



House of Representatives

General Assembly

File No. 184

February Session, 2018

Substitute House Bill No. 5283

House of Representatives, April 4, 2018

The Committee on Planning and Development reported through REP. LEMAR of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING NEIGHBORHOOD REVITALIZATION ZONES.

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

1 Section 1. Section 7-601 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2018*):

3 (a) Upon passage of a resolution pursuant to section 7-600, a
4 neighborhood revitalization planning committee may organize to
5 develop a strategic plan to revitalize the neighborhood. The
6 membership of such committee shall reflect the composition of the
7 neighborhood and include, but not be limited to, tenants and property
8 owners, community organizations and representatives of businesses
9 located in the neighborhood or which own property in the
10 neighborhood. A majority of the members shall be residents of the
11 neighborhood. The chief executive official may appoint a municipal
12 official to the committee who shall be a voting member. The committee
13 shall adopt bylaws which shall include a process for consensus-
14 building decision-making. Notice of adoption of such bylaws and any

15 amendments thereto shall be published in a newspaper having a
16 general circulation in the municipality not more than seven days after
17 adoption or amendment.

18 (b) The neighborhood revitalization planning committee shall
19 develop a strategic plan for short-term and long-term revitalization of
20 the neighborhood. The plan shall be designed to promote self-reliance
21 in the neighborhood and home ownership, property management,
22 sustainable economic development, effective relations between
23 landlords and tenants, coordinated and comprehensive delivery of
24 services to the neighborhood and creative leveraging of financial
25 resources and shall build neighborhood capacity for self-
26 empowerment. The plan shall consider provisions for obtaining funds
27 from public and private sources. The plan shall consider provisions for
28 property usage, neighborhood design, traditional and nontraditional
29 financing of development, marketing and outreach, property
30 management, utilization of municipal facilities by communities,
31 recreation and the environment. The plan may contain an inventory of
32 abandoned, foreclosed and deteriorated property, as defined in section
33 7-600, located within the revitalization zone and may analyze federal,
34 state and local environmental, health and safety codes and regulations
35 that impact revitalization of the neighborhood. The plan shall include
36 recommendations for waivers of state and local environmental, health
37 and safety codes that unreasonably jeopardize implementation of the
38 plan, provided any waiver shall be in accordance with section 7-605
39 and shall not create a substantial threat to the environment, public
40 health, safety or welfare of residents or occupants of the neighborhood.
41 The plan may include components for public safety, education, job
42 training, youths, the elderly and the arts and culture. The plan may
43 contain recommendations for the establishment by the municipality of
44 multiagency collaborative delivery teams, including code enforcement
45 teams. The plan shall assign responsibility for implementing each
46 aspect of the plan and may have recommendations for providing
47 authority to the chief executive official to enter into tax agreements and
48 to allocate municipal funds to achieve the purposes of the plan. The
49 plan shall include a list of members and the bylaws of the committee.

50 (c) The neighborhood revitalization planning committee shall
51 conduct a public hearing on the proposed strategic plan, notice of the
52 time and place of which shall be published in a newspaper having a
53 general circulation in the municipality at least twice at intervals of not
54 less than two days, the first not more than fifteen days nor less than ten
55 days and the last not less than two days prior to the day of such
56 hearing. The proposed plan shall be submitted to the Secretary of the
57 Office of Policy and Management for review. The secretary may
58 submit comments on the plan to the neighborhood revitalization
59 planning committee.

60 (d) The strategic plan shall be adopted in accordance with the
61 bylaws of the neighborhood revitalization planning committee. The
62 committee shall submit the approved strategic plan to the legislative
63 body of the municipality for adoption by ordinance pursuant to
64 section 7-602, as amended by this act.

65 (e) A municipality in which a neighborhood revitalization planning
66 committee has been established shall: (1) Defend such neighborhood
67 revitalization planning committee, and each member thereof, in any
68 civil action seeking to impose liability arising out of any actual or
69 alleged act, error or omission that occurred within the scope of such
70 committee or member's duties or responsibilities in developing the
71 strategic plan described in subsection (b) of this section, provided such
72 committee or member was acting (A) within the scope of such
73 committee or member's official capacity, (B) in accordance with such
74 committee's bylaws and any master plan approved by the
75 municipality, and (C) in a manner consistent with advice provided by
76 the municipality's legal counsel; and (2) indemnify such neighborhood
77 revitalization planning committee, and each member thereof, in the
78 amount of any settlement or judgment obtained against such
79 committee or member arising out of any actual or alleged act, error or
80 omission that occurred within the scope of such committee or
81 member's duties or responsibilities in developing the strategic plan
82 described in subsection (b) of this section, provided the actual or
83 alleged act, error or omission did not result from reckless, wilful or

84 wanton misconduct on the part of such committee or member.

85 Sec. 2. Section 7-602 of the general statutes is repealed and the
86 following is substituted in lieu thereof (*Effective July 1, 2018*):

87 (a) The strategic plan shall not be implemented unless approved by
88 ordinance of the legislative body of the municipality. Such ordinance
89 shall create a neighborhood revitalization zone committee for the
90 neighborhood and establish the membership of the committee,
91 provided the categories of membership shall be consistent with the
92 categories of membership of the neighborhood revitalization planning
93 committee and consistent with any recommendations of the
94 neighborhood revitalization planning committee.

95 (b) The neighborhood revitalization zone committee shall submit a
96 report on the implementation of the strategic plan to the chief
97 executive official and the legislative body of the municipality and to
98 the Secretary of the Office of Policy and Management at intervals of six
99 months in the first year after adoption of the ordinance and annually
100 thereafter. Any amendment to the strategic plan made subsequent to
101 the date of enactment of the ordinance shall be adopted by the
102 neighborhood revitalization zone committee and the municipality in
103 accordance with the procedures set forth in subsections (c) and (d) of
104 section 7-601, as amended by this act, and shall be submitted to the
105 Secretary of the Office of Policy and Management for review. After the
106 date of approval of the amendment by the legislative body of the
107 municipality, any report required to be made pursuant to this section
108 shall include information concerning the amendment. An amendment
109 to a strategic plan shall be deemed to be a concept or proposal not
110 reflected within the scope of the plan as originally adopted by
111 ordinance of the municipality.

112 (c) A municipality in which a neighborhood revitalization zone
113 committee has been created shall: (1) Defend such neighborhood
114 revitalization zone committee, and each member thereof, in any civil
115 action seeking to impose liability arising out of any actual or alleged
116 act, error or omission that occurred within the scope of such committee

117 or member's duties or responsibilities in implementing the strategic
 118 plan, provided such committee or member was acting (A) within the
 119 scope of such committee or member's official capacity, and (B) in a
 120 manner consistent with advice provided by the municipality's legal
 121 counsel; and (2) indemnify such neighborhood revitalization zone
 122 committee, and each member thereof, in the amount of any settlement
 123 or judgment obtained against such committee or member arising out of
 124 any actual or alleged act, error or omission that occurred within the
 125 scope of such committee or member's duties or responsibilities in
 126 implementing the strategic plan, provided the actual or alleged act,
 127 error or omission did not result from reckless, wilful or wanton
 128 misconduct on the part of such committee member.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2018	7-601
Sec. 2	July 1, 2018	7-602

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 19 \$	FY 20 \$
Various Municipalities	STATE MANDATE - Cost	Potential	Potential

Explanation

There is a potential cost to certain municipalities resulting from the bill, which requires towns that have a neighborhood revitalization zone (NRZ) to indemnify all NRZ committee members in the case of any legal action taken against it. Such costs would vary greatly depending upon if legal action is taken against the committee and the amount of legal fees and awards associated with the legal action.

The Out Years

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

OLR Bill Analysis**sHB 5283****AN ACT CONCERNING NEIGHBORHOOD REVITALIZATION ZONES.****SUMMARY**

This bill requires municipalities to defend and indemnify neighborhood revitalization zone (NRZ) committees and their members under specified circumstances. The bill's provisions apply to NRZ planning committees and NRZ committees. NRZ planning committees are responsible for preparing a strategic plan for revitalizing the neighborhood and NRZ committees are established after a municipality adopts the planning committee's strategic plan in order to implement it (CGS §§ 7-601 & -602).

The state's NRZ program helps neighborhood residents and businesses develop and implement plans to revitalize economically- and socially-distressed neighborhoods. NRZs are municipally designated. Under the NRZ statutes, municipalities can, among other things, (1) take property by eminent domain and (2) request the appointment of a rent receiver to enable the correction of code violations (CGS § 7-600 *et seq.*).

EFFECTIVE DATE: July 1, 2018

REQUIRED DEFENSE AND INDEMNIFICATION

The bill requires municipalities to defend and indemnify a NRZ committee (including a planning committee) and its members in any civil action arising out of an act, error, or omission made while exercising the committee or members' responsibilities for developing or implementing a strategic plan. The indemnification requirement applies to judgements or settlements.

Municipalities must defend committees and members if they act:

1. within the scope of their official capacity;
2. in a manner consistent with advice from the municipality's legal counsel; and
3. in the case of planning committees, in accordance with the committee's bylaws and any municipally approved master plan.

Municipalities need not indemnify (1) planning committees or their members if their acts, errors, or omissions constitute reckless, willful, or wanton misconduct or (2) NRZ (implementation) committee members if their acts, errors, or omissions constitute reckless, willful, or wanton misconduct.

BACKGROUND

Indemnification of Municipal Boards, Commissions, Committees, and Agencies

By law, an uncompensated individual serving as a member of a municipal board, commission, committee, or agency is generally immune from civil liability for damage or injury resulting from any act, error, or omission made in the exercise of policy or decision-making responsibilities, as long as the individual's misconduct is not reckless, willful, or wanton (CGS § 52-557n(c)).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/16/2018)