



General Assembly

January Session, 2015

Committee Bill No. 188

LCO No. 5796



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

***AN ACT CONCERNING MUNICIPAL MANDATE RELIEF AND
AUTHORIZING DISTRESSED MUNICIPALITIES TO FUND
SCHOLARSHIPS THROUGH MUNICIPAL BONDING.***

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

1 Section 1. Section 1-2 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) Each provision of the general statutes, the special acts or the
4 charter of any town, city or borough which requires the insertion of an
5 advertisement of a legal notice in a daily newspaper shall be construed
6 to permit such advertisement to be inserted in a weekly newspaper or
7 on an Internet web site in accordance with subsection (b) of this
8 section; but this section shall not be construed to reduce or otherwise
9 affect the time required by law for giving such notice. Whenever notice
10 of any action or other proceeding is required to be given by
11 publication in a newspaper, either by statute or order of court, the
12 newspaper selected for that purpose, unless otherwise expressly
13 prescribed, shall be one having a substantial circulation in the town in
14 which at least one of the parties, for whose benefit such notice is given,
15 resides.

16 (b) Notwithstanding any provision of the general statutes, any
17 town, city or borough may post any advertisement of a legal notice
18 described in subsection (a) of this section in a conspicuous place on
19 such town's, city's or borough's Internet web site in lieu of insertion of
20 such advertisement in a daily or weekly newspaper.

21 Sec. 2. Subsection (a) of section 45a-8 of the general statutes is
22 repealed and the following is substituted in lieu thereof (*Effective*
23 *October 1, 2015*):

24 (a) The town or towns comprising each probate district shall
25 provide court facilities meeting the minimum standards required by
26 this section. Any expenses incurred by such town or towns for such
27 court facilities pursuant to this section shall be reimbursed to such
28 town or towns by the State Treasurer from the Probate Court
29 Administration Fund established pursuant to section 45a-82. If a
30 probate district consists of more than one town, the expense shall be
31 allocated to the towns in such proportion as the towns may determine
32 by agreement or, in the absence of such agreement, in proportion to
33 their grand lists last perfected. Such court facilities shall include: (1)
34 Office space appropriate for the conduct of judicial business, including
35 (A) a room for the judge of probate sufficient in size for ordinary
36 matters in which judicial proceedings may be conducted in private, (B)
37 a separate room for the court staff, and (C) on a prearranged basis,
38 access to a larger hearing room for the conduct of unusually large
39 court hearings; (2) furniture and furnishings appropriate to a court
40 facility; (3) use and maintenance of a copying machine and the
41 necessary supplies; (4) use and maintenance of court record systems
42 and equipment, including such record books and electronic, digital,
43 microfilming or similar systems required to maintain, provide access
44 to and produce court records, and the necessary supplies for such
45 systems, equipment and records; (5) the necessary stationery, postage
46 and other related supplies in order that the court may properly carry
47 out its duties; (6) typing equipment with which to complete the
48 necessary records; (7) basic telephone service, which shall include all

49 local calls; (8) if a court is computerized, a dedicated telephone line
50 and maintenance of the computer equipment; and (9) adequate
51 liability, fire, loss, theft and replacement insurance on the furniture,
52 furnishings, equipment, court facilities and the records of the court.

53 Sec. 3. Subsection (b) of section 12-202a of the general statutes is
54 repealed and the following is substituted in lieu thereof (*Effective from*
55 *passage*):

56 (b) Notwithstanding the provisions of subsection (a) of this section,
57 the tax shall not apply to:

58 (1) Any new or renewal contract or policy entered into with the state
59 on or after July 1, 1997, to provide health care coverage to state
60 employees, retirees and their dependents;

61 (2) Any subscriber charges received from the federal government to
62 provide coverage for Medicare patients;

63 (3) Any subscriber charges received under a contract or policy
64 entered into with the state to provide health care coverage to Medicaid
65 recipients which charges are attributable to a period on or after
66 January 1, 1998;

67 (4) Any new or renewal contract or policy entered into with the state
68 on or after April 1, 1998, to provide health care coverage to eligible
69 beneficiaries under the HUSKY Plan, Part A, HUSKY Plan, Part B, or
70 HUSKY Plus programs, each as defined in section 17b-290;

71 (5) Any new or renewal contract or policy entered into with the state
72 on or after February 1, 2000, to provide health care coverage to retired
73 teachers, spouses or surviving spouses covered by plans offered by the
74 state teachers' retirement system;

75 (6) Any new or renewal contract or policy entered into on or after
76 July 1, 2001, and prior to July 1, 2015, to provide health care coverage
77 to employees of a municipality and their dependents under a plan

78 procured pursuant to section 5-259;

79 (7) Any new or renewal contract or policy entered into on or after
80 July 1, 2001, to provide health care coverage to employees of nonprofit
81 organizations and their dependents under a plan procured pursuant to
82 section 5-259;

83 (8) Any new or renewal contract or policy entered into on or after
84 July 1, 2003, to provide health care coverage to individuals eligible for
85 a health coverage tax credit and their dependents under a plan
86 procured pursuant to section 5-259;

87 (9) Any new or renewal contract or policy entered into on or after
88 July 1, 2005, to provide health care coverage to employees of
89 community action agencies and their dependents under a plan
90 procured pursuant to section 5-259; or

91 (10) Any new or renewal contract or policy entered into on or after
92 July 1, 2005, to provide health care coverage to retired members and
93 their dependents under a plan procured pursuant to section 5-259.

94 (11) Any new or renewal contract or policy entered into on or after
95 July 1, 2015, to provide health care coverage to municipal employees,
96 municipal retirees and dependents of such employees or retirees.

97 Sec. 4. (NEW) (*Effective October 1, 2015*) (a) Any distressed
98 municipality, as defined in section 32-9p of the general statutes, may,
99 upon approval by its legislative body or, in any municipality in which
100 the legislative body is a town meeting, by the board of selectmen,
101 adopt an ordinance establishing a scholarship fund. Such ordinance
102 shall include provisions for (1) the establishment of scholarship
103 eligibility requirements that include a requirement that the person
104 seeking the scholarship apply for every appropriate grant and
105 scholarship to offset postsecondary education expenses, enroll in a
106 degree-granting program at an institution of higher education that is
107 accredited by the Board of Governors of Higher Education or

108 regionally accredited, complete at least twelve credit hours per
109 semester and maintain a grade point average of at least 2.5; (2) the
110 establishment of scholarship retention requirements, that may include
111 performance of community service in such municipality; (3) the
112 establishment of a committee to review applications and award
113 scholarships from the fund; (4) the determination of factors to be
114 considered for revocation and reinstatement of a scholarship award;
115 (5) scholarship fund discontinuance; (6) limitation on the amount of
116 scholarship awards so that no such award shall exceed the annual rate
117 of tuition, room and board and fees charged to in-state students to
118 attend The University of Connecticut at Storrs, as provided in
119 subsection (b) of this section; and (7) allowing the fund to accept gifts,
120 donations, bequests or funds from any other private or public source.
121 The provisions of section 7-374 of the general statutes shall apply to
122 any bonds issued pursuant to this section.

123 (b) A distressed municipality may authorize the issuance of bonds,
124 notes or other obligations in accordance with the provisions of chapter
125 109 or 588c of the general statutes for the purpose of funding a
126 scholarship fund established pursuant to subsection (a) of this section
127 to provide money for tuition, room and board and fees for residents of
128 the municipality who are United States citizens or permanent residents
129 of the United States to attend a public or independent institution of
130 higher education in this state and who remain residents of such
131 municipality while attending such institution of higher education.
132 Registering to vote in a different municipality while attending an
133 institution of higher education shall not affect eligibility for a
134 scholarship award provided pursuant to this section. As a condition of
135 receiving a scholarship award pursuant to this section, the recipient
136 shall agree to work and live in this state for a certain number of years,
137 as determined by the municipality. If the recipient fails to satisfy such
138 agreement, the ordinance adopted pursuant to subsection (a) of this
139 section may require repayment of all or part of the scholarship award.

140 (c) Any scholarship for tuition, room and board and fees provided

141 pursuant to this section shall be paid directly to the institution of
142 higher education. The proceeds of bonds, notes or other obligations
143 issued pursuant to this section shall be paid into the fund created
144 pursuant to subsection (a) of this section.

145 (d) The budget-making authority of such municipality may, from
146 time to time, direct the town treasurer to invest such portion of such
147 fund as in its opinion is advisable, provided: (1) Not more than forty
148 per cent of the total amount of the fund shall be invested in equity
149 securities, and (2) any portion of such fund not so invested may be
150 invested in (A) bonds or obligations of, or guaranteed by, the state or
151 the United States, or agencies or instrumentalities of the United States,
152 (B) certificates of deposit, commercial paper, savings accounts and
153 bank acceptances, (C) the obligations of any state of the United States
154 or any political subdivision thereof or the obligations of any
155 instrumentality, authority or agency of any state or political
156 subdivision thereof, provided at the time of investment such
157 obligations are rated within the top rating category of any nationally
158 recognized rating service or of any rating service recognized by the
159 Banking Commissioner and applicable to such obligations, (D) the
160 obligations of any regional school district in this state, of any
161 municipality in this state or any metropolitan district in this state,
162 provided at the time of investment such obligations of such
163 government entity are rated within one of the top two rating categories
164 of any nationally recognized rating service or of any rating service
165 recognized by the Banking Commissioner and applicable to such
166 obligations, (E) any fund in which a trustee may invest pursuant to
167 section 36a-353 of the general statutes, (F) investment agreements with
168 financial institutions whose long-term obligations are rated within one
169 of the top two rating categories of any nationally recognized rating
170 service or of any rating service recognized by the Banking
171 Commissioner or whose short-term obligations are rated within the
172 top rating category of any nationally recognized rating service or of
173 any rating service recognized by the Banking Commissioner, or (G)
174 investment agreements fully secured by obligations of, or guaranteed

175 by, the United States or agencies or instrumentalities of the United
176 States.

177 (e) The town treasurer shall annually submit a complete and
178 detailed report of the condition of such fund to the chief executive
179 officer, the budget-making authority and the legislative body of such
180 municipality and such report shall be made a part of the annual report
181 of the municipality. Such report shall comply with the standard
182 auditing procedures of such municipality.

183 (f) Such fund may be discontinued after recommendation by the
184 chief executive officer and the budget-making authority to the
185 legislative body and upon approval of such body. To the extent there is
186 any remaining portion of such fund, the fund shall be converted into,
187 or added to, a sinking fund to provide for the retirement of the bonded
188 indebtedness of the municipality. If the municipality has no bonded
189 indebtedness, such fund shall be transferred to the general fund of the
190 municipality.

191 Sec. 5. (NEW) (*Effective October 1, 2015*) If a resident who enrolls in a
192 degree-granting program offered by a public institution of higher
193 education receives a scholarship from a fund established by an
194 ordinance pursuant to section 4 of this act, the public institution of
195 higher education shall not reduce any financial aid offered by such
196 institution of higher education to such resident based on such
197 resident's receipt of the scholarship, except when a reduction in
198 financial aid is required by federal law or regulation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	1-2
Sec. 2	<i>October 1, 2015</i>	45a-8(a)
Sec. 3	<i>from passage</i>	12-202a(b)
Sec. 4	<i>October 1, 2015</i>	New section
Sec. 5	<i>October 1, 2015</i>	New section

Statement of Purpose:

To eliminate certain municipal mandates and to authorize distressed municipalities to fund scholarships through municipal bonding.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. OSTEN, 19th Dist.; REP. ZIOBRON, 34th Dist.
REP. RILEY, 46th Dist.

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