AN ACT CONCERNING REGIONALISM.

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

Section 1. (NEW) (Effective October 1, 2009) (a) As used in this section, "legislative body" means the council, commission, board, body or town meeting, by whatever name it may be known, having or exercising the general legislative powers and functions of a municipality and "municipality" means any town, city or borough, consolidated town and city or consolidated town and borough.

(b) Notwithstanding any provision of the general statutes or any special act, municipal charter or home rule ordinance, the chief elected officials of two or more municipalities that are members of the same federal economic development district, established under 42 USC 3171, may initiate a process for such municipalities to enter into an agreement to promote regional economic development and share the real and personal property tax revenue from new economic development. Such agreement shall provide that the municipalities agree not to compete for new economic development and shall specify the types of new economic development projects subject to the agreement. The agreement shall also have terms providing for (1) identification of areas for (A) new economic development, (B) open space and natural resource preservation, and (C) transit oriented development, including housing; (2) capital improvements, including

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the shared use of buildings and other capital assets; (3) regional energy consumption, including strategies for cooperative energy use and development of distributive generation and sustainable energy projects; and (4) promotion and sharing of arts and cultural assets. The agreement shall also include terms providing for at least three municipal cooperative programs and at least three educational cooperative programs, including, but not limited to, the following: (A) Collective bargaining, (B) purchasing cooperatives, (C) health care pooling with each other or the state, (D) regional shared school curriculum and special education services, through regional educational service centers, established under section 10-66a of the general statutes, and (E) any other initiatives mutually agreed upon. Each municipality that is party to the agreement shall participate in at least one municipal cooperative program and one educational cooperative program. The provisions of this section shall not be construed to require each municipality that is party to the agreement to participate in all municipal cooperative programs and educational cooperative programs described in the agreement.

(c) The agreement shall be prepared pursuant to negotiations and shall contain all provisions on which there is mutual agreement between the municipalities. The agreement shall establish procedures for amendment, termination and withdrawal. The negotiations shall include an opportunity for public participation. The agreement shall be approved by each municipality that is a party to the agreement by resolution of the legislative body.

(d) The municipality in which real property with new economic development is located that is subject to shared revenue pursuant to an agreement under this section shall maintain a separate list describing such properties. The mill rate used to determine the amount of taxes imposed on such new economic development shall be the mill rate of the municipality in which the development is located.

Sec. 2. (NEW) (Effective October 1, 2009) The board of directors of each federal economic development district, established under 42 USC
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3171, shall send a copy of the regional economic development plan for such district to the Secretary of the Office of Policy and Management. The secretary shall approve such plan not more than thirty days after receipt of such plan.

Sec. 3. (NEW) (Effective October 1, 2009) The municipalities that are parties to a regional economic development agreement entered into and approved under the provisions of section 1 of this act shall send a copy of such agreement to the Secretary of the Office of Policy and Management. Not more than thirty days after receipt of such agreement the secretary shall make a written determination as to whether or not the agreement is consistent with the requirements of said section 1. The secretary shall send a copy of the determination to each municipality that is a party to the agreement and the Commissioner of Revenue Services.

Sec. 4. (NEW) (Effective July 1, 2010) Notwithstanding the provisions of the general statutes, the Commissioner of Revenue Services and each municipality participating in an agreement entered into and approved under the provisions of section 1 of this act that has been determined by the Secretary of the Office of Policy and Management to be consistent with said section 1 shall enter into a memorandum of understanding to segregate a portion of the sales and use tax under chapter 219 of the general statutes that is derived from items or transactions occurring on or after July 1, 2010, in the municipalities that are parties to the agreement. Such segregated funds shall be allocated to the municipalities that are parties to the agreement on a per capita basis, as established by the last annual population estimate by the Department of Public Health for each such municipality, and expended for such purposes as are jointly determined by the municipalities.

Sec. 5. Section 4-124d of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2009):

The council shall consider such matters of a public nature common
to two or more members of the council as it deems appropriate, including matters affecting transportation and the health, safety, welfare, education and economic conditions of the area comprised by its members. The council shall identify opportunities and obstacles to interlocal agreements that promote regional cooperation. The council shall promote cooperative arrangements, including regional economic development agreements between towns entered into pursuant to section 1 of this act, and coordinate action among its members and make recommendations therefor to the members and such other public agencies as exist or perform functions within the region or regions.

Sec. 6. (NEW) (Effective July 1, 2010) (a) As used in this section, "hotel" and "lodging house" have the same meanings as provided in section 12-407 of the general statutes.

(b) The municipalities that are parties to an agreement entered into and approved under the provisions of section 1 of this act may, by ordinance adopted by the legislative body of each municipality, or, in the case of a municipality in which the legislative body is a town meeting, by the board of selectmen, establish a tax upon the transfer of occupancy of any room or rooms in a hotel or lodging house of not more than one per cent of the total amount of rent for each such occupancy occurring on or after July 1, 2010. Any tax imposed pursuant to this section shall be in addition to any state tax imposed on the same activity. Amounts collected from such tax shall be allocated to the municipalities that are parties to the agreement entered into and approved under the provisions of section 1 of this act on a per capita basis, as established by the last annual population estimate by the Department of Public Health for each municipality, and expended for such purposes as are jointly determined by the municipalities.

(c) Any tax imposed under the provisions of this section shall be collected and administered by the Department of Revenue Services, in accordance with the provisions of a memorandum of understanding entered into by the department and each municipality in which such tax is imposed.
This act shall take effect as follows and shall amend the following sections:

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<td>4-124d</td>
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**FIN**  Joint Favorable Subst.