



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 municipal legislative body or the board of
136 selectmen in the case of a municipality in which the legislative body is
137 a town meeting shall (1) consider whether the proposed tax increment
138 district and district master plan will contribute to the economic growth
139 or well-being of the municipality or to the betterment of the health,
140 welfare or safety of the inhabitants of the municipality; (2) at least
141 ninety days prior to establishing a tax increment district and
142 approving the district master plan for such tax increment district,

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

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

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

175 Sec. 4. (NEW) (*Effective October 1, 2015*) (a) In connection with the

176 establishment of a tax increment district, the legislative body of a
177 municipality shall adopt a district master plan for each tax increment
178 district and a statement of the percentage or stated sum of increased
179 assessed value to be designated as captured assessed value in
180 accordance with such plan. The district master plan shall be adopted at
181 the same time that the tax increment district is established, as part of
182 the tax increment district adoption proceedings set forth in sections 1
183 to 9, inclusive, of this act.

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

201 (c) The financial plan for a district master plan shall include: (1) Cost
202 estimates for the public improvements and developments anticipated
203 in the district master plan; (2) the maximum amount of indebtedness to
204 be incurred to implement the district master plan; (3) sources of
205 anticipated revenues; (4) a description of the terms and conditions of
206 any agreements, including any anticipated assessment agreements,
207 contracts or other obligations related to the district master plan; (5)
208 estimates of increased assessed values of the tax increment district; and

209 (6) the portion of the increased assessed values to be applied to the
210 district master plan as captured assessed values and resulting tax
211 increments in each year of the plan.

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

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

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

242 municipality.

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

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

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

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

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

286 (5) Any account or fund established pursuant to subdivision (1) of
287 this subsection shall be audited annually by an independent auditor
288 who is a public accountant licensed to practice in this state and who
289 meets the independence standards included in generally accepted
290 government auditing standards. A report of such audit shall be open
291 to public inspection. Certified copies of such audit shall be provided to
292 the State Auditors of Public Accounts.

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

296 (1) Costs of improvements made within the tax increment district,
297 including, but not limited to, (A) capital costs, including, but not
298 limited to, (i) the acquisition or construction of land, improvements,
299 infrastructure, public ways, parks, buildings, structures, railings, street
300 furniture, signs, landscaping, plantings, benches, trash receptacles,
301 curbs, sidewalks, turnouts, recreational facilities, structured parking,
302 transportation improvements, pedestrian improvements and other
303 related improvements, fixtures and equipment for public use, (ii) the
304 acquisition or construction of land, improvements, infrastructure,
305 buildings, structures, including facades and signage, fixtures and

306 equipment for industrial, commercial, residential, mixed-use or retail
307 use or transit-oriented development, (iii) the demolition, alteration,
308 remodeling, repair or reconstruction of existing buildings, structures
309 and fixtures; (iv) environmental remediation; (v) site preparation and
310 finishing work; and (vi) all fees and expenses associated with the
311 capital cost of such improvements, including, but not limited to,
312 licensing and permitting expenses and planning, engineering,
313 architectural, testing, legal and accounting expenses; (B) financing
314 costs, including, but not limited to, closing costs, issuance costs,
315 reserve funds and capitalized interest; (C) real property assembly
316 costs; (D) costs of technical and marketing assistance programs; (E)
317 professional service costs, including, but not limited to, licensing,
318 architectural, planning, engineering, development and legal expenses;
319 (F) maintenance and operation costs; (G) administrative costs,
320 including, but not limited to, reasonable charges for the time spent by
321 municipal employees, other agencies or third-party entities in
322 connection with the implementation of a district master plan; and (H)
323 organizational costs relating to the planning and the establishment of
324 the tax increment district, including, but not limited to, the costs of
325 conducting environmental impact and other studies and the costs of
326 informing the public about the creation of tax increment districts and
327 the implementation of the district master plan;

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

340 establishment of the tax increment district; and (C) costs of funding to
341 mitigate any adverse impact of the tax increment district upon the
342 municipality and its constituents; and

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

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

372 (2) The benefit assessments shall be adopted and revised by the

373 municipality at least annually not more than sixty days before the
374 beginning of the fiscal year. If the benefit assessments are assessed and
375 levied prior to the acquisition or construction of the public
376 improvements, the amount of the benefit assessments may be adjusted
377 to reflect the actual cost of such public improvements, including all
378 financing costs, once such public improvements are complete, if the
379 actual cost is greater than or less than the estimated costs.

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

404 (c) A municipality may adopt ordinances apportioning the value of
405 improvements within a tax increment district according to a formula

406 that reflects actual benefits that accrue to the various properties
407 because of the development and maintenance.

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

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

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

437 Sec. 8. (NEW) (*Effective October 1, 2015*) (a) For the purpose of

438 carrying out or administering a district master plan or other functions
439 authorized under sections 1 to 9, inclusive, of this act a municipality is
440 authorized, subject to the limitations and procedures set forth in this
441 section, to issue from time to time bonds and other obligations of the
442 municipality that are payable solely from and secured by (1) the full
443 faith and credit pledge of the municipality; (2) a pledge of and lien
444 upon any or all of the income, proceeds, revenues and property of the
445 projects within the tax increment district, including the proceeds of
446 grants, loans, advances or contributions from the federal government,
447 the state or other source; (3) all revenues derived under sections 5 and
448 7 of this act received by the municipality; or (4) any combination of the
449 methods in subdivisions (1), (2) and (3) of this subsection. Except for
450 bonds secured by the full faith credit pledge of the municipality, bonds
451 authorized by this section shall not be included in computing the
452 aggregate indebtedness of the municipality.

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

472 thereof; and (9) contain such other terms and particulars.

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

503 (d) While any bonds issued hereunder remain outstanding, the
504 existence of the tax increment district and the powers and duties of the

505 municipality with respect to such tax increment district shall not be
506 diminished or impaired in any way that will affect adversely the
507 interests and rights of the holders of the bonds. Any bonds issued by a
508 municipality pursuant to this section, except for general obligation
509 bonds of the municipality secured by the full faith and credit pledge of
510 the municipality, shall contain on their face a statement to the effect
511 that neither the state nor the municipality shall be obliged to pay the
512 principal of or the interest thereon, and that neither the full faith and
513 credit or taxing power of the state or the municipality is pledged to the
514 payment of the bonds. All bonds issued under this section shall have
515 and are hereby declared to have all the qualities and incidents of
516 negotiable instruments, as provided in title 42a of the general statutes.

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

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

538 or things other than those proceedings, conditions or things that are
 539 specifically required thereof by this section.

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

543 (h) As used in this section, "bonds" means any bonds, including
 544 refunding bonds, notes, interim certificates, debentures or other
 545 obligations.

546 Sec. 9. (NEW) (*Effective October 1, 2015*) The legislative body of a
 547 municipality is encouraged to create an advisory board, whose
 548 members include owners or occupants of real property located in or
 549 adjacent to the tax increment district they serve. The advisory board
 550 may advise the legislative body and any designated administrative
 551 entity on the planning, construction and implementation of the district
 552 master plan and maintenance and operation of the tax increment
 553 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 |

PD *Joint Favorable Subst.*

FIN *Joint Favorable*