



# House of Representatives

**File No. 823**

General Assembly

January Session, 2011

**(Reprint of File No. 192)**

House Bill No. 5780  
As Amended by  
House Amendment Schedule "A"

Approved by the Legislative Commissioner  
May 20, 2011

## **AN ACT CONCERNING INTERLOCAL AGREEMENTS.**

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

1 Section 1. Section 7-148cc of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2011*):

3 Two or more municipalities may jointly perform any function that  
4 each municipality may perform separately under any provisions of the  
5 general statutes or of any special act, charter or home rule ordinance  
6 by entering into an interlocal agreement pursuant to sections 7-339a to  
7 7-339l, inclusive, as amended by this act. [Each participating  
8 municipality shall approve any agreement entered into pursuant to  
9 this section in the same manner as an ordinance is approved in such  
10 participating municipality or, if no ordinances are approved by such  
11 participating municipality, in the same manner as the budget is  
12 approved. The terms of each agreement shall establish a process for  
13 withdrawal from such agreement and shall require that the agreement  
14 be reviewed at least once every five years by the body that approved  
15 the agreement to assess the effectiveness of such agreement in

16 enhancing the performance of the function that is the subject of the  
17 agreement.] As used in this section, "municipality" means any  
18 municipality, as defined in section 7-187, [or] any district, as defined in  
19 section 7-324, any metropolitan district or any municipal district  
20 created under section 7-330 and located within the state of  
21 Connecticut.

22 Sec. 2. Section 7-339a of the general statutes is repealed and the  
23 following is substituted in lieu thereof (*Effective October 1, 2011*):

24 As used in sections 7-339a to 7-339l, inclusive, as amended by this  
25 act, unless a different meaning clearly appears from the context:  
26 "Public agency" means any [city, town or borough or any district as  
27 defined in section 7-324 or any metropolitan district or any municipal  
28 district created under section 7-330] municipality, as defined in section  
29 7-148cc, as amended by this act, of the state of Connecticut, and any  
30 local governmental unit, subdivision or special district of another state;  
31 "interlocal agreement" means an agreement entered into pursuant to  
32 said sections; "interlocal advisory board" means a board established  
33 pursuant to said sections; "participating public agency" means a party  
34 to an interlocal agreement; "legislative body" has the meaning assigned  
35 to it by section 1-1 but, where the legislative body is the town meeting,  
36 the requirements of said sections as to [holding public hearings by a  
37 legislative body] providing the opportunity for public comment shall  
38 not apply.

39 Sec. 3. Subsection (a) of section 7-339b of the general statutes is  
40 repealed and the following is substituted in lieu thereof (*Effective*  
41 *October 1, 2011*):

42 (a) Any public agency of this state may participate in developing  
43 and implementing interlocal agreements with any public agency or  
44 agencies of this state or any other state or states providing for any of  
45 the following:

46 [(1) The exchange, furnishing or providing by one or more of the  
47 participating public agencies to one or more of the other participating

48 public agencies, or the furnishing or providing for the joint use or  
49 benefit of the several participating public agencies, of services,  
50 personnel, facilities, equipment or any other property or resources for  
51 any one or more of the following purposes or uses: Fire prevention and  
52 fire fighting; police protection and police services; supply of water, gas  
53 or electricity; garbage collection and disposal; sewer lines and sewage  
54 treatment and disposal; refuse collection and disposal, and  
55 establishment or use of public dumps; storm drainage; establishment  
56 or use of airports or landing fields; public entertainment and  
57 amusement; establishment or use of parks, public gardens,  
58 gymnasiums, playgrounds, swimming pools, community centers,  
59 recreation centers or other recreational areas or facilities; establishment  
60 and preservation of open spaces; control of air and water pollution;  
61 planning services; engineering services; lighting; ambulance service;  
62 fire and police radio and communication systems, hospital service;  
63 public health services; mental health services; establishment or care of  
64 cemeteries; library or bookmobile services; suppression or control of  
65 plant and animal pests or diseases; flood control; water conservation;  
66 public shade tree protection services; traffic services; transportation  
67 services; redevelopment services, and publicizing the advantages of  
68 the region.]

69 (1) The joint performance of any function that each participating  
70 public agency may perform separately under any provision of the  
71 general statutes or of any special act, charter or home rule ordinance.

72 (2) The establishment of an interlocal advisory board or boards to  
73 recommend programs and policies for cooperative or uniform action in  
74 any fields of activity permitted or authorized hereunder for each  
75 participating public agency, and from time to time to advise with the  
76 appropriate officials of the participating public agencies in respect to  
77 such programs, policies or fields of activity.

78 (3) The establishment and maintenance of interlocal employees or  
79 officers of the participating public agencies for the purpose of  
80 administering or assisting in any of the undertakings contemplated by

81 subdivision (1) [hereof] of this subsection or for the purpose of  
82 performing services for an interlocal advisory board as authorized by  
83 subdivision (2) [hereof] of this subsection. Such employees or officers,  
84 if not continuing in or eligible for the merit system, insurance and  
85 pension benefits and status of employment with a participating public  
86 agency, may continue in such status or be made eligible therefor if the  
87 interlocal agreement contains appropriate provisions to this effect. An  
88 interlocal advisory board may enter into an agreement with the federal  
89 Secretary of Health and Human Services to provide Old Age and  
90 Survivors Insurance coverage to employees of such board.

91 Sec. 4. Section 7-339c of the general statutes is repealed and the  
92 following is substituted in lieu thereof (*Effective October 1, 2011*):

93 [(a) The public agencies proposing an interlocal agreement shall  
94 submit to the legislative body of each participating public agency a  
95 copy of the proposed interlocal agreement as it may have prepared.  
96 Within thirty days after receipt thereof, the legislative body of each  
97 participating public agency shall hold at least one public hearing on  
98 the proposed agreement and, within fifteen days after such hearing, or  
99 the last of such hearings, submit to each other participating public  
100 agency any recommendations for changes in the proposed agreement  
101 that it may deem desirable.

102 (b) If no recommendations for changes are submitted to the public  
103 agency, the agreement shall be deemed final. If recommendations for  
104 changes are submitted within such time, after consideration thereof,  
105 the public agencies shall submit a final report to the legislative body of  
106 each participating public agency, together with a copy of its proposed  
107 agreement, if it has been revised in any respect.

108 (c) Within thirty days after an agreement has become final, it shall  
109 be either ratified or rejected by vote of the legislative body of each  
110 participating public agency. If, by any general or special law,  
111 ordinance, charter provision, bylaw, corporate article or district rule or  
112 regulation, any subject contained in an interlocal agreement must be

113 submitted to a referendum before being undertaken individually by  
114 such agency or jointly by such agency and any other public agency, the  
115 agreement shall be submitted to a referendum of the electors of such  
116 public agency and shall not be deemed ratified by such public agency  
117 until approved at such referendum.

118 (d) Unless an interlocal agreement requires ratification by a specific  
119 number of participating public agencies, it shall take effect as to  
120 ratifying agencies at such time as it shall provide, when ratified by any  
121 two participating agencies. Rejection by any participating agency shall  
122 not void an agreement as to other ratifying agencies, unless the  
123 agreement so provides.]

124 (a) Interlocal agreements shall be negotiated and shall contain all  
125 provisions on which there is mutual agreement between the  
126 participating public agencies. Such agreements shall establish a  
127 process for amendment, termination and withdrawal. The public  
128 agencies proposing an interlocal agreement shall submit to the  
129 legislative body of each participating public agency a copy of the  
130 proposed interlocal agreement for ratification or rejection. The  
131 legislative body of each participating public agency shall provide the  
132 opportunity for public comment before voting to ratify or reject such  
133 proposed agreement. For purposes of this section, providing the  
134 opportunity for public comment does not require a legislative body to  
135 conduct a public hearing.

136 (b) For any municipality in which the legislative body is the town  
137 meeting, such legislative body may, by resolution, vote to delegate its  
138 authority to ratify or reject a proposed interlocal agreement to the  
139 board of selectmen, provided such board of selectmen provides the  
140 opportunity for public comment in accordance with this section.

141 Sec. 5. Subsection (a) of section 12-62q of the general statutes is  
142 repealed and the following is substituted in lieu thereof (*Effective*  
143 *October 1, 2011*):

144 (a) Notwithstanding the provisions of subdivision (1) of subsection

145 (b) of section 12-62, any two or more towns may enter into an  
 146 agreement, as provided in section 7-148cc, as amended by this act, and  
 147 sections 7-339a to 7-339l, inclusive, as amended by this act, to establish  
 148 a regional revaluation program. Towns participating in such an  
 149 agreement shall provide for the revaluation of all parcels of real  
 150 property encompassed within such towns at the same time and not  
 151 less than once every five years, or shall annually revalue  
 152 approximately one-fifth of all such parcels over a five-year period.

153 Sec. 6. Section 7-339f of the general statutes is repealed. (*Effective*  
 154 *from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	7-148cc
Sec. 2	<i>October 1, 2011</i>	7-339a
Sec. 3	<i>October 1, 2011</i>	7-339b(a)
Sec. 4	<i>October 1, 2011</i>	7-339c
Sec. 5	<i>October 1, 2011</i>	12-62q(a)
Sec. 6	<i>from passage</i>	Repealer section

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

Municipalities	Effect	FY 12 \$	FY 13 \$
Various Municipalities	Potential Savings	See Below	See Below

**Explanation**

The bill's enactment may facilitate inter-municipal financial collaboration and lead to reduced costs for various towns and other municipal bodies to the extent that economies of scale are achieved in the purchasing of goods or services. Actual savings would depend upon the magnitude and value of any good or service purchased under such collaboration, and efficiencies achieved, which cannot be determined in advance. It is anticipated that any municipality seeking to enter into a collaborative venture will factor the costs of providing for public comment, and a vote by its legislative body, into its decision making process before pursuing a proposed agreement.

Additional savings would result in response to eliminating the need to hold at least one public hearing when interlocal agreements are proposed. This would preclude costs of publishing notices for public hearings (required), which can vary from \$25 - \$35 for a simple notice to more than \$1,000 for a more complex notice. Also precluded would be an additional cost of at least \$500 if the municipality would have chosen to utilize transcription services for the meeting.

The bill would also eliminate the need to hold a referendum in certain instances. The cost to conduct a referendum can vary from

\$1,000 for a small town to over \$50,000 for the largest cities.

House "A" authorizes the legislative body of a municipality, in which the legislative body is the town meeting, to vote to delegate its authority to ratify or reject a proposed interlocal agreement to the board of selectmen, provided the board provides opportunity for public comment. This may result in averted costs to any such municipality seeking to voluntarily enter into an interlocal agreement, as it may preclude a vote of the legislative body. Over 90 municipalities in Connecticut have a town meeting form of government. Costs of holding a town meeting are estimated at \$1,200 - \$2,000.

The amendment also makes a conforming change that has no associated fiscal impact.

### ***The Out Years***

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

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**OLR Bill Analysis****HB 5780 (as amended by House "A")\*****AN ACT CONCERNING INTERLOCAL AGREEMENTS.****SUMMARY:**

This bill establishes a single process through which towns can collaborate on municipal functions. Under current law, towns and municipal bodies can enter into (1) a joint agreement to perform jointly any function the law allows them to perform individually or (2) an interlocal agreement to collaborate on specified municipal functions and services. The bill eliminates the joint agreement process and allows them to collaborate on any function the law allows them to perform individually using the statutory process for interlocal agreements. It also explicitly allows consolidated towns and cities and consolidated towns and boroughs to enter into these agreements.

Current law requires interlocal agreements to address certain procedural issues. The bill eliminates these required components, thus giving towns more discretion in negotiating their provisions. It also streamlines the process for approving these agreements and makes a conforming change.

\*House Amendment "A" exempts municipalities with a town meeting form of government from the public comment requirement and allows the legislative bodies of such municipalities to delegate their authority to approve an interlocal agreement to the board of selectmen.

EFFECTIVE DATE: October 1, 2011, except the repeal of required provisions in interlocal agreements is effective upon passage.

**INTERLOCAL AGREEMENTS**

**Services and Functions**

Under current law, towns and other municipal bodies can enter into interlocal agreements with each other or their counterparts in other states to perform anything on a specific, but wide ranging, list of municipal functions and services. The bill allows them to enter into these agreements to perform jointly any function any statute, special act, charter, or home-rule ordinance allows them to perform individually.

**Required Provisions**

Current law requires interlocal agreements to address various procedural issues, including:

1. maximum duration of the agreement, which cannot exceed 40 years;
2. payment for services, personnel, facilities, and equipment;
3. employee indemnification;
4. the role of any interlocal advisory board the agreement establishes; and
5. dispute resolution.

The bill repeals these requirements and instead requires that the agreements be negotiated by the participants and (1) include all mutually agreed upon provisions and (2) establish a process for amending, terminating, or withdrawing from the agreements.

**Approval Process**

Current law specifies how the participants must enter into an interlocal agreement and the timeframe for doing so. It requires participants to submit the proposed agreement to their local legislative bodies, which must, within specified timeframes, each hold at least one public hearing on the proposal, consider changes, and approve or reject the final proposal.

The bill instead requires participants to submit the proposed agreement to their legislative bodies which must, after providing an opportunity for public comment, vote to ratify or reject it. The bill specifies that the legislative bodies are not required to hold a public hearing to provide an opportunity for public comment.

The bill exempts from the public comment requirement any municipality where the legislative body is the town meeting. It allows the legislative body of such towns, by resolution, to vote to delegate its authority to ratify or reject a proposed interlocal agreement to the board of selectmen, provided the board provides an opportunity for public comment.

Under current law, unless an agreement requires ratification by a specific number of participants, it takes effect for the ratifying participants when the agreement provides. Rejection by any participating agency does not void an agreement as to other ratifying agencies, unless the agreement so provides. The bill eliminates these provisions.

The bill also eliminates the specific requirement that voters approve the agreement at a referendum before it is considered ratified if, pursuant to state or local law, any subject contained in such agreement must be submitted to a referendum before being undertaken individually or jointly.

### **JOINT AGREEMENTS FOR MUNICIPAL SERVICES**

The bill eliminates the joint agreement process. Current law requires a town entering into such an agreement to approve it in the same manner it approves ordinances or, if the participant does not approve ordinances, in the manner it approves budgets. The terms of each agreement must include (1) a process for withdrawal and (2) a requirement that the approving body review the agreement at least once every five years to assess whether it improves the functions it addresses.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea 20 Nay 0 (03/07/2011)