behalf by such officer thereof as may be
478 designated in the resolution authorizing such guaranty, and such
479 municipality shall thereupon and thereafter be obligated to pay the
480 principal of and interest on said bonds in the same manner and to the
481 same extent as in the case of bonds issued by it. As part of the
482 guarantee of the municipality for payment of principal and interest on
483 the bonds, the municipality may pledge to and agree with the owners
484 of bonds issued under this chapter and with those persons who may
485 enter into contracts with the municipality or the board or any
486 successor agency pursuant to the provisions of this chapter that it will
487 not limit or alter the rights thereby vested in the bond owners, the
488 board or any contracting party until such bonds, together with the
489 interest thereon, are fully met and discharged and such contracts are
490 fully performed on the part of the municipality or the board, provided
491 nothing in this subsection shall preclude such limitation or alteration if
492 and when adequate provisions shall be made by law for the protection
493 of the owners of such bonds of the municipality or the board or those
494 entering into such contracts with the municipality or the board. The
495 board is authorized to include this pledge and undertaking for the
496 municipality in such bonds or contracts. To the extent provided in
497 such agreement or agreements, the obligations of the municipality
498 thereunder shall be obligatory upon the municipality and the
499 inhabitants and property thereof, and thereafter the municipality shall
500 appropriate in each year during the term of such agreement, and there
501 shall be available on or before the date when the same are payable, an
502 amount of money that, together with other revenue available for such
503 purpose, shall be sufficient to pay such principal and interest
504 guaranteed by it and payable thereunder in that year, and there shall

505 be included in the tax levy for each such year in an amount that,
506 together with other revenues available for such purpose, shall be
507 sufficient to meet such appropriation. Any such agreement shall be
508 valid, binding and enforceable against the municipality if approved by
509 action of the legislative body of such municipality. Any such guaranty
510 of bonds of the board may be made, and any resolution authorizing
511 such guaranty may be adopted, notwithstanding any statutory debt or
512 other limitations, but the principal amount of bonds so guaranteed
513 shall, after their issuance, be included in the gross debt of such
514 municipality for the purpose of determining the indebtedness of such
515 municipality under subsection (b) of section 7-374 of the general
516 statutes. The principal amount of bonds so guaranteed and included in
517 gross debt shall be deducted and is declared to be and to constitute a
518 deduction from such gross debt under and for all the purposes of
519 subsection (b) of said section 7-374, (1) from and after the time of
520 issuance of said bonds until the end of the fiscal year beginning next
521 after the completion of acquisition and construction of the distributed
522 resource facility to be financed from the proceeds of such bonds, and
523 (2) during any subsequent fiscal year if the revenues of the board in the
524 preceding fiscal year are sufficient to pay its expenses of operation and
525 maintenance in such year and all amounts payable in such year on
526 account of the principal and interest on all such guaranteed bonds, all
527 bonds of the municipality issued as provided in this section and all
528 bonds of the Business and Energy Independence District Board issued
529 under section 4 of this act.

530 Sec. 14. (NEW) (*Effective October 1, 2007*) Any lease or other
531 agreement, and any instruments making or evidencing the same, may
532 be pledged or assigned by the board to secure its bonds and thereafter
533 may not be modified except as provided by the terms of such
534 instrument or by the terms of such pledge or assignment.

535 Sec. 15. (NEW) (*Effective October 1, 2007*) All property of a Business
536 and Energy Independence District Board shall be exempt from levy
537 and sale by virtue of an execution and no execution or other judicial

538 process shall issue against the same nor shall any judgment against the
539 board be a charge or lien upon its property, provided nothing in this
540 section shall apply to or limit the rights of the holder of any bonds to
541 pursue any remedy for the enforcement of any pledge or lien given by
542 the board on its facility revenues or other moneys.

543 Sec. 16. (NEW) (*Effective October 1, 2007*) A Business and Energy
544 Independence District Board and the municipality in which any
545 property of the board is located may enter into agreements with
546 respect to the payment by the board to such municipality of annual
547 sums of money in lieu of taxes on such property in such amount as
548 may be agreed upon between the board and the municipality. The
549 board may make, and the municipality may accept, such payments
550 and apply them in the manner in which taxes may be applied in such
551 municipality, provided no such annual payment with respect to any
552 parcel of such property shall exceed the amount of taxes paid thereon
553 for the taxable year immediately prior to the time of its acquisition by
554 the board.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	New section
Sec. 2	<i>October 1, 2007</i>	New section
Sec. 3	<i>October 1, 2007</i>	New section
Sec. 4	<i>October 1, 2007</i>	New section
Sec. 5	<i>October 1, 2007</i>	New section
Sec. 6	<i>October 1, 2007</i>	New section
Sec. 7	<i>October 1, 2007</i>	New section
Sec. 8	<i>October 1, 2007</i>	New section
Sec. 9	<i>October 1, 2007</i>	New section
Sec. 10	<i>October 1, 2007</i>	New section
Sec. 11	<i>October 1, 2007</i>	New section
Sec. 12	<i>October 1, 2007</i>	New section
Sec. 13	<i>October 1, 2007</i>	New section
Sec. 14	<i>October 1, 2007</i>	New section
Sec. 15	<i>October 1, 2007</i>	New section

Sec. 16	October 1, 2007	New section
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Statement of Purpose:

To empower municipalities to establish business and energy independence districts.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]