



# House of Representatives

General Assembly

**File No. 332**

January Session, 2009

House Bill No. 6387

*House of Representatives, March 30, 2009*

The Committee on Planning and Development reported through REP. SHARKEY of the 88th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING THE SMALL TOWN ECONOMIC ASSISTANCE PROGRAM.**

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

1 Section 1. Section 4-66g of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) For the purposes described in subsection (b) of this section, the  
4 State Bond Commission shall have the power, from time to time, to  
5 authorize the issuance of bonds of the state in one or more series and  
6 in principal amounts not exceeding in the aggregate one hundred forty  
7 million dollars, provided twenty million dollars of said authorization  
8 shall be effective July 1, 2008.

9 (b) The proceeds of the sale of said bonds, to the extent of the  
10 amount stated in subsection (a) of this section, shall be used by the  
11 Office of Policy and Management for a small town economic assistance  
12 program the purpose of which shall be to provide grants-in-aid to any  
13 municipality [that] or group of municipalities, provided the

14 municipality and each municipality that is part of the group of  
15 municipalities is not economically distressed within the meaning of  
16 subsection (b) of section 32-9p, does not have an urban center in any  
17 plan adopted by the General Assembly pursuant to section 16a-30 and  
18 is not a public investment community within the meaning of  
19 subdivision (9) of subsection (a) of section 7-545. Such grants shall be  
20 used for purposes for which funds would be available under section 4-  
21 66c. No municipality or group of municipalities may receive more than  
22 five hundred thousand dollars in any one fiscal year under said  
23 program. Notwithstanding the provisions of this subsection and  
24 section 4-66c, a municipality that is (1) a distressed municipality within  
25 the meaning of subsection (b) of section 32-9p or a public investment  
26 community within the meaning of subdivision (9) of subsection (a) of  
27 section 7-545, and (2) otherwise eligible under this subsection for the  
28 small town economic assistance program may elect to be eligible for  
29 said program or to participate in a group of municipalities that is  
30 eligible for said program in lieu of being eligible for financial  
31 assistance under section 4-66c, by a vote of its legislative body or, in  
32 the case of a municipality in which the legislative body is a town  
33 meeting, its board of selectmen, and submitting a written notice of  
34 such vote to the Secretary of the Office of Policy and Management.  
35 Any such election shall be for the four-year period following  
36 submission of such notice to the secretary and may be extended for  
37 additional four-year periods in accordance with the same procedure  
38 for the initial election.

39 (c) All provisions of section 3-20, or the exercise of any right or  
40 power granted thereby, which are not inconsistent with the provisions  
41 of this section are hereby adopted and shall apply to all bonds  
42 authorized by the State Bond Commission pursuant to this section, and  
43 temporary notes in anticipation of the money to be derived from the  
44 sale of any such bonds so authorized may be issued in accordance with  
45 said section 3-20 and from time to time renewed. Such bonds shall  
46 mature at such time or times not exceeding twenty years from their  
47 respective dates as may be provided in or pursuant to the resolution or  
48 resolutions of the State Bond Commission authorizing such bonds.

49 None of said bonds shall be authorized except upon a finding by the  
 50 State Bond Commission that there has been filed with it a request for  
 51 such authorization which is signed by or on behalf of the Secretary of  
 52 the Office of Policy and Management and states such terms and  
 53 conditions as said commission, in its discretion, may require. Said  
 54 bonds issued pursuant to this section shall be general obligations of the  
 55 state and the full faith and credit of the state of Connecticut are  
 56 pledged for the payment of the principal of and interest on said bonds  
 57 as the same become due, and accordingly and as part of the contract of  
 58 the state with the holders of said bonds, appropriation of all amounts  
 59 necessary for punctual payment of such principal and interest is  
 60 hereby made, and the State Treasurer shall pay such principal and  
 61 interest as the same become due.

62 (d) Any grant-in-aid allowed under the small town economic  
 63 assistance program under this section may be administered on behalf  
 64 of the Office of Policy and Management by another state agency as  
 65 determined by the Secretary of the Office of Policy and Management.

66 (e) Notwithstanding the provisions of section 16a-31, no  
 67 municipality that has a population of less than fifteen thousand as  
 68 determined by the most recent decennial census and in which at least  
 69 five thousand five hundred acres of land but not more than six  
 70 thousand acres of land is owned by a regional water authority shall be  
 71 denied a grant pursuant to subsections (a) to (d), inclusive, of this  
 72 section for a sewer project solely because such project is not consistent  
 73 with the locational guide map accompanying the state plan of  
 74 conservation and development adopted under chapter 297.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	4-66g

**PD**            *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:**

Municipalities	Effect	FY 10 \$	FY 11 \$
Various Municipalities	Potential Revenue Gain	See Below	See Below

**Explanation**

The bill allows groups of towns to receive Small Town Economic Assistance Program (STEAP) grants-in-aid for communal projects. To the degree that this causes General Obligation bond funds to be expended more rapidly than they otherwise would have been, there will be an increase in debt service costs in future years.

The current unallocated balance for the STEAP program is \$20 million.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****HB 6387*****AN ACT CONCERNING THE SMALL TOWN ECONOMIC ASSISTANCE PROGRAM.*****SUMMARY:**

This bill makes groups of municipalities eligible for the Small Town Economic Assistance Program (STEAP), so long as each municipality that is a member of the group is eligible. The program provides economic assistance to municipalities that do not qualify for the Urban Act grant program, which is geared mainly for cities and economically distressed towns. By law, distressed municipalities or public investment communities that are eligible for both programs can opt to participate in STEAP by following certain procedures. The bill additionally allows such municipalities to participate in STEAP as members of a group by following the same procedures. It also extends to the groups the \$500,000 per fiscal year cap on STEAP grants.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea 19    Nay 0    (03/11/2009)