



House of Representatives

General Assembly

File No. 197

January Session, 2011

House Bill No. 6412

House of Representatives, March 24, 2011

The Committee on Planning and Development reported through REP. GENTILE of the 104th 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. Subsection (b) of section 4-66g of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2011*):

4 (b) The proceeds of the sale of said bonds, to the extent of the
5 amount stated in subsection (a) of this section, shall be used by the
6 Office of Policy and Management for a small town economic assistance
7 program the purpose of which shall be to provide grants-in-aid to any
8 municipality [that] or group of municipalities, provided the
9 municipality and each municipality that is part of a group of
10 municipalities is not economically distressed within the meaning of
11 subsection (b) of section 32-9p, does not have an urban center in any
12 plan adopted by the General Assembly pursuant to section 16a-30 and
13 is not a public investment community within the meaning of
14 subdivision (9) of subsection (a) of section 7-545. Such grants shall be

15 used for purposes for which funds would be available under section 4-
 16 66c. No municipality or group of municipalities may receive more than
 17 five hundred thousand dollars in any one fiscal year under said
 18 program. Notwithstanding the provisions of this subsection and
 19 section 4-66c, a municipality that is (1) a distressed municipality within
 20 the meaning of subsection (b) of section 32-9p or a public investment
 21 community within the meaning of subdivision (9) of subsection (a) of
 22 section 7-545, and (2) otherwise eligible under this subsection for the
 23 small town economic assistance program may elect to be eligible for
 24 said program or be eligible for said program as part of a group of
 25 municipalities in lieu of being eligible for financial assistance under
 26 section 4-66c, by a vote of its legislative body or, in the case of a
 27 municipality in which the legislative body is a town meeting, its board
 28 of selectmen, and submitting a written notice of such vote to the
 29 Secretary of the Office of Policy and Management. Any such election
 30 shall be for the four-year period following submission of such notice to
 31 the secretary and may be extended for additional four-year periods in
 32 accordance with the same procedure for the initial election.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	4-66g(b)

PD *Joint Favorable*

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: None

Explanation

The bill has no fiscal impact because it does not authorize any additional General Obligation (GO) bonds. Allocations for the Small Town Economic Assistance Program (STEAP) made through the State Bond Commission are shown in the table below. The unallocated balance for the STEAP program as of March 18, 2011 is \$20 million.

State Bond Commission Allocations for STEAP	
<u>Fiscal Year</u>	<u>Amount</u>
FY 02	\$ 20 million
FY 03	\$ 20 million
FY 05	\$ 20 million
FY 06	\$ 20 million
FY 07	\$ 20 million
FY 08	\$ 20 million
FY 10	\$ 20 million
FY 11	\$ 20 million
Total	\$ 160 million

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**HB 6412*****AN ACT CONCERNING THE SMALL TOWN ECONOMIC ASSISTANCE PROGRAM.*****SUMMARY:**

This bill makes groups of municipalities eligible for Small Town Economic Assistance Program (STEAP) grants, as long as each municipality that is a member of the group is otherwise eligible for the grants. STEAP provides economic assistance to municipalities that do not qualify for the Urban Action grant program, which is geared mainly for cities and economically distressed towns. By law, distressed municipalities or public investment communities eligible for both programs can opt to participate in STEAP by following certain procedures. The bill also makes such municipalities eligible 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: October 1, 2011

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 20 Nay 0 (03/07/2011)