



House of Representatives

General Assembly

File No. 360

January Session, 2011

Substitute House Bill No. 6528

House of Representatives, April 4, 2011

The Committee on Commerce reported through REP. BERGER of the 73rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING BONDING FOR BROWNFIELDS.

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

1 Section 1. (*Effective July 1, 2011*) (a) For the purposes described in
2 subsection (b) of this section, the State Bond Commission shall have
3 the power from time to time to authorize the issuance of bonds of the
4 state in one or more series and in principal amounts not exceeding in
5 the aggregate one hundred thirty million dollars, provided twenty-five
6 million dollars shall be effective July 1, 2012; ten million dollars shall
7 be effective July 1, 2013; ten million dollars shall be effective July 1,
8 2014; ten million dollars shall be effective July 1, 2015; ten million
9 dollars shall be effective July 1, 2016; ten million dollars shall be
10 effective July 1, 2017; ten million dollars shall be effective July 1, 2018;
11 ten million dollars shall be effective July 1, 2019; and ten million
12 dollars shall be effective July 1, 2020.

13 (b) The proceeds of the sale of said bonds, to the extent of the
14 amount stated in subsection (a) of this section, shall be used by the
15 Department of Economic and Community Development for the

16 purpose of providing funding to the Office of Brownfield Remediation
17 and Development established pursuant to section 32-9cc of the general
18 statutes to fund projects prioritized on the state-wide inventory
19 developed pursuant to section 32-9cc of the general statutes, as
20 amended by this act.

21 (c) All provisions of section 3-20 of the general statutes, or the
22 exercise of any right or power granted thereby, which are not
23 inconsistent with the provisions of this section are hereby adopted and
24 shall apply to all bonds authorized by the State Bond Commission
25 pursuant to this section, and temporary notes in anticipation of the
26 money to be derived from the sale of any such bonds so authorized
27 may be issued in accordance with said section 3-20 and from time to
28 time renewed. Such bonds shall mature at such time or times not
29 exceeding twenty years from their respective dates as may be provided
30 in or pursuant to the resolution or resolutions of the State Bond
31 Commission authorizing such bonds. None of said bonds shall be
32 authorized except upon a finding by the State Bond Commission that
33 there has been filed with it a request for such authorization which is
34 signed by or on behalf of the Secretary of the Office of Policy and
35 Management and states such terms and conditions as said commission,
36 in its discretion, may require. Said bonds issued pursuant to this
37 section shall be general obligations of the state and the full faith and
38 credit of the state of Connecticut are pledged for the payment of the
39 principal of and interest on said bonds as the same become due, and
40 accordingly and as part of the contract of the state with the holders of
41 said bonds, appropriation of all amounts necessary for punctual
42 payment of such principal and interest is hereby made, and the State
43 Treasurer shall pay such principal and interest as the same become
44 due.

45 Sec. 2. Subsection (b) of section 32-9cc of the general statutes is
46 repealed and the following is substituted in lieu thereof (*Effective July*
47 *1, 2011*):

48 (b) The office shall:

49 (1) Develop procedures and policies for streamlining the process for
50 brownfield remediation and development;

51 (2) Identify existing and potential sources of funding for brownfield
52 remediation and develop procedures for expediting the application for
53 and release of such funds;

54 (3) Establish an office to provide assistance and information
55 concerning the state's technical assistance, funding, regulatory and
56 permitting programs;

57 (4) Provide a single point of contact for financial and technical
58 assistance from the state and quasi-public agencies;

59 (5) Develop a common application to be used by all state and quasi-
60 public entities providing financial assistance for brownfield
61 assessment, remediation and development; [and]

62 (6) [Identify] Develop and prioritize a state-wide inventory of
63 brownfield development opportunities, using priority criteria that
64 includes, but is not limited to, economic development viability,
65 geographic diversity and environmental urgency; and

66 (7) Develop and execute a communication and outreach program to
67 educate municipalities, economic development agencies, property
68 owners and potential property owners and other organizations and
69 individuals with regard to state policies and procedures for brownfield
70 remediation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2011	New section
Sec. 2	July 1, 2011	32-9cc(b)

CE Joint Favorable Subst.

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:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill authorizes a total of \$130 million in General Obligation (GO) bonds over 10 years. The total General Fund debt service cost of \$130 million over 20 years assuming a 5% interest rate is \$198.3 million (\$68.3 million in interest and \$130 million in principal).

The bill requires the Office of Brownfield Remediation at the Department of Economic and Community Development (DECD) to develop an inventory of brownfield development opportunities and administer bonding funds for such projects. It is anticipated that DECD can implement the bill at no additional cost.

Background

The table below shows the amount of GO bonds authorized and available for allocation through the State Bond Commission (SBC) in each fiscal year or in any subsequent year. The first year that the state will experience debt service costs associated with the bonds depends on when they are allocated through the SBC and when the funds are expended.

GO Bonds Authorized for Brownfield Remediation and Development in sHB 6528 (\$-millions)	
Fiscal Year	Authorization

GO Bonds Authorized for Brownfield Remediation and Development in sHB 6528 (\$-millions)	
Fiscal Year	Authorization
FY 12	25.0
FY 13	25.0
FY 14	10.0
FY 15	10.0
FY 16	10.0
FY 17	10.0
FY 18	10.0
FY 19	10.0
FY 20	10.0
FY 21	10.0
Total	130.0

The Out Years

State Impact:

The General Fund fiscal impact identified above would continue into the future for the term of issuance of the bonds.

Municipal Impact: None

OLR Bill Analysis

sHB 6528

AN ACT CONCERNING BONDING FOR BROWNFIELDS.

SUMMARY:

Current law requires the Office of Brownfield Remediation and Development (OBRD) to identify and rank contaminated sites for cleanup and redevelopment (i.e., “brownfield opportunities”). This bill requires OBRD to rank these sites based on criteria that must include economic development viability, geographic diversity, and environmental urgency. It also specifies that OBRD must develop an inventory of the sites.

The bill authorizes up to \$130 million in bonds over 10 years to fund the cleanup and remediation of these sites. It authorizes up to \$25 million annually in FY 12 and FY 13 and up to \$10 million in each of the next eight fiscal years.

EFFECTIVE DATE: July 1, 2011

BACKGROUND

OBRD

OBRD is a unit of the Department of Economic and Community Development that provides financial and technical assistance for cleaning up and redeveloping brownfields. Its duties include:

1. developing procedures and policies for streamlining the clean-up process;
2. identifying funding sources and creating new ones for this purpose and helping municipalities and economic development agencies access them;

3. establishing an office to provide information about the state's funding, regulatory, permitting, technical assistance programs;
4. providing a single contact point for obtaining financial and technical assistance from state and quasi-public agencies;
5. developing an application form all funding agencies can use; and
6. educating property owners and developers about state policies and procedures for cleaning up brownfields.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/17/2011)