



House of Representatives

General Assembly

File No. 287

February Session, 2016

Substitute House Bill No. 5484

House of Representatives, March 30, 2016

The Committee on Planning and Development reported through REP. MILLER, P. of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE CONNECTICUT CITY AND TOWN DEVELOPMENT ACT.

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

1 Section 1. Subsection (l) of section 7-482 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2016*):

4 (l) "Resolution" means any resolution adopted by the legislative
5 body of a municipality or by the governing body of any governmental
6 unit or nonprofit corporation to which a municipality has delegated
7 powers under the provisions of section 7-486, after (1) notice of the
8 proposed resolution has been placed on record in the office of the
9 municipal clerk for public inspection and (2) a summary of the
10 proposed resolution has been published at least once in a newspaper
11 of general circulation within the municipality, both setting forth the
12 time and place of the public hearing provided for in subdivision (3) of
13 this subsection and (3) a public hearing has been held thereon not less
14 than five days nor more than fourteen days subsequent to the placing

15 on record of such notice and the publication of such summary. Such
16 resolution shall be adopted by a majority vote of the members of the
17 legislative body of the municipality, provided where the legislative
18 body of the municipality is the town meeting, a resolution may be
19 adopted upon approval of a majority of those electors present and
20 voting on the resolution at the town meeting. Any resolution [, except
21 a resolution adopted pursuant to sections 7-485 or 7-492,] shall become
22 effective upon adoption, unless otherwise specified in such resolution,
23 except (A) a resolution adopted pursuant to section 7-492, and (B) a
24 resolution adopted pursuant to section 7-485, as amended by this act,
25 that has been submitted to the electors of the municipality for their
26 approval;

27 Sec. 2. Section 7-485 of the general statutes is repealed and the
28 following is substituted in lieu thereof (*Effective October 1, 2016*):

29 (a) No power granted to a municipality under this chapter may be
30 exercised unless and until the municipality shall have found and
31 determined by resolution that conditions substantially as described in
32 section 7-481 exist in the municipality, are continuing and may be
33 ameliorated by the exercise of the powers granted under this chapter.
34 Such resolution shall include the following findings and
35 determinations and the following standards for the implementation of
36 the powers granted under this chapter: (1) An unreasonable number of
37 residents of the municipality are subject to hardship in finding
38 employment and adequate, safe and sanitary housing; (2) conditions of
39 blight and deterioration exist in parts of the municipality or the
40 municipality would substantially benefit from the renovation,
41 rehabilitation or construction of commercial or residential properties;
42 (3) private enterprise is not meeting such need for [housing,]
43 employment, [and] housing, the reduction of blight and deterioration,
44 or the renovation, rehabilitation or construction of commercial or
45 residential properties; (4) the need for employment and adequate, safe
46 and sanitary housing will be lessened and the municipality will be
47 revitalized by the exercise of the powers granted under this chapter;
48 (5) adequate provisions shall be made for the payment of the cost of

49 acquisition, construction, operation, maintenance and insurance of all
50 development property; (6) a feasible method exists and shall be
51 utilized for the relocation into safe and sanitary dwellings of
52 comparable rent of families and individuals displaced as a
53 consequence of the exercise of any power granted under this chapter
54 and such families and individuals shall not suffer disproportionate
55 injuries as a result of actions authorized by this chapter for the public
56 benefit; (7) development property shall not be acquired or disposed of
57 without due consideration of the environmental and economic impact
58 of such acquisition or disposition and the adequacy of existing or
59 proposed municipal services; (8) the acquisition or disposition of all
60 development property shall advance the public interest, general
61 health, safety and welfare, and development, growth and prosperity of
62 the municipality.

63 (b) Each resolution adopted pursuant to subsection (a) of this
64 section [shall] may be submitted to the electors of the municipality for
65 their approval. [Within] If the legislative body of a municipality votes
66 to submit a resolution to the electors of the municipality, not later than
67 fourteen days after the adoption of such resolution a copy of such
68 resolution shall be published in a newspaper having a general
69 circulation within the municipality in which such resolution was
70 adopted together with a notice of the time that a referendum shall be
71 held on the question of approval of such resolution. The question of
72 approval of such resolution shall be submitted to the electors of such
73 municipality at a special election called for such purpose to be held not
74 less than thirty days, nor more than sixty days, after adoption of such
75 resolution, in conformity with the provisions of section 9-369 or, if a
76 regular municipal election is to be held more than sixty days, but not
77 more than one hundred twenty days, after the adoption of such
78 resolution, such question shall be so submitted at such regular election
79 and a vote thereon shall be taken in the manner prescribed by said
80 section 9-369. If a majority of those voting in any such referendum vote
81 to approve such resolution, such resolution shall thereupon become
82 effective. If less than a majority of those voting in any such referendum
83 vote to approve such resolution, it shall become null and void.

84 (c) Any resolution adopted pursuant to this section shall specify the
 85 period for which such resolution shall be effective, provided no such
 86 resolution shall be effective for a period in excess of five years from the
 87 effective date of such resolution. Upon the expiration of the effective
 88 period of any resolution adopted pursuant to this section: (1) Any
 89 indebtedness contracted, encumbrances made or commitments entered
 90 into by a municipality by resolution or contracts executed pursuant to
 91 resolution, including all proceedings related thereto, shall be valid and
 92 binding in accordance with their terms respectively and shall be of full
 93 force and effect if incurred, adopted or executed respectively during
 94 the period in which such resolution referred to in this section is
 95 effective and the municipality shall have all powers herein conferred
 96 with respect thereto notwithstanding the expiration of such period;
 97 and (2) the municipality which adopted such resolution shall not be
 98 authorized to exercise any powers created by this chapter, provided
 99 any such municipality shall be authorized to continue to exercise all
 100 powers created by this chapter in regard to any development property
 101 in regard to which any contract or lease has been previously entered
 102 into by such municipality with a sponsor or in regard to which any
 103 bonds or notes have been issued by such municipality.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2016	7-482(l)
Sec. 2	October 1, 2016	7-485

Statement of Legislative Commissioners:

In Section 1, ", except a resolution adopted pursuant to sections 7-485 or 7-492," was bracketed, and "except (A) a resolution adopted pursuant to section 7-492, and (B) a resolution adopted pursuant to section 7-485, as amended by this act, that has been submitted to the electors of the municipality for their approval" was added for consistency with the revised procedure enumerated in Section 2.

PD Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 17 \$	FY 18 \$
Various Municipalities	Potential Cost/Revenue Loss	See Below	See Below

Explanation

The bill relaxes requirements for municipalities to use the economic development measures established by the Connecticut City and Town Development Act (CCTDA).

The impact of the bill varies based on: 1) the frequency with which municipalities pursue the various measures established by the CCTDA, and 2) the specific measures they choose to pursue.

For example, the CCTDA allows towns to offer property tax abatements for certain property. Towns that exercise this option would experience a revenue loss that would vary based on the value of the abated property. As another example, the CCTDA allows municipalities to loan money to developers. Towns that exercise this option would experience a cost that would vary based on the loan's provisions.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5484*****AN ACT CONCERNING THE CONNECTICUT CITY AND TOWN DEVELOPMENT ACT.*****SUMMARY:**

This bill relaxes requirements for municipalities to use the economic development tools in the Connecticut City and Town Development Act (see BACKGROUND).

By law, a municipality seeking to implement these tools must adopt a resolution determining that specific conditions exist in the municipality. The bill allows, rather than requires, municipalities to submit this resolution for voter approval, which they must do by vote of their legislative bodies.

The bill also broadens the conditions that must exist in the municipality. Under current law, the resolution must include a finding that the municipality contains blighted and deteriorated conditions. The bill instead requires it to include a finding that parts of the municipality contain blighted and deteriorated conditions or would substantially benefit from commercial or residential property renovation, rehabilitation, or construction. Current law also requires municipalities to include a finding that the private sector is not meeting the municipality's need for housing, employment, and blight reduction. Under the bill, municipalities may include an alternative finding that the private sector is not meeting the need for commercial or residential property renovation, rehabilitation, or construction.

EFFECTIVE DATE: October 1, 2016

BACKGROUND***City and Town Development Act (CGS § 7-480 et seq.)***

The Connecticut City and Town Development Act allows municipalities to (1) acquire, develop, and improve property; (2) convey property to private developers; and (3) lend money to these developers if they cannot obtain financing from banks or other traditional lenders. Municipalities may grant a 100% property tax exemption for up to 20 years for property developed under the act.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 19 Nay 1 (03/14/2016)