Bill No.: SB-1062
Title: AN ACT AUTHORIZING MUNICIPAL CLIMATE CHANGE AND COASTAL RESILIENCY RESERVE FUNDS.
Vote Date: 3/25/2019
Vote Action: Joint Favorable Substitute
PH Date: 3/18/2019
File No.: 661

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SPONSORS OF BILL:
Environment Committee
Rep. David Michel, 146th Dist.

REASONS FOR BILL:
As Connecticut’s sea level continues to rise due to climate change and extreme weather conditions, municipalities along the states coastline search for ways to prepare and adapt to the changing environment. While federal and state grants, and local bonds are available options, municipalities have requested authority to establish local coastal resiliency reserve funds. The bill seeks to grant them such request.

Substitute Language – LCO No. 6554
Testimony submitted by the Department of Energy and Environmental Protection (DEEP) expressed concern over subsection (e) in that reserve funds could be appropriated, among the other uses listed in the bill, for private property loss. According to DEEP, such reimbursements are appropriately handled through insurance programs. Substitute language clarifies that reserve funds may be used and appropriated for municipal property losses, along with other uses as listed in the bill.

RESPONSE FROM ADMINISTRATION/AGENCY:
Katherine S. Dykes, Commissioner, Connecticut Department of Energy and Environmental Protection (DEEP): While supportive of the bill, DEEP shares concern with subsection (e) of the bill. As written, the bill would allow the reserve fund to be used for
reimbursing private property loss. Reimbursements of such losses are appropriately handled through an insurance program, such as the National Flood Insurance Program administered through the Federal Emergency Management Agency.

**NATURE AND SOURCES OF SUPPORT:**

**Amy Blaymore Peterson, Executive Director, Connecticut Land Conservation Council (CLCC):** This fund allows municipalities to fund their own projects to “mitigate the impacts of climate change.” Land conservation is very important in dealing with climate change because it acts as a “natural buffer along coasts, riverbeds, and other flood-prone areas.”

**Patrick M. Comins, Executive Director, The Connecticut Audubon Society:** Coastal areas of the state are particularly vulnerable to the effects of climate change due to sea level rise. This proposal will offer municipalities better options for local funding of resiliency projects.

**James B. Cosgrove, First Selectman, Town of Branford:** Branford completed two studies in 2016 and 2018 on the town’s coastal resilience plan and plan of conservation and development, respectively. In an effort to address coastal resiliency problems, the town created a coastal resiliency fund using $1 million from unassigned fund balance.

**James P. Finch Jr., Finance Director, Town of Branford:** To fund coastal resiliency projects, municipalities currently have the following options: (1) state and local grants, (2) municipal bonds, (3) “pay as you go,” and (4) establish a sinking fund using low return deposits. Branford believes that climate change represents a long term liability, this bill provides municipalities with investment strategies designed to outpace inflation over long term periods.

**Betsy Gara, Executive Director, Connecticut Council of Small Towns:** The University of Connecticut’s Institute for Resilience and Climate Adaptation predicts that the state’s sea level will rise by 20 inches by 2050. In addition to rising sea levels, extreme weather events present significant challenges to communities along the coast.

**Matthew T. Hoey III, First Selectman, Town of Guilford:** Communities, rating agencies, insurance companies, municipal planners and engineers are becoming increasingly more concerned by the risks associated with rising sea levels. Guildford believes this bill to be a useful tool when used in concert with state grants and local bonding efforts.

**Robert LaFrance, Policy Director, Audubon Connecticut:** Municipalities face dire consequences due to climate change and sea level rise. This bill offers a method to finance resiliency planning on the local level. Realizing the impact of climate change and sea level rise in Connecticut, the Connecticut Department of energy and Environmental Protection established the Connecticut Institute for Resiliency and Climate Adaptation.

**David Sutherland, Director of Government Relations, The Nature Conservancy Connecticut Chapter:** Mr. Sutherland supports this bill because towns and infrastructure face risks due to climate change. A reserve fund allows towns to be able to prepare for these risks and not preparing for these risks could cause for the cost to be even greater.
NATURE AND SOURCES OF OPPOSITION:

Jim Perras, Chief Executive Officer, The Home Builders and Remodelers Association of Connecticut (HBRACT): This bill will allow municipalities to institute a new tax for the purpose of funding payments for property losses and land acquisitions due to climate change. Processes already exist for towns to purchase property. Additionally, this bill could be used by towns to purchase otherwise developable land to “stymy affordable housing developments and avoid fair housing obligations.”

Reported by:  Spencer Kinyon / Ussawin R. Bumpen    Date: 4/16/2019