



# Senate

General Assembly

**File No. 85**

February Session, 2016

Senate Bill No. 89

*Senate, March 21, 2016*

The Committee on Planning and Development reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT CONCERNING ADDITIONAL APPROPRIATIONS BY TOWN BOARDS OF FINANCE WITHOUT TOWN MEETING APPROVAL.***

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

1 Section 1. Section 7-348 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2016*):

3 No officer of such town shall expend or enter into any contract by  
4 which the town shall become liable for any sum which, with any  
5 contract then in force, shall exceed the appropriation for the  
6 department, except in cases of necessity connected with the repair of  
7 highways, bridges, sidewalks and water and sewer systems and the  
8 care of the town poor, and then not more than one thousand dollars. If  
9 any occasion arises whereby more money is needed for any  
10 department of the town than has been appropriated as provided for in  
11 this chapter, the selectmen shall notify the board of finance of such  
12 fact, and the chairman of such board shall forthwith call a meeting  
13 thereof to consider the appropriation for such department and the  
14 board may make the necessary appropriation therefor, after inquiry,

15 but, if, in towns where the grand list is not more than twenty million  
16 dollars, the amount required or the amount required, together with the  
17 sum of any additional appropriations made by the board for such  
18 department within the same fiscal year, exceeds [~~ten~~] twenty thousand  
19 dollars, or, in towns where the grand list exceeds twenty million  
20 dollars, if the amount required or the amount required, together with  
21 the sum of any such additional appropriations, exceeds [~~twenty~~] forty  
22 thousand dollars, such appropriation shall not be made until, upon the  
23 recommendation of the board, the same has been voted by the town at  
24 a meeting called for such purpose, provided no more than one such  
25 additional appropriation for any one department shall be made in one  
26 year without town meeting approval, and provided the board may  
27 make additional appropriations for the care of town poor without  
28 town meeting approval not exceeding, in the aggregate, [~~two~~] four  
29 thousand dollars in towns where the grand list does not exceed twenty  
30 million dollars or [~~four~~] eight thousand dollars in towns where the  
31 grand list exceeds twenty million dollars. The board may call a public  
32 hearing prior to the town meeting at which parties in interest and  
33 citizens shall have an opportunity to be heard so that the board may  
34 obtain information to assist in making its recommendations. The  
35 amount required for such appropriation may be drawn either from any  
36 cash surplus available or from any contingent fund established as  
37 hereinafter provided. If no cash surplus exists and no funds are  
38 available in the contingent fund, such appropriation may be financed  
39 by borrowing, and the amount of such borrowing shall be included in  
40 and made a part of the next tax levied. The estimate of expenditures  
41 submitted by the board of finance to the annual town meeting or  
42 annual budget meeting may include a recommended appropriation for  
43 a contingent fund in an amount not to exceed three per cent of the total  
44 estimated expenditures for the current fiscal year. No expenditure or  
45 transfer shall be made from the contingent fund until such expenditure  
46 or transfer has been approved by the board of finance. The provisions  
47 of this chapter shall not be a limitation upon the town in issuing bonds  
48 under the provisions of law or expending the proceeds thereof in  
49 accordance with the vote of such town nor shall such provisions be a

50 limitation upon the settlement of claims or judgments against the town  
51 under the provisions of law.

|   |                        |       |
|---|------------------------|-------|
| This act shall take effect as follows and shall amend the following sections: |                        |       |
| Section 1   | <i>October 1, 2016</i> | 7-348 |

**PD**      *Joint Favorable*

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:**

| <b>Municipalities</b>  | <b>Effect</b> | <b>FY 17 \$</b>   | <b>FY 18 \$</b>   |
|------------------------|---------------|-------------------|-------------------|
| Various Municipalities | Savings       | Less than \$5,000 | Less than \$5,000 |

**Explanation**

The bill raises various thresholds at which a municipality must call a town meeting to appropriate more money for any department during the course of a fiscal year.

To the extent that this reduces the number of town meetings municipalities hold, there is a potential savings, estimated to be less than \$5,000. Such potential savings is associated with, for example, publishing fewer town meeting notices in newspapers, and reduced overtime for police officers to provide security at such meetings.

**The Out Years**

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

**OLR Bill Analysis****SB 89*****AN ACT CONCERNING ADDITIONAL APPROPRIATIONS BY TOWN BOARDS OF FINANCE WITHOUT TOWN MEETING APPROVAL.*****SUMMARY:**

This bill doubles the amount of money a municipal board of finance may spend above appropriated amounts without town meeting approval. It raises the amount from (1) \$10,000 to \$20,000 in towns with a grand list of up to \$20 million and (2) \$20,000 to \$40,000 in towns with a grand list over \$20 million. Existing law, unchanged by the bill, limits the board to one extra appropriation per department per year without town meeting approval, even when the total does not exceed the statutory limit.

The bill also doubles the amount of extra appropriations for the town's poor that does not need town meeting approval from (1) \$2,000 to \$4,000 in towns with a grand list of up to \$20 million and (2) \$4,000 to \$8,000 in towns with a grand list over \$20 million.

EFFECTIVE DATE: October 1, 2016

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea 20 Nay 0 (03/04/2016)