



House of Representatives

General Assembly

File No. 470

January Session, 2021

Substitute House Bill No. 6441

House of Representatives, April 15, 2021

The Committee on Environment reported through REP. GRESKO of the 121st Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING CLIMATE CHANGE ADAPTATION.

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

1 Section 1. Section 22a-498 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2021*):

3 (a) Any municipality [selected by the commissioner to participate in
4 the pilot program established pursuant to section 22a-497] may, by
5 ordinance adopted by its legislative body, designate any existing board
6 or commission or establish a new board or commission as the
7 stormwater authority for such municipality. If a new board or
8 commission is created, such municipality shall, by ordinance, determine
9 the number of members thereof, their compensation, if any, whether
10 such members shall be elected or appointed, the method of their
11 appointment, if appointed, and removal and their terms of office, which
12 shall be so arranged that not more than one-half of such terms shall
13 expire within any one year.

14 (b) The purposes of the stormwater authority shall be to: (1) Develop

15 a stormwater management program, including, but not limited to, (A) a
16 program for construction and post-construction site stormwater runoff
17 control, including control detention and prevention of stormwater
18 runoff from development sites; or (B) a program for control and
19 abatement of stormwater pollution from existing land uses, and the
20 detection and elimination of connections to the stormwater system that
21 threaten the public health, welfare or the environment; (2) provide
22 public education and outreach in the municipality relating to
23 stormwater management activities and to establish procedures for
24 public participation; (3) provide for the administration of the
25 stormwater management program; (4) establish geographic boundaries
26 of the stormwater authority district; and (5) recommend to the
27 legislative body of the municipality in which such district is located the
28 imposition of a [levy] fee upon the [taxable] interests in real property
29 within such district, the revenues from which [may] shall be used in
30 carrying out any of the powers of such district. In accomplishing the
31 purposes of this section, the stormwater authority may plan, layout,
32 acquire, construct, reconstruct, repair, maintain, supervise and manage
33 stormwater control systems.

34 (c) (1) Any stormwater authority created by a municipality pursuant
35 to subsection (a) of this section may levy fees, [from] approved by the
36 legislative body of the municipality in accordance with the provisions
37 of subdivision (3) of this subsection, on property owners of the
38 municipality, except as specified in subdivision (2) of this subsection,
39 for the purposes described in subsection (b) of this section. In
40 establishing fees for [any property] properties in its district, the
41 stormwater authority [may] shall consider criteria, including, but not
42 limited to, the following: The area of the property containing
43 impervious surfaces from which stormwater runoff is generated, land
44 use types that result in higher or lower concentrations of stormwater
45 pollution and the grand list valuation of the property.

46 (2) The stormwater authority may [reduce or defer] not levy such fees
47 [for] on land classified as, or consisting of, farm, forest or open space
48 land, except on areas of such land that contain impervious surfaces from

49 which stormwater runoff is generated.

50 (3) Each stormwater authority shall present its budget annually to the
51 legislative body of the municipality for approval. Such budget shall
52 include the specific programs the authority proposes to undertake
53 during the fiscal year for which the budget is presented, the projected
54 expenditures for such programs for the fiscal year and the amount of the
55 fee or fees the authority proposes to levy to pay for such expenditures.
56 In no event shall the aggregate amount of the fees proposed for the fiscal
57 year exceed the aggregate amount of such projected expenditures for
58 the fiscal year. The legislative body of the municipality may approve fee
59 amounts that are less than the amounts proposed by the authority but
60 in no event shall the legislative body of the municipality approve fee
61 amounts that are greater than the amounts proposed by the authority.

62 (d) Any person aggrieved by the action of a stormwater authority
63 under this section shall have the same rights and remedies for appeal
64 and relief as are provided in the general statutes for taxpayers claiming
65 to be aggrieved by the doings of the assessors or board of assessment
66 appeals.

67 [(d)] (e) The authority may adopt municipal regulations to implement
68 the stormwater management program.

69 [(e)] (f) The authority may, subject to the commissioner's approval,
70 enter into contracts with any municipal or regional entity to accomplish
71 the purposes of this section.

72 (g) For purposes of this section and sections 22a-498a and 22a-498b,
73 as amended by this act, "municipality" means any town, city, borough,
74 consolidated town and city or consolidated town or borough.
75 "Municipality" does not include any local school district, regional school
76 district, metropolitan district, district, as defined in section 7-324, or any
77 other municipal corporation or authority authorized to issue bonds,
78 notes or other obligations under the provisions of the general statutes or
79 any special act.

80 Sec. 2. Section 22a-498a of the general statutes is repealed and the
81 following is substituted in lieu thereof (*Effective July 1, 2021*):

82 A municipal stormwater authority created pursuant to section 22a-
83 498, as amended by this act, and located in a distressed municipality, as
84 defined in subsection (b) of section 32-9p, having a population of not
85 more than twenty-eight thousand shall constitute a body politic and
86 corporate and the ordinance establishing such authority may confer
87 upon such authority the following powers: (1) To sue and be sued; (2)
88 to acquire, hold and convey any estate, real or personal; (3) to contract;
89 (4) to borrow money, including by the issuance of bonds, provided the
90 issuance of such bonds is approved by the legislative body of the
91 municipality in which such authority district is located; (5) to
92 recommend to the legislative body of such municipality the imposition
93 of [a levy] fees upon the [taxable] interests in real property within such
94 authority district, the revenues from which [may] shall be used in
95 carrying out any of the powers of such authority; (6) to deposit and
96 expend funds; and (7) to enter property to make surveys, soundings,
97 borings and examinations to accomplish the purposes of section 22a-
98 498, as amended by this act.

99 Sec. 3. Section 22a-498b of the general statutes is repealed and the
100 following is substituted in lieu thereof (*Effective July 1, 2021*):

101 Any charge due to a municipal stormwater authority and any fee
102 levied pursuant to section 22a-498, as amended by this act, and not paid
103 [within] in full on or before thirty days [of] after the due date shall
104 thereupon be delinquent and shall bear interest from the due date at [the
105 rate charged by the municipality's tax collector for] such rates and in
106 such manner as provided for delinquent property taxes under section
107 12-146. Any such unpaid charge or fee, or portion thereof, shall
108 constitute a lien upon the [real estate] property against which such
109 charge or fee was levied from the date it became delinquent. Each such
110 lien may be continued, recorded and released in the manner provided
111 by the general statutes for continuing, recording and releasing property
112 tax liens.

113 Sec. 4. (NEW) (*Effective July 1, 2021*) (a) A municipality may establish,
114 by vote of its legislative body, a conveyance fee on the conveyance of
115 real property in such municipality. Such fee shall be paid by either the
116 buyer or the seller, or a combination thereof, of such real property, as
117 agreed upon by such buyer and seller. The rate of such fee shall be (1)
118 for consideration paid by the buyer equal to or less than eight hundred
119 thousand dollars, not more than one-half of one per cent on the portion
120 of such consideration that exceeds one hundred fifty thousand dollars,
121 (2) for consideration paid by the buyer greater than eight hundred
122 thousand dollars but equal to or less than two million five hundred
123 thousand dollars, not more than one per cent on the portion of such
124 consideration that exceeds eight hundred thousand dollars, and (3) for
125 consideration paid by the buyer greater than two million five hundred
126 thousand dollars, not more than one and one-half per cent on the
127 portion of such consideration that exceeds two million five hundred
128 thousand dollars.

129 (b) (1) The fee established pursuant to subsection (a) of this section
130 shall be retained by the municipality and maintained in a separate
131 account.

132 (2) Unless a municipality is a distressed municipality, as defined in
133 section 32-9 of the general statutes or is listed on the list annually
134 reported by the Commissioner of Housing under subparagraph (D) of
135 subdivision (2) of subsection (a) of section 8-37qqq of the general
136 statutes, the fee established pursuant to subsection (a) of this section
137 shall only be used for the following purposes: (A) Stewardship, but not
138 the acquisition, of open space land, including, but not limited to, water
139 resources, forest land and farmland; (B) funding of a Climate Change
140 and Coastal Resiliency Reserve Fund, created by the municipality
141 pursuant to section 7-159d of the general statutes, as amended by this
142 act, or other municipal climate resilience, mitigation or adaptation
143 strategies except that any fee established pursuant to subsection (a) of
144 this section and deposited into a separate account pursuant to this
145 subsection shall not be transferred to any other account for the
146 acquisition of land; (C) matching of investments from state programs to

147 supplement new or existing affordable housing programs funded
148 pursuant to subdivision (3) of subsection (a) of section 4-66aa of the
149 general statutes; (D) funding of other environmental projects, including,
150 but not limited to, urban forestry and planting of trees, but not including
151 acquisition of open space land; and (E) repayment of municipal bonds
152 obtained for any of the purposes described in subparagraphs (A) to (E),
153 inclusive, of this subdivision.

154 (c) A distressed municipality, as defined in section 32-9p of the
155 general statutes, or a targeted investment community, as defined in
156 section 32-222 of the general statutes, may set aside up to ten per cent of
157 the fees maintained under subsection (b) of this section for the purpose
158 of offsetting property tax revenues that are reduced or eliminated as a
159 result of tax exemptions granted by the municipality for protected open
160 space land, forest land, farmland or recreational land.

161 (d) Each conveyance resulting in the preservation in perpetuity of
162 open space land, forest land or farmland shall be exempt from any fee
163 imposed pursuant to subsection (a) of this section.

164 (e) Any fee imposed pursuant to subsection (a) of this section shall
165 not apply to any transaction enumerated in subsection (a) of section 12-
166 498 of the general statutes.

167 Sec. 5. Section 25-84 of the general statutes is repealed and the
168 following is substituted in lieu thereof (*Effective July 1, 2021*):

169 (a) (1) Any municipality may, by vote of its legislative body, adopt
170 the provisions of this section and sections 25-85 to 25-94, inclusive, as
171 amended by this act, and exercise through a flood prevention, climate
172 resilience and erosion control board the powers granted thereunder. In
173 each town, except as otherwise provided by special act, the flood
174 prevention, climate resilience and erosion control board shall consist of
175 not less than five nor more than seven members, who shall be electors
176 of such town and whose method of selection and terms of office shall be
177 determined by local ordinance, except that in towns having a population
178 of less than fifty thousand the selectmen may be empowered by such

179 ordinance to act as such flood prevention, climate resilience and erosion
180 control board. In each city or borough, except as otherwise provided by
181 special act, the board of aldermen, council or other board or authority
182 having power to adopt ordinances for the government of such city or
183 borough may act as such flood prevention, climate resilience and
184 erosion control board. The flood prevention, climate resilience and
185 erosion control board of any town shall have jurisdiction over that part
186 of the town outside any city or borough contained therein.

187 (2) Two or more municipalities may, by concurrent votes of their
188 legislative bodies, enter into an agreement to jointly exercise through a
189 joint flood prevention, climate resilience and erosion control board the
190 powers granted under sections 25-85 to 25-94, inclusive, as amended by
191 this act. The joint flood prevention, climate resilience and erosion
192 control board shall have jurisdiction over each municipality subject to
193 such agreement.

194 (b) Any town, city or borough shall have the power to provide by
195 ordinance for the appointment or election of three alternate members to
196 its flood prevention, climate resilience and erosion control board. Such
197 alternate members shall, when seated as herein provided, have all the
198 powers and duties set forth for such board and its members. Such
199 alternate members shall be electors of such town, city or borough. If a
200 regular member of any of said board is absent or is disqualified, the
201 chairman of the board shall designate an alternate to so act, choosing
202 alternates in rotation so that they shall act as nearly equal a number of
203 times as possible. If any alternate is not available in accordance with
204 such rotation, such fact shall be recorded in the minutes of the meeting.

205 (c) Each flood prevention, climate resilience and erosion control
206 board shall publish a biannual report on the Internet web site of each
207 municipality under the jurisdiction of such board. Such report shall
208 include, but not be limited to, (1) a current inventory and description of
209 the flood prevention, climate resilience and erosion control system
210 managed by such board, (2) the extent and value of property,
211 infrastructure and natural resources protected by such system, (3) an

212 analysis of the manner in which vulnerable communities, as defined in
213 subsection (a) of section 16-243y, are prioritized and protected by such
214 system, and (4) the revenues and expenditures of such board.

215 Sec. 6. Section 25-85 of the general statutes is repealed and the
216 following is substituted in lieu thereof (*Effective July 1, 2021*):

217 (a) Such board shall have authority, within the limits of
218 appropriations from time to time made by the municipality or
219 municipalities, as applicable, to plan, lay out, acquire, construct,
220 reconstruct, repair, maintain, supervise, operate and manage a flood [or]
221 prevention, climate resilience and erosion control system. As used in
222 sections 25-84 to 25-94, inclusive, as amended by this act, ["flood or
223 erosion control system"] "flood prevention, climate resilience and
224 erosion control system" means any dike, berm, dam, piping, groin, jetty,
225 sea wall, embankment, revetment, tide-gate, water storage area, ditch,
226 drain or other structure or facility, and any nonstructural and nature-
227 based measure, including, but not limited to, removal, relocation or
228 modification of existing structures, restoration and maintenance of open
229 floodplain or other water storage area and any feasible, less
230 environmentally damaging alternative, as defined in section 22a-92, that
231 is useful in preventing or ameliorating damage from floods or erosion,
232 whether caused by fresh or salt water, [or] any dam forming a lake or
233 pond that benefits abutting properties or any open space reserved for
234 future accommodation or establishment of wetlands or watercourses,
235 and shall include any easements, rights-of-way and riparian rights
236 which may be required in furtherance of any such system.

237 (b) In planning for and conducting its activities, such board (1) shall
238 consider all applicable regional and municipal hazard mitigation plans,
239 resilience plans and identifications of vulnerable communities, as
240 defined in subsection (a) of section 16-243y, as well as all applicable
241 municipal plans of conservation and development adopted pursuant to
242 section 8-23, and (2) may consult with the Connecticut Institute for
243 Resilience and Climate Adaptation.

244 Sec. 7. Section 25-86 of the general statutes is repealed and the

245 following is substituted in lieu thereof (*Effective July 1, 2021*):

246 Such board is authorized to enter upon and to take and hold, by
247 purchase, condemnation or otherwise, any real property or interest
248 therein which it determines is necessary for use in connection with the
249 flood [or] prevention, climate resilience and erosion control system.
250 Whenever the board is unable to agree with the owner of any such
251 property as to the compensation to be paid for the taking thereof, the
252 board, in the name of the municipality, may bring condemnation
253 proceedings in accordance with the procedure provided by part I of
254 chapter 835 for condemnation by municipal corporations generally. In
255 such case, the court or judge may permit immediate possession of such
256 property by the board in accordance with the procedure provided by
257 said chapter.

258 Sec. 8. Section 25-87 of the general statutes is repealed and the
259 following is substituted in lieu thereof (*Effective July 1, 2021*):

260 At any time after voting to acquire, construct, [or] reconstruct,
261 operate or maintain any flood [or] prevention, climate resilience and
262 erosion control system or portion thereof, the board in its discretion may
263 elect to defray the cost thereof by issuing bonds or other evidences of
264 debt, [or] from general taxation, special assessment, federal, state or
265 private grant funds or any combination thereof or by drawing upon a
266 municipal Climate Change and Coastal Resiliency Reserve Fund created
267 pursuant to section 7-159d, as amended by this act. If it elects to defray
268 any part of such cost from special assessment, it may apportion and
269 assess such part upon the lands and buildings in the municipality
270 which, in its judgment, are especially benefited thereby, whether they
271 abut on such flood [or] prevention, climate resilience and erosion
272 control system or not, and upon the owners of such lands and buildings,
273 subject to the right of appeal as hereinafter provided. Such assessment
274 may include a proportionate share of any expenses incidental to the
275 completion of such flood [or] prevention, climate resilience and erosion
276 control system, such as fees and expenses of attorneys, engineers,
277 surveyors, superintendents or inspectors, the cost of any property

278 purchased or acquired for such work, interest on securities, the cost of
279 preparing maps, plans and specifications, the cost to reconstruct, repair,
280 maintain, supervise, operate and manage such system and the cost of
281 printing, publishing or serving advertisements or notices incidental
282 thereto. The board may divide the total territory to be benefited by any
283 flood [or] prevention, climate resilience and erosion control system into
284 sections and may levy assessments against the property benefited in
285 each section separately. In assessing benefits against the property in any
286 section, the board may add to the cost of the part of the flood [or]
287 prevention, climate resilience and erosion control system located in such
288 section a proportionate share of the cost of any part of such system
289 located outside the section which is useful for the operation or
290 effectiveness of that part of such system within the section and of any of
291 the other items of cost or expense above enumerated.

292 Sec. 9. Section 25-92 of the general statutes is repealed and the
293 following is substituted in lieu thereof (*Effective July 1, 2021*):

294 The proceeds of such assessments, whether or not pledged for the
295 payment of securities, shall be segregated from other funds of the
296 municipality and shall be used only to pay for the construction, [or]
297 reconstruction, repair, maintenance, supervision, operation or
298 management of the flood [or] prevention, climate resilience and erosion
299 control system or particular portion thereof in respect to which such
300 assessments are made or, as the case may be, for the payment of the
301 interest on or principal of any securities issued to pay for such system
302 or particular portion thereof.

303 Sec. 10. Section 25-94 of the general statutes is repealed and the
304 following is substituted in lieu thereof (*Effective July 1, 2021*):

305 Any flood prevention, climate resilience and erosion control board
306 established under section 25-84, any such board or commission
307 established by special act or any district having as one of its powers and
308 purposes the right to construct or maintain a flood prevention, climate
309 resilience and erosion control system under chapter 105, acting through
310 its officers, is authorized to negotiate, cooperate and enter into

311 agreements with (1) the United States, (2) the United States and the state
312 of Connecticut, [or] (3) the state of Connecticut, or (4) one or more
313 municipalities in the state of Connecticut, in order to satisfy the
314 conditions imposed by the United States or the state of Connecticut in
315 authorizing any system for the improvement of navigation of any
316 harbor or river and for [protection of property against damage by floods
317 or by erosion] constructing, reconstructing, operating or maintaining
318 any flood prevention, climate resilience and erosion control system,
319 provided such system shall have been approved by the Commissioner
320 of Energy and Environmental Protection.

321 Sec. 11. Section 25-95 of the general statutes is repealed and the
322 following is substituted in lieu thereof (*Effective July 1, 2021*):

323 The state, acting through the Commissioner of Energy and
324 Environmental Protection, may enter into agreements with such local
325 authority authorized to contract under section 25-94, as amended by this
326 act, for the purpose of constructing projects or systems to prevent,
327 correct and arrest [erosion and] flood damage and impacts of climate
328 change within the boundaries of the state. The plans, specifications,
329 system and construction shall be under the direct control and
330 supervision of the commissioner. The contract shall describe (1) the
331 nature and extent of the system, (2) the amount of the cost to the state,
332 (3) the share to be paid by the district or board, and (4) the method of
333 financing the payment by such local authority, all of which shall be
334 subject to the approval of the commissioner.

335 Sec. 12. Section 25-97 of the general statutes is repealed and the
336 following is substituted in lieu thereof (*Effective July 1, 2021*):

337 When any such improvement or protection project or system is
338 located within two or more municipalities, such municipalities, acting
339 by their individual or joint flood prevention, climate resilience and
340 erosion control boards, as applicable, are authorized to undertake
341 jointly any such action as is authorized by sections 25-94 and 25-95, as
342 amended by this act, and the cost to each board shall be determined by
343 [the Commissioner of Energy and Environmental Protection] mutual

344 agreement of the municipalities involved.

345 Sec. 13. Section 25-98 of the general statutes is repealed and the
346 following is substituted in lieu thereof (*Effective July 1, 2021*):

347 In carrying out the purposes for which it was established, any local
348 authority authorized to contract under section 25-94, as amended by this
349 act, may (1) accept, receive and expend gifts, devises or bequests of
350 money, lands or other properties to be applied and expended in the
351 manner provided herein, and (2) apply for and receive grants from state,
352 federal and private sources.

353 Sec. 14. Section 7-326 of the general statutes is repealed and the
354 following is substituted in lieu thereof (*Effective July 1, 2021*):

355 At such meeting, the voters may establish a district for any or all of
356 the following purposes: To extinguish fires, to light streets, to plant and
357 care for shade and ornamental trees, to construct and maintain roads,
358 sidewalks, crosswalks, drains and sewers, to appoint and employ
359 watchmen or police officers, to acquire, construct, maintain and regulate
360 the use of recreational facilities, to plan, lay out, acquire, construct,
361 reconstruct, repair, maintain, supervise and manage a flood [or]
362 prevention, climate resilience and erosion control system, to plan, lay
363 out, acquire, construct, maintain, operate and regulate the use of a
364 community water system, to collect garbage, ashes and all other refuse
365 matter in any portion of such district and provide for the disposal of
366 such matter, to implement tick control measures, to install highway
367 sound barriers, to maintain water quality in lakes that are located solely
368 in one town in this state, to establish a zoning commission and a zoning
369 board of appeals or a planning commission, or both, by adoption of
370 chapter 124 or chapter 126, excluding section 8-29, or both chapters, as
371 the case may be, which commissions or board shall be dissolved upon
372 adoption by the town of subdivision or zoning regulations by the town
373 planning or zoning commission, to adopt building regulations, which
374 regulations shall be superseded upon adoption by the town of building
375 regulations, and to provide ferry service. Any district may contract with
376 a town, city, borough or other district for carrying out any of the

377 purposes for which such district was established.

378 Sec. 15. Subsection (a) of section 7-328 of the general statutes is
379 repealed and the following is substituted in lieu thereof (*Effective July 1,*
380 *2021*):

381 (a) The territorial limits of the district shall constitute a separate
382 taxing district, and the assessor or assessors of the town shall separate
383 the property within the district from the other property in the town and
384 shall annually furnish the clerk of the district with a copy of the grand
385 list of all property in the district after it has been completed by the board
386 of assessment appeals of the town. If the legislative body of the town
387 elects, pursuant to section 12-62c, to defer all or any part of the amount
388 of the increase in the assessed value of real property in the year a
389 revaluation becomes effective and in any succeeding year in which such
390 deferment is allowed, the grand list furnished to the clerk of the district
391 for each such year shall reflect assessments based upon such deferment.
392 When the district meeting has fixed the tax rate, the clerk shall prepare
393 a rate bill, apportioning to each owner of property his proportionate
394 share of the taxes, which rate bill, when prepared, shall be delivered to
395 the treasurer; and the district and the treasurer thereof shall have the
396 same powers as towns and collectors of taxes to collect and enforce
397 payment of such taxes, and such taxes when laid shall be a lien upon the
398 property in the same manner as town taxes, and such liens may be
399 continued by certificates recorded in the land record office of the town,
400 and foreclosed in the same manner as liens for town taxes or enforced
401 in accordance with any provision of the general statutes for the
402 collection of property taxes. The assessor or board of assessment appeals
403 shall promptly forward to the clerk of the district any certificate of
404 correction or notice of any other lawful change to the grand list of the
405 district. The district clerk shall, within ten days of receipt of any such
406 certificate or notice, forward a copy thereof to the treasurer, and the
407 assessment of the property for which such certificate or notice was
408 issued and the rate bill related thereto shall be corrected accordingly. If
409 the district constructs any drain, sewer, sidewalk, curb or gutter, such
410 proportion of the cost thereof as such district determines may be

411 assessed by the board of directors, in the manner prescribed by such
412 district, upon the property specially benefited by such drain, sewer,
413 sidewalk, curb or gutter, and the balance of such costs shall be paid from
414 the general funds of the district. In the construction of any flood [or]
415 prevention, climate resilience and erosion control system, the cost to
416 such district may be assessed and shall be payable in accordance with
417 sections 25-87 to 25-93, inclusive, as amended by this act. The cost for
418 the maintenance of water quality in a lake shall be assessed on the land
419 in a district and payment shall be apportioned equally among the
420 owners of parcels of property. Subject to the provisions of the general
421 statutes, the district may issue bonds and the board of directors may
422 pledge the credit of the district for any money borrowed for the
423 construction of any public works or the acquisition of recreational
424 facilities authorized by sections 7-324 to 7-329, inclusive, and such board
425 shall keep a record of all notes, bonds and certificates of indebtedness
426 issued, disposed of or pledged by the district. All moneys received by
427 the directors on behalf of the district shall be paid to the treasurer. No
428 contract or obligation which involves an expenditure in the amount of
429 (1) ten thousand dollars or more in districts where the grand list is less
430 than or equal to twenty million dollars, or (2) twenty thousand dollars
431 or more in districts where the grand list is greater than twenty million
432 dollars, in any one year shall be made by the board of directors, unless
433 the same is specially authorized by a vote of the district, nor shall the
434 directors borrow money without like authority. The clerk of the district
435 shall give written notice to the treasurer of the town in which the district
436 is located of any final decision of the board of directors to borrow
437 money, not later than thirty days after the date of such decision. The
438 district may adopt ordinances, with penalties to secure their
439 enforcement, for the purpose of regulating the carrying out of the
440 provisions of sections 7-324 to 7-329, inclusive, and defining the duties
441 and compensation of its officers and the manner in which their duties
442 shall be carried out.

443 Sec. 16. Section 22a-113p of the general statutes is repealed and the
444 following is substituted in lieu thereof (*Effective July 1, 2021*):

445 The commission may review and make recommendations, consistent
446 with the plan, on any proposal affecting the real property on, in or
447 contiguous to the harbor that is received by any zoning commission,
448 planning commission or combined planning and zoning commission,
449 zoning board of appeals, historic district commissions, flood
450 prevention, climate resilience and erosion control board, harbor
451 improvement agency, port authority, redevelopment agency, shellfish
452 commission, sewer commission, water pollution control authority or
453 special district with zoning or other land use authority. Such agencies
454 shall send a copy of any such proposal to the commission upon the
455 request of such commission. The commission shall be notified of any
456 such proposal at least thirty-five days prior to the commencement of the
457 hearing thereon or where no hearing is held, at least thirty-five days
458 prior to the taking of any final action on the proposal. The local agency
459 authorized to act on the proposal shall consider the recommendations
460 of the commission. A two-thirds vote of all the members of the local
461 agency having authority to act on the proposal shall be required to
462 approve a proposal which has not received a favorable recommendation
463 from the commission, provided that the provisions of this section shall
464 not be deemed to alter the authority of the agency having primary
465 jurisdiction over the proposal to deny, modify or condition the proposal.
466 Failure of the commission to submit a recommendation shall be deemed
467 to be approval of the proposal.

468 Sec. 17. Subdivision (2) of subsection (e) of section 22a-361 of the
469 general statutes is repealed and the following is substituted in lieu
470 thereof (*Effective July 1, 2021*):

471 (2) The commissioner may require that any person, firm or
472 corporation, public, municipal or private, who removes sand, gravel or
473 other material lying waterward of the mean high water mark of the
474 tidal, coastal or navigable waters shall make available such sand, gravel
475 or other material of appropriate grain size and composition to any
476 coastal municipality or to any district established pursuant to chapter
477 105 or by special act to plan, lay out, acquire, construct, reconstruct,
478 repair, maintain, supervise and manage a flood [or] prevention, climate

479 resilience and erosion control system. Such sand, gravel or other
480 material shall be offered for the purposes of an appropriately authorized
481 beach nourishment or habitat restoration project and shall be available
482 (A) to municipalities for the cost of transporting such sand, gravel or
483 other material, and (B) to districts for a reasonable fee.

484 Sec. 18. Section 25-76 of the general statutes is repealed and the
485 following is substituted in lieu thereof (*Effective July 1, 2021*):

486 The Commissioner of Energy and Environmental Protection is
487 authorized to negotiate, cooperate and enter into agreements with the
488 federal government and with any municipality through its flood
489 prevention, climate resilience and erosion control board for the purpose
490 of constructing small flood control systems or tidal and hurricane
491 protection and navigation projects including dams, dikes, flood walls,
492 reservoirs, river channel improvements and such other works as are
493 necessary to reduce or prevent damages due to floods, including
494 projects constructed under the provisions of Title 33, Chapter 15, Section
495 701s, of the United States Code, as amended. The commissioner is
496 authorized to use nonstructural measures of flood control, including but
497 not limited to, acquisition of real property which the commissioner
498 determines is reasonably necessary for use in connection with such
499 systems or projects, by purchase, lease or gift or by condemnation in the
500 manner provided by part I of chapter 835. The commissioner is
501 authorized to give assurances to the federal government that the state
502 will hold and save the United States free from damages due to the
503 construction works and that the state will pay cash contributions as may
504 be required as a local contribution for any flood control system or
505 project undertaken by the federal government or by the state, subject to
506 reimbursement as provided in sections 25-71 and 25-72, except that, for
507 tidal and hurricane protection and navigation projects, such
508 reimbursement shall be not less than fifty per cent.

509 Sec. 19. Subsection (c) of section 7-159d of the general statutes is
510 repealed and the following is substituted in lieu thereof (*Effective July 1,*
511 *2021*):

512 (c) The budget-making authority of such municipality may, from time
513 to time, direct the treasurer to invest a portion of such Climate Change
514 and Coastal Resiliency Reserve Fund as in the opinion of such authority
515 is advisable, provided: (1) Not more than forty per cent, or with respect
516 to such a reserve fund for which the budget-making authority has
517 adopted an asset allocation and investment policy, fifty per cent, of the
518 total amount of such reserve fund shall be invested in equity securities,
519 and (2) any portion of such reserve fund not invested pursuant to
520 subdivision (1) of this subsection may be invested in: (A) Bonds or
521 obligations of, or guaranteed by, the state or the United States, or
522 agencies or instrumentalities of the United States, (B) certificates of
523 deposit, commercial paper, savings accounts and bank acceptances, (C)
524 the obligations of any state of the United States or any political
525 subdivision thereof or the obligations of any instrumentality, authority
526 or agency of any state or political subdivision thereof, if, at the time of
527 investment, such obligations are rated in the top rating categories of any
528 nationally recognized rating service or of any rating service recognized
529 by the Banking Commissioner, and applicable to such obligations, (D)
530 the obligations of any regional school district in this state, of any
531 municipality in this state or any metropolitan district in this state, if, at
532 the time of investment, such obligations of such government entity are
533 rated in one of the top two rating categories of any nationally recognized
534 rating service or of any rating service recognized by the Banking
535 Commissioner, and applicable to such obligations, (E) in any fund in
536 which a trustee may invest pursuant to section 36a-353, (F) investment
537 agreements with financial institutions whose long-term obligations are
538 rated in the top two rating categories of any nationally recognized rating
539 service or of any rating service recognized by the Banking
540 Commissioner or whose short-term obligations are rated in the top
541 rating category of any nationally recognized rating service or of any
542 rating service recognized by the Banking Commissioner, or (G)
543 investment agreements fully secured by obligations of, or guaranteed
544 by, the United States or agencies or instrumentalities of the United
545 States.

546 Sec. 20. Subsections (a) to (d), inclusive, of section 16-245n of the

547 general statutes are repealed and the following is substituted in lieu
548 thereof (*Effective July 1, 2021*):

549 (a) For purposes of this section: [, "clean energy"]

550 (1) "Carbon offsets" means any activity that compensates for the
551 emission of carbon dioxide or other greenhouse gases by providing for
552 an emission reduction elsewhere;

553 (2) "Clean energy" means solar photovoltaic energy, solar thermal,
554 geothermal energy, wind, ocean thermal energy, wave or tidal energy,
555 fuel cells, landfill gas, hydropower that meets the low-impact standards
556 of the Low-Impact Hydropower Institute, hydrogen production and
557 hydrogen conversion technologies, low emission advanced biomass
558 conversion technologies, alternative fuels, used for electricity
559 generation including ethanol, biodiesel or other fuel produced in
560 Connecticut and derived from agricultural produce, food waste or
561 waste vegetable oil, provided the Commissioner of Energy and
562 Environmental Protection determines that such fuels provide net
563 reductions in greenhouse gas emissions and fossil fuel consumption,
564 usable electricity from combined heat and power systems with waste
565 heat recovery systems, thermal storage systems, other energy resources
566 and emerging technologies which have significant potential for
567 commercialization and which do not involve the combustion of coal,
568 petroleum or petroleum products, municipal solid waste or nuclear
569 fission, financing of energy efficiency projects, projects that seek to
570 deploy electric, electric hybrid, natural gas or alternative fuel vehicles
571 and associated infrastructure, any related storage, distribution,
572 manufacturing technologies or facilities and any Class I renewable
573 energy source, as defined in section 16-1; [.]

574 (3) "Ecosystem services" means benefits obtained from ecosystems,
575 including, but not limited to, (A) provisioning services such as food and
576 water, (B) regulating services such as regulation of floods, drought, land
577 degradation and disease, and (C) supporting services such as soil
578 formation and nutrient cycling; and

579 (4) "Environmental infrastructure" means structures, facilities,
580 systems, services and improvement projects related to (A) water, (B)
581 waste and recycling, (C) climate adaptation and resiliency, (D)
582 agriculture, (E) land conservation, (F) parks and recreation, and (G)
583 environmental markets, including, but not limited to, carbon offsets and
584 ecosystem services.

585 (b) On and after July 1, 2004, the Public Utilities Regulatory Authority
586 shall assess or cause to be assessed a charge of not less than one mill per
587 kilowatt hour charged to each end use customer of electric services in
588 this state which shall be deposited into the Clean Energy Fund
589 established under subsection (c) of this section.

590 (c) (1) There is hereby created a Clean Energy Fund which shall be
591 within the Connecticut Green Bank. The fund may receive any amount
592 required by law to be deposited into the fund and may receive any
593 federal funds as may become available to the state for clean energy
594 investments. Upon authorization of the Connecticut Green Bank
595 established pursuant to subsection (d) of this section, any amount in said
596 fund may be used for expenditures that promote investment in clean
597 energy in accordance with a comprehensive plan developed by it to
598 foster the growth, development and commercialization of clean energy
599 sources, related enterprises and stimulate demand for clean energy and
600 deployment of clean energy sources that serve end use customers in this
601 state and for the further purpose of supporting operational
602 demonstration projects for advanced technologies that reduce energy
603 use from traditional sources. Such expenditures may include, but not be
604 limited to, providing low-cost financing and credit enhancement
605 mechanisms for clean energy projects and technologies, reimbursement
606 of the operating expenses, including administrative expenses incurred
607 by the Connecticut Green Bank [and Connecticut Innovations,
608 Incorporated,] and capital costs incurred by the Connecticut Green Bank
609 in connection with the operation of the fund, the implementation of the
610 plan developed pursuant to subsection (d) of this section or the other
611 permitted activities of the Connecticut Green Bank, disbursements from
612 the fund to develop and carry out the plan developed pursuant to

613 subsection (d) of this section, grants, direct or equity investments,
614 contracts or other actions which support research, development,
615 manufacture, commercialization, deployment and installation of clean
616 energy technologies, and actions which expand the expertise of
617 individuals, businesses and lending institutions with regard to clean
618 energy technologies.

619 (2) (A) There is hereby created an Environmental Infrastructure Fund
620 which shall be within the Connecticut Green Bank. The fund may
621 receive any amount required by law to be deposited into the fund and
622 may receive any federal funds as may become available to the state for
623 environmental infrastructure investments, except that the fund shall not
624 receive: (i) Ratepayer or Regional Greenhouse Gas Initiative funds, (ii)
625 funds that have been deposited in, or are required to be deposited in, an
626 account of the Clean Water Fund pursuant to sections 22a-475 to 22a-
627 438f, inclusive, or (iii) funds collected from a water company, as defined
628 in section 25-32a.

629 (B) Upon authorization of the Connecticut Green Bank established
630 pursuant to subsection (d) of this section, any amount in said fund may
631 be used for expenditures that promote investment in environmental
632 infrastructure in accordance with a comprehensive plan developed by it
633 to foster the growth, development, commercialization and, where
634 applicable, preservation of environmental infrastructure and related
635 enterprises, except any project or purpose eligible for funding pursuant
636 to sections 22a-475 to 22a-483f, inclusive. Such expenditures may
637 include, but not be limited to, providing low-cost financing and credit
638 enhancement mechanisms for projects and technologies,
639 reimbursement of the operating expenses, including administrative
640 expenses incurred by the Connecticut Green Bank, and capital costs
641 incurred by the Connecticut Green Bank in connection with the
642 operation of the fund, the implementation of the plan developed
643 pursuant to subsection (d) of this section or the other permitted activities
644 of the Connecticut Green Bank, disbursements from the fund to develop
645 and carry out the plan developed pursuant to subsection (d) of this
646 section, grants, direct or equity investments, contracts or other actions

647 which support research, development, manufacture,
648 commercialization, deployment and installation of environmental
649 infrastructure and actions which expand the expertise of individuals,
650 businesses and lending institutions with regard to environmental
651 infrastructure.

652 (d) (1) (A) The Connecticut Green Bank is hereby established and
653 created as a body politic and corporate, constituting a public
654 instrumentality and political subdivision of the state of Connecticut
655 established and created for the performance of an essential public and
656 governmental function. The Connecticut Green Bank shall not be
657 construed to be a department, institution or agency of the state.

658 (B) The Connecticut Green Bank shall (i) develop separate programs
659 to finance and otherwise support clean energy and environmental
660 infrastructure investment in residential, municipal, small business and
661 larger commercial projects and such others as the Connecticut Green
662 Bank may determine; (ii) support financing or other expenditures that
663 promote investment in clean energy sources and environmental
664 infrastructure in accordance with a comprehensive plan developed by it
665 to foster the growth, development and commercialization of clean
666 energy sources, environmental infrastructure and related enterprises;
667 and (iii) stimulate demand for clean energy and the deployment of clean
668 energy sources within the state that serve end use customers in the state.

669 (C) The Clean Energy Finance and Investment Authority shall
670 constitute a successor agency to Connecticut Innovations, Incorporated,
671 for the purposes of administering the Clean Energy Fund in accordance
672 with section 4-38d. The Connecticut Green Bank shall constitute a
673 successor agency to the Clean Energy Finance and Investment Authority
674 for purposes of administering the Clean Energy Fund in accordance
675 with section 4-38d. The Connecticut Green Bank shall have all the
676 privileges, immunities, tax exemptions and other exemptions of
677 Connecticut Innovations, Incorporated, with respect to said fund. The
678 Connecticut Green Bank shall administer the Environmental
679 Infrastructure Fund. The Connecticut Green Bank shall be subject to suit

680 and liability solely from the assets, revenues and resources of said bank
681 and without recourse to the general funds, revenues, resources or other
682 assets of Connecticut Innovations, Incorporated. The Connecticut Green
683 Bank may provide financial assistance in the form of grants, loans, loan
684 guarantees or debt and equity investments, as approved in accordance
685 with written procedures adopted pursuant to section 1-121. The
686 Connecticut Green Bank may assume or take title to any real property,
687 convey or dispose of its assets and pledge its revenues to secure any
688 borrowing, convey or dispose of its assets and pledge its revenues to
689 secure any borrowing, for the purpose of developing, acquiring,
690 constructing, refinancing, rehabilitating or improving its assets or
691 supporting its programs, provided each such borrowing or mortgage,
692 unless otherwise provided by the board or said bank, shall be a special
693 obligation of said bank, which obligation may be in the form of bonds,
694 bond anticipation notes or other obligations which evidence an
695 indebtedness to the extent permitted under this chapter to fund,
696 refinance and refund the same and provide for the rights of holders
697 thereof, and to secure the same by pledge of revenues, notes and
698 mortgages of others, and which shall be payable solely from the assets,
699 revenues and other resources of said bank and such bonds may be
700 secured by a special capital reserve fund contributed to by the state,
701 provided that any bond secured by such special capital reserve fund
702 shall have a maturity not exceeding twenty-five years. The Connecticut
703 Green Bank shall have the purposes as provided by resolution of said
704 bank's board of directors, which purposes shall be consistent with this
705 section. No further action is required for the establishment of the
706 Connecticut Green Bank, except the adoption of a resolution for said
707 bank.

708 (D) In addition to, and not in limitation of, any other power of the
709 Connecticut Green Bank set forth in this section or any other provision
710 of the general statutes, said bank shall have and may exercise the
711 following powers in furtherance of or in carrying out its purposes:

712 (i) To have perpetual succession as a body corporate and to adopt
713 bylaws, policies and procedures for the regulation of its affairs and the

714 conduct of its business;

715 (ii) To make and enter into all contracts and agreements that are
716 necessary or incidental to the conduct of its business;

717 (iii) To invest in, acquire, lease, purchase, own, manage, hold, sell and
718 dispose of real or personal property or any interest therein;

719 (iv) To borrow money or guarantee a return to investors or lenders;

720 (v) To hold patents, copyrights, trademarks, marketing rights,
721 licenses or other rights in intellectual property;

722 (vi) To employ such assistants, agents and employees as may be
723 necessary or desirable, who shall be exempt from the classified service
724 and shall not be employees, as defined in subsection (b) of section 5-270;
725 establish all necessary or appropriate personnel practices and policies,
726 including those relating to hiring, promotion, compensation and
727 retirement, and said bank shall not be an employer, as defined in
728 subsection (a) of section 5-270; and engage consultants, attorneys,
729 financial advisers, appraisers and other professional advisers as may be
730 necessary or desirable;

731 (vii) To invest any funds not needed for immediate use or
732 disbursement pursuant to investment policies adopted by said bank's
733 board of directors;

734 (viii) To procure insurance against any loss or liability with respect to
735 its property or business of such types, in such amounts and from such
736 insurers as it deems desirable;

737 (ix) To enter into joint ventures and invest in, and participate with
738 any person, including, without limitation, government entities and
739 private corporations, in the formation, ownership, management and
740 operation of business entities, including stock and nonstock
741 corporations, limited liability companies and general or limited
742 partnerships, formed to advance the purposes of said bank, provided
743 members of the board of directors or officers or employees of said bank

744 may serve as directors, members or officers of any such business entity,
745 and such service shall be deemed to be in the discharge of the duties or
746 within the scope of the employment of any such director, officer or
747 employee, as the case may be, so long as such director, officer or
748 employee does not receive any compensation or financial benefit as a
749 result of serving in such role;

750 (x) To enter into a memorandum of understanding or other
751 arrangements with Connecticut Innovations, Incorporated, with respect
752 to the provision or sharing of space, office systems or staff
753 administrative support, on such terms as may be agreed to between said
754 bank and Connecticut Innovations, Incorporated; and

755 (xi) To do all other acts and things necessary or convenient to carry
756 out the purposes of said bank.

757 (E) (i) The Connecticut Green Bank may form one or more
758 subsidiaries to carry out the purposes of said bank, as described in
759 subparagraph (B) of subdivision (1) of this subsection, and may transfer
760 to any such subsidiary any moneys and real or personal property of any
761 kind or nature. Any subsidiary may be organized as a stock or nonstock
762 corporation or a limited liability company. Each such subsidiary shall
763 have and may exercise such powers of said bank, as set forth in the
764 resolution of the board of directors of said bank prescribing the
765 purposes for which such subsidiary is formed, and such other powers
766 provided to it by law.

767 (ii) No such subsidiary of said bank shall be deemed a quasi-public
768 agency for purposes of chapter 12. [and no such subsidiary shall] No
769 such subsidiary of said bank shall have all the privileges, immunities,
770 tax exemptions and other exemptions of said bank, unless such
771 subsidiary is a single member limited liability company that is
772 disregarded as an entity separate from its owner. In no event shall any
773 such subsidiary have the power to hire or otherwise retain employees.
774 The governing documents of any such subsidiary shall provide for the
775 dissolution of such subsidiary upon the completion of the purpose for
776 which such subsidiary was formed. Each such subsidiary may sue and

777 shall be subject to suit, provided its liability shall be limited solely to the
778 assets, revenues and resources of the subsidiary and without recourse
779 to the general funds, revenues, resources or any other assets of said
780 bank. Each such subsidiary is authorized to assume or take title to
781 property subject to any existing lien, encumbrance or mortgage and to
782 mortgage, convey or dispose of its assets and pledge its revenues to
783 secure any borrowing, provided each such borrowing or mortgage shall
784 be a special obligation of the subsidiary, which obligation may be in the
785 form of bonds, bond anticipation notes and other obligations, to fund
786 and refund the same and provide for the rights of the holders thereof,
787 and to secure the same by a pledge of revenues, notes and other assets
788 and which shall be payable solely from the revenues, assets and other
789 resources of the subsidiary. The Connecticut Green Bank may assign to
790 a subsidiary any rights, moneys or other assets it has under any
791 governmental program. No subsidiary of said bank shall borrow
792 without the approval of the board of directors of said bank.

793 (iii) Each such subsidiary shall act through its board of directors or
794 managing members, at least one-half of which shall be members of the
795 board of directors of said bank or their designees or officers or
796 employees of said bank.

797 (iv) The provisions of section 1-125 and this subsection shall apply to
798 any officer, director, designee or employee appointed as a member,
799 director or officer of any such subsidiary. Any such person so appointed
800 shall not be personally liable for the debts, obligations or liabilities of
801 any such subsidiary as provided in section 1-125. The subsidiary shall,
802 and said bank may, save harmless and indemnify such officer, director,
803 designee or employee as provided by section 1-125.

804 (v) The Connecticut Green Bank, or such subsidiary, may take such
805 actions as are necessary to comply with the provisions of the Internal
806 Revenue Code of 1986, or any subsequent corresponding internal
807 revenue code of the United States, as amended from time to time, to
808 qualify and maintain any such subsidiary as a corporation exempt from
809 taxation under said code.

810 (vi) The Connecticut Green Bank may make loans to each such
811 subsidiary from its assets and the proceeds of its bonds, notes and other
812 obligations, provided the source and security for the repayment of such
813 loans is derived from the assets, revenues and resources of the
814 subsidiary.

815 (2) (A) The Connecticut Green Bank may seek to qualify as a
816 Community Development Financial Institution under Section 4702 of
817 the United States Code. If approved as a Community Development
818 Financial Institution, said bank would be treated as a qualified
819 community development entity for purposes of Section 45D and Section
820 1400N(m) of the Internal Revenue Code.

821 (B) Before making any loan, loan guarantee, or such other form of
822 financing support or risk management for a clean energy or
823 environmental infrastructure project, the Connecticut Green Bank shall
824 develop standards to govern the administration of said bank through
825 rules, policies and procedures that specify borrower eligibility, terms
826 and conditions of support, and other relevant criteria, standards or
827 procedures.

828 (C) Funding sources specifically authorized include, but are not
829 limited to:

830 (i) Funds repurposed from existing programs providing financing
831 support for clean energy projects, provided any transfer of funds from
832 such existing programs shall be subject to approval by the General
833 Assembly and shall be used for expenses of financing, grants and loans;

834 (ii) Any federal funds that can be used for the purposes specified in
835 subsection (c) of this section, provided such funds are not required to be
836 deposited in the accounts of the Clean Water Fund pursuant to sections
837 22a-475 to 22a-483f, inclusive;

838 (iii) Charitable gifts, grants, contributions as well as loans from
839 individuals, corporations, university endowments and philanthropic
840 foundations;

841 (iv) Earnings and interest derived from financing support activities
842 for clean energy and environmental infrastructure projects backed by
843 the Connecticut Green Bank;

844 (v) If and to the extent that the Connecticut Green Bank qualifies as a
845 Community Development Financial Institution under Section 4702 of
846 the United States Code, funding from the Community Development
847 Financial Institution Fund administered by the United States
848 Department of Treasury, as well as loans from and investments by
849 depository institutions seeking to comply with their obligations under
850 the United States Community Reinvestment Act of 1977; and

851 (vi) The Connecticut Green Bank may enter into contracts with
852 private sources to raise capital. The average rate of return on such debt
853 or equity shall be set by the board of directors of said bank.

854 (D) The Connecticut Green Bank may provide financing support
855 under this subsection if said bank determines that the amount to be
856 financed by said bank and other nonequity financing sources do not
857 exceed [eighty] one hundred per cent of the cost to develop and deploy
858 a clean energy project or [up to one hundred per cent of the cost of
859 financing an energy efficiency] an environmental infrastructure project.

860 (E) The Connecticut Green Bank may assess reasonable fees on its
861 financing activities to cover its reasonable costs and expenses, as
862 determined by the board.

863 (F) The Connecticut Green Bank shall make information regarding
864 the rates, terms and conditions for all of its financing support
865 transactions available to the public for inspection, including formal
866 annual reviews by both a private auditor conducted pursuant to
867 subdivision (2) of subsection (f) of this section and the Comptroller, and
868 providing details to the public on the Internet, provided public
869 disclosure shall be restricted for patentable ideas, trade secrets,
870 proprietary or confidential commercial or financial information,
871 disclosure of which may cause commercial harm to a nongovernmental
872 recipient of such financing support and for other information exempt

873 from public records disclosure pursuant to section 1-210.

874 (G) The Connecticut Green Bank shall not apply, directly or through
875 a subsidiary, to be eligible for grants under (i) the Clean Water Act, 33
876 USC 1251 et seq., as amended from time to time, without the approval
877 of the State Treasurer and the Commissioner of Energy and
878 Environmental Protection, or (ii) the Safe Drinking Water Act, 42 USC
879 300f et seq., as amended from time to time, without the approval of the
880 State Treasurer and the Commissioner of Public Health.

881 (3) No director, officer, employee or agent of the Connecticut Green
882 Bank, while acting within the scope of his or her authority, shall be
883 subject to any personal liability resulting from exercising or carrying out
884 any of the Connecticut Green Bank's purposes or powers.

885 Sec. 21. Subsection (f) of section 16-245n of the general statutes is
886 repealed and the following is substituted in lieu thereof (*Effective July 1,*
887 *2021*):

888 (f) (1) The board shall issue annually a report to the Department of
889 Energy and Environmental Protection reviewing the activities of the
890 Connecticut Green Bank in detail and shall provide a copy of such
891 report, in accordance with the provisions of section 11-4a, to the joint
892 standing committees of the General Assembly having cognizance of
893 matters relating to energy, the environment, banking and commerce.
894 The report shall include a description of the programs and activities
895 undertaken during the reporting period jointly or in collaboration with
896 the Conservation and Load Management Plan established pursuant to
897 section 16-245m.

898 (2) The Clean Energy Fund and the Environmental Infrastructure
899 Fund shall be audited annually. Such audits shall be conducted with
900 generally accepted auditing standards by independent certified public
901 accountants certified by the State Board of Accountancy. Such
902 accountants may be the accountants for the Connecticut Green Bank.

903 (3) Any entity that receives financing for a clean energy or

904 environmental infrastructure project from the [fund] Clean Energy
905 Fund or the Environmental Infrastructure Fund shall provide the board
906 an annual statement, certified as correct by the chief financial officer of
907 the recipient of such financing, setting forth all sources and uses of funds
908 in such detail as may be required by the bank for such project. The
909 Connecticut Green Bank shall maintain any such audits for not less than
910 five years. Residential projects for buildings with one to four dwelling
911 units are exempt from this and any other annual auditing requirements,
912 except that residential projects may be required to grant their utility
913 companies' permission to release their usage data to the Connecticut
914 Green Bank.

915 Sec. 22. Subdivision (1) of subsection (e) of section 16-245n of the
916 general statutes is repealed and the following is substituted in lieu
917 thereof (*Effective July 1, 2021*):

918 (e) (1) The powers of the Connecticut Green Bank shall be vested in
919 and exercised by a board of directors, which shall consist of [eleven]
920 twelve voting members and [two] one nonvoting [members] member
921 each with knowledge and expertise in matters related to the purpose
922 and activities of said bank appointed as follows: The Treasurer or the
923 Treasurer's designee, the Commissioner of Energy and Environmental
924 Protection or the commissioner's designee, [and] the Commissioner of
925 Economic and Community Development or the commissioner's
926 designee, and the Secretary of the Office of Policy and Management or
927 the secretary's designee, each serving ex officio, one member who shall
928 represent a residential or low-income group appointed by the speaker
929 of the House of Representatives for a term of four years, one member
930 who shall have experience in investment fund management appointed
931 by the minority leader of the House of Representatives for a term of
932 three years, one member who shall represent an environmental
933 organization appointed by the president pro tempore of the Senate for
934 a term of four years, and one member who shall have experience in the
935 finance or deployment of renewable energy appointed by the minority
936 leader of the Senate for a term of four years. Thereafter, such members
937 of the General Assembly shall appoint members of the board to succeed

938 such appointees whose terms expire and each member so appointed
939 shall hold office for a period of four years from the first day of July in
940 the year of his or her appointment. The Governor shall appoint four
941 members to the board as follows: Two for two years who shall have
942 experience in the finance of renewable energy; one for four years who
943 shall be a representative of a labor organization; and one for four years
944 who shall have experience in research and development or
945 manufacturing of clean energy. Thereafter, the Governor shall appoint
946 members of the board to succeed such appointees whose terms expire
947 and each member so appointed shall hold office for a period of four
948 years from the first day of July in the year of his or her appointment. The
949 president of the Connecticut Green Bank shall be elected by the
950 members of the board. The president of the Connecticut Green Bank
951 shall serve on the board in an ex-officio, nonvoting capacity. The
952 Governor shall appoint the chairperson of the board. The board shall
953 elect from its members a vice chairperson and such other officers as it
954 deems necessary and shall adopt such bylaws and procedures it deems
955 necessary to carry out its functions. The board may establish committees
956 and subcommittees as necessary to conduct its business.

957 Sec. 23. Subsection (g) of section 16-245mm of the general statutes is
958 repealed and the following is substituted in lieu thereof (*Effective July 1,*
959 *2021*):

960 (g) Notwithstanding any other provision contained in this section,
961 the aggregate amount of bonds secured by such special capital reserve
962 fund authorized to be created and established by this section shall not
963 exceed [one hundred] two hundred fifty million dollars.

964 Sec. 24. Subsection (c) of section 16-245kk of the general statutes is
965 repealed and the following is substituted in lieu thereof (*Effective July 1,*
966 *2021*):

967 (c) The bonds may be issued as serial bonds or as term bonds, or the
968 Connecticut Green Bank, in its discretion, may issue bonds of both
969 types. The bonds shall be authorized by resolution of the members of
970 the board of directors of said bank and shall bear such date or dates,

971 mature at such time or times, not exceeding [twenty] twenty-five years
 972 for bonds issued for clean energy and fifty years for bonds issued for
 973 environmental infrastructure from their respective dates and in each
 974 case not to exceed the expected useful life of the underlying project or
 975 projects, bear interest at such rate or rates, be payable at such time or
 976 times, be in such denominations, be in such form, either coupon or
 977 registered, carry such registration privileges, be executed in such
 978 manner, be payable in lawful money of the United States at such place
 979 or places, and be subject to such terms of redemption, as such resolution
 980 or resolutions may provide. The bonds or notes may be sold at public or
 981 private sale for such price or prices as said bank shall determine. The
 982 power to fix the date of sale of bonds, to receive bids or proposals, to
 983 award and sell bonds, and to take all other necessary action to sell and
 984 deliver bonds may be delegated to the chairperson or vice-chairperson
 985 of the board, a subcommittee of the board or other officers of said bank
 986 by resolution of the board. The exercise of such delegated powers may
 987 be made subject to the approval of a majority of the members of the
 988 board which approval may be given in the manner provided in the
 989 bylaws of said bank. Pending preparation of the definitive bonds, said
 990 bank may issue interim receipts or certificates which shall be exchanged
 991 for such definitive bonds.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2021	22a-498
Sec. 2	July 1, 2021	22a-498a
Sec. 3	July 1, 2021	22a-498b
Sec. 4	July 1, 2021	New section
Sec. 5	July 1, 2021	25-84
Sec. 6	July 1, 2021	25-85
Sec. 7	July 1, 2021	25-86
Sec. 8	July 1, 2021	25-87
Sec. 9	July 1, 2021	25-92
Sec. 10	July 1, 2021	25-94
Sec. 11	July 1, 2021	25-95
Sec. 12	July 1, 2021	25-97
Sec. 13	July 1, 2021	25-98

Sec. 14	<i>July 1, 2021</i>	7-326
Sec. 15	<i>July 1, 2021</i>	7-328(a)
Sec. 16	<i>July 1, 2021</i>	22a-113p
Sec. 17	<i>July 1, 2021</i>	22a-361(e)(2)
Sec. 18	<i>July 1, 2021</i>	25-76
Sec. 19	<i>July 1, 2021</i>	7-159d(c)
Sec. 20	<i>July 1, 2021</i>	16-245n(a) to (d)
Sec. 21	<i>July 1, 2021</i>	16-245n(f)
Sec. 22	<i>July 1, 2021</i>	16-245n(e)(1)
Sec. 23	<i>July 1, 2021</i>	16-245mm(g)
Sec. 24	<i>July 1, 2021</i>	16-245kk(c)

ENV *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:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below
Various State Agencies	Various - Cost	Potential	Potential

Note: Various=Various; GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	Revenue Gain	Up to 75.1 million cumulatively	Up to 75.1 million cumulatively
Various Municipalities	Cost/Savings	See Below	See Below

Explanation

Sections 1 to 3 allow any municipality to establish a stormwater authority. The sections also expand these authorities' ability to assess fees, and establish a process for municipalities to approve fees.

In municipalities that establish stormwater authorities, the bill potentially shifts the cost of certain stormwater management projects to stormwater authorities. This results in a savings to those municipalities to the extent that they would have otherwise financed those projects. The bill also results in a cost to the state and municipalities as it requires authorities to assess fees on all property within their jurisdiction. Any state or town owned property located in a stormwater authority's jurisdiction would be subject to such fees, which would vary based on the size of the property.

Section 4 allows municipalities to establish a tiered real estate conveyance tax that increases based on sale price. If all municipalities established such a tax at the maximum rates allowed by the bill, they would cumulatively collect approximately \$75.1 million annually. Funds may be used only for purposes specified by the bill, including affordable housing, open land stewardship, climate resiliency, and other environmental projects.

Sections 5 to 19 expand the scope and authority of municipal flood and erosion control boards. This has no fiscal impact as the bill does not provide any new funding source for these boards or mandate any new responsibilities for any municipality.

Sections 20-24 expand the Connecticut Green Bank's authority to include the financing of environmental infrastructure projects and makes several changes to the Green Banks's bonding authority.

The bill increases the Green Banks's special capital reserve fund (SCRF) bond authorization from \$100 million to \$250 million. To the extent that additional bonds are issued, there is a potential minimal impact to the state's debt service going forward through the life of any bonds issued. As of November 2020, the Green Bank had outstanding SCRF-backed debt of \$27.4 million.¹

In order to issue SCRF-backed bonds, the Green Bank must get approval from the State Treasurer. The State Treasurer is not expected to approve the issuance of SCRF-backed bonds unless the Green Bank can show that it will be able to generate sufficient revenue from its activities to pay the debt service on the bonds and that the useful lifespan of the projects meets or exceeds the bond repayment duration.

The bill increases the allowable maturity date of the Green Bank's SCRF-backed bonds from twenty to twenty-five years. It also increases allowable maturity for non-SCRF-backed bonds from twenty to twenty-five years for clean energy projects and from twenty to fifty years for

¹ Source: January 2021 General Obligation Bonds Official Statement

environmental infrastructure projects. To the extent that bonds with a longer term are issued, there is the potential for increased borrowing cost to the Green Bank associated with extended maturity dates. See background for more information.

These sections also establish an Environmental Infrastructure Fund that may contain funding from existing funding sources that the Bank already utilizes, such as bond funding, charitable gifts, and interest from financing activities. The administrative costs related to these provisions do not result in a fiscal impact.

Background

SCRF-backed bonds. SCRF-backed bonds are a contingent liability of the state.² The SCRF provides a higher level of repayment security, which results in a lower rate of interest on the bond issuance than the relevant market rate. In the event that the SCRF is drawn down in part or completely, a draw on the General Fund is authorized and the SCRF is fully restored. The draw on the General Fund is deemed to be appropriated and is not subject to the constitutional or statutory appropriations cap. If draws on a SCRF continue, the annual draws on the General Fund required to refill it also continue until the fund is replenished by the bond issuer or the underlying debt is repaid.

Extended maturities. Bonds are typically issued with maturities and debt service payment durations that match the expected useful life of the capital project being financed through the bonds. The state has typically kept maturities at or below 20 years, even when the useful life of projects may exceed the 20-year timeframe.

While bonds issued for longer terms typically have lower annual payments than those bonds issued for shorter terms, the amount of interest paid increases due to slower pay down of the principal balance and because financial markets typically require higher interest rates for longer issuances. An extended use of longer repayment durations may

² Contingent liabilities do not count against the state's statutory limits on General Obligation bonding.

have a deleterious impact on the credit rating of the bonds being issued and/or the organization issuing such bonds. The slower repayment of principal may lead to either less funding being available for projects in the future or increasing debt levels for the life of the bonds.

The Out Years

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

OLR Bill Analysis**sHB 6441*****AN ACT CONCERNING CLIMATE CHANGE ADAPTATION.*****SUMMARY**

This bill does the following:

1. authorizes all municipalities, rather than just certain ones, to establish a municipal stormwater authority; expands the authorities' powers to assess fees; and specifies the process by which municipal legislative bodies approve the fees (§§ 1-3);
2. establishes a municipal option conveyance fee on real property sales and limits the fee's use, for certain municipalities, to such things as stewardship of water resources and open space, farm, or forest land; funding climate resilience, mitigation, or adaptation strategies; and funding affordable housing (§ 4);
3. broadens the authority of municipal flood and erosion control boards to include flood prevention and climate resilience and allows municipalities to enter into agreements to form joint boards (§§ 5-18); and
4. expands the Connecticut Green Bank's duties to include developing separate programs to finance and otherwise support environmental infrastructure and establishes an Environmental Infrastructure Fund within the Green Bank for this purpose (§§ 20-24).

With respect to the Green Bank, the bill also increases, from \$100 million to \$250 million, the amount of bonds the Green Bank may issue that are backed by a special capital reserve fund (SCRF). SCRF-backed bonds are contingent liabilities of the state; if a SCRF is exhausted, the

General Fund automatically replenishes it, regardless of the state spending cap (§ 23).

The bill also makes minor, technical, and conforming changes.

EFFECTIVE DATE: July 1, 2021

§§ 1-3 — MUNICIPAL STORMWATER AUTHORITIES

Eligible Municipalities

This bill authorizes all municipalities to establish a municipal stormwater authority, rather than just the three municipalities (New Haven, New London, and Norwalk) that participated in the Department of Energy and Environmental Protection's (DEEP) municipal stormwater authority pilot program (authorized under PA 07-154).

The bill applies to any town, city, borough, consolidated town and city, or consolidated town or borough. It does not apply to local or regional school districts; municipal fire, sewer, fire and sewer, lighting, village, beach, improvement association, or other districts or associations wholly within a town that have the power to levy taxes; metropolitan districts; or other municipal corporations or authorities that may issue bonds, notes, or other obligations.

Fee Assessment

Under current law, stormwater authorities created under the pilot program must, among other things, recommend to the municipality's legislative body a levy on taxable real property in the stormwater district. The bill instead requires stormwater authorities to recommend a fee to be imposed on all real property in the district except as described below. The bill explicitly requires, rather than authorizes, the authorities to use the revenue generated to carry out any of the district's powers. It makes conforming changes to an existing provision about a stormwater authority created under the DEEP pilot program and located in a distressed municipality with a population of 28,000 or fewer (i.e., New London).

Under the bill, each stormwater authority must present its budget

annually to the municipality's legislative body for approval. The budget must include (1) the specific programs the authority proposes to undertake during the fiscal year, (2) its projected expenditures for the programs, and (3) the fee amount it proposes to levy to pay for the expenditures.

The total fees proposed for the fiscal year may not exceed the total projected expenditures. Under the bill, the legislative body may approve fee amounts that are less than the authority's proposed amounts. In setting fees, the bill requires, rather than allows, authorities to consider (1) the amount of impervious surface generating stormwater runoff, (2) land use types that result in higher concentrations of stormwater pollution, and (3) the property's grand list valuation. The bill additionally requires them to consider land use types that result in lower concentrations of stormwater pollution.

Exempt Properties

Current law authorizes the authorities to reduce or defer stormwater fees for land classified as, or consisting of, farm, forest, or open space. The bill instead prohibits them from imposing fees on this land except for areas with impervious surfaces from which stormwater is generated.

Delinquent Fees

Under the bill, fees that are not paid in full on or before 30 days after they are due are subject to the same interest rate as delinquent property taxes (i.e., 1.5% per month). Unpaid fees and interest are a lien on the property owner's real or personal property on which the fee was levied and may be recorded and released just like property tax liens.

Under the bill, someone aggrieved by an authority's action has the same rights and remedies for appeal and relief as the law provides for property taxpayers aggrieved by an assessor's or a board of assessment appeal's action.

§ 4 — CONVEYANCE FEE

The bill authorizes municipalities, by a vote of their legislative bodies, to impose a conveyance fee on real property sales. It allows the fee to be

paid by either the buyer or seller, or a combination of the two as they decide.

Fee Amount

The bill sets the fee rates as follows:

1. up to 0.5% of the amount of the purchase price that exceeds \$150,000, up to \$800,000;
2. up to 1% of the amount of the purchase price that exceeds \$800,000, up to \$2.5 million; and
3. up to 1.5% of the amount of the purchase price that exceeds \$2.5 million.

Use of Funds

The bill requires the collected fees to be kept by the municipality and maintained in a separate account. It limits use of the fees, if the municipality is not a distressed municipality or not on the housing commissioner's list of municipalities exempt from the Affordable Housing Land Use Appeals Procedure (see BACKGROUND), to the following:

1. open space land stewardship, such as for water resources, forest land, and farmland, but not land acquisition;
2. funding a Climate Change and Coastal Resiliency Reserve Fund or other municipal climate resilience, mitigation, or adaptation strategies;
3. matching investments from state programs for new or existing affordable housing programs funded from the Community Investment Account (see BACKGROUND);
4. funding other environmental projects such as urban forestry and planting trees, but not land acquisition; and
5. repaying municipal bonds that were obtained for the above

purposes.

The bill allows distressed municipalities and targeted investment communities to set aside up to 10% of the fees they receive to offset property tax revenue reductions due to tax exemptions for protected open space, forest, farm, or recreational land.

Exempt Conveyances

The bill exempts from the fee (1) conveyances that preserve open space, farm, or forest land in perpetuity and (2) transactions existing law exempts from real estate taxation (e.g., deeds between spouses, to secure a debt, related to corporation mergers, tax deeds).

§§ 5-18 — FLOOD PREVENTION, CLIMATE RESILIENCE, AND EROSION CONTROL BOARDS

Scope of Authority

Current law authorizes municipalities to (1) establish a flood and erosion control board to prevent potential hazards from flooding, stream bank erosion, or beach erosion and (2) establish a separate taxing district for these purposes. These boards may plan, acquire, construct, repair, maintain, and manage a system, which may include such things as dikes, dams, piping, sea walls, jetties, tide-gates, water storage areas, or other structures or facilities.

The bill (1) increases the scope of these boards to include flood prevention and climate resilience; (2) allows them to also operate the systems; and (3) includes nonstructural and nature-based measures (e.g., altering or removing existing structures, maintaining open floodplain, and other less environmentally damaging alternatives) and open space for future accommodations or to establish wetlands or watercourses, as part of the system. It correspondingly renames these boards “flood prevention, climate resilience and erosion control boards.”

The bill extends to the boards’ broader scope of authority existing law’s authorizations related to entering and taking property; issuing bonds; and taxing or assessing property owners, among other things.

The bill allows the boards to (1) apply for and use public or private grant funding; (2) draw upon a municipal Climate Change and Coastal Resilience Reserve Fund; and (3) additionally enter into contracts with municipalities to further the boards' purposes when related to navigation improvement projects, instead of only with the state and the federal government. The boards may also enter into agreements with the DEEP commissioner to construct projects or systems to prevent climate change impacts, as the current boards may do for their purposes.

Joint Boards

The bill allows municipalities to enter into agreements to have joint boards, but they must be approved by concurrent votes of the municipalities' legislative bodies. A joint board has authority over each municipality that is a party to the agreement.

Biannual Report

The bill establishes a twice-yearly reporting requirement for flood prevention, climate resilience, and erosion control boards. The report must be published on the website of each municipality that is subject to the board's authority. The report must include the following:

1. an inventory and description of the flood prevention, climate resilience, and erosion control system the board manages;
2. the extent and value of property, infrastructure, and natural resources the system protects;
3. an analysis of how the system prioritizes and protects vulnerable communities, which are populations that may be disproportionately affected by climate change; and
4. the board's revenue and expenses.

Other Provisions

The bill requires the boards to consider regional and municipal hazard mitigation plans, resilience plans, identified vulnerable communities, and municipal conservation and development plans

when planning for and doing their work. It also allows the boards to consult with the Connecticut Institute for Resilience and Climate Adaption for this purpose.

§§ 20-24 — CONNECTICUT GREEN BANK

Environmental Infrastructure

Green Bank Authority. The Green Bank’s current duties include developing programs for, and promoting investment in, clean energy. The bill expands the Green Bank’s duties to include (1) developing separate programs to finance and otherwise support environmental infrastructure and (2) promoting investment in the infrastructure.

By law, the Green Bank has standards governing its administration, including rules, policies, and procedures for such things as borrower eligibility, terms, and conditions. The law required these standards to be in place before the bank financially supported clean energy projects and the bill extends this requirement to environmental infrastructure projects. The bill applies existing requirements for clean energy funding to environmental infrastructure projects (e.g., fees, several funding sources).

Project Types. The bill expands the types of projects the Green Bank can promote investment in to include environmental infrastructure, which, under the bill, is structures, facilities, systems, services, and improvement projects related to water, waste and recycling, climate adaptation and resiliency, agriculture, land conservation, parks and recreation, and environmental markets such as carbon offsets and ecosystem services.

Under the bill, “carbon offsets” are an activity that compensates for greenhouse gas (GHG) emissions through an emission reduction. “Ecosystem services” are ecosystem benefits such as (1) provisioning services (e.g., food and water), (2) regulating services (e.g., regulating floods, drought, land degradation, and disease), and (3) supporting services (e.g., soil formation and nutrient cycling).

Environmental Infrastructure Fund Purpose. The bill requires the

Green Bank's comprehensive plan to include growth, development, commercialization, and, where applicable, preservation of environmental infrastructure and related enterprises. Current law requires similar planning for clean energy purposes. The bill allows the bank to use the Environmental Infrastructure Fund to pay for expenses to promote environmental infrastructure investment, but not projects eligible for Clean Water Fund funding.

The bill allows an environmental infrastructure project to receive financing support from the Green Bank if the bank determines that the amount it and other nonequity financing sources provide does not exceed 100% of the project's cost.

As it does under existing law for clean energy, the bill requires the Green Bank to (1) develop separate programs to finance and support environmental infrastructure investment in residential, municipal, small business, and larger commercial projects, and others the Green Bank determines and (2) support financing or other expenses that promote environmental infrastructure investment, which must be done according to its comprehensive plan.

The expenses may include costs related to such things as:

1. low-cost financing and credit enhancement mechanisms for projects and technologies;
2. grants;
3. contracts or other actions to support research, development, manufacture, commercialization, deployment, and installation of environmental infrastructure;
4. actions to expand the expertise of individuals, businesses, and lending institutions regarding environmental infrastructure;
5. direct or equity investments;
6. reimbursements of operating expenses; and

7. disbursements to develop and carry out the Green Bank's comprehensive plan.

Under the bill, operating expenses may include the Green Bank's (1) administrative expenses, (2) capital costs related to fund operation, (3) plan implementation, and (4) other permitted activities.

Funding Sources. The bill's expansion of the Green Bank's duties enables the bank to use its existing bonding authority to provide financing for environmental infrastructure projects (see *Bonding*, below). As is available under existing law for clean energy projects, similar funding sources are available for financing environmental infrastructure, including such things as:

1. charitable gifts, grants, contributions, and loans from individuals, corporations, university endowments, and philanthropic foundations;
2. earnings and interest from financing support activities backed by the Green Bank; and
3. private sources, pursuant to contract.

The bill also allows the fund to receive any (1) amount required by law to be deposited into the fund and (2) federal funds that may become available to the state for environmental infrastructure investments. But it explicitly prohibits from being deposited into the fund: (1) ratepayer or Regional Greenhouse Gas Initiative funds that under existing law are used for clean energy projects, (2) funds in the state's Clean Water Fund account or that must be deposited into the account, and (3) funds collected from water companies.

The bill also prohibits the Green Bank from applying for federal clean water or safe drinking water grants without approval from the state treasurer and the DEEP or public health commissioners, respectively.

Audits and Certified Statements. The bill requires the Environmental Infrastructure Fund, like the existing Clean Energy

Fund, to be annually audited. Entities receiving environmental infrastructure project funding, unless exempt under existing law (i.e., certain residential projects), must provide annual certified statements to the Green Bank's Board of Directors.

Other Provisions

Board Membership. The bill adds the Office of Policy and Management secretary, or her designee, as a voting member of the Green Bank's Board of Directors.

Bonding. The bill limits the term of bonds secured by the Green Bank's SCRF to 25 years. The bill generally (1) increases, from 20 to 25 years, the maximum term of bonds issued for clean energy projects and (2) sets the maximum term of bonds issued for environmental infrastructure projects at 50 years. But in neither case can the bond's maturity date exceed an underlying project's expected useful life.

Funding Qualification. The bill allows any eligible project, including environmental infrastructure projects (see above), to receive financing support from the Green Bank if the bank determines that the amount it and other nonequity financing sources provide does not exceed 100% of the project's cost. Current law restricts funding for clean energy projects to those for which the Green Bank and other nonequity sources provide no more than 80% of the cost.

Quasi-Public Subsidiaries. Current law prohibits Green Bank subsidiaries from being deemed quasi-public agencies with the bank's privileges, immunities, and tax and other exemptions. The bill creates an exception from this prohibition for single member limited liability companies (LLCs) that are disregarded as entities separate from their owner.

Reporting. The bill adds the Banking and Environment committees to the legislative committees to which the Green Bank's board must submit its annual activity report, instead of only the Energy and Technology and Commerce committees.

BACKGROUND

Affordable Housing

By law, the Department of Housing annually publishes a list of housing stock in each municipality that qualifies as affordable housing under the Affordable Housing Land Use Appeals Procedure (CGS §§ 8-30g(k) & 8-37qqq(a)(2)(D)). Under CGS § 8-30g, municipalities in which at least 10% of housing is deemed affordable are generally exempt from the law’s appeals procedure.

Affordable housing stock that counts toward the 10% includes: (1) certain types of government-assisted housing, (2) housing currently financed by Connecticut Housing Finance Authority mortgages, (3) housing subject to deeds and conditions restricting its sale or rental to low- and moderate-income people, and (4) mobile homes or accessory apartments subject to certain deed restrictions.

Community Investment Account (CIA)

By law, the CIA is a separate, non-lapsing General Fund account that provides funding for open space, farmland preservation, historic preservation, affordable housing, and promoting agriculture. Funds are divided between DEEP, the Department of Economic and Community Development (DECD), the Department of Housing, and the Department of Agriculture. The account is capitalized through a \$40 land recording fee (CGS §§ 4-66aa & 7-34a(e)).

Distressed Municipalities

By law, the DECD commissioner must annually designate distressed municipalities based on a combination of economic, education, demographic, and housing criteria. In 2020, he designated the following 25 municipalities as distressed:

Ansonia	Bridgeport	Bristol
Chaplin	Derby	East Hartford
East Haven	Griswold	Hartford
Meriden	Montville	New Britain
New Haven	New London	Norwich

Preston	Putnam	Sprague
Stratford	Torrington	Voluntown
Waterbury	West Haven	Winchester
Windham		

Related Bills

sSB 971, favorably reported by the Planning and Development Committee, authorizes municipalities to invest their Climate Change and Coastal Resiliency Reserve Funds in any trust fund administered, held, or invested by the state treasurer.

HB 6497 (File 205), favorably reported by the Environment Committee, contains identical stormwater provisions.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 21 Nay 11 (03/29/2021)