
OLR Bill Analysis

sHB 6479 (as amended by House "A")*

AN ACT CONCERNING CLIMATE RESILIENCY FUNDS AND PROJECTS.

SUMMARY

By law, a municipality may establish a Climate Change and Coastal Resiliency Reserve Fund to pay for property losses, capital projects, and studies related to climate change mitigation. The municipality's budget-making authority may direct the municipal treasurer to invest the reserve funds in specified ways. This bill also authorizes the municipal treasurer to invest the reserve fund in any trust fund the state treasurer administers, holds, or invests.

The bill authorizes the state treasurer to (1) invest municipal Climate Change and Coastal Resiliency Reserve Funds and (2) adopt regulations to do so. It generally subjects the treasurer's investments to the same oversight that the law establishes for other treasurer-administered trust funds. And it requires these investments to follow the asset allocation outlined for treasurer-administered funds, instead of that for municipal investments, meaning that up to 60% of the investments may be in equities, rather than 40%.

Additionally, the bill requires the Department of Energy and Environmental Protection (DEEP) commissioner to maximize the state's receipt of federal funds designated for state climate change resiliency projects (e.g., coastal resiliency projects) by taking actions that at least include identifying these funds. Beginning by January 1, 2024, the bill requires the commissioner to report biennially to the Environment Committee on her maximization efforts. The report must include federal funds identified, any application or request for funding that DEEP submitted, funds the state received, projects funded (in whole or in part), and recommendations for the state to maximize receiving federal funds.

*House Amendment "A" removes the DEEP commissioner's responsibility to help municipalities identify and apply for federal funds for local climate change resiliency projects.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 32 Nay 0 (03/03/2023)