

House of Representatives, April 16, 1998. The Committee on Finance, Revenue and Bonding reported through REP. SCHIESSL, 60th DIST., Chairman of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING OPEN SPACE AND WATERSHED LAND ACQUISITION.

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

1 Section 1. Section 23-78 of the general
2 statutes is repealed and the following is
3 substituted in lieu thereof:

4 Any moneys authorized for the program may be
5 expended with matching funds from: (1) Private
6 contributions of cash or securities, in an amount
7 not less than [twenty] FIFTEEN per cent; (2)
8 moneys from a federal matching program, subject to
9 the limitations of applicable federal and state
10 laws, in an amount authorized by said federal
11 program; (3) contributions of real property, or
12 interest therein, that serves recreational and
13 natural heritage land acquisition needs of the
14 department as determined by the commissioner; (4)
15 municipal contributions of cash or securities, in
16 an amount not less than [twenty] FIFTEEN per cent,
17 PROVIDED MUNICIPAL CONTRIBUTIONS SHALL BE DERIVED
18 FROM A SOURCE OTHER THAN STATE GRANT MONEYS
19 OBTAINED FROM THE OPEN SPACE AND WATERSHED
20 ACQUISITION GRANT PROGRAM; or (5) any combination
21 thereof. Contributions of land or interest in land

22 shall be valued, for purposes of this section, in
23 the amount of their appraised value.

24 Sec. 2. Subsection (a) of section 12-498 of
25 the general statutes is repealed and the following
26 is substituted in lieu thereof:

27 (a) The tax imposed by section 12-494 shall
28 not apply to: (1) Deeds which this state is
29 prohibited from taxing under the constitution or
30 laws of the United States; (2) deeds which secure
31 a debt or other obligation; (3) deeds to which
32 this state or any of its political subdivisions or
33 its or their respective agencies is a party; (4)
34 tax deeds; (5) deeds of release of property which
35 is security for a debt or other obligation; (6)
36 deeds of partition; (7) deeds made pursuant to
37 mergers of corporations; (8) deeds made by a
38 subsidiary corporation to its parent corporation
39 for no consideration other than the cancellation
40 or surrender of the subsidiary's stock; (9)
41 conveyance of an interest in real property
42 pursuant to a decree of the Superior Court under
43 section 46b-81, 49-24 or 52-495; (10) certificates
44 of devise or distribution; (11) transfers for no
45 consideration between parents and children; (12)
46 an assignment, with no consideration, of any
47 interests, present or future, vested or
48 contingent, in real property which endure for a
49 period of time and the termination of which is not
50 fixed or ascertained by a specific number of
51 years; (13) an assignment, with no consideration,
52 of the unexpired portion of a term or estate for
53 life or of a term or estate for years; (14)
54 transfers made by a corporation affiliated with
55 the corporation to which such transfer is made,
56 provided both of such corporations are exempt from
57 taxation pursuant to paragraph (2), (3) or (25) of
58 Section 501(c) of the Internal Revenue Code of
59 1986, or any subsequent corresponding internal
60 revenue code of the United States, as from time to
61 time amended, and provided further such
62 corporations are affiliated in such manner that
63 (A) either corporation in such transaction owns or
64 controls either directly or indirectly not less
65 than one hundred per cent of the capital stock of
66 the other corporation or (B) either corporation in
67 such transaction is owned or controlled either
68 directly or indirectly by interests which own or
69 control either directly or indirectly not less

70 than one hundred per cent of the capital stock of
71 the other corporation; (15) transfers made by a
72 corporation which is exempt from taxation pursuant
73 to paragraph (3) of Section 501(c) of the Internal
74 Revenue Code of 1986, or any subsequent
75 corresponding internal revenue code of the United
76 States, as from time to time amended, to any
77 corporation which is exempt from taxation pursuant
78 to said paragraph (3) of said Section 501(c); (16)
79 transfers made on or after July 1, 1992, to any
80 nonprofit organization which is organized for the
81 purpose of holding undeveloped land in trust for
82 conservation or recreation purposes; (17)
83 transfers between spouses; [and] (18) transfers of
84 property for the stadium facility site, as defined
85 in section 32-381 or the practice facility site,
86 as defined in section 32-381; AND (19) LAND
87 TRANSFERS MADE ON OR AFTER JULY 1, 1998, TO A
88 WATER COMPANY, AS DEFINED IN SECTION 16-1,
89 PROVIDED THE LAND IS CLASSIFIED AS CLASS I OR
90 CLASS II LAND, AS DEFINED IN SECTION 25-37c, AFTER
91 SUCH TRANSFER.

92 Sec. 3. Section 7-131d of the general
93 statutes is repealed and the following is
94 substituted in lieu thereof:

95 (a) (1) THERE IS ESTABLISHED THE PROTECTED
96 OPEN SPACE AND WATERSHED LAND ACQUISITION PROGRAM.
97 THE PROGRAM SHALL PROVIDE GRANTS TO MUNICIPALITIES
98 AND NONPROFIT LAND CONSERVATION ORGANIZATIONS TO
99 ACQUIRE LAND OR PERMANENT INTERESTS IN LAND FOR
100 OPEN SPACE AND WATERSHED PROTECTION AND TO WATER
101 COMPANIES, AS DEFINED IN SECTION 25-32a, TO
102 ACQUIRE AND PROTECT LAND WHICH WILL BE CLASSIFIED
103 AS CLASS I OR CLASS II LAND, AS DEFINED IN SECTION
104 25-37c, AFTER ACQUISITION. ALL LANDS ACQUIRED
105 UNDER THIS PROGRAM SHALL BE PRESERVED
106 PREDOMINANTLY IN THEIR NATURAL SCENIC AND OPEN
107 CONDITION FOR THE PROTECTION OF NATURAL RESOURCES
108 WHILE ALLOWING FOR RECREATION CONSISTENT WITH SUCH
109 PROTECTION.

110 (b) GRANTS MAY BE MADE UNDER THE PROGRAM TO
111 MATCH FUNDS FOR THE PURCHASE OF LAND OR PERMANENT
112 INTERESTS IN LAND WHICH PURCHASE MEETS ONE OF THE
113 FOLLOWING CRITERIA: (1) PROTECTS LAND IDENTIFIED
114 AS BEING ESPECIALLY VALUABLE FOR RECREATION,
115 FORESTRY, FISHING, CONSERVATION OF WILDLIFE OR
116 NATURAL RESOURCES; (2) PROTECTS LAND WHICH
117 INCLUDES OR CONTRIBUTES TO A PRIME NATURAL FEATURE

118 OF THE STATE'S LANDSCAPE, INCLUDING, BUT NOT
119 LIMITED TO, A SHORELINE, A RIVER, ITS TRIBUTARIES
120 AND WATERSHED, AN AQUIFER, MOUNTAINOUS TERRITORY,
121 RIDGELINES, AN INLAND OR COASTAL WETLAND, A
122 SIGNIFICANT LITTORAL OR ESTUARINE OR AQUATIC SITE
123 OR OTHER IMPORTANT GEOLOGICAL FEATURE; (3)
124 PROTECTS HABITAT FOR NATIVE PLANT OR ANIMAL
125 SPECIES LISTED AS THREATENED OR ENDANGERED OR OF
126 SPECIAL CONCERN, AS DEFINED IN SECTION 26-304; (4)
127 PROTECTS A RELATIVELY UNDISTURBED OUTSTANDING
128 EXAMPLE OF A NATIVE ECOLOGICAL COMMUNITY WHICH IS
129 NOW UNCOMMON; (5) ENHANCES AND CONSERVES WATER
130 QUALITY OF THE STATE'S LAKES, RIVERS AND COASTAL
131 WATER; (6) PRESERVES LOCAL AGRICULTURAL HERITAGE;
132 OR (7) IN THE CASE OF GRANTS TO WATER COMPANIES,
133 PROTECTS LAND WHICH WILL BE CLASSIFIED AS CLASS I
134 LAND OR CLASS II LAND AFTER ACQUISITION. THE
135 COMMISSIONER MAY MAKE A GRANT UNDER THE PROGRAM TO
136 A DISTRESSED MUNICIPALITY, AS DEFINED IN SECTION
137 32-9p, FOR RESTORATION OR PROTECTION OF NATURAL
138 FEATURES OR HABITATS ON OPEN SPACE ALREADY OWNED
139 BY THE MUNICIPALITY, INCLUDING, BUT NOT LIMITED
140 TO, WETLAND OR WILDLIFE OR PLANT HABITAT
141 RESTORATION OR RESTORATION OF OTHER SITES TO A
142 MORE NATURAL CONDITION, OR REPLACEMENT OF
143 VEGETATION, PROVIDED THE TOTAL AMOUNT OF GRANTS TO
144 SUCH MUNICIPALITIES FOR SUCH PURPOSES MAY NOT
145 EXCEED TWENTY PER CENT OF THE TOTAL AMOUNT OF
146 GRANTS MADE IN ANY FISCAL YEAR.

147 (c) NO GRANT MAY BE MADE UNDER THE PROGRAM
148 FOR: (1) LAND TO BE USED FOR COMMERCIAL PURPOSES
149 OR FOR RECREATIONAL PURPOSES REQUIRING INTENSIVE
150 DEVELOPMENT, INCLUDING, BUT NOT LIMITED TO, GOLF
151 COURSES, DRIVING RANGES, TENNIS COURTS,
152 BALLFIELDS, SWIMMING POOLS AND USES BY MOTORIZED
153 VEHICLES, PROVIDED TRAILS OR PATHWAYS FOR
154 PEDESTRIANS OR NONMOTORIZED VEHICLES SHALL NOT BE
155 CONSIDERED INTENSIVE DEVELOPMENT; (2) LAND WITH
156 ENVIRONMENTAL CONTAMINATION OVER A SIGNIFICANT
157 PORTION OF THE PROPERTY PROVIDED GRANTS FOR LAND
158 REQUIRING REMEDIATION OF ENVIRONMENTAL
159 CONTAMINATION MAY BE MADE IF REMEDIATION WILL BE
160 COMPLETED BEFORE ACQUISITION OF THE LAND OR ANY
161 INTEREST IN THE LAND AND AN ENVIRONMENTAL
162 ASSESSMENT APPROVED BY THE COMMISSIONER OF
163 ENVIRONMENTAL PROTECTION HAS BEEN COMPLETED AND NO
164 ENVIRONMENTAL USE RESTRICTION APPLIES TO THE LAND;
165 (3) LAND WHICH HAS ALREADY BEEN COMMITTED FOR

166 PUBLIC USE; (4) DEVELOPMENT COSTS, INCLUDING, BUT
167 NOT LIMITED TO, CONSTRUCTION OF BALLFIELDS, TENNIS
168 COURTS, PARKING LOTS OR ROADWAYS; (5) LAND TO BE
169 ACQUIRED BY EMINENT DOMAIN; OR (6) REIMBURSEMENT
170 OF IN-KIND SERVICES OR INCIDENTAL EXPENSES
171 ASSOCIATED WITH THE ACQUISITION OF LAND.

172 (d) Any municipality or group of contiguous
173 municipalities may apply to the Commissioner of
174 Environmental Protection for a grant-in-aid of a
175 program established to preserve or restrict to
176 conservation or recreation purposes the use of
177 open space land. Such grant shall be used for the
178 acquisition of land, or easements, interests or
179 rights therein, or for the development of such
180 land, or easements, interests or rights therein,
181 for purposes set forth in THIS section, [7-131c,
182 or both, in accordance with a plan of development
183 adopted by the municipal planning commission of
184 the municipality within which the land is located.
185 Any application for a grant-in-aid relating to
186 land located beyond the territorial limits of the
187 applying municipality shall be subject to approval
188 of the legislative body of the municipality within
189 whose territorial limits the land is located. A
190 municipality applying for aid under [sections
191 7-131c to 7-131k, inclusive] THIS SECTION, may
192 designate its conservation commission as its agent
193 to make such application.

194 (e) AT CLOSING, A PERMANENT CONSERVATION
195 EASEMENT, AS DEFINED IN SECTION 47-42, SHALL BE
196 EXECUTED FOR ANY PROPERTY PURCHASED WITH GRANT
197 FUNDS, WHICH CONSERVATION EASEMENT SHALL PROVIDE
198 THAT THE PROPERTY SHALL REMAIN FOREVER
199 PREDOMINANTLY IN ITS NATURAL AND OPEN CONDITION
200 FOR THE SPECIFIC CONSERVATION OR OPEN SPACE
201 PURPOSES FOR WHICH IT WAS ACQUIRED PROVIDED ANY
202 IMPROVEMENTS OR CHANGES TO THE PROPERTY SHALL BE
203 SUPPORTIVE OF SUCH CONDITION OR PURPOSES. THE
204 PERMANENT CONSERVATION EASEMENT SHALL BE IN FAVOR
205 OF THE COMMISSIONER OF ENVIRONMENTAL PROTECTION,
206 OR HIS DESIGNEE, WHICH MAY BE A MUNICIPALITY OR A
207 LAND CONSERVATION ORGANIZATION. SUCH PERMANENT
208 CONSERVATION EASEMENT SHALL ALSO INCLUDE A
209 REQUIREMENT THAT THE PROPERTY BE MADE AVAILABLE TO
210 THE GENERAL PUBLIC FOR APPROPRIATE RECREATIONAL
211 PURPOSES, THE MAINTENANCE OF WHICH RECREATIONAL
212 ACCESS SHALL BE THE RESPONSIBILITY OF THE GRANTEE
213 PROVIDED SUCH ACCESS SHALL NOT BE REQUIRED FOR

214 LAND WHICH WILL BE CLASSIFIED AS CLASS I OR CLASS
215 II LAND BY A WATER COMPANY AND FOR WHICH THE
216 COMMISSIONER OF PUBLIC HEALTH HAS DETERMINED THAT
217 SUCH ACCESS IS INCONSISTENT WITH THE PROVISION OF
218 PURE DRINKING WATER TO THE PUBLIC. AN EXCEPTION TO
219 THE PROVISION OF PUBLIC RECREATIONAL ACCESS MAY BE
220 MADE AT THE DISCRETION OF THE COMMISSIONER OF
221 ENVIRONMENTAL PROTECTION WHEN PROVISION FOR PUBLIC
222 ACCESS WOULD BE UNREASONABLY DETRIMENTAL TO THE
223 WILDLIFE OR PLANT HABITAT OR OTHER NATURAL
224 FEATURES OF THE PROPERTY.

225 Sec. 4. Section 7-131e of the general
226 statutes is repealed and the following is
227 substituted in lieu thereof:

228 (a) THERE IS ESTABLISHED A PROTECTED OPEN
229 SPACE AND WATERSHED LAND ACQUISITION FUND WHICH
230 SHALL CONSIST OF PROCEEDS FROM THE SALE OF BONDS
231 AUTHORIZED FOR THE PURPOSES OF THIS SUBSECTION AND
232 ANY OTHER FUNDS REQUIRED OR ALLOWED BY LAW TO BE
233 DEPOSITED INTO THE FUND. THE FUND SHALL BE HELD
234 SEPARATE AND APART FROM ALL OTHER MONEYS, FUNDS
235 AND ACCOUNTS. INVESTMENT EARNINGS CREDITED TO THE
236 ASSETS OF THE FUND SHALL BECOME PART OF THE ASSETS
237 OF THE FUND. ANY BALANCE REMAINING IN THE FUND AT
238 THE END OF ANY FISCAL YEAR SHALL BE CARRIED
239 FORWARD IN THE FUND FOR THE FISCAL YEAR NEXT
240 SUCCEEDING. PAYMENTS FROM THE FUND SHALL BE MADE
241 UPON AUTHORIZATION BY THE COMMISSIONER OF
242 ENVIRONMENTAL PROTECTION.

243 (b) GRANT AWARD DECISIONS SHALL BE MADE BY
244 THE COMMISSIONER OF ENVIRONMENTAL PROTECTION AT
245 LEAST SEMIANNUALLY. ALL COMPLETE AND ELIGIBLE
246 GRANT APPLICATIONS SHALL BE ACTED UPON BY THE
247 COMMISSIONER AS SOON AS PRACTICABLE. A SINGLE
248 PROJECT MAY RECEIVE A GRANT IN MORE THAN ONE GRANT
249 CYCLE, SUBJECT TO FUTURE AVAILABILITY OF FUNDS AND
250 SUBJECT TO THE LIMITATIONS SET FORTH IN THIS
251 SECTION AND SECTIONS 23-78, AS AMENDED BY SECTION
252 1 OF THIS ACT, 12-498, AS AMENDED BY SECTION 2 OF
253 THIS ACT, AND 7-131d, AS AMENDED BY SECTION 3 OF
254 THIS ACT. UP TO TWO PER CENT OF THE FUND MAY BE
255 USED FOR ADMINISTRATIVE EXPENSES INCLUDING, BUT
256 NOT LIMITED TO, (1) CONTRACTORS TO ASSIST THE
257 DEPARTMENT OF ENVIRONMENTAL PROTECTION IN THE
258 REVIEW AND EVALUATION OF GRANT PROPOSALS AND
259 BASELINE DATA COLLECTION FOR CONSERVATION
260 EASEMENTS; (2) APPRAISALS OR APPRAISAL REVIEWS;
261 AND (3) PREPARATION OF LEGAL AND OTHER DOCUMENTS.

262 ADMINISTRATIVE EXPENSES MAY NOT BE USED FOR STAFF
263 SALARIES. NOT LATER THAN SEPTEMBER 1, 1998, THE
264 COMMISSIONER SHALL DEVELOP WRITTEN GUIDELINES AND
265 A RANKING SYSTEM FOR CONSISTENCY AND EQUITY IN THE
266 DISTRIBUTION OF GRANT AWARDS UNDER THIS PROGRAM
267 BASED ON THE CRITERIA LISTED IN SUBSECTIONS (b)
268 AND (c) OF SECTION 7-131d, AS AMENDED. CONSISTENT
269 WITH SUCH CRITERIA, ADDITIONAL CONSIDERATION SHALL
270 BE GIVEN TO: (A) PROTECTION OF LANDS ADJACENT TO
271 AND COMPLEMENTARY TO ADJACENT PUBLIC LAND; (B)
272 EQUITABLE GEOGRAPHIC DISTRIBUTION OF THE FUND
273 AWARDS; (C) PROXIMITY OF A PROPERTY TO URBAN AREAS
274 WITH GROWTH AND DEVELOPMENT PRESSURES OR TO AREAS
275 WITH OPEN SPACE DEFICIENCIES AND UNDERSERVED
276 POPULATIONS; (D) PROTECTION OF LAND PARTICULARLY
277 VULNERABLE TO DEVELOPMENT INCOMPATIBLE WITH ITS
278 NATURAL RESOURCE VALUES; (E) CONSISTENCY WITH THE
279 STATE'S PLAN OF CONSERVATION AND DEVELOPMENT; (F)
280 MULTIPLE PROTECTION ELEMENTS, SUCH AS WATER
281 PROTECTION, SCENIC PRESERVATION AND FARMLAND
282 PRESERVATION; AND (G) THE EXTENT TO WHICH THE
283 PRESENCE OF ALREADY CONSTRUCTED BUILDINGS OR OTHER
284 MANMADE IMPROVEMENTS DIMINISH OR OVERSHADOW THE
285 NATURAL RESOURCE VALUE OF A PROPOSED ACQUISITION,
286 OR ITS VALUE RELATIVE TO ITS COST.

287 (c) THERE IS ESTABLISHED AN OPEN SPACE AND
288 WATERSHED LAND ACQUISITION REVIEW BOARD TO ASSIST,
289 ADVISE AND OVERSEE THE COMMISSIONER IN CARRYING
290 OUT THE PROVISIONS OF SECTIONS 7-131d TO 7-131g,
291 INCLUSIVE, SECTIONS 23-73 TO 23-79, INCLUSIVE, AND
292 SECTION 12-498, AS AMENDED. THE REVIEW BOARD SHALL
293 (1) REVIEW, OVERSEE AND EVALUATE GRANT AWARD
294 POLICIES, PROCEDURES AND DECISIONS; (2) PROVIDE
295 COMMENTS ON APPROVAL OF SELECTION CRITERIA,
296 POLICIES AND PROCEDURES; (3) PROMOTE PUBLIC
297 PARTICIPATION; AND (4) PROVIDE GUIDANCE AND
298 CONDUCT REVIEW OF STRATEGIES FOR LAND PROTECTION,
299 INCLUDING STRATEGIES UNDER SECTION 23-8, AS
300 AMENDED.

301 (d) THE REVIEW BOARD SHALL CONSIST OF TWENTY
302 MEMBERS AS FOLLOWS: (1) ONE MEMBER OF THE JOINT
303 STANDING COMMITTEE OF THE GENERAL ASSEMBLY HAVING
304 COGNIZANCE OF MATTERS RELATING TO THE ENVIRONMENT
305 APPOINTED BY THE SPEAKER OF THE HOUSE OF
306 REPRESENTATIVES AND ONE MEMBER OF THE JOINT
307 STANDING COMMITTEE OF THE GENERAL ASSEMBLY HAVING
308 COGNIZANCE OF MATTERS RELATING TO PLANNING AND
309 DEVELOPMENT APPOINTED BY THE PRESIDENT PRO TEMPORE

310 OF THE SENATE, EACH OF WHOM SHALL BE EX OFFICIO
311 MEMBERS OF THE BOARD; (2) A REPRESENTATIVE OF THE
312 BUSINESS COMMUNITY AND A PERSON EXPERIENCED IN
313 ISSUES RELATING TO ACCESS TO PUBLIC FACILITIES BY
314 PERSONS WITH DISABILITIES APPOINTED BY THE
315 GOVERNOR; THE SECRETARY OF THE OFFICE OF POLICY
316 AND MANAGEMENT, OR HIS DESIGNEE; (3) THREE
317 REPRESENTATIVES FROM WATER UTILITIES APPOINTED ONE
318 EACH BY THE MAJORITY LEADERS OF THE HOUSE OF
319 REPRESENTATIVES AND THE SENATE AND THE MINORITY
320 LEADER OF THE HOUSE OF REPRESENTATIVES; ONE
321 REPRESENTATIVE FROM AN INVESTOR-OWNED UTILITY
322 APPOINTED BY THE MINORITY LEADER OF THE SENATE;
323 ONE REPRESENTATIVE FROM A MUNICIPAL UTILITY
324 APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF
325 REPRESENTATIVES; (4) ONE REPRESENTATIVE FROM A
326 REGIONAL UTILITY APPOINTED BY THE MINORITY LEADER
327 OF THE SENATE; ONE REPRESENTATIVE WHO IS A REALTOR
328 OR ATTORNEY WITH A MINIMUM OF FIVE YEARS
329 EXPERIENCE IN REAL ESTATE TRANSFERS APPOINTED BY
330 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES; ONE
331 REPRESENTATIVE WITH A MINIMUM OF FIVE YEARS
332 EXPERIENCE IN THE CONSTRUCTION INDUSTRY OR LAND
333 DEVELOPMENT APPOINTED BY THE PRESIDENT PRO TEMPORE
334 OF THE SENATE; TWO REPRESENTATIVES OF INTEREST
335 GROUPS PRIMARILY CONCERNED WITH THE CONSERVATION
336 OF WATERSHED REGIONS APPOINTED ONE EACH BY THE
337 MAJORITY LEADERS OF THE HOUSE OF REPRESENTATIVES
338 AND THE SENATE; AND (5) THREE REPRESENTATIVES FROM
339 NONPROFIT ORGANIZATIONS PRIMARILY CONCERNED WITH
340 ENVIRONMENTAL PROTECTION OR NATURAL RESOURCE
341 CONSERVATION WITH A MINIMUM OF FIVE YEARS
342 EXPERIENCE IN LAND CONSERVATION AND ACQUISITION
343 APPOINTED ONE EACH BY THE GOVERNOR, THE SPEAKER OF
344 THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT PRO
345 TEMPORE OF THE SENATE; ONE CHIEF ELECTED OFFICIAL
346 OF A TOWN WITH A POPULATION LESS THAN FIFTEEN
347 THOUSAND AND ONE CHIEF ELECTED OFFICIAL OF A TOWN
348 WITH A POPULATION GREATER THAN FIFTEEN THOUSAND
349 APPOINTED BY THE GOVERNOR. THE MEMBERS, OTHER THAN
350 THE MEMBERS DESCRIBED IN SUBDIVISIONS (1) AND (2)
351 OF THIS SUBSECTION, SHALL SERVE TERMS OF THREE
352 YEARS PROVIDED THE TERMS OF THE MEMBERS DESCRIBED
353 IN SUBDIVISION (3) OF THIS SUBSECTION WHO ARE
354 APPOINTED IN THE YEAR AFTER THE EFFECTIVE DATE OF
355 THIS ACT SHALL EXPIRE ON OCTOBER 1, 1999, AND
356 FURTHER PROVIDED THE TERMS OF THE MEMBERS
357 DESCRIBED IN SUBDIVISION (4) OF THIS SUBSECTION

358 SHALL EXPIRE OCTOBER 1, 2000. THE BOARD SHALL
359 ELECT A CHAIRMAN FROM AMONG ITS MEMBERS AND SHALL
360 MAKE SUCH ELECTION ON OR BEFORE OCTOBER 1, 1998.

361 (e) ANNUALLY, ON OR BEFORE FEBRUARY
362 FIFTEENTH, THE BOARD SHALL SUBMIT A REPORT
363 REGARDING GRANT AWARDS MADE IN THE PREVIOUS
364 CALENDAR YEAR AND ANY FINDINGS AND RECOMMENDATIONS
365 REGARDING THE OPEN SPACE AND WATERSHED LAND
366 ACQUISITION PROGRAM TO THE GENERAL ASSEMBLY.

367 [(a)] (f) Open space grants-in-aid shall be
368 approved by the Commissioner of Environmental
369 Protection.

370 [(b)] Said commissioner shall prescribe an
371 application form and may require supporting maps,
372 data, title searches and appraisals as he so
373 determines.

374 [(c)] All applications shall be approved by
375 local planning agencies and conservation
376 commissions, where they exist, prior to
377 submission. All applications shall be submitted to
378 the regional planning agency, if any, whose area
379 of operation includes the location of the land for
380 which open space grant-in-aid is requested. The
381 regional planning agency shall study the
382 application and render an advisory report of its
383 findings and recommendations thereon to the
384 applicant who shall submit such regional planning
385 agency report with its application to the
386 commissioner. The regional planning agency shall
387 have thirty days to render such report. If it
388 fails to report or if there is no regional
389 planning agency, the applicant shall so note to
390 the commissioner. The regional planning agency may
391 designate its executive committee to act for it
392 under this section or may establish a committee
393 for this purpose.

394 (g) NOTWITHSTANDING THE PROVISIONS OF THIS
395 SECTION AND SECTION 7-131d, AS AMENDED BY SECTION
396 3 OF THIS ACT, THE COMMISSIONER MAY ACCEPT MONEYS
397 INTO THE FUND ESTABLISHED IN THIS SECTION AND
398 DISBURSE SUCH MONEYS FOR PURPOSES OTHER THAN THOSE
399 PROVIDED FOR UNDER SAID SECTION 7-131d TO THE
400 EXTENT THAT SUCH MONEYS ARE AUTHORIZED FOR
401 PURPOSES OTHER THAN PROVIDED FOR UNDER SAID
402 SECTION 7-131d.

403 Sec. 5. Section 7-131g of the general
404 statutes is repealed and the following is
405 substituted in lieu thereof:

406 [(a) Subject to the provisions of sections
407 7-131c to 7-131k, inclusive, the Commissioner of
408 Environmental Protection may (1) where a federal
409 grant is also made, approve grants to
410 municipalities in an amount not to exceed one-half
411 of the nonfederal share of open space land
412 acquisition or development costs, (2) where a
413 federal rehabilitation or innovation grant is made
414 to a municipality under the Urban Park and
415 Recreation Recovery Act of 1978 (P.L. 95-625, 92
416 Stat. 3538), approve a grant to such municipality
417 not to exceed fifteen per cent of the total
418 project cost of such development or rehabilitation
419 and (3) where a federal grant is not made, may
420 approve grants to municipalities in an amount not
421 to exceed forty per cent of such land acquisition
422 or development costs.

423 (b) The cost of land, for determination of a
424 state grant hereunder, shall be determined by one
425 or more appraisals made or obtained by the state
426 and shall not include incidental costs, such as
427 surveying and closing costs or costs of
428 development thereof. When a municipality receives
429 a gift of land as a portion of the total value of
430 the property, the appraised value of said gift of
431 land shall be subtracted from the nonfederal share
432 for determination of a state grant. Such
433 information as may be required for determination
434 of any such grant with respect to development
435 costs shall be submitted in accordance with
436 regulations prescribed by said commissioner.

437 (c) Any application for a grant-in-aid under
438 sections 7-131c to 7-131k, inclusive, which was
439 received and approved by the Commissioner of
440 Environmental Protection prior to July 1, 1978,
441 shall be administered in accordance with the terms
442 and conditions of the open space statutes in
443 effect prior to that date.]

444 (a) THE COMMISSIONER OF ENVIRONMENTAL
445 PROTECTION MAY MAKE GRANTS UNDER THE OPEN SPACE
446 AND WATERSHED LAND ACQUISITION PROGRAM TO: (1)
447 MUNICIPALITIES FOR ACQUISITION OF LAND FOR OPEN
448 SPACE UNDER SUBDIVISIONS (1) TO (4), INCLUSIVE,
449 AND SUBDIVISION (6) OF SUBSECTION (b) OF SECTION
450 7-131d, AS AMENDED BY SECTION 3 OF THIS ACT, IN AN
451 AMOUNT NOT TO EXCEED FIFTY PER CENT OF THE FAIR
452 MARKET VALUE OF A PARCEL OF LAND OR INTEREST IN
453 LAND PROPOSED TO BE ACQUIRED; (2) MUNICIPALITIES

454 FOR ACQUISITION OF LAND FOR WATERSHED PROTECTION
455 UNDER SUBDIVISION (5) OF SUBSECTION (b) OF SAID
456 SECTION 7-131d, IN AN AMOUNT NOT TO EXCEED
457 SIXTY-FIVE PER CENT OF SUCH VALUE; (3) NONPROFIT
458 LAND CONSERVATION ORGANIZATIONS FOR ACQUISITION OF
459 LAND FOR OPEN SPACE OR WATERSHED PROTECTION UNDER
460 SUBDIVISIONS (1) TO (6), INCLUSIVE, OF SUBSECTION
461 (b) OF SAID SECTION 7-131d, IN AN AMOUNT NOT TO
462 EXCEED FIFTY PER CENT OF SUCH VALUE; (4) WATER
463 COMPANIES FOR ACQUISITION OF LAND UNDER
464 SUBDIVISION (7) OF SUBSECTION (b) OF SAID SECTION
465 7-131d, IN AN AMOUNT NOT TO EXCEED FORTY PER CENT
466 OF SUCH VALUE PROVIDED IF SUCH A COMPANY INTENDS
467 TO ALLOW ACCESS TO SUCH LAND FOR RECREATIONAL
468 USES, SUCH COMPANY SHALL SEEK APPROVAL OF THE
469 COMMISSIONER OF PUBLIC HEALTH FOR SUCH ACCESS; AND
470 (5) DISTRESSED MUNICIPALITIES FOR ACQUISITION OF
471 LAND FOR OPEN SPACE OR WATERSHED PROTECTION UNDER
472 SUBDIVISIONS (1) TO (6), INCLUSIVE, OF SUBSECTION
473 (b) OF SAID SECTION 7-131d, IN AN AMOUNT NOT TO
474 EXCEED SIXTY-FIVE PER CENT OF SUCH VALUE OR FOR
475 PERFORMANCE OF WORK IN THE RESTORATION,
476 ENHANCEMENT OR PROTECTION OF RESOURCES IN AN
477 AMOUNT NOT TO EXCEED FIFTY PER CENT OF THE COST OF
478 SUCH WORK. APPLICANTS FOR GRANTS UNDER THE PROGRAM
479 SHALL PROVIDE A COPY OF THE APPLICATION TO THE
480 REVIEW BOARD ESTABLISHED UNDER SECTION 7-131e, AS
481 AMENDED BY SECTION 4 OF THIS ACT. THE BOARD SHALL
482 PROVIDE COMMENTS TO THE COMMISSIONER ON PENDING
483 APPLICATIONS AS IT DEEMS NECESSARY.

484 (b) FOR PURPOSES OF THIS SUBSECTION, THE FAIR
485 MARKET VALUE OF LAND OR INTEREST IN LAND SHALL BE
486 DETERMINED BY ONE OR MORE APPRAISALS AND SHALL NOT
487 INCLUDE INCIDENTAL COSTS, INCLUDING, BUT NOT
488 LIMITED TO, SURVEYING, DEVELOPMENT OR CLOSING
489 COSTS. THE COMMISSIONER MAY CONSIDER A PORTION OF
490 THE FAIR MARKET VALUE OF A DONATION OF LAND BY AN
491 ENTITY RECEIVING A GRANT AS A PORTION OF THE
492 MATCHING FUNDS REQUIRED UNDER THIS SUBSECTION. NO
493 OTHER FUNDS MADE AVAILABLE BY THE STATE MAY BE
494 USED BY A POTENTIAL GRANTEE AS MATCHING FUNDS
495 UNDER THE PROGRAM.

496 (c) THE STATE BOND COMMISSION SHALL AUTHORIZE
497 THE STATE TREASURER TO ISSUE BONDS, AND THE STATE
498 TREASURER SHALL ISSUE BONDS, IN AN AMOUNT EQUAL TO
499 ONE-HALF OF THE SUM OF (1) THE AUTHORIZATIONS
500 WHICH HAVE BEEN MADE BUT FOR WHICH BONDS HAVE NOT
501 BEEN ISSUED FOR THE RECREATION AND NATURAL

502 HERITAGE TRUST PROGRAM ESTABLISHED UNDER CHAPTER
503 453 AND THE MUNICIPAL OPEN SPACE GRANT PROGRAM
504 ESTABLISHED UNDER SECTIONS 7-131c TO 7-131g,
505 INCLUSIVE, AS AMENDED, AND (2) THE AUTHORIZATIONS
506 PROVIDED IN SUBDIVISION (1) OF SUBSECTION (b) OF
507 SECTION 2 AND SUBSECTION (a) OF SECTION 9 OF HOUSE
508 BILL 5039 OF THE CURRENT SESSION IN TWO
509 INSTALMENTS DURING THE FISCAL YEAR ENDING JUNE 30,
510 1999. THE FIRST INSTALMENT SHALL BE AUTHORIZED AND
511 ISSUED NOT MORE THAN TWO MONTHS AFTER THE
512 EFFECTIVE DATE OF THIS SECTION AND THE SECOND
513 INSTALMENT SHALL BE AUTHORIZED AND ISSUED NOT MORE
514 THAN EIGHT MONTHS AFTER SAID DATE. AFTER JUNE 30,
515 1999, FOR AUTHORIZATIONS OF BONDS OF THE STATE FOR
516 SUCH PROGRAMS, THE STATE BOND COMMISSION SHALL
517 AUTHORIZE THE STATE TREASURER TO ISSUE BONDS, AND
518 THE STATE TREASURER SHALL ISSUE BONDS, IN AN
519 AMOUNT EQUAL TO ONE-HALF OF THE CURRENT
520 AUTHORIZATION IN TWO INSTALMENTS IN EACH FISCAL
521 YEAR NEXT SUCCEEDING, THE FIRST OF WHICH SHALL BE
522 NOT LATER THAN TWO MONTHS AFTER THE BEGINNING OF
523 THE FISCAL YEAR AND THE SECOND OF WHICH SHALL BE
524 NOT LATER THAN EIGHT MONTHS AFTER THE BEGINNING OF
525 THE FISCAL YEAR. NOTWITHSTANDING THE PROVISIONS OF
526 THIS SECTION, THE STATE TREASURER MAY WITHHOLD THE
527 ISSUANCE OF BONDS FOR EITHER PROGRAM TO THE EXTENT
528 THERE ARE FUNDS AVAILABLE FOR SUCH PROGRAM.

529 Sec. 6. (NEW) On or before the tenth day of
530 each month, the Commissioner of Environmental
531 Protection shall submit a report to the joint
532 standing committee of the General Assembly having
533 cognizance of matters relating to finance, revenue
534 and bonding and to the State Bond Commission which
535 report shall provide information on any
536 acquisition of land or interest in land completed
537 in the previous month by the state, a
538 municipality, water company or nonprofit
539 organization using funds from the Open Space and
540 Watershed Land Acquisition Fund established under
541 section 7-131e of the general statutes, as amended
542 by section 4 of this act, or the Recreation and
543 Natural Heritage Trust Program established under
544 chapter 453 of the general statutes.

545 Sec. 7. Section 25-32d of the general
546 statutes, as amended by section 3 of public act
547 97-314, is repealed and the following is
548 substituted in lieu thereof:

549 (a) Each water company as defined in section
550 25-32a and supplying water to one thousand or more
551 persons or two hundred fifty or more consumers and
552 any other water company as defined in said section
553 requested by the Commissioner of Public Health
554 shall submit a water supply plan to the
555 Commissioner of Public Health for approval with
556 the concurrence of the Commissioner of
557 Environmental Protection. The concurrence of the
558 Public Utilities Control Authority shall be
559 required for approval of a plan submitted by a
560 water company regulated by the authority. The
561 Commissioner of Public Health shall consider the
562 comments of the Public Utilities Control Authority
563 on any plan which may impact any water company
564 regulated by the authority. The Commissioner of
565 Public Health shall distribute a copy of the plan
566 to the Commissioner of Environmental Protection
567 and the Public Utilities Control Authority. A copy
568 of the plan shall be sent to the Secretary of the
569 Office of Policy and Management for information
570 and comment. A plan shall be revised at such time
571 as the water company filing the plan or the
572 Commissioner of Public Health determines or at
573 intervals of not less than three years nor more
574 than five years after the date of initial
575 approval. Any water company which is subject to
576 the requirements of subsection (b) of section
577 16-50c, AS AMENDED BY SECTION 8 OF THIS ACT, which
578 submits a revision of any such plan regarding land
579 use and ownership shall provide notice that such a
580 revision has been made and is available at such
581 company which notice shall be by certified mail,
582 return receipt requested, to each private,
583 nonprofit land-holding organization that would be
584 entitled under said subsection to notice of the
585 sale, lease or other disposition of any land
586 affected by such revision.

587 (b) Any water supply plan submitted pursuant
588 to this section shall evaluate the water supply
589 needs in the service area of the water company
590 submitting the plan and propose a strategy to meet
591 such needs. The plan shall include: (1) A
592 description of existing water supply systems; (2)
593 an analysis of future water supply demands; (3) an
594 assessment of alternative water supply sources
595 which may include sources receiving sewage and
596 sources located on state land; (4) contingency

597 procedures for public drinking water supply
598 emergencies, including emergencies concerning the
599 contamination of water, the failure of a water
600 supply system or the shortage of water; (5) a
601 recommendation for new water system development;
602 (6) a forecast of future land sales, A DESCRIPTION
603 OF ANY SOURCES OF PUBLIC WATER SUPPLY TO BE
604 ABANDONED AND A DESCRIPTION OF ANY LAND OWNED BY
605 THE COMPANY WHICH IT HAS DESIGNATED, OR PLANS TO
606 DESIGNATE, AS CLASS III LAND; (7) provisions for
607 strategic groundwater monitoring; and (8) an
608 analysis of the impact of water conservation
609 practices and a strategy for implementing supply
610 and demand management measures.

611 (c) The Commissioner of Public Health, in
612 consultation with the Commissioner of
613 Environmental Protection and the Public Utilities
614 Control Authority, shall adopt regulations in
615 accordance with the provisions of chapter 54. Such
616 regulations shall include a method for calculating
617 safe yield, the contents of emergency contingency
618 plans and water conservation plans, a process for
619 approval, modification or rejection of plans
620 submitted pursuant to this section, a schedule for
621 submission of the plans and a mechanism for
622 determining the completeness of the plan. The plan
623 shall be deemed complete if the commissioner does
624 not request additional information within ninety
625 days after the date on which the plan was
626 submitted or, in the event that additional
627 information has been requested, within forty-five
628 days after the submission of such information,
629 except that the commissioner may request an
630 additional thirty days beyond the time in which
631 the application is deemed complete to further
632 determine completeness. In determining whether the
633 water supply plan is complete, the commissioner
634 may request only information that is specifically
635 required by regulation.

636 (d) ANY WATER COMPANY SUBMITTING ANY SUCH
637 PLAN OR REVISION OF A PLAN AFTER THE EFFECTIVE
638 DATE OF THIS ACT SHALL PROVIDE NOTICE, RETURN
639 RECEIPT REQUESTED, TO THE CHIEF ELECTED OFFICIAL
640 OF EACH MUNICIPALITY SERVED BY THE COMPANY AND TO
641 EACH WATER COMPANY IN THE SAME SERVICE AREA OR
642 WATER COMPANY WITH SUPPLY SOURCES IN THE SAME OR
643 ADJACENT SERVICE AREA AND SHALL PUBLISH NOTICE IN
644 A NEWSPAPER HAVING A GENERAL CIRCULATION IN EACH

645 SUCH MUNICIPALITY. SUCH NOTICE SHALL SPECIFY ANY
646 PROPOSED ABANDONMENT OF A SOURCE OF WATER SUPPLY,
647 ANY LAND DESIGNATED AS CLASS III LAND IN SUCH PLAN
648 AND A PERIOD OF TIME DURING WHICH PUBLIC COMMENT
649 ON SUCH PLAN OR REVISION MAY BE RECEIVED BY THE
650 COMMISSIONERS OF PUBLIC HEALTH AND ENVIRONMENTAL
651 PROTECTION. SAID COMMISSIONERS SHALL TAKE SUCH
652 COMMENT INTO CONSIDERATION IN MAKING ANY
653 DETERMINATION OR APPROVAL UNDER THIS SECTION.

654 Sec. 8. Section 16-50c of the general
655 statutes, as amended by section 2 of public act
656 97-314, is repealed and the following is
657 substituted in lieu thereof:

658 (a) Whenever any public service company, as
659 defined in section 16-1, except a water company,
660 owning any contiguous area of unimproved real
661 property containing three acres or more, intends
662 to sell, lease or otherwise dispose of such land,
663 or a portion thereof, except to the state, the
664 United States or a municipality, such company
665 shall first notify in writing, by certified mail,
666 return receipt requested, the Department of Public
667 Utility Control, the Commissioner of Public
668 Health, the Commissioner of Environmental
669 Protection and the chief executive officer or
670 officers of the municipality in which such land is
671 situated, of such intention to sell, lease or
672 otherwise dispose of such land, and no agreement
673 to sell, lease or otherwise dispose of such land
674 may be entered into by such public service company
675 except as provided in this section. The department
676 shall approve or disapprove the disposition of
677 such unimproved property pursuant to subsection
678 (a) of section 16-43, AS AMENDED BY SECTION 9 OF
679 THIS ACT, not more than one hundred fifty days
680 after said department has received notice pursuant
681 to this section and failure to take action within
682 such period shall be deemed to constitute
683 approval. The department shall hold a hearing on
684 all such land transactions in which the
685 acquisition cost of the parcels involved or the
686 transfer consideration is in excess of twenty
687 thousand dollars. The hearing shall be held in the
688 municipality where such land is located. If such
689 land is located in more than one municipality the
690 department shall determine in which municipality
691 the hearing shall be held. If the hearing is
692 scheduled for more than one day or continues for

693 more than one day the department may reconvene the
694 hearing at the offices of the department. The
695 municipality in which such land is situated shall
696 be a party to all proceedings before the
697 department involving such land brought pursuant to
698 sections 16-50b to 16-50e, inclusive. The
699 Department of Public Utility Control may, by
700 order, exempt from the provisions of this
701 subsection and sections 16-50d and 16-50e any
702 sale, lease, transfer or other disposition of land
703 by a public service company, other than a water
704 company, to another public service company if such
705 sale, lease, transfer or other disposition of land
706 is related to a plan of divestiture or other
707 corporate reorganization approved by the
708 department.

709 (b) On or before January 1, 1998, and on or
710 before January first of each year thereafter, the
711 Nature Conservancy, the Trust for Public Land, the
712 Land Trust Service Bureau and any private,
713 nonprofit land-holding organization may provide in
714 writing to the Department of Public Utility
715 Control its mailing address and a list of the
716 municipalities in this state in which it owns land
717 which address is suitable for the purpose of
718 receiving notice of the sale, lease or other
719 disposition of water company land as provided in
720 this section. On or before February 1, 1998, and
721 on or before February first of each year
722 thereafter, said department shall publish and make
723 available to every water company, as defined in
724 section 16-1, a list setting forth for each
725 private, nonprofit land-holding organization which
726 has provided such information, such organization's
727 mailing address and the municipalities in which
728 such organization owns land. Whenever any water
729 company, as defined in section 16-1, owning any
730 contiguous area of real property containing three
731 acres or more, intends to sell, lease or otherwise
732 dispose of such land, or a portion thereof, such
733 company shall first (1) notify in writing, by
734 certified mail, return receipt requested, the
735 Department of Public Utility Control, the
736 Commissioner of Public Health, the Commissioner of
737 Environmental Protection, any water company, as
738 defined in section 25-32a, with an existing or
739 potential source of supply or service area in any
740 municipality in which such land is situated, any

741 water company, as defined in said section 25-32a,
742 with an existing or potential source of supply or
743 service area in a contiguous municipality, the
744 chief executive officer or officers of the
745 municipality in which such land is situated, the
746 Nature Conservancy, the Trust for Public Land, the
747 Land Trust Service Bureau and any private,
748 nonprofit land-holding organization set forth on
749 the list published annually by the Department of
750 Public Utility Control pursuant to this section
751 which organization has its mailing address or owns
752 land in either the municipality in which such
753 water company land is situated or in any
754 contiguous municipality provided such notice shall
755 inform recipients that any significant terms and
756 conditions of such sale, lease or other
757 disposition and a map of the property are
758 available at the company and FURTHER PROVIDED SUCH
759 NOTICE SHALL BE GIVEN NOT LESS THAN ONE YEAR PRIOR
760 TO ANY SALE, LEASE OR OTHER DISPOSITION WHICH IS
761 THE SUBJECT OF A CONTRACT ENTERED INTO AFTER
762 DECEMBER 31, 1998, EXCEPT THAT ANY RECIPIENT OF
763 NOTICE UNDER THIS SECTION MAY ENTER INTO AND
764 PERFORM AN AGREEMENT TO LEASE OR PURCHASE SUCH
765 LAND PRIOR TO THE END OF SUCH ONE-YEAR NOTICE
766 PERIOD AND (2) provide further public notice by
767 causing a notice to be published in a newspaper of
768 general circulation in the municipalities where
769 such water company land is situated not more than
770 forty-five days nor less than thirty days before
771 and not more than thirty days after filing an
772 application for approval with the department of
773 such intention to sell, lease or otherwise dispose
774 of such land. Such public notice shall be
775 published in a display form that shall serve
776 substantially to notify the public of the
777 availability of the property and shall be
778 published in print no smaller than ten-point type
779 size. No agreement to sell, lease or otherwise
780 dispose of such land may be entered into by such
781 water company except as provided in this section.
782 Any private, nonprofit land-holding organization
783 which is considering acquiring the interest in the
784 land which the water company intends to sell,
785 lease or dispose of, must identify itself as a
786 potential acquirer by giving written notice to the
787 Department of Public Utility Control and to the
788 water company by certified mail, return receipt

789 requested, not more than ninety days after the
790 water company files an application for approval.
791 The department shall approve or disapprove the
792 disposition of such property pursuant to
793 subsection (a) of section 16-43, AS AMENDED BY
794 SECTION 9 OF THIS ACT, not more than one hundred
795 fifty days after its receipt of an application for
796 such sale, lease or other disposal pursuant to
797 this subsection and failure to take action within
798 such period shall be deemed to constitute
799 approval. The department shall hold a hearing on
800 all such land transactions in which the
801 acquisition cost of the parcels involved or the
802 transfer consideration is in excess of twenty
803 thousand dollars. The hearing shall be held in the
804 municipality where such land is located. If such
805 land is located in more than one municipality the
806 department shall determine in which municipality
807 the hearing shall be held. If the hearing is
808 scheduled for more than one day or continues for
809 more than one day the department may reconvene the
810 hearing at the offices of the department. An
811 application shall not be filed with the department
812 until the Commissioner of Public Health issues a
813 permit pursuant to section 25-32. The municipality
814 in which such land is situated shall be a party to
815 all proceedings before the department involving
816 such land brought pursuant to sections 16-50b to
817 16-50e.

818 Sec. 9. Section 16-43 of the general statutes
819 is repealed and the following is substituted in
820 lieu thereof:

821 (a) A public service company shall obtain the
822 approval of the Department of Public Utility
823 Control to directly or indirectly (1) merge,
824 consolidate or make common stock with any other
825 company, or (2) sell, lease, assign, mortgage,
826 except by supplemental indenture in accord with
827 the terms of a mortgage outstanding May 29, 1935,
828 or otherwise dispose of any essential part of its
829 franchise, plant equipment or other property
830 necessary or useful in the performance of its duty
831 to the public, provided (A) a public service
832 company other than a water company may sell,
833 lease, assign, mortgage or otherwise dispose of
834 real property with an appraised value of fifty
835 thousand dollars or less without such approval,
836 and (B) a water company supplying water to more

837 than five hundred consumers may sell, lease,
838 assign, mortgage, or otherwise dispose of real
839 property, other than public watershed or water
840 supply lands, with an appraised value of fifty
841 thousand dollars or less without such approval.
842 The department shall not accept an application to
843 sell watershed or water supply lands until the
844 Commissioner of Public Health issues a permit
845 pursuant to section 25-32. The condemnation by a
846 state department, institution or agency of any
847 land owned by a public service company shall be
848 subject to the provisions of this subsection. On
849 February 1, 1996, and annually thereafter, each
850 public service company shall submit a report to
851 the Department of Public Utility Control of all
852 real property sold, leased, assigned, mortgaged,
853 or otherwise disposed of without the approval of
854 said department during the previous calendar year.
855 Such report shall include for each transaction
856 involving such property, without limitation, the
857 appraised value of the real property, the actual
858 value of the transaction and the accounting
859 journal entry which recorded the transaction.

860 (b) A public service company shall obtain the
861 approval of the Department of Public Utility
862 Control to (1) issue any notes, bonds or other
863 evidences of indebtedness or securities of any
864 nature, (2) lend or borrow any moneys for a period
865 of more than one year for any purpose other than
866 paying the expenses, including taxes, of
867 conducting its business or for the payment of
868 dividends, or (3) amend any provision of an
869 indenture or similar financial instrument if such
870 amendment would affect the issuance or terms of
871 any such notes, bonds or other evidences of
872 indebtedness or securities. The department shall
873 approve or disapprove each such issue or amendment
874 within thirty days after the filing of a written
875 application for such approval unless the applicant
876 agrees to an extension of time. If not disapproved
877 within said thirty days or within such extension,
878 such issue shall be deemed to be approved. The
879 department shall not require a company to issue
880 its common stock under terms or conditions not
881 required by the general statutes. The provisions
882 of this subsection shall apply to a community
883 antenna television company only with regard to any

884 noncable communications services which the company
885 may provide.

886 (c) Any managerial service contract made by a
887 public service company shall be voidable on order
888 of the department, but may be enforced as between
889 the parties unless disapproved.

890 (d) Any water company selling land that at
891 any time has been in the water company's rate base
892 shall use the net proceeds from the sale of such
893 land for capital projects which improve or protect
894 the water supply system or for the acquisition of
895 land to protect a water supply source. In the case
896 of a water company required to file a water supply
897 plan pursuant to section 25-32d, AS AMENDED BY
898 SECTION 7 OF THIS ACT, the capital projects or
899 acquisition shall be consistent with such plan.

900 (e) For the purposes of rate making, the
901 department shall use an accounting method for the
902 economic benefits of sales of land for which the
903 Commissioner of Public Health has issued a permit
904 pursuant to sections 25-32, 25-37c and 25-37d that
905 at any time has been in the water company's rate
906 base that equitably allocates all of the economic
907 benefits of any such sale between the ratepayers
908 and the shareholders of the company. Any such
909 allocation shall be based on the facts of each
910 application for sale and the department may,
911 except as otherwise provided in this subsection,
912 allocate all of the economic benefits of any such
913 sale to either the ratepayers or the shareholders.
914 The department shall allocate the economic
915 benefits of any such sale of water company land
916 which promotes a perpetual public interest in the
917 use of land for open space or recreational
918 purposes OR FOR PROTECTION OF A WATERSHED,
919 substantially in favor of a water company's
920 shareholders, with regard to any such land sold by
921 the company when at least twenty-five per cent of
922 such land is to be used for open space or
923 recreational purposes. The department shall
924 determine how much more than a majority of such
925 benefits shall be allocated to the shareholders
926 based on the extent to which part of the land is
927 for open space or recreational purposes. For the
928 purposes of this subsection "open space or
929 recreational purposes" is defined as [in
930 subsection (f) of section 16-50d] PROVIDED IN
931 SECTION 10 OF THIS ACT.

932 Sec. 10. (NEW) For purposes of subsection (e)
933 of section 16-43 of the general statutes, as
934 amended by section 9 of this act, "open space or
935 recreational purposes" means public parks, forests
936 or campgrounds; forestry; fishery; wildlife; or
937 natural resource conservation.

938 Sec. 11. (a) Sections 7-131c, 7-131f and
939 23-80 of the general statutes are repealed.

940 (b) In codifying the provisions of this act,
941 the Legislative Commissioners shall delete the
942 reference to section 7-131c that appears in
943 section 22a-9 of the general statutes and the
944 reference to section 7-131c that appears in
945 sections 12-107a and 12-107b of the general
946 statutes.

947 Sec. 12. This act shall take effect July 1,
948 1998.

949 ENV COMMITTEE VOTE: YEA 23 NAY 0 JFS C/R FIN
950 FIN COMMITTEE VOTE: YEA 45 NAY 0 JFS

* * * * *

"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF 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 HOUSE THEREOF FOR ANY PURPOSE."

* * * * *

FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5034

STATE IMPACT	Implements a Provision in the Budget and the Bond Package, Potential Savings, Minimal Revenue Loss, see explanation below
MUNICIPAL IMPACT	Potential Revenue Gain, see explanation below
STATE AGENCY(S)	Department of Environmental Protection, Office of Policy and Management, Department of Public Health, Department of Public Utility Control

EXPLANATION OF ESTIMATES:

STATE AND MUNICIPAL IMPACT: This bill establishes the Protected Open Space and Watershed Land Acquisition program and includes eligibility criteria, application and award requirements, monthly reporting by the Department of Environmental Protection, establishment of an advisory board and establishes a Protected Open Space and Watershed Land Acquisition Fund. Bond funds are provided in SHB 5039, "An Act Concerning the Authorization of Bonds of the State for Capital Improvements and Other Purposes", (favorably reported from the Finance, Revenue and Bonding Committee) for this program in the amount of \$11.5 million for the Recreation and Natural Heritage Trust program (Sec. 2(b)(1)) and \$6.0 million under the grants-in-aid to municipalities for acquisition and development (Sec. 9(a)). Bond funds authorized in the 1997 session, in the amounts of \$1 million and \$.5 million, respectively, are available for this program as well as the unallocated balances for prior bond authorizations

of \$6.9 million for the Recreation and Natural Heritage Trust program account and \$3.6 million for the acquisition of land for open space/recreation, grants-in-aid to municipalities account.

However, the bill requires that the State Treasurer issue bonds for both the Recreation and Natural Heritage Trust program and the Protected Open Space and Watershed Land Acquisition Fund program in the amount equal to one-half of the authorization in two installments, and it appears that the second-half is never issued. The same process is used for the issuance of bonds for these programs for the authorizations made, but not issued. Therefore, only 1/2 of the funds for the programs can be issued.

In addition, sHB 5021 (the Appropriations Act, as favorably reported from the Appropriations Committee) for FY 1998-99 provides additional funds to DEP in the amount of \$100,000 for 2 property agents to carry out the various new duties in the bill for developing guidelines, a ranking system, reporting, increased work on acquisition as well as providing grants. DEP has 7 staff members that work on the current land acquisition programs. The bill also allows 2% of the Protected Open Space and Watershed Land Acquisition Fund to be used for specified administrative purposes (staff excluded) by DEP.

Provisions of the bill which decrease from 20% to 15% the municipal or private matching funds which are required to receive matching funds will provide cost savings to various municipalities. In addition, the additional funds available through the programs would increase funds to municipalities.

Exempting land transfers to a water company of Class I or Class II land, from the Real Estate Conveyance Tax is expected to result in a minimal annual average revenue loss (less than \$100,000).

Workload increases to the Office of Policy and Management, associated with membership on the advisory board, which replaces the natural heritage trust board, is anticipated to be minimal and within budgetary resources. It is also anticipated that the Department of Public Health (DPH) and Department of Public Utility Control (DPUC) can absorb the minimal workload increase

due to the submittal of additional information from water companies.

* * * * *

OLR BILL ANALYSIS

sHB 5034

AN ACT CONCERNING OPEN SPACE AND WATERSHED LAND ACQUISITION

SUMMARY: This bill establishes the Protected Open Space and Watershed Land Acquisition Program to provide grants to municipalities, nonprofit land conservation organizations, and water companies. It establishes (1) land eligibility criteria and future use restrictions, (2) application and award requirements, (3) a fund capitalized by general obligation bonds, and (4) a 20-member program review board. It requires a conservation easement in favor of the Department of Environmental Protection (DEP) or its designee on all property or interests acquired through the program. The DEP must report monthly on program activities, and the advisory board must report annually.

The bill decreases from 20% to 15% the municipal or private source matching funds required to receive state funds under the Recreational and Natural Heritage Trust Program and prohibits the use of funds from the new program for matching. It authorizes the state treasurer to issue bonds for the trust program twice annually when it issues bonds for the Protected Open Space and Watershed Land Acquisition Program.

The bill exempts land sold to investor-owned water companies from the state's property conveyance tax if it is classified as Class I or II (watershed land) after the transfer. (It is unclear when after the transaction the land must be classified.) It requires water companies water supply plans to include a description of any water supplies to be abandoned and any land to be reclassified as Class III (non-watershed). It also requires companies submitting or revising plans to notify the chief elected officials in their service area and water companies in or adjacent to the area and to publish notice in a local paper. It requires one-year advance notice of certain

water company land contracts entered into after December 31, 1998. It requires the Department of Public Utility Control (DPUC) to include watershed protection in the economic benefits it allocates when a water company sells land at least 25% of which will be used for open space or recreational purposes.

The bill makes minor and technical changes and deletes obsolete provisions.

EFFECTIVE DATE: July 1, 1998

FURTHER EXPLANATION

The Protected Open Space and Watershed Land Acquisition Program

The bill establishes the Protected Open Space and Watershed Land Acquisition Program and Fund to help (1) municipalities and nonprofit land organizations acquire land or permanent interests in it, (2) water companies acquire land that protects drinking water supplies, and (3) distressed municipalities restore or protect open space land they already own. The fund may provide matching grants for lands and land interests that satisfy certain criteria and that will be preserved predominantly in their natural scenic and open condition. The DEP must make grant decisions based on the land criteria and other considerations established by the bill. Under current law, the DEP may make grants-in-aid to municipalities to acquire or develop open space lands or interests in land.

Any property purchased (presumably including interests) must include a permanent conservation easement in favor of the state executed at closing. The easement must include a provision allowing public access for appropriate purposes, unless the DEP commissioner finds that such a provision would be unreasonably detrimental to the wildlife or plant habitat or other natural resources. Class I or II lands acquired by water companies are exempt from the public access requirement.

Land Criteria and Matching Grants

Municipal and Nonprofit Acquisition. Land acquisitions under the program by municipalities or nonprofits must:

1. protect land especially valuable for recreation, forestry, fishing, or conservation of wildlife or natural resources;
2. protect land that includes or contributes to a prime natural feature of the state's landscape such as shorelines, rivers, tributaries, river watersheds, aquifers, mountainous territories, ridgelines, wetlands, significant littoral, estuarine, or aquatic sites, or other important geological features;
3. protect habitat for threatened or endangered native plant or animal species or of special concern;
4. protect relatively undisturbed outstanding examples of an uncommon native ecological community;
5. enhance and conserve lakes, rivers, and coastal water quality; or
6. preserve local agricultural heritage.

Water Company Land Acquisition. Land acquired under the program by water companies must protect land which will be classified as class I or II (protective of existing or future water supplies (watershed lands)). It does not specify when after acquisition the lands must be classified or whether the land may be subsequently reclassified.

Distressed Municipalities. The program may grant money to distressed municipalities to restore or protect natural features or habitat of open space land they already own. (Another provision of the bill prohibits grants for land already committed for public use). The land restoration or protection may include wetland, wildlife, or plant habitat restoration; replacement of vegetation; or restoration to a more natural condition. Grants to distressed municipalities may not, in total, exceed 20% of the grants made in any fiscal year.

Matching Grants Depend On Applicant and Property Use. Municipalities, nonprofits, water companies, and distressed municipalities may receive matching grants as follows:

<u>Maximum Matching Grant</u>	<u>Applicant and Use of Property</u>
65%	Municipalities for watershed protection land
50%	Municipalities for other open space land
50%	Nonprofits for open space or watershed protection land acquisition
40%	Water companies for land accessible for recreational purposes
65%	Distressed municipalities for open space or watershed protection land acquisition
50%	Distressed municipalities to restore, enhance, or protect existing resources

The grants for land acquisition are based on the properties' fair market value as determined by appraisal, excluding incidental expenses, such as surveying, development, or closing costs. Applicants may satisfy the matching contribution requirement using a portion of the value of a donated property, but may not use any state funds received through other programs.

Land and Uses Not Eligible for Grants. Program grants may not be used for:

1. acquiring land for commercial or recreational purposes requiring intensive development such as golf courses, driving ranges, tennis courts, ballfields, swimming pools, or motorized vehicle use (but pathways for pedestrians or nonmotorized vehicles are allowed);
2. acquiring property with contamination over a significant portion, unless the remediation is complete before acquisition and the use of the

land is not restricted for environmental reasons;

3. protecting land already committed for public use;
4. paying development costs such as ballfields, tennis courts, parking lots, or roadways;
5. acquiring land by eminent domain; or
6. reimbursing in-kind services or incidental expenses related to land acquisition.

The Protected Open Space and Watershed Land Acquisition Fund

The bill establishes a fund to provide matching program grants. It capitalizes the fund from the sale of general obligation bonds and authorizes the DEP to accept other money into the fund. The fund may keep as assets any investment earnings, and the balance of the fund is carried forward at the end of the fiscal year. The DEP commissioner must administer the fund and may use up to 2% of the fund for administrative purposes including appraisals, proposal evaluation, baseline data development, and legal documents, but not staff salaries.

The DEP may accept money into the fund from other sources for projects that do not satisfy the program's criteria and use that money to fund such projects.

Bond Authorization and Issuance Schedule. The bill requires the State Bond Commission to authorize and the state treasurer to issue annually one-half of the bonds authorized for the open space (which this provision refers to as the Municipal Open Space Program) and the Recreation and Natural Heritage Trust programs. (sHB 5039 authorizes \$6 million and \$11.5 million, respectively, for the two programs (see BACKGROUND). The treasurer must issue the bonds in two installments, the first by September 1, 1998 and the second by March 1, 1999 (it appears that only one-half of the amount will be issued in any fiscal year). Any future bonds authorized for the programs must be issued in the same manner and according to the same schedule.

Monthly Report on Program Activities. The DEP must submit a monthly report to the Finance, Revenue and Bonding Committee and the State Bond Commission. The report must include information on any lands or interests in land acquired in the previous month under both programs.

Grant Proposal Ranking and Decisions. By September 1, 1998, the DEP must develop written guidelines and a ranking system to ensure consistency and equity in program awards for lands that satisfy the land criteria. The DEP commissioner must rank all grant proposals and make award decisions at least semiannually. The DEP must act on all complete and eligible applications and may award a single project a grant in more than one grant cycle.

In making grant decisions, the DEP must consider, in addition to the land criteria:

1. whether the land is adjacent or complementary to public lands;
2. equitable geographic distribution of fund awards;
3. proximity to urban areas or areas with open space shortages and underserved populations;
4. whether the land is particularly vulnerable to incompatible development;
5. the state's conservation and development plan (developed by the Office of Policy and Management (OPM));
6. whether the land protects more than one category of resource such as farmlands, water, and scenery; and
7. the extent to which existing manmade improvements may diminish or overshadow the resource or its value relative to the acquisition costs.

By law, the DEP must provide a form for proposal applications and may require maps, data, title searches, and appraisals. Proposals must be approved by

the local planning and conservation commissions, and applicants must submit them to the appropriate regional planning agency for an advisory report prior to applying to the fund.

The Review Board

The bill replaces the nine-member Recreational and Natural Heritage Trust Advisory Board with a 20-member review board to assist, advise, and oversee the DEP in carrying out the Protected Open Space and Watershed Land Acquisition and Recreational and Natural Heritage Trust programs. The board must (1) review and evaluate grant award policies, procedures, and decisions; (2) comment on selection criteria approval, policies, and procedures; (3) promote public participation; and (4) provide land protection guidance and review protection strategies.

Review Board Report. The board must report annually to the General Assembly on grant awards and findings and recommendations regarding the program beginning on or after February 15, 1999.

Board Membership. The members include the OPM secretary or his designee and 19 members appointed as follows:

<u>Representing or from</u>	<u>Appointed by</u>
1 Environment Committee	House speaker
1 Planning and Development Committee	Senate president pro tempore
1 business community	governor
1 handicapped access to public facilities	governor
3 water utilities	House majority leader Senate majority leader House minority leader
1 investor-owned (water) utility	Senate minority leader House minority leader

1 municipal (water) utility	
1 regional (water) utility	Senate minority leader
1 realtor or attorney with five years of real estate transaction experience	House speaker
1 representative with five years land or construction development experience	Senate president pro tempore
2 interest groups concerned with water shed region conserva- tion	House majority leader Senate majority leader
3 environmental protection or natural resource conservation nonprofits with five years land conservation and acquisition experience	governor House speaker Senate president pro tempore
2 chief elected officials (one of a town under 15,000 and one of a town over)	governor

The members serve three-year terms, except the legislative committee members, the business representative, the handicapped access representative, and the OPM secretary or designee who do not have terms specified. The terms of initial appointees are staggered in one-year intervals over three groups. They must elect a chairman from the members.

Water Companies

Water Company Plans. By law, water companies supplying at least 1,000 people or 250 customers, and smaller companies at the Department of Public Health's (DPH) request, must submit water supply plans to the

department every three to five years. The bill requires the plans to include a description of any water supply the company plans to abandon and land it has or plans to designate as Class III (non-watershed lands).

It requires companies submitting or revising their plans to publish notice in a local paper and mail it, return receipt requested, to the chief elected official of towns it serves and other water companies with supplies in or adjacent to the service area. The notice must specify (1) which water supplies it plans to abandon or lands to be designated Class III and (2) the public comment period. The DPH, DEP and DPUC must consider the comments before acting on the plan.

By law, investor-owned water companies that revise their plans must mail notice, return receipt requested, to eligible nonprofits that register with the DPUC.

Notice Before Sale. By law, investor-owned water companies that plan to sell more than three contiguous acres must provide notice by certified mail to DPH, DEP, DPUC, certain municipalities, and eligible nonprofit land organizations and by publication in a local newspaper. The bill requires water companies to provide the certified mail notice at least one year in advance for property contracts entered into after December 31, 1998. It allows parties receiving notice by certified mail to contract for the property before the end of the one-year period.

Ratemaking. The bill includes watershed protection in the economic benefits the DPUC must allocate for ratemaking purposes when a water company sells land and at least 25% will be used for public parks, forests, campgrounds, forestry, fishery, wildlife, or natural resource conservation.

BACKGROUND

Related Bill

sHB 5039, favorably reported by the Finance, Revenue and Bonding Committee, authorizes \$6 million in bonds for the Protected Open Space and Watershed Land Acquisition Fund and \$11.5 million for the Recreational and Natural Heritage Trust Program.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute Change of Reference
Yea 23 Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Substitute
Yea 45 Nay 0