



House of Representatives

File No. 833

General Assembly

January Session, 2011

(Reprint of File No. 197)

House Bill No. 6412
As Amended by House
Amendment Schedule "A"

Approved by the Legislative Commissioner
May 23, 2011

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2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

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 group of municipalities may receive an amount exceeding in
 17 the aggregate five hundred thousand dollars per municipality in such
 18 group in any one fiscal year under said program. No individual
 19 municipality may receive more than five hundred thousand dollars in
 20 any one fiscal year under said program, except that any municipality
 21 that receives a grant under said program as a member of a group of
 22 municipalities shall continue to be eligible to receive an amount equal
 23 to five hundred thousand dollars less the amount of such
 24 municipality's proportionate share of such grant. Notwithstanding the
 25 provisions of this subsection and section 4-66c, a municipality that is
 26 (1) a distressed municipality within the meaning of subsection (b) of
 27 section 32-9p or a public investment community within the meaning of
 28 subdivision (9) of subsection (a) of section 7-545, and (2) otherwise
 29 eligible under this subsection for the small town economic assistance
 30 program may elect to be eligible for said program individually or as
 31 part of a group of municipalities in lieu of being eligible for financial
 32 assistance under section 4-66c, by a vote of its legislative body or, in
 33 the case of a municipality in which the legislative body is a town
 34 meeting, its board of selectmen, and submitting a written notice of
 35 such vote to the Secretary of the Office of Policy and Management.
 36 Any such election shall be for the four-year period following
 37 submission of such notice to the secretary and may be extended for
 38 additional four-year periods in accordance with the same procedure
 39 for the initial election.

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

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

House "A" clarifies the total STEAP grant-in-aid amount that may be received in one year by: (1) a group of municipalities and (2) a municipality that is a member of a group. This has no fiscal impact because it does not authorize additional GO bonds for the STEAP program.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**HB 6412 (as amended by House "A")******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 meant 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.

Current law caps the total STEAP grant amount a municipality can receive each fiscal year at \$500,000. The bill extends this cap to each municipality in the group and specifies that any municipality that receives a grant as part of a group is still eligible to receive STEAP grants equal to the difference between its proportionate share of the group grant and the \$500,000 cap.

*House Amendment "A" (1) applies the \$500,000 cap to each municipality in the group, rather than the group as a whole; (2) adds the provision allowing municipalities that receive a grant as part of a group to be eligible for other STEAP grants; and (3) changes the effective date from October 1, 2011 to upon passage.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 20 Nay 0 (03/07/2011)