



*Making Great Communities Happen*  
**Connecticut Chapter of the  
American Planning Association**

---

Government Relations Chair: Jana Butts Roberson, AICP [janaroberson@outlook.com](mailto:janaroberson@outlook.com) [www.ccapa.org](http://www.ccapa.org)

---

**PLANNING AND DEVELOPMENT COMMITTEE – March 6, 2015**

**POSITION STATEMENT ON RAISED BILL 677  
AN ACT ESTABLISHING TAX INCREMENTAL FINANCING DISTRICTS.**

**INTRODUCTION**

The Connecticut Chapter of the American Planning Association has over 400 members who are governmental and consulting planners, land use attorneys, citizen planners, and other professionals engaged in planning and managing land use, economic development, housing, transportation, and conservation for local, regional, and State governments, private businesses and other entities.

**OVERVIEW**

Raised Bill 677 would encourage the use of incremental property taxes to construct public infrastructure, to promote development and redevelopment opportunities and to expand municipal tax bases.

**ANALYSIS**

Tax Increment Financing (TIF) is an innovative public finance tool that municipalities can use to promote the economic revitalization of downtown districts. Compared to some other states, TIF's in CT are extremely hard to implement, especially for small projects, but TIF's can be a very effective tool for economic revitalization **if they are done right**.

At a recent meeting of the Downtown Revitalization Institute, economic development professionals and planners from across the state learned of **alternative TIF techniques** from across the nation. For example, Iowa has used TIF's for historic rehabilitation and economic revitalization in communities as small as 1,500.

Yale Law School's Community and Economic Development Clinic prepared a report on how TIF's could be a more effective and versatile tool in CT. With additional help from Pullman & Comely, LLC, the CT Chapter of the American Planning Association, the CT Main Street Center, and the CT Economic Development Association have partnered to propose new Tax Increment Financing (TIF) legislation that will benefit a wider variety of projects consistent with the State's policies for responsible growth.

## What is TIF?

TIF is a financing tool where some or all of the marginal tax revenues derived from a development project (the “increment”) can be used to:

- 1) fund municipal improvements in the district that are complementary to the development project as well as the district as a whole, and/or
- 2) rebate taxes or private debt incurred as part of the initial development investment, and/or
- 3) repay municipal debt incurred as part of the initial development investment.

TIF districts allow municipalities to reinvest tax revenues in the same district as where the initial investment is made. This rewards the developer while supporting the district as whole, improving infrastructure and incentivizing development and redevelopment without raising taxes or necessarily incurring debt.

A new TIF statute **WOULD**:

- Make TIF's a flexible tool where tax increments could be used for a variety of purposes such as downtown revitalization projects, transit-oriented development, incentive housing developments, and even park and streetscape improvements.
- Have a more streamlined approval process. A recent survey showed that TIF's are too complicated and too hard to get adopted to be a useful economic development tool in most communities.
- Be used for districts like downtown neighborhoods rather than individual development projects. There is great potential for TIF Districts to facilitate downtown redevelopment. Individual properties are not usually large enough to generate a significant tax increment, but by combining properties into a district, a greater increment could be achieved.
- Put municipalities in control. TIF's are based on local property taxes and they should only need local approval. The municipality would decide the district boundaries, what portion of the increment would be used and for what purpose, as well as if any debt would be incurred. Municipalities choosing to adopt a TIF District would hold a public hearing, adopt a district plan, and follow the appropriate municipal approval procedure.
- Allow TIF's to be used for smaller projects in small towns, rather than only for large-scale, multi-million dollar proposals in the largest cities. To help with this, general obligation bonds (rather than revenue bonds) should be allowed when a municipality chooses to provide up-front funding.

A new TIF statute **WOULD NOT**:

- Be a means for municipalities to “give away the farm” at the taxpayers’ expense. The municipality may withhold a portion of the tax revenues to pay for increased services generated by the project.

- Mean that municipalities must provide upfront funding for the development itself (although that would be an option). The tax increment could be used only for future public improvements benefiting the entire district and not an individual property developer. Alternatively, TIF revenues may be used to repay debt service on TIF bonds, or be given as tax rebates or a combination of these options.

#### **CCAPA POSITION ON RAISED BILL 677**

CCAPA supports the proposal to encourage the use of incremental property taxes to construct public infrastructure, to promote development and redevelopment opportunities and to expand municipal tax bases.

## AN ACT ESTABLISHING TAX INCREMENTAL FINANCING DISTRICTS

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

### §1001. FINDINGS AND DECLARATION OF NECESSITY

**1. Legislative finding.** The Legislature finds that there is a need for new development and redevelopment in areas of municipalities to:

- A. Provide new employment opportunities;
- B. Provide housing opportunities for people of all income levels;
- C. Improve and broaden the tax base; and
- D. Improve the general economy of the State.

**2. Authorization.** For the reasons set out in subsection 1, municipalities may develop a plan for improving an area or district within the municipality:

- A. To provide impetus for industrial, commercial, residential, retail and mixed use, transit-oriented development, downtown development, or any combination;
- B. To increase employment; and
- C. To provide the facilities outlined in the district master plan adopted by the legislative body of the municipality.

**3. Declaration of public purpose.** It is declared that the actions required to assist the implementation of district master plans are a public purpose and that the execution and financing of these plans are a public purpose.

### §1002. DEFINITIONS

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Captured assessed value.** "Captured assessed value" means the amount, as a percentage or stated sum, of increased assessed value that is utilized from year to year to finance the project costs contained within the district master plan.

**2. Current assessed value.** "Current assessed value" means the assessed value of all taxable real property within a tax increment district as of October 1<sup>st</sup> of each year that the tax increment district remains in effect.

**3. District master plan.** "District master plan" means a statement of means and objectives prepared by the municipality relating to a tax increment district designed to provide new employment opportunities, retain existing employment, provide housing opportunities, improve or broaden the tax base, or construct or improve the physical facilities and structures through the development of industrial, commercial, residential, retail and mixed use, transit-oriented development, downtown development, or any combination, as described in section 1004, subsection 2.

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

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

**6. Increased assessed value.** "Increased assessed value" means the valuation amount by which the current assessed value of a tax increment district exceeds the original assessed value of the tax increment district. If the current assessed value is equal to or less than the original assessed value, there is no increased assessed value.

**7. Maintenance and operation.** "Maintenance and operation" means all activities necessary to maintain facilities after they have been developed and all activities necessary to operate the facilities, including, but not limited to, informational, promotional and educational programs and safety and surveillance activities.

**8. Original assessed value.** "Original assessed value" means the assessed value of all taxable real property within a tax increment district as of October 1<sup>st</sup> of the tax year preceding the year in which the tax increment district was designated by the legislative body of a municipality.

**9. Project costs.** "Project costs" means any expenditures or monetary obligations incurred or expected to be incurred that are authorized by section 1005, subsection 1 and included in a district master plan.

**10. Tax increment.** "Tax increment" means real property taxes assessed by a municipality upon the increased assessed value of property in the tax increment district.

**11. Tax increment district.** "Tax increment district" means a specified area wholly within the corporate limits of a municipality that has been designated as provided under sections 1003 and 1006 and that is to be developed under a district master plan.

**12. Tax year.** "Tax year" means the period of time beginning on July 1 and ending on the succeeding June 30.

**13. Transit.** "Transit" means transportation systems in which people are conveyed by means other than their own vehicles, including, but not limited to, bus systems, street cars, light rail and other rail systems.

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

**15. Transit-oriented development.** "Transit-oriented development" means a type of development that links land use with transit facilities to support and be supported by a transit system. Transit-oriented development is intended through location and design to rely on transit as one of the means of meeting the transportation needs of residents, customers and occupants as demonstrated through such factors as transit facility proximity, mixed uses, off-street parking space ratio less than industry standards, architectural accommodation for transit and marketing that highlights transit. Transit-oriented development include, but is not limited to, transit vehicles such as buses, ferries, vans, rail conveyances and related equipment; bus shelters and other transit-related structures; benches, signs and other transit-related infrastructure; bicycle lane construction and other bicycle-related improvements; pedestrian improvements such as crosswalks, crosswalk signals and warning systems and crosswalk curb treatments, and the industrial, commercial, residential, retail and mixed-use portions of transit-oriented development projects.

## **§1003. TAX INCREMENT DISTRICTS**

**1. Creation.** A municipal legislative body may designate a tax increment district located wholly within the boundaries of the municipality in accordance with the requirements of this chapter. If the municipality has a charter, the designation of a tax increment district may not be in conflict with the provisions of the municipal charter.

**2. Considerations for designation.** Before designating a tax increment district and approving a district master plan for a designated tax increment district, the legislative body of a municipality must consider whether the proposed tax increment district and district master plan will contribute to the economic growth or well-being of the municipality or to the betterment of the health, welfare or safety of the inhabitants of the municipality.

Before designating a tax increment district and approving a district master plan for a designated tax increment district, the municipality shall transmit the district master plan to the planning commission of the municipality, if any, for its study and opinion. The municipality's legislative body shall receive the written opinion of the planning commission, if any, on all district master plans prior to approving such district master plans. Such written opinion shall include a determination on whether the plan is consistent with the plan of conservation and development of the municipality adopted under section 8-23 of the Connecticut General Statutes.

**3. Conditions for approval.** Designation of a tax increment district is subject to the following conditions:

A. A portion of the real property within a tax increment district must meet at least one of the following criteria:

- (1) Must be a substandard, insanitary, deteriorated, deteriorating, or blighted area;
- (2) Must be in need of rehabilitation, redevelopment or conservation work; or
- (3) Must be suitable for industrial, commercial, residential, mixed-use or retail uses, downtown development, or transit-oriented development.

B. The original assessed value of a proposed tax increment district plus the original assessed value of all existing tax increment districts within the municipality may not exceed 10% of the total value of taxable property within the municipality as of the October 1<sup>st</sup> preceding the date of approval of the designation of the proposed tax increment district. Excluded from the calculation in this paragraph is any tax increment district designated on or after the effective date of this chapter that consists entirely of contiguous property owned by a single taxpayer. For the purpose of this paragraph, "contiguous property" includes a parcel or parcels of land divided by a road, power line, railroad line or right-of-way.

**4. Powers of municipality.** Within tax increment districts and consistent with the district master plan, the municipality, in addition to powers granted to it under this chapter, the Constitution, the general statutes or any special act, shall have the following powers:

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

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

(3) acting through its board of selectmen, town council, or other governing body, to enter into written agreements with a taxpayer fixing the assessment of real estate within a tax increment district, provided: (a) the term of such agreement shall not exceed fifteen (15) years from the date of the agreement; and (b) the assessment agreed on for the real estate plus future improvements shall not be less than the assessment as of the last regular assessment date of the real estate without such future improvements. Any such agreement shall be filed on the land records in the municipality. Recording of the agreement constitutes notice of the agreement to a subsequent purchaser or encumbrancer of the property or any part of it, whether voluntary or involuntary, and is binding upon a subsequent purchaser or encumbrancer. If the municipality claims that the taxpayer is not complying with the terms of such agreement, the municipality may bring an action in the superior court of the judicial district in which the municipality is located to force compliance with such agreement;

(4) accept grants, advances, loans or other financial assistance from the federal government, the state, private entities or any other source, and do any and all things necessary or desirable to secure such financial aid; and

(5) upon such terms as it determines, furnish service or facilities, provide property, lend, grant or contribute funds, and take any other action of a character which it is authorized to perform for other purposes.

**5. Application of State and local law.** Except as specifically provided in this section, all other statutes, ordinances, resolutions, rules and regulations of the state of Connecticut and the municipality shall be applicable to the property, residents and businesses located in the tax increment district.

## **§1004. DISTRICT MASTER PLANS**

**1. Adoption.** In connection with the designation of a tax increment district, the legislative body of a municipality shall adopt a district master plan for each tax increment district. The district master plan must be adopted at the same time that the tax increment district is created, as part of the tax increment district adoption proceedings set forth in this Chapter.

**2. Requirements.** The district master plan must include:

- A. The boundaries of the tax increment district by legal description;
- B. A list of the tax identification numbers for all lots or parcels within the tax increment district;
- C. A description of the present condition and uses of all land and buildings within the tax increment district;
- D. A description of public facilities, improvements or programs within the tax increment district proposed to be added and financed in whole or in part;
- D. A description of industrial, commercial, residential, mixed-use or retail improvements, downtown development, or transit-oriented development within the tax increment district proposed to be financed in whole or in part;
- E. Plans for the relocation of any persons displaced by the proposed development activities;
- F. A financial plan in accordance with subsections 3 below;
- G. The proposed maintenance and operation of the tax increment district after the planned capital improvements are completed; and
- H. The maximum duration of the tax increment district, which may not exceed a total of 50 tax years beginning with the tax year in which the designation of the tax increment district is effective.

**3. Financial plan for district master plan.** The financial plan for a district master plan must include:

- A. Cost estimates for the public improvements and developments proposed in the district master plan;
- B. The maximum amount of indebtedness to be incurred to implement the district master plan;
- C. Sources of anticipated revenues;
- D. A description of the terms and conditions of any agreements, including any anticipated assessment agreements, contracts or other obligations related to the district master plan;
- E. Estimates of increased assessed values of the tax increment district; and
- F. The portion of the increased assessed values to be applied to the district master plan as captured assessed values and resulting tax increments in each year of the plan.

## **§1005. PROJECT COSTS**

**1. Authorized project costs.** Authorized project costs include:

- A. Costs of improvements made within the tax increment district, including, but not limited to:
  - (1) Capital costs, including, but not limited to:
    - (a) The acquisition or construction of land, improvements, infrastructure, public ways, parks, buildings, structures, railings, street furniture, signs, landscaping, plantings, benches, trash receptacles, curbs, sidewalks, turnouts, recreational facilities, structured parking, pedestrian improvements and other related improvements, fixtures and equipment for public use
    - (b) The acquisition or construction of land, improvements, infrastructure, buildings, structures (including facades and signage), fixtures and equipment for industrial, commercial, residential, mixed-use or retail use, or transit-oriented development.

- (c) The demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures;
  - (d) Environmental remediation;
  - (e) Site preparation and finishing work; and
  - (f) All fees and expenses that are eligible to be included in the capital cost of such improvements, including, but not limited to, licensing and permitting expenses and planning, engineering, architectural, testing, legal and accounting expenses;
- (2) Financing costs, including, but not limited to, closing costs, issuance costs, reserve funds and capitalized interest;
  - (3) Real property assembly costs;
  - (4) Technical and marketing assistance programs;
  - (5) Professional service costs, including, but not limited to, licensing, architectural, planning, engineering, development and legal expenses;
  - (6) Maintenance and operation costs;
  - (7) Administrative costs, including, but not limited to, reasonable charges for the time spent by municipal employees, other agencies or third party entities in connection with the implementation of a district master plan;
  - (8) Relocation costs, including, but not limited to, relocation payments made following condemnation; and
  - (9) Organizational costs relating to the planning and the establishment of the tax increment district, including, but not limited to, the costs of conducting environmental impact and other studies and the costs of informing the public about the creation of tax increment districts and the implementation of the district master plan.
- B. Costs of improvements that are made outside the tax increment district but are directly related to or are made necessary by the establishment or operation of the tax increment district, including, but not limited to:
- (1) That portion of the costs reasonably related to the construction, alteration or expansion of any facilities not located within the tax increment district that are required due to improvements or activities within the tax increment district, including, but not limited to, sewage treatment plants, water treatment plants or other environmental protection devices; storm or sanitary sewer lines; water lines; electrical lines; improvements to fire stations; and street signs;
  - (2) Costs of public safety and public school improvements made necessary by the establishment of the tax increment district; and
  - (3) Costs of funding to mitigate any adverse impact of the tax increment district upon the municipality and its constituents.
- C. Costs related to economic development, environmental improvements, or employment training within the tax increment district, including, but not limited to:
- (1) Costs of funding economic development programs or events related to the tax increment district;
  - (2) Costs of funding environmental improvement projects developed by the municipality related to the tax increment district;
  - (3) Funding to establish permanent economic development revolving loan funds, investment funds and grants; and
  - (4) Costs of services and equipment to provide skills development and training, including scholarships to in-state educational institutions, for jobs created or retained in the tax increment district.

## §1006. PROCEDURE

**1. Notice and hearing.** Before designating a tax increment district and adopting a district master plan, the municipal legislative body or the municipal legislative body's designee must hold at least one public hearing. Notice of the hearing must be published at least 10 days before the hearing in a newspaper of general circulation within the municipality.

**2. Effective date.** A designation of a tax increment district and the adoption of a district master plan for a tax increment district is effective upon approval by the municipal legislative body.

**3. Administration of tax increment district.** The legislative body of a municipality may create a department, designate an existing department, office, agency, municipal housing or redevelopment authority or enter into a contractual arrangement with a private entity to administer activities authorized under this chapter.

**4. Review of district master plan.** The legislative body of the municipality shall review the boundaries of the tax increment district and the district master plan at least once every ten (10) years after the initial approval of the tax increment district and the district master plan in accordance with this Section in order for the tax increment district and the district master plan, as may be amended, to remain in effect. With respect to any district master plan that includes development that is funded in whole or in part by federal funds, the provisions of this subdivision shall not apply to the extent that such provisions are prohibited by federal law. At the option of the municipality by a vote of legislative body, the tax increment district may be dissolved at any time so long as any bonds authorized and issued under this Chapter, except for general obligation bonds of the municipality secured solely by the full faith and credit of the municipality, are no longer outstanding.

## §1007. TAX INCREMENT FINANCING

**1. Designation of captured assessed value.** Within any district master plan, the municipality may designate all or part of the tax increment revenues generated from the increased assessed value of a tax increment district for the purpose of financing all or part of the district master plan. The amount of tax increment revenues to be designated is determined by designating the captured assessed value, subject to any assessment agreements. When a district master plan for a tax increment district is adopted, the municipal legislative body shall adopt a statement of the percentage or stated sum of increased assessed value to be designated as captured assessed value in accordance with the district master plan.

**2. Certification of assessed value.** On or after formation of a tax increment district and the adoption of a district master plan, the assessor of the municipality in which it is located shall certify the original assessed value of the taxable property within the boundaries of the tax increment district. Each year after the designation of a tax increment district, the municipal assessor shall certify the amount of (i) the current assessed value, (ii) the amount by which the current assessed value has increased or decreased from the original assessed value, subject to any assessment agreements, and (iii) the amount of the captured assessed value.

Nothing in this subsection allows or sanctions unequal apportionment or assessment of the taxes to be paid on real property in the municipality. Subject to any assessment agreements, an owner of real property within the tax increment district shall pay real property taxes apportioned equally with property taxes paid elsewhere in the municipality.

**3. District master plan fund; tax increment revenues.** If a municipality has designated captured assessed value under subsection 1, the municipality shall:

A. Establish a district master plan fund that consists of the following:

(1) A project cost account that is pledged to and charged with the payment of project costs that are outlined in the financial plan, including the reimbursement of project cost expenditures incurred by a public body, including the municipality, developer, property owner or any other third party entity, and are paid in a manner other than as described in subparagraph (2) below; and

(2) In instances of indebtedness issued by the municipality in accordance with section 1009 below to finance or refinance project costs, a development sinking fund account that is pledged to and charged with the (i) payment of the interest and principal as the interest and principal fall due, including any redemption premium; (ii) payment of the costs of providing or reimbursing any provider of any guarantee, letter of credit, policy of bond insurance, or other credit enhancement device used to secure payment of debt service on any such indebtedness; and (iii) funding any required reserve fund.

B. Annually set aside all tax increment revenues on captured assessed values and deposit all such revenues to the appropriate district master plan fund account established under paragraph A in the following order of priority:

(1) To the development sinking fund account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual debt service on bonds and notes issued under section 1009 and the financial plan; and

(2) To the project cost account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual project costs to be paid from the account;

C. Make transfers between district master plan fund accounts established under paragraph A as required, provided that the transfers do not result in a balance in the development sinking fund account that is insufficient to cover the annual obligations of that account; and

D. Annually return to the municipal general fund any tax increment revenues remaining in the development sinking fund account established under paragraph A in excess of those estimated to be required to satisfy the obligations of the development sinking fund account after taking into account any transfers made under paragraph C. The municipality, at any time during the term of the tax increment district, by vote of the municipal legislative body, may return to the municipal general fund any tax increment revenues remaining in the project cost account established under paragraph A in excess of those estimated to be required to satisfy the obligations of the development project cost account after taking into account any transfer made under paragraph C. In either case, the corresponding amount of local valuation may not be included as part of the captured assessed value as specified by the municipality.

## **§1008. ASSESSMENTS**

**1. Benefit Assessments.** A municipality may estimate and make the following benefit assessments within a tax increment district:

A. Notwithstanding any provision of the general statutes, whenever the municipality constructs, improves, extends, equips, rehabilitates, repairs, acquires or provides a grant for any public improvements within a tax increment district or finances the cost of such public improvements, such proportion of the cost or estimated cost of such public improvements and financing thereof as determined by the municipality, may be assessed by the municipality, herein referred to as "benefit assessments", in the manner prescribed by such municipality, upon the real property within the tax increment district that is benefited by such public improvements. The municipality may provide for the payment of such benefit assessments in annual installments, not exceeding thirty (30) years, and may forgive such benefit assessments in any single year without causing the remainder of installments of benefit assessments to be forgiven. Benefit assessments on real property where buildings or structures are constructed or expanded after the initial benefit assessment may be assessed as if the new or expanded buildings or structures on such real property had existed at the time of the original benefit assessment.

The benefit assessments shall be adopted and revised by the municipality at least annually no more than sixty (60) days before the beginning of the fiscal year. The municipality shall hold at least one public hearing on its schedule of benefit assessments or any revision thereof before adoption and notice of such public hearing shall be published in a newspaper of general circulation in the municipality at least ten days in advance of the hearing. No later than the date of the publication, the municipality shall make available to any member of the public, upon request, the proposed schedule of benefit assessments. The procedures regarding public hearing and appeal provided by section 7-250 of the general statutes, shall apply for all benefit assessments

made by the municipality herein, except that the board of finance shall be substituted for the water pollution control authority. Should the benefit assessments be assessed and levied prior to the acquisition or construction of the public improvements, then the amount of the benefit assessments shall be adjusted to reflect the actual cost of such public improvements, including all financing costs, once such public improvements are complete, should the actual cost be greater than or less than the estimated costs. Benefit assessments shall be due and payable at such times as are fixed by the municipality, provided the municipality shall give notice of such due date not less than thirty (30) days prior to such due date by publication in a newspaper of general circulation in the municipality and by mailing such notice to the owners of the real property assessed at their last-known address. All revenues from assessments under this paragraph shall be paid into the appropriate district master plan fund account established under section 1007, subsection 3.

In order to provide for the collection and enforcement of its benefit assessments, the municipality is hereby granted all the powers and privileges with respect thereto as provided to municipalities in the general statutes for the enforcement and collection of assessments and tax liens, or as otherwise provided in this chapter. Such benefit assessments, if not paid when due, shall constitute a lien upon the real property served and a charge against the owners thereof, which lien and charge shall bear interest at the same rate as delinquent property taxes. Each such lien may be continued, recorded and released in the manner provided for property tax liens and shall take precedence over all other liens or encumbrances except a lien for property taxes of the municipality. Each such lien may be continued, recorded and released in the manner provided for property tax liens.

**2. Notice and hearing.** Before estimating and making a benefit assessment under subsection 1, the municipality must give notice and hold a hearing. Notice of the hearing must be published at least ten (10) days before the hearing in a newspaper of general circulation within the municipality. The notice must include:

- A. The date, time and place of hearing;
- B. The boundaries of the tax increment district by legal description;
- C. A statement that all interested persons owning real estate or taxable property located within the tax increment district will be given an opportunity to be heard at the hearing and an opportunity to file objections to the amount of the assessment;
- D. The maximum rate of assessments to be extended in any one year; and
- E. A statement indicating that a proposed list of properties to be assessed and the estimated assessments against those properties is available at the city or town office or at the office of the assessor.

The notice may include a maximum number of years the assessments will be levied.

**3. Apportionment formula.** A municipality may adopt ordinances apportioning the value of improvements within a tax increment district according to a formula that reflects actual benefits that accrue to the various properties because of the development and maintenance.

**4. Increase of assessments and extension of time limits.** A municipality may increase assessments or extend the specified period after notice and hearing as required under subsection 2.

**5. Collection.** Assessments made under this section must be collected in the same manner as municipal taxes. The municipal tax collector has all the authority and powers by law to collect the assessments. If any property owner fails to pay any assessment or part of an assessment on or before the dates required, the municipality has all the authority and powers to collect the delinquent assessments vested in the municipality by law to collect delinquent municipal taxes.

## **§1009. BOND FINANCING**

For the purpose of carrying out or administering a district master plan or other functions authorized under this chapter, a municipality is hereby authorized, subject only to the limitations and procedures set forth in this section, to issue from time to time bonds and other obligations of the municipality which are payable solely from and

secured by: (a) the full faith and credit pledge of the municipality; (b) a pledge of and lien upon any or all of the income, proceeds, revenues and property of the projects within the tax increment district, including the proceeds of grants, loans, advances or contributions from the federal government, the state or other source; (c) all revenues derived under section 1007 or under section 1008 received by the municipality; or (d) any combination of the methods in subsections (a), (b) and (c) of this section. Except for bonds secured by the full faith credit pledge of the municipality, such bonds authorized by this section shall not be included in computing the aggregate indebtedness of the municipality. Any bonds payable and secured as provided in this section shall be authorized by a resolution adopted by the legislative body of the municipality, notwithstanding the provisions of any other statute, local law or charter governing the authorization and issuance of bonds generally by the municipality. Such bonds shall be issued and sold in such manner; bear interest at such rate or rates, including variable rates to be determined in such manner as set forth in the proceedings authorizing the issuance of the bonds; provide for the payment of interest on such dates, whether before or at maturity; be issued at, above or below par; mature at such time or times not exceeding thirty (30) years; have such rank or priority; be payable in such medium of payment; be issued in such form, including, without limitation, registered or book-entry form, carry such registration and transfer privileges and be made subject to purchase or redemption before maturity at such price or prices and under such terms and conditions, including the condition that such bonds be subject to purchase or redemption on the demand of the owner thereof; and contain such other terms and particulars as the legislative body of the municipality or the officers delegated such authority by the legislative body of the municipality body shall determine.

The municipality may authorize that the bonds issued hereunder be secured by a trust agreement by and between the municipality and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the state of Connecticut. The trust agreement may contain covenants or provisions for protecting and enforcing the rights and remedies of the bondholders as may be necessary, reasonable or appropriate and not in violation of law and such other provisions or covenants which are consistent with this chapter and which the municipality determines in such proceedings are necessary, convenient or desirable in order to better secure the bonds, or will tend to make the bonds more marketable, and which are in the best interests of the municipality. The pledge by any trust agreement shall be valid and binding from time to time when the pledge is made; the revenues or other moneys so pledged and then held or thereafter received by the municipality shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act; and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the board, irrespective of whether the parties have notice thereof. All expenses incurred in carrying out such trust agreement may be treated as project costs. In case any municipal officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be an officer before the delivery of the obligations, the signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery. As used in this section, "bonds" means any bonds, including refunding bonds, notes, interim certificates, debentures or other obligations. Notwithstanding any provision of the Uniform Commercial Code, neither this section, the resolution of the municipality approving the bonds or any trust agreement by which a pledge is created need be filed or recorded, and no filing need be made under title 42a of the general statutes.

While any bonds issued hereunder remain outstanding, the existence of the tax increment district and the powers and duties of the municipality with respect to such tax increment district shall not be diminished or impaired in any way that will affect adversely the interests and rights of the holders of the bonds. Any bonds issued by the municipality hereunder, except for general obligation bonds of the municipality secured by the full faith and credit pledge of the municipality, shall contain on their face a statement to the effect that neither the state of Connecticut nor the municipality shall be obliged to pay the principal of or the interest thereon, and that neither the full faith and credit or taxing power of the state of Connecticut or the municipality is pledged to the payment of the bonds. All bonds issued under this section shall have and are hereby declared to have all the qualities and incidents of negotiable instruments, as provided in title 42a of the general statutes.

Any pledge made by the municipality shall be valid and binding from the time when the pledge is made, and any revenues or other receipts, funds or moneys so pledged and thereafter received by the municipality shall be subject immediately to the lien of such pledge without any physical delivery thereof or further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the municipality, irrespective of whether such parties have notice of such lien.

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

Nothing in this section restricts the ability of the municipality to raise revenue for the payment of project costs in any manner otherwise authorized by law.

### **§1011. ADVISORY BOARD**

The legislative body of a municipality is encouraged to create an advisory board, whose members include owners or occupants of real property located in or adjacent to the tax increment district they serve. The advisory board shall advise the legislative body and any designated administrative entity on the planning, construction and implementation of the district master plan and maintenance and operation of the tax increment district after the district master plan has been completed.