



General Assembly

January Session, 2015

Committee Bill No. 677

LCO No. 5766



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

AN ACT ESTABLISHING TAX INCREMENT FINANCING DISTRICTS.

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

1 Section 1. (NEW) (*Effective October 1, 2015*) As used in sections 1 to 9,
2 inclusive, of this act unless the context otherwise requires:

3 (1) "Captured assessed value" means the amount, as a percentage or
4 stated sum, of increased assessed value that is utilized from year to
5 year to finance project costs pursuant to the district master plan.

6 (2) "Current assessed value" means the assessed value of all taxable
7 real property within a tax increment district as of October first of each
8 year that the tax increment district remains in effect.

9 (3) "District master plan" means a statement of means and objectives
10 prepared by the municipality relating to a tax increment district
11 designed to provide new employment opportunities, retain existing
12 employment, provide housing opportunities, improve or broaden the
13 tax base or construct or improve the physical facilities and structures
14 through the development of industrial, commercial, residential, retail
15 and mixed use, transit-oriented development, downtown development

16 or any combination thereof, as described in section 4 of this act.

17 (4) "Downtown" means a central business district or other
18 commercial neighborhood area of a community that serves as a center
19 of socioeconomic interaction in the community, characterized by a
20 cohesive core of commercial and mixed-use buildings, often
21 interspersed with civic, religious and residential buildings and public
22 spaces, that are typically arranged along a main street and intersecting
23 side streets and served by public infrastructure.

24 (5) "Financial plan" means a statement of the project costs and
25 sources of revenue required to accomplish the district master plan.

26 (6) "Increased assessed value" means the valuation amount by
27 which the current assessed value of a tax increment district exceeds the
28 original assessed value of the tax increment district. If the current
29 assessed value is equal to or less than the original assessed value, there
30 is no increased assessed value.

31 (7) "Maintenance and operation" means all activities necessary to
32 maintain facilities after they have been developed and all activities
33 necessary to operate such facilities, including, but not limited to,
34 informational, promotional and educational programs and safety and
35 surveillance activities.

36 (8) "Original assessed value" means the assessed value of all taxable
37 real property within a tax increment district as of October first of the
38 tax year preceding the year in which the tax increment district was
39 established by the legislative body of a municipality.

40 (9) "Project costs" means any expenditures or monetary obligations
41 incurred or expected to be incurred that are authorized by section 6 of
42 this act and included in a district master plan.

43 (10) "Tax increment" means real property taxes assessed by a
44 municipality upon the increased assessed value of property in the tax
45 increment district.

46 (11) "Tax increment district" means that area wholly within the
47 corporate limits of a municipality that has been established and
48 designated as such pursuant to section 2 of this act and that is to be
49 developed under a district master plan.

50 (12) "Tax year" means the period of time beginning on July first and
51 ending on the succeeding June thirtieth.

52 (13) "Transit" means transportation systems in which people are
53 conveyed by means other than their own vehicles, including, but not
54 limited to, bus systems, street cars, ferries, light rail and other rail
55 systems.

56 (14) "Transit facility" means a place providing access to transit
57 services, including, but not limited to, bus stops, bus stations,
58 interchanges on a highway used by one or more transit providers,
59 ferry landings, train stations, shuttle terminals and bus rapid transit
60 stops.

61 (15) "Transit-oriented development" means the development of
62 residential, commercial and employment centers within one-half mile
63 or walking distance of a transit facility, including rail and bus rapid
64 transit and services that meet transit supportive standards for land
65 uses, built environment densities and walkable environments, in order
66 to facilitate and encourage the use of those services. Transit-oriented
67 development includes, but is not limited to, transit vehicles such as
68 buses, ferries, vans, rail conveyances and related equipment; bus
69 shelters and other transit-related structures; benches, signs and other
70 transit-related infrastructure; bicycle lane construction and other
71 bicycle-related improvements; pedestrian improvements such as
72 crosswalks, crosswalk signals and warning systems and crosswalk
73 curb treatments and the industrial, commercial, residential, retail and
74 mixed-use portions of transit-oriented development projects.

75 Sec. 2. (NEW) (*Effective October 1, 2015*) (a) A municipal legislative
76 body may establish a tax increment district located wholly within the

77 boundaries of such municipality in accordance with the requirements
78 of sections 1 to 9, inclusive, of this act. If the municipality has a charter,
79 the establishment of such tax increment district may not be in conflict
80 with the provisions of such charter. Establishment of a tax increment
81 district is effective upon approval by the municipal legislative body
82 and upon adoption of a district master plan pursuant to section 4 of
83 this act.

84 (b) Within tax increment districts and consistent with the district
85 master plan, the municipality, in addition to powers granted to it
86 under the Constitution, the general statutes, any special act or sections
87 1 to 9, inclusive, of this act shall have the following powers:

88 (1) To acquire, construct, reconstruct, improve, preserve, alter,
89 extend, operate or maintain property or promote development
90 intended to meet the objectives of the district master plan. The
91 municipality may acquire property, land or easements through
92 negotiation or by other means authorized for municipalities under the
93 general statutes;

94 (2) To execute and deliver contracts, agreements and other
95 documents relating to the operation and maintenance of the tax
96 increment district;

97 (3) To issue bonds and other obligations of the municipality in
98 accordance with the provisions set forth in section 8 of this act;

99 (4) Acting through its board of selectmen, town council or other
100 governing body, to enter into written agreements with a taxpayer
101 fixing the assessment of real estate within a tax increment district,
102 provided (A) the term of such agreement shall not exceed fifteen years
103 from the date of the agreement; and (B) the assessment agreed on for
104 the real estate plus future improvements shall not be less than the
105 assessment of the real estate as of the last regular assessment date
106 without such future improvements. Any such agreement shall be
107 recorded on the land records in the municipality. Recording of the

108 agreement constitutes notice of the agreement to a subsequent
109 purchaser or encumbrancer of the property or any part of it, whether
110 voluntary or involuntary, and is binding upon a subsequent purchaser
111 or encumbrancer. If the municipality claims that the taxpayer is not
112 complying with the terms of such agreement, the municipality may
113 bring an action in the superior court for the judicial district in which
114 the municipality is located to force compliance with such agreement;

115 (5) Accept grants, advances, loans or other financial assistance from
116 the federal government, the state, private entities or any other source,
117 and do any and all things necessary or desirable to secure such
118 financial aid; and

119 (6) Upon such terms as the municipality determines, furnish service
120 or facilities, provide property, lend, grant or contribute funds, and take
121 any other action of a character that it is authorized to perform for other
122 purposes.

123 (c) The tax increment district may be dissolved, at any time, and the
124 boundaries of such district may be changed, at any time, by a vote of
125 the municipality's legislative body, except that the tax increment
126 district may not be dissolved nor may the boundaries of the tax
127 increment district be changed so long as any bonds or other
128 indebtedness authorized and issued under sections 1 to 9, inclusive, of
129 this act, except for general obligation bonds of the municipality
130 secured solely by the full faith and credit of the municipality, or any
131 other obligations authorized and incurred under sections 1 to 9,
132 inclusive, of this act remain outstanding.

133 Sec. 3. (NEW) (*Effective October 1, 2015*) Prior to the establishment of
134 a tax increment district and approval of a district master plan for such
135 tax increment district, the municipality shall (1) consider whether the
136 proposed tax increment district and district master plan will contribute
137 to the economic growth or well-being of the municipality or to the
138 betterment of the health, welfare or safety of the inhabitants of the
139 municipality; (2) at least thirty days prior to establishing a tax

140 increment district and approving the district master plan for such tax
141 increment district, transmit the district master plan to the planning
142 commission of the municipality, if any, requesting a study of the
143 district master plan and a written advisory opinion. Such written
144 advisory opinion shall include a determination on whether the plan is
145 consistent with the plan of conservation and development of the
146 municipality adopted under section 8-23 of the general statutes; (3)
147 hold at least one public hearing on the proposal to establish a tax
148 increment district. Notice of the hearing shall be published at least ten
149 days prior to the hearing in a newspaper having general circulation
150 within the municipality and shall include (A) the date, time and place
151 of such hearing, and (B) the boundaries of the proposed tax increment
152 district by legal description; and (4) determine whether the proposed
153 tax increment district meets the following conditions:

154 (A) A portion of the real property within a tax increment district
155 shall meet at least one of the following criteria: (i) Be a substandard,
156 insanitary, deteriorated, deteriorating or blighted area; (ii) be in need
157 of rehabilitation, redevelopment or conservation work; or (iii) be
158 suitable for industrial, commercial, residential, mixed-use or retail
159 uses, downtown development or transit-oriented development; and

160 (B) The original assessed value of a proposed tax increment district
161 plus the original assessed value of all existing tax increment districts
162 within the municipality may not exceed ten per cent of the total value
163 of taxable property within the municipality as of October first of the
164 year immediately preceding the establishment of the tax increment
165 district. Excluded from the calculation in this subdivision is any tax
166 increment district established on or after the effective date of sections 1
167 to 9, inclusive, of this act that consists entirely of contiguous property
168 owned by a single taxpayer. For the purpose of this subdivision,
169 "contiguous property" includes a parcel or parcels of land divided by a
170 road, power line, railroad line or right-of-way. A municipality may not
171 establish a tax increment district if the conditions in this subdivision
172 are not met.

173 Sec. 4. (NEW) (*Effective October 1, 2015*) (a) In connection with the
174 establishment of a tax increment district, the legislative body of a
175 municipality shall adopt a district master plan for each tax increment
176 district and a statement of the percentage or stated sum of increased
177 assessed value to be designated as captured assessed value in
178 accordance with such plan. The district master plan shall be adopted at
179 the same time that the tax increment district is established, as part of
180 the tax increment district adoption proceedings set forth in sections 1
181 to 9, inclusive, of this act.

182 (b) The district master plan shall include: (1) The boundaries of the
183 tax increment district by legal description; (2) a list of the tax
184 identification numbers for all lots or parcels within the tax increment
185 district; (3) a description of the present condition and uses of all land
186 and buildings within the tax increment district; (4) a description of the
187 public facilities, improvements or programs within the tax increment
188 district anticipated to be added and financed in whole or in part; (5) a
189 description of the industrial, commercial, residential, mixed-use or
190 retail improvements, downtown development or transit-oriented
191 development within the tax increment district anticipated to be
192 financed in whole or in part; (6) plans for the relocation of any persons
193 displaced by the anticipated development activities; (7) a financial plan
194 in accordance with subsection (c) of this section; (8) a plan for the
195 proposed maintenance and operation of the tax increment district after
196 the planned capital improvements are completed; and (9) the
197 maximum duration of the tax increment district, which may not exceed
198 a total of fifty tax years beginning with the tax year in which the tax
199 increment district is established.

200 (c) The financial plan for a district master plan shall include: (1) Cost
201 estimates for the public improvements and developments anticipated
202 in the district master plan; (2) the maximum amount of indebtedness to
203 be incurred to implement the district master plan; (3) sources of
204 anticipated revenues; (4) a description of the terms and conditions of
205 any agreements, including any anticipated assessment agreements,

206 contracts or other obligations related to the district master plan; (5)
207 estimates of increased assessed values of the tax increment district; and
208 (6) the portion of the increased assessed values to be applied to the
209 district master plan as captured assessed values and resulting tax
210 increments in each year of the plan.

211 (d) The district master plan may be amended from time to time by
212 the legislative body of the municipality. Such legislative body shall
213 review the district master plan at least once every ten years after the
214 initial approval of the tax increment district and the district master
215 plan in order for the tax increment district and the district master plan
216 to remain in effect. With respect to any district master plan that
217 includes development that is funded in whole or in part by federal
218 funds, the provisions of this subsection shall not apply to the extent
219 that such provisions are prohibited by federal law.

220 Sec. 5. (NEW) (*Effective October 1, 2015*) (a) In the district master
221 plan, the municipality may designate all or part of the tax increment
222 revenues generated from the increased assessed value of a tax
223 increment district for the purpose of financing all or part of the district
224 master plan. The amount of tax increment revenues to be designated is
225 determined by designating the captured assessed value, subject to any
226 assessment agreements.

227 (b) On or after the establishment of a tax increment district and the
228 adoption of a district master plan, the assessor of the municipality in
229 which it is located shall certify the original assessed value of the
230 taxable real property within the boundaries of the tax increment
231 district. Each year after the establishment of a tax increment district,
232 the municipal assessor shall certify the amount of (1) the current
233 assessed value; (2) the amount by which the current assessed value has
234 increased or decreased from the original assessed value, subject to any
235 assessment agreements; and (3) the amount of the captured assessed
236 value. Nothing in this subsection allows for unequal apportionment or
237 assessment of the taxes to be paid on real property in the municipality.

238 Subject to any assessment agreements, an owner of real property
239 within the tax increment district shall pay real property taxes
240 apportioned equally with property taxes paid elsewhere in the
241 municipality.

242 (c) If a municipality has designated captured assessed value under
243 subsection (a) of section 4 of this act:

244 (1) The municipality shall establish a district master plan fund that
245 consists of: (A) A project cost account that is pledged to and charged
246 with the payment of project costs that are outlined in the financial
247 plan, including the reimbursement of project cost expenditures
248 incurred by a public body, including the municipality, a developer,
249 any property owner or any other third-party entity, and are paid in a
250 manner other than as described in subparagraph (B) of this
251 subdivision; and (B) in instances of indebtedness issued by the
252 municipality in accordance with section 8 of this act to finance or
253 refinance project costs, a development sinking fund account that is
254 pledged to and charged with the (i) payment of the interest and
255 principal as the interest and principal fall due, including any
256 redemption premium; (ii) payment of the costs of providing or
257 reimbursing any provider of any guarantee, letter of credit, policy of
258 bond insurance or other credit enhancement device used to secure
259 payment of debt service on any such indebtedness; and (iii) funding
260 any required reserve fund;

261 (2) The municipality shall annually set aside all tax increment
262 revenues on captured assessed values and deposit all such revenues to
263 the appropriate district master plan fund account established under
264 subdivision (1) of this subsection in the following order of priority: (A)
265 To the development sinking fund account, an amount sufficient,
266 together with estimated future revenues to be deposited to the account
267 and earnings on the amount, to satisfy all annual debt service on the
268 indebtedness issued in accordance with section 8 of this act and the
269 financial plan, except for general obligation bonds of the municipality

270 secured solely by the full faith and credit of the municipality; and (B)
271 to the project cost account, all such remaining tax increment revenues
272 on captured assessed values;

273 (3) The municipality shall make transfers between district master
274 plan fund accounts established under subdivision (1) of this
275 subsection, provided the transfers do not result in a balance in either
276 account that is insufficient to cover the annual obligations of that
277 account; and

278 (4) The municipality may, at any time during the term of the tax
279 increment district, by vote of the municipal legislative body, return to
280 the municipal general fund any tax increment revenues remaining in
281 either account established under subdivision (1) of this subsection in
282 excess of those estimated to be required to satisfy the obligations of the
283 account after taking into account any transfer made under subdivision
284 (3) of this subsection.

285 Sec. 6. (NEW) (*Effective October 1, 2015*) Costs authorized for
286 payment from a district master plan fund, established pursuant to
287 section 5 of this act are limited to:

288 (1) Costs of improvements made within the tax increment district,
289 including, but not limited to, (A) capital costs, including, but not
290 limited to, (i) the acquisition or construction of land, improvements,
291 infrastructure, public ways, parks, buildings, structures, railings, street
292 furniture, signs, landscaping, plantings, benches, trash receptacles,
293 curbs, sidewalks, turnouts, recreational facilities, structured parking,
294 transportation improvements, pedestrian improvements and other
295 related improvements, fixtures and equipment for public use, (ii) the
296 acquisition or construction of land, improvements, infrastructure,
297 buildings, structures, including facades and signage, fixtures and
298 equipment for industrial, commercial, residential, mixed-use or retail
299 use or transit-oriented development, (iii) the demolition, alteration,
300 remodeling, repair or reconstruction of existing buildings, structures
301 and fixtures; (iv) environmental remediation; (v) site preparation and

302 finishing work; and (vi) all fees and expenses associated with the
303 capital cost of such improvements, including, but not limited to,
304 licensing and permitting expenses and planning, engineering,
305 architectural, testing, legal and accounting expenses; (B) financing
306 costs, including, but not limited to, closing costs, issuance costs,
307 reserve funds and capitalized interest; (C) real property assembly
308 costs; (D) costs of technical and marketing assistance programs; (E)
309 professional service costs, including, but not limited to, licensing,
310 architectural, planning, engineering, development and legal expenses;
311 (F) maintenance and operation costs; (G) administrative costs,
312 including, but not limited to, reasonable charges for the time spent by
313 municipal employees, other agencies or third-party entities in
314 connection with the implementation of a district master plan; (H)
315 relocation costs, including, but not limited to, relocation payments
316 made following condemnation; and (I) organizational costs relating to
317 the planning and the establishment of the tax increment district,
318 including, but not limited to, the costs of conducting environmental
319 impact and other studies and the costs of informing the public about
320 the creation of tax increment districts and the implementation of the
321 district master plan;

322 (2) Costs of improvements that are made outside the tax increment
323 district but are directly related to or are made necessary by the
324 establishment or operation of the tax increment district, including, but
325 not limited to, (A) that portion of the costs reasonably related to the
326 construction, alteration or expansion of any facilities not located within
327 the tax increment district that are required due to improvements or
328 activities within the tax increment district, including, but not limited
329 to, roadways, traffic signalization, easements, sewage treatment plants,
330 water treatment plants or other environmental protection devices,
331 storm or sanitary sewer lines, water lines, electrical lines,
332 improvements to fire stations, and street signs; (B) costs of public
333 safety and public school improvements made necessary by the
334 establishment of the tax increment district; and (C) costs of funding to
335 mitigate any adverse impact of the tax increment district upon the

336 municipality and its constituents; and

337 (3) Costs related to economic development, environmental
338 improvements or employment training associated with the tax
339 increment district, including, but not limited to, (A) economic
340 development programs or events related to the tax increment district;
341 (B) environmental improvement projects developed by the
342 municipality related to the tax increment district; (C) the establishment
343 of permanent economic development revolving loan funds, investment
344 funds and grants; and (D) services and equipment necessary for
345 employment skills development and training, including scholarships
346 to in-state educational institutions for jobs created or retained in the
347 tax increment district.

348 Sec. 7. (NEW) (*Effective October 1, 2015*) (a) (1) Notwithstanding any
349 provision of the general statutes, whenever the municipality
350 constructs, improves, extends, equips, rehabilitates, repairs, acquires or
351 provides a grant for any public improvements within a tax increment
352 district or finances the cost of such public improvements, the
353 proportion of such cost or estimated cost of such public improvements
354 and financing thereof as determined by the municipality may be
355 assessed by the municipality, as a benefit assessment, in the manner
356 prescribed by such municipality, upon the real property within the tax
357 increment district that is benefited by such public improvements. The
358 municipality may provide for the payment of such benefit assessments
359 in annual installments, not exceeding thirty years, and may forgive
360 such benefit assessments in any given year without causing the
361 remainder of installments of benefit assessments to be forgiven. Benefit
362 assessments on real property where buildings or structures are
363 constructed or expanded after the initial benefit assessment may be
364 assessed as if the new or expanded buildings or structures on such real
365 property had existed at the time of the original benefit assessment.

366 (2) The benefit assessments shall be adopted and revised by the
367 municipality at least annually not more than sixty days before the

368 beginning of the fiscal year. If the benefit assessments are assessed and
369 levied prior to the acquisition or construction of the public
370 improvements, the amount of the benefit assessments may be adjusted
371 to reflect the actual cost of such public improvements, including all
372 financing costs, once such public improvements are complete, if the
373 actual cost is greater than or less than the estimated costs.

374 (b) Before estimating and making a benefit assessment under
375 subsection (a) of this section, the municipality shall hold at least one
376 public hearing on its schedule of benefit assessments or any revision
377 thereof. Notice of such hearing shall be published at least ten days
378 before such hearing in a newspaper having general circulation within
379 the municipality. The notice shall include (1) the date, time and place
380 of hearing; (2) the boundaries of the tax increment district by legal
381 description; (3) a statement that all interested persons owning real
382 estate or taxable property located within the tax increment district will
383 be given an opportunity to be heard at the hearing and an opportunity
384 to file objections to the amount of the assessment; (4) the maximum
385 rate of assessments to be extended in any one year; and (5) a statement
386 indicating that the proposed list of properties to be assessed and the
387 estimated assessments against those properties are available at the city
388 or town office or at the office of the assessor. The notice may include a
389 maximum number of years the assessments will be levied. Not later
390 than the date of the publication, the municipality shall make available
391 to any member of the public, upon request, the proposed schedule of
392 benefit assessments. The procedures for public hearing and appeal set
393 forth in section 7-250 of the general statutes, shall apply for all benefit
394 assessments made by a municipality pursuant to this section, except
395 that the board of finance, or the municipality's legislative body if no
396 board of finance exists, shall be substituted for the water pollution
397 control authority.

398 (c) A municipality may adopt ordinances apportioning the value of
399 improvements within a tax increment district according to a formula
400 that reflects actual benefits that accrue to the various properties

401 because of the development and maintenance.

402 (d) A municipality may increase assessments or extend the
403 maximum number of years the assessments will be levied after notice
404 and public hearing is held pursuant to subsection (b) of this section.

405 (e) (1) Benefit assessments made under this section shall be collected
406 in the same manner as municipal taxes. Municipalities are granted all
407 the powers and privileges with respect thereto as provided to
408 municipalities in the general statutes for the enforcement and
409 collection of assessments and tax liens, or as otherwise provided in
410 sections 1 to 9, inclusive, of this act. Benefit assessments shall be due
411 and payable at such times as are fixed by the municipality, provided
412 the municipality shall give notice of such due date not less than thirty
413 days prior to such due date by publication in a newspaper of general
414 circulation in the municipality and by mailing such notice to the
415 owners of the real property assessed at their last-known address. All
416 revenues from assessments under this section shall be paid into the
417 appropriate district master plan fund account established under
418 subsection (c) of section 5 of this act.

419 (2) If any property owner fails to pay any assessment or part of an
420 assessment on or before the date on which such assessment or part of
421 such assessment is due, the municipality has all the authority and
422 powers to collect the delinquent assessments vested in the
423 municipality by law to collect delinquent municipal taxes. Benefit
424 assessments, if not paid when due, shall constitute a lien upon the real
425 property served and a charge against the owners thereof, which lien
426 and charge shall bear interest at the same rate as delinquent property
427 taxes. Each such lien may be continued, recorded and released in the
428 manner provided for property tax liens and shall take precedence over
429 all other liens or encumbrances except a lien for property taxes of the
430 municipality.

431 Sec. 8. (NEW) (*Effective October 1, 2015*) (a) For the purpose of
432 carrying out or administering a district master plan or other functions

433 authorized under sections 1 to 9, inclusive, of this act a municipality is
434 authorized, subject to the limitations and procedures set forth in this
435 section, to issue from time to time bonds and other obligations of the
436 municipality that are payable solely from and secured by (1) the full
437 faith and credit pledge of the municipality; (2) a pledge of and lien
438 upon any or all of the income, proceeds, revenues and property of the
439 projects within the tax increment district, including the proceeds of
440 grants, loans, advances or contributions from the federal government,
441 the state or other source; (3) all revenues derived under sections 5 and
442 7 of this act received by the municipality; or (4) any combination of the
443 methods in subdivisions (1), (2) and (3) of this subsection. Except for
444 bonds secured by the full faith credit pledge of the municipality, bonds
445 authorized by this section shall not be included in computing the
446 aggregate indebtedness of the municipality.

447 (b) Notwithstanding the provisions of any other statute, municipal
448 ordinance or charter provision governing the authorization and
449 issuance of bonds generally by the municipality, any bonds payable
450 and secured as provided in this section shall be authorized by a
451 resolution adopted by the legislative body of the municipality. Such
452 bonds shall, as determined by the legislative body of the municipality
453 or the municipal officers who are designated such authority by such
454 body, (1) be issued and sold; (2) bear interest at the rate or rates
455 determined by the legislative body or its designee, including variable
456 rates; (3) provide for the payment of interest on the dates determined
457 by the legislative body or its designee, whether before or at maturity;
458 (4) be issued at, above or below par; (5) mature at such time or times
459 not exceeding thirty years; (6) have rank or priority; (7) be payable in
460 such medium of payment; (8) be issued in such form, including,
461 without limitation, registered or book-entry form, carry such
462 registration and transfer privileges and be made subject to purchase or
463 redemption before maturity at such price or prices and under such
464 terms and conditions, including the condition that such bonds be
465 subject to purchase or redemption on the demand of the owner
466 thereof; and (9) contain such other terms and particulars.

467 (c) The municipality may require that the bonds issued hereunder
468 be secured by a trust agreement by and between the municipality and
469 a corporate trustee, which may be any trust company or bank having
470 the powers of a trust company within the state. The trust agreement
471 may contain covenants or provisions for protecting and enforcing the
472 rights and remedies of the bondholders as may be necessary,
473 reasonable or appropriate and not in violation of law or other
474 provisions or covenants which are consistent with sections 1 to 9,
475 inclusive, of this act and which the municipality determines in such
476 proceedings are necessary, convenient or desirable in order to better
477 secure the bonds, or will tend to make the bonds more marketable, and
478 which are in the best interests of the municipality. The pledge by any
479 trust agreement shall be valid and binding from time to time when the
480 pledge is made. The revenues or other moneys so pledged and then
481 held or thereafter received by the municipality shall immediately be
482 subject to the lien of the pledge without any physical delivery thereof
483 or further act and the lien of the pledge shall be valid and binding as
484 against all parties having claims of any kind in tort, contract or
485 otherwise against the board, irrespective of whether the parties have
486 notice thereof. All expenses incurred in carrying out such trust
487 agreement may be treated as project costs. In case any municipal
488 officer whose signature or a facsimile of whose signature shall appear
489 on any bonds or coupons shall cease to be an officer before the delivery
490 of the obligations, the signature or facsimile shall nevertheless be valid
491 and sufficient for all purposes the same as if the officer had remained
492 in office until the delivery. Notwithstanding any provision of the
493 Uniform Commercial Code, neither this section, the resolution of the
494 municipality approving the bonds or any trust agreement by which a
495 pledge is created need be filed or recorded, and no filing need be made
496 under title 42a of the general statutes.

497 (d) While any bonds issued hereunder remain outstanding, the
498 existence of the tax increment district and the powers and duties of the
499 municipality with respect to such tax increment district shall not be
500 diminished or impaired in any way that will affect adversely the

501 interests and rights of the holders of the bonds. Any bonds issued by a
502 municipality pursuant to this section, except for general obligation
503 bonds of the municipality secured by the full faith and credit pledge of
504 the municipality, shall contain on their face a statement to the effect
505 that neither the state nor the municipality shall be obliged to pay the
506 principal of or the interest thereon, and that neither the full faith and
507 credit or taxing power of the state or the municipality is pledged to the
508 payment of the bonds. All bonds issued under this section shall have
509 and are hereby declared to have all the qualities and incidents of
510 negotiable instruments, as provided in title 42a of the general statutes.

511 (e) Any pledge made by a municipality pursuant to this section shall
512 be valid and binding from the time when the pledge is made, and any
513 revenues or other receipts, funds or moneys so pledged and thereafter
514 received by the municipality shall be subject immediately to the lien of
515 such pledge without any physical delivery thereof or further act. The
516 lien of any such pledge shall be valid and binding as against all parties
517 having claims of any kind in tort, contract or otherwise against the
518 municipality, irrespective of whether such parties have notice of such
519 lien.

520 (f) Bonds issued under this section are hereby made securities in
521 which all public officers and public bodies of the state and its political
522 subdivisions, all insurance companies, trust companies, banking
523 associations, investment companies, executors, administrators, trustees
524 and other fiduciaries may properly and legally invest funds, including
525 capital in their control and belonging to them and such bonds shall be
526 securities that may properly and legally be deposited with and
527 received by any state or municipal officer or any agency or political
528 subdivision of the state for any purpose for which the deposit of bonds
529 of the state is now or may hereafter be authorized by law. Bonds may
530 be issued under this section without obtaining the consent of the state
531 and without any proceedings or the happening of any other conditions
532 or things other than those proceedings, conditions or things that are
533 specifically required thereof by this section.

534 (g) Nothing in this section restricts the ability of the municipality to
535 raise revenue for the payment of project costs in any manner otherwise
536 authorized by law.

537 (h) As used in this section, "bonds" means any bonds, including
538 refunding bonds, notes, interim certificates, debentures or other
539 obligations.

540 Sec. 9. (NEW) (*Effective October 1, 2015*) The legislative body of a
541 municipality is encouraged to create an advisory board, whose
542 members include owners or occupants of real property located in or
543 adjacent to the tax increment district they serve. The advisory board
544 may advise the legislative body and any designated administrative
545 entity on the planning, construction and implementation of the district
546 master plan and maintenance and operation of the tax increment
547 district after the district master plan has been completed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	New section
Sec. 2	<i>October 1, 2015</i>	New section
Sec. 3	<i>October 1, 2015</i>	New section
Sec. 4	<i>October 1, 2015</i>	New section
Sec. 5	<i>October 1, 2015</i>	New section
Sec. 6	<i>October 1, 2015</i>	New section
Sec. 7	<i>October 1, 2015</i>	New section
Sec. 8	<i>October 1, 2015</i>	New section
Sec. 9	<i>October 1, 2015</i>	New section

Statement of Purpose:

To allow for the establishment of tax increment financing districts and for the use of incremental property taxes generated therein for infrastructure improvements, development projects and other costs of such districts.

[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. KISSEL, 7th Dist.; REP. ZAWISTOWSKI, 61st Dist.
REP. SAYERS, 60th Dist.; REP. ROJAS, 9th Dist.
REP. CONROY, 105th Dist.

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