

File No. 669

(Reprint of File No. 553)

Substitute House Bill No. 5382
As Amended by House Amendment
Schedules "A" and "B"

Approved by the Legislative Commissioner
May 2, 1998

AN ACT CONCERNING FINANCIAL MATTERS RELATING TO
INSTITUTIONS OF HIGHER EDUCATION AND CONCERNING
THE CONVEYANCE OF CERTAIN PARCELS OF STATE LAND.

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

1 Section 1. (a) Notwithstanding the provisions
2 of any section of the general statutes or any
3 special act, the state of Connecticut, acting by
4 the State Treasurer, may convey to the city of New
5 Britain a tract of land located in the city of New
6 Britain on the campus of Central Connecticut State
7 University between Maloney Hall and Welte Hall and
8 the city of New Britain may accept the conveyance
9 for the sole purpose of constructing on such land
10 a parking garage at Central Connecticut State
11 University.

12 (b) The city of New Britain, acting by and
13 through the New Britain parking authority,
14 notwithstanding any provisions of the general
15 statutes, the charter of the city of New Britain,
16 any special act or ordinance, or any other
17 provision of law including local zoning laws, may
18 in consultation with the Board of Trustees of the
19 Connecticut State University System or its
20 designated representatives, and subject to the

21 approval of the said board of trustees, prepare
22 plans and specifications for the construction of
23 the parking garage and may construct such garage.

24 (c) The state of Connecticut, acting by the
25 Board of Trustees for the Connecticut State
26 University System, represented by its chairman or
27 other officer so designated by resolution of the
28 board, and the city of New Britain, acting by the
29 New Britain parking authority, represented by its
30 chairman or other officer so designated by
31 resolution of the authority, may execute a lease
32 to the Board of Trustees for the Connecticut State
33 University System for a period of twenty-five
34 years, notwithstanding any other provision of the
35 general statutes concerning lease periods,
36 pursuant to a net lease which requires the lessee
37 to pay all expenses of operation, maintenance,
38 repairs and insurance, and an annual rental
39 sufficient to pay the principal of such bonds,
40 together with the interest on such bonds, as shall
41 be issued by the city of New Britain pursuant to
42 subdivision (2) of subsection (d) of this section.

43 (d) (1) The common council of the city of New
44 Britain may provide, by ordinance, for the
45 issuance of general obligation bonds and notes in
46 an amount not exceeding twelve million dollars to
47 finance construction of the parking garage and
48 appurtenant facilities at Central Connecticut
49 State University. Notwithstanding the provisions
50 of sections 7-206 and 7-371 of the general
51 statutes or any other provision of law, such bonds
52 shall be dated, shall bear interest at a rate or
53 rates not exceeding seven per cent per annum, and
54 shall mature at such time or times over a period
55 not exceeding twenty-five years from their date on
56 a maturity schedule that will substantially
57 equalize the payment of principal and interest
58 annually, as may be provided by the common council
59 prior to the issuance of such bonds. The common
60 council shall determine the form of such bonds,
61 including any interest coupons to be attached to
62 the bonds, the manner of execution of the bonds
63 and the bank or trust company to act as certifying
64 agent, and shall fix the denominations of such
65 bonds and the place or places of payment of
66 principal and interest on the bonds. All bonds
67 issued under the provisions of this section shall
68 be negotiable instruments under the provisions of

69 the general statutes and shall be exempt, both as
70 to principal and interest, from taxation by the
71 state of Connecticut or any subdivision of the
72 state. Such bonds may be sold in such manner and
73 for such price as is determined to be for the best
74 interest of the city, but no such sale shall be
75 made at a price so low as to require the payment
76 of interest on the money received therefor at more
77 than seven per cent per annum, computed with
78 relation to the absolute maturity or maturities of
79 the bonds in accordance with standard tables of
80 bond values.

81 (2) Bonds and notes issued under the
82 provisions of this section shall not be subject to
83 any statutory limitation on the indebtedness of
84 the city and such bonds and notes when issued
85 shall not be included in computing the aggregate
86 indebtedness of the city in respect of any such
87 limitation.

88 (e) The city shall convey the land with the
89 parking garage and appurtenant facilities to the
90 Board of Trustees for the Connecticut State
91 University System without consideration but only
92 after receipt of sufficient funds to the principal
93 of and interest on said bonds and only when the
94 terms and conditions of the lease agreement
95 entered into between the Board of Trustees for the
96 Connecticut State University System and the city
97 of New Britain, acting by the New Britain parking
98 authority, shall have been fully performed.

99 Sec. 2. (a) Notwithstanding the provisions of
100 any section of the general statutes or any special
101 act, the state of Connecticut, acting by the State
102 Treasurer, may convey to the city of New Haven a
103 tract of land located in the city of New Haven on
104 the campus of Southern Connecticut State
105 University known as parking lot two and the city
106 of New Haven may accept such conveyance for the
107 sole purpose of constructing on such land a
108 parking garage at Southern Connecticut State
109 University.

110 (b) The city of New Haven, notwithstanding any
111 provisions of the general statutes, the charter of
112 the city of New Haven, any special act or
113 ordinance, or any other provision of law including
114 local zoning laws, may, in consultation with the
115 Board of Trustees of the Connecticut State
116 University System or its designated

117 representatives, and subject to the approval of
118 the said board of trustees, prepare plans and
119 specifications for the construction of the parking
120 garage and may construct such garage.

121 (c) Upon the request of the city of New
122 Haven, the Connecticut Department of Public Works
123 may provide all customary design build services
124 pursuant to subdivision (4) of section 4b-24 of
125 the general statutes, in order to construct the
126 parking garage. The city of New Haven shall pay
127 the standard Department of Public Works fee to
128 said department for services provided under this
129 section.

130 (d) The state of Connecticut, acting by its
131 Board of Trustees for the Connecticut State
132 University System, represented by its chairman or
133 other officer so designated by resolution of the
134 said board, and the city of New Haven, represented
135 by its mayor or other officer so designated by
136 resolution of the board of aldermen, may execute a
137 lease to the Board of Trustees for the Connecticut
138 State University System for a period of
139 twenty-five years, notwithstanding any other
140 provision of the general statutes concerning lease
141 periods, pursuant to a net lease which requires
142 the lessee to pay all expenses of operation,
143 maintenance, repairs and insurance, and an annual
144 rental sufficient to pay the principal of such
145 bonds, together with the interest on such bonds,
146 as shall be issued by the city of New Haven
147 pursuant to subdivision (2) of subsection (d) of
148 this section.

149 (e) (1) Notwithstanding any provision of the
150 general statutes, the charter of the city of New
151 Haven, any special act or ordinance, or any other
152 provision of law, the board of aldermen of the
153 city of New Haven is authorized to provide, by
154 resolution, for the issuance of general obligation
155 bonds and notes in an amount not exceeding nine
156 million dollars to finance construction of the
157 parking garage and appurtenant facilities at
158 Southern Connecticut State University.
159 Notwithstanding the provisions of sections 7-206
160 and 7-371 of the general statutes or any other
161 provision of law, such bonds shall be dated, shall
162 bear interest at a rate or rates not exceeding
163 seven per cent per annum, and shall mature at such
164 time or times over a period not exceeding

165 twenty-five years from their date on a maturity
166 schedule that will substantially equalize the
167 payment of principal and interest annually, as may
168 be provided by the bond sale committee of the
169 board of aldermen prior to the issuance of such
170 bonds. The bond sale committee shall determine the
171 form of such bonds, including any interest coupons
172 to be attached to the bonds, the manner of
173 execution of the bonds and the bank or trust
174 company to act as certifying agent, and shall fix
175 the denominations of such bonds and the place or
176 places of payment of principal and interest on the
177 bonds. All bonds issued under the provisions of
178 this section shall be negotiable instruments under
179 the provisions of the general statutes and shall
180 be exempt, both as to principal and interest, from
181 taxation by the state of Connecticut or any
182 subdivision of the state. Such bonds may be sold
183 in such manner and for such price as is determined
184 by the bond sale committee to be for the best
185 interest of the city, but no such sale shall be
186 made at a price so low as to require the payment
187 of interest on the money received therefor at more
188 than seven per cent per annum, computed with
189 relation to the absolute maturity or maturities of
190 the bonds in accordance with standard tables of
191 bond values.

192 (2) Bonds and notes issued under the
193 provisions of this section shall not be subject to
194 any statutory limitation on the indebtedness of
195 the city and such bonds and notes when issued
196 shall not be included in computing the aggregate
197 indebtedness of the city in respect of any such
198 limitation.

199 (f) The city shall convey the land with the
200 parking garage and appurtenant facilities to the
201 Board of Trustees for the Connecticut State
202 University System, without consideration but only
203 after receipt of sufficient funds to pay the
204 principal of and interest on said bonds and only
205 when the terms and conditions of the lease
206 agreement entered into between the Board of
207 Trustees for the Connecticut State University
208 System and the city of New Haven shall have been
209 fully performed.

210 Sec. 3. Subdivision (20) of subsection (a) of
211 section 12-701 of the general statutes, as amended

212 by section 9 of public act 97-309, is repealed and
213 the following is substituted in lieu thereof:

214 (20) "Connecticut adjusted gross income" means
215 adjusted gross income, with the following
216 modifications: (A) There shall be added thereto
217 (i) to the extent not properly includable in gross
218 income for federal income tax purposes, any
219 interest income from obligations issued by or on
220 behalf of any state, political subdivision
221 thereof, or public instrumentality, state or local
222 authority, district or similar public entity,
223 exclusive of such income from obligations issued
224 by or on behalf of the state of Connecticut, any
225 political subdivision thereof, or public
226 instrumentality, state or local authority,
227 district or similar public entity created under
228 the laws of the state of Connecticut and exclusive
229 of any such income with respect to which taxation
230 by any state is prohibited by federal law, (ii)
231 any exempt-interest dividends, as defined in
232 Section 852(b)(5) of the Internal Revenue Code,
233 exclusive of such exempt-interest dividends
234 derived from obligations issued by or on behalf of
235 the state of Connecticut, any political
236 subdivision thereof, or public instrumentality,
237 state or local authority, district or similar
238 public entity created under the laws of the state
239 of Connecticut and exclusive of such
240 exempt-interest dividends derived from
241 obligations, the income with respect to which
242 taxation by any state is prohibited by federal
243 law, (iii) any interest or dividend income on
244 obligations or securities of any authority,
245 commission or instrumentality of the United States
246 which federal law exempts from federal income tax
247 but does not exempt from state income taxes, (iv)
248 to the extent included in gross income for federal
249 income tax purposes for the taxable year, the
250 total taxable amount of a lump sum distribution
251 for the taxable year deductible from such gross
252 income in calculating federal adjusted gross
253 income, (v) to the extent properly includable in
254 determining the net gain or loss from the sale or
255 other disposition of capital assets for federal
256 income tax purposes, any loss from the sale or
257 exchange of obligations issued by or on behalf of
258 the state of Connecticut, any political
259 subdivision thereof, or public instrumentality,

260 state or local authority, district or similar
261 public entity created under the laws of the state
262 of Connecticut, in the income year such loss was
263 recognized, (vi) to the extent deductible in
264 determining federal adjusted gross income, any
265 income taxes imposed by this state, (vii) to the
266 extent deductible in determining federal adjusted
267 gross income, any interest on indebtedness
268 incurred or continued to purchase or carry
269 obligations or securities the interest on which is
270 exempt from tax under this chapter and (viii)
271 expenses paid or incurred during the taxable year
272 for the production or collection of income which
273 is exempt from taxation under this chapter or the
274 management, conservation or maintenance of
275 property held for the production of such income,
276 and the amortizable bond premium for the taxable
277 year on any bond the interest on which is exempt
278 from tax under this chapter to the extent that
279 such expenses and premiums are deductible in
280 determining federal adjusted gross income. (B)
281 There shall be subtracted therefrom (i) to the
282 extent properly includable in gross income for
283 federal income tax purposes, any income with
284 respect to which taxation by any state is
285 prohibited by federal law, (ii) to the extent
286 allowable under section 12-718, exempt dividends
287 paid by a regulated investment company, (iii) the
288 amount of any refund or credit for overpayment of
289 income taxes imposed by this state, or any other
290 state of the United States or a political
291 subdivision thereof, or the District of Columbia
292 or any province of Canada, to the extent properly
293 includable in gross income for federal income tax
294 purposes, (iv) to the extent properly includable
295 in gross income for federal income tax purposes,
296 any tier 1 railroad retirement benefits, (v) with
297 respect to any natural person who is a shareholder
298 of an S corporation which is carrying on, or which
299 has the right to carry on, business in this state,
300 as said term is used in section 12-214, the amount
301 of such shareholder's pro rata share of such
302 corporation's nonseparately computed items, as
303 defined in Section 1366 of the Internal Revenue
304 Code, that is subject to tax under chapter 208, in
305 accordance with subsection (c) of section 12-217,
306 AS AMENDED, multiplied by such corporation's
307 apportionment fraction, if any, as determined in

308 accordance with section 12-218, AS AMENDED, (vi)
309 to the extent properly includable in gross income
310 for federal income tax purposes, any interest
311 income from obligations issued by or on behalf of
312 the state of Connecticut, any political
313 subdivision thereof, or public instrumentality,
314 state or local authority, district or similar
315 public entity created under the laws of the state
316 of Connecticut, (vii) to the extent properly
317 includable in determining the net gain or loss
318 from the sale or other disposition of capital
319 assets for federal income tax purposes, any gain
320 from the sale or exchange of obligations issued by
321 or on behalf of the state of Connecticut, any
322 political subdivision thereof, or public
323 instrumentality, state or local authority,
324 district or similar public entity created under
325 the laws of the state of Connecticut, in the
326 income year such gain was recognized, (viii) any
327 interest on indebtedness incurred or continued to
328 purchase or carry obligations or securities the
329 interest on which is subject to tax under this
330 chapter but exempt from federal income tax, to the
331 extent that such interest on indebtedness is not
332 deductible in determining federal adjusted gross
333 income and is attributable to a trade or business
334 carried on by such individual, (ix) ordinary and
335 necessary expenses paid or incurred during the
336 taxable year for the production or collection of
337 income which is subject to taxation under this
338 chapter but exempt from federal income tax, or the
339 management, conservation or maintenance of
340 property held for the production of such income,
341 and the amortizable bond premium for the taxable
342 year on any bond the interest on which is subject
343 to tax under this chapter but exempt from federal
344 income tax, to the extent that such expenses and
345 premiums are not deductible in determining federal
346 adjusted gross income and are attributable to a
347 trade or business carried on by such individual,
348 [and] (x) an amount equal to the difference
349 between the amount of Social Security benefits
350 includable for federal income tax purposes under
351 the provisions of Section 13215 of the Omnibus
352 Budget Reconciliation Act of 1993 and fifty per
353 cent of the amount of such Social Security
354 benefits includable for federal income tax
355 purposes under the provisions of the Internal

356 Revenue Code of 1986, or any subsequent
357 corresponding internal revenue code of the United
358 States, as from time to time amended, prior to
359 August 10, 1993, AND (xi) TO THE EXTENT PROPERLY
360 INCLUDABLE IN THE GROSS INCOME FOR FEDERAL INCOME
361 TAX PURPOSES OF A DESIGNATED BENEFICIARY, ANY
362 DISTRIBUTION TO SUCH BENEFICIARY FROM ANY
363 QUALIFIED STATE TUITION PROGRAM, AS DEFINED IN
364 SECTION 529(b) OF THE INTERNAL REVENUE CODE,
365 ESTABLISHED AND MAINTAINED BY THIS STATE OR ANY
366 OFFICIAL, AGENCY OR INSTRUMENTALITY OF THE STATE.
367 With respect to a person who is the beneficiary of
368 a trust or estate, there shall be added or
369 subtracted, as the case may be, from adjusted
370 gross income such person's share, as determined
371 under section 12-714, in the Connecticut fiduciary
372 adjustment.

373 Sec. 4. Section 3-31b of the general statutes
374 is repealed and the following is substituted in
375 lieu thereof:

376 (a) Notwithstanding any contrary provision of
377 law, the State Treasurer may establish one or more
378 combined investment funds for the purpose of
379 investing funds for which the Treasurer is
380 custodian or trustee, OR FUNDS WHICH THE BOARDS OF
381 TRUSTEES OF THE UNIVERSITY OF CONNECTICUT, THE
382 CONNECTICUT STATE UNIVERSITY SYSTEM OR THE
383 REGIONAL COMMUNITY-TECHNICAL COLLEGES REQUEST THE
384 TREASURER TO INVEST PURSUANT TO THIS SECTION,
385 provided the Treasurer shall adopt appropriate
386 accounting procedures from which the exact
387 interest of such funds so combined for investment
388 can be determined. The State Treasurer is
389 authorized to sell to all agencies,
390 instrumentalities and political subdivisions of
391 the state, participation units in any such
392 combined investment fund established by him
393 pursuant to this section. Such participation units
394 issued by the Treasurer under the provisions of
395 this section are made legal investments for all
396 the funds of, held by or administered by all
397 agencies, instrumentalities and political
398 subdivisions of the state. The Treasurer may adopt
399 such rules and regulations as may be necessary to
400 administer the provisions of this section.

401 (b) All costs of operating each such combined
402 investment fund, including the cost of personnel
403 and contractual services shall be paid by the

404 Treasurer charging the income derived from said
405 fund.

406 Sec. 5. Subsection (a) of section 5 of public
407 act 97-293 is repealed and the following is
408 substituted in lieu thereof:

409 (a) (1) The Board of Trustees of the
410 Connecticut State University System shall
411 establish a permanent Endowment Fund for the
412 Connecticut State University System to encourage
413 donations from the private sector, with an
414 incentive in the form of an endowment fund state
415 grant, the net earnings on the principal of which
416 are dedicated and made available to a state
417 university or the Connecticut State University
418 system as a whole, for endowed professorships,
419 scholarships and programmatic enhancements. The
420 fund shall be administered by the board of
421 trustees, or by a nonprofit entity entrusted for
422 such purpose and qualified as a Section 501(c)(3)
423 organization under the Internal Revenue Code of
424 1986, or any subsequent corresponding internal
425 revenue code of the United States, as from time to
426 time amended, and preferably constituted and
427 controlled independent of the state and university
428 so as to qualify the interest on state bonds the
429 proceeds of which have been granted for deposit in
430 the endowment fund as excludable from federal
431 taxation under such code and shall, in any event,
432 be held in a trust fund [with a bank or trust
433 company] separate and apart from all other funds
434 and accounts of the state and university. There
435 shall be deposited into the fund: (A) Endowment
436 fund state grants; and (B) interest or other
437 [income earned on] EARNINGS FROM the investment of
438 moneys in the endowment fund pending application
439 or transfer or use of earnings on the principal of
440 the fund for the purposes identified in this
441 subdivision. Endowment fund eligible gifts made on
442 behalf of a state university or the system as a
443 whole shall be deposited in a permanent endowment
444 fund created for each such state university and
445 the system as a whole in the appropriate
446 foundation established pursuant to sections 4-37e
447 and 4-37f. A portion of the [interest] income
448 earned on investments in the endowment fund
449 established pursuant to this section to be used
450 for the purposes described in this subdivision
451 shall be transferred to such a state university

452 endowment fund based on the ratio of the total
453 amount of such gifts made to such state university
454 to the total amount of all such gifts made to all
455 the state universities and the system as a whole.

456 (2) For each of the fiscal years ending June
457 30, 2000, to June 30, 2009, inclusive, as part of
458 the state contract with donors of endowment fund
459 eligible gifts, the Department of Higher
460 Education, in accordance with section 1 of [this
461 act] PUBLIC ACT 97-293, shall deposit in the
462 Endowment Fund for the Connecticut State
463 University System a grant in an amount equal to
464 half of the total amount of endowment fund
465 eligible gifts received by or for the benefit of
466 the Connecticut State University system as a whole
467 and each state university for the calendar year
468 ending the December thirty-first preceding the
469 commencement of such fiscal year, as certified by
470 the chairperson of the board of trustees by
471 February fifteenth to (A) the Secretary of the
472 Office of Policy and Management, (B) the joint
473 standing committee of the General Assembly having
474 cognizance of matters relating to appropriations
475 and the budgets of state agencies, and (C) the
476 Commissioner of Higher Education, provided such
477 sums do not exceed the endowment fund state grant
478 maximum commitment for the fiscal year in which
479 the grant is made. In any such fiscal year in
480 which the total of the eligible gifts received by
481 the Connecticut State University system as a whole
482 and each state university exceed the endowment
483 fund state grant maximum commitment for such
484 fiscal year the amount in excess of such endowment
485 fund state grant maximum commitment shall be
486 carried forward and be eligible for a matching
487 state grant in any succeeding fiscal year from the
488 fiscal year ending June 30, 2000, to the fiscal
489 year ending June 30, 2009, inclusive, subject to
490 the endowment fund state grant maximum commitment.

491 (3) The Board of Trustees of the Connecticut
492 State University System shall adopt, by October 1,
493 1997, guidelines with respect to (A) the
494 solicitation of endowment fund eligible gifts from
495 private donors, and (B) governing the acceptance
496 of gifts made by a foundation established pursuant
497 to sections 4-37e and 4-37f, to a state university
498 or its employees for reimbursement of expenditures
499 or payment of expenditures on behalf of a state

500 university or its employees. Private donations
501 shall not be construed to include proceeds of
502 federal grants but may include proceeds of
503 municipal grants.

504 Sec. 6. (a) The Board of Trustees of the
505 Connecticut State University System may lease a
506 tract of land to a private developer to construct
507 a building on the south side of Ella Grasso
508 Boulevard on the Central Connecticut State
509 University campus. Upon the request of the board
510 of trustees, the Department of Public Works may
511 contract with a developer to construct the
512 building to be completed by an agreed upon date
513 certain, on a design-build basis and with a
514 maximum cost. The project consisting of this
515 building shall house private enterprise and
516 university services to meet the needs of
517 university students, faculty, staff and the
518 community-at-large.

519 (b) Any such contract shall provide that the
520 developer: (1) Construct one building which
521 complies with all applicable federal and state
522 laws and regulations; (2) supply the funds
523 necessary for costs associated with the
524 construction and operation of the building; (3)
525 post a performance bond and have and maintain
526 adequate insurance for the project; (4) be granted
527 full ownership rights to the building for a term
528 certain, which term shall permit the developer to
529 recoup its investment in the construction and
530 operation of the building and be consistent with
531 the needs of the university, but shall not exceed
532 thirty years; (5) reserve a portion of such
533 building for use by Central Connecticut State
534 University at no charge during such period; and
535 (6) convey its interest in the building to the
536 board of trustees at the end of the term granted
537 pursuant to subdivision (4) of this subsection.

538 (c) If the board of trustees requests the
539 Department of Public Works to enter into a
540 contract with the developer: (1) The department
541 shall provide customary design build services
542 pursuant to subdivision (4) of section 4b-24 of
543 the general statutes; (2) the department shall
544 render its services to the board of trustees for
545 its standard department fee and the board shall be
546 reimbursed for said services by the developer; (3)
547 the department, in consultation with and subject

548 to the approval of the board of trustees, shall
549 assume primary responsibility for the preparation
550 of the request for proposal to be provided to
551 potential developers which shall include aesthetic
552 concerns of the university and the right of the
553 university to approve prospective tenants; (4) the
554 department shall expedite the services it renders
555 in the project; (5) the board of trustees and the
556 university shall provide the developer with access
557 to utility connections, be responsible for
558 landscaping and maintenance to all areas outside
559 the building and provide a reasonable number of
560 parking spaces for tenants of the building
561 consistent with other needs of the university; (6)
562 the Commissioner of Public Works and the board of
563 trustees shall agree on a cooperative system to
564 carry out the provisions of this section with due
565 regard to the needs and concerns of the board of
566 trustees; and (7) any requests for proposal for
567 the project shall be submitted after notice and
568 specifications of such project are advertised, at
569 least once, in a newspaper having substantial
570 circulation in the Hartford-New Britain area.

571 Sec. 7. Notwithstanding any provision of
572 chapter 66 of the general statutes, any former
573 member of the General Assembly who (1) served
574 between January 7, 1981, and January 7, 1987, and
575 (2) was previously employed by The University of
576 Connecticut Educational Properties, Incorporated
577 (UCEPI) for at least nine years between August 1,
578 1986, and September 30, 1996, may elect to become
579 a member of tier I of the state employees
580 retirement system for such periods provided such
581 former member (A) provides written notification of
582 his election to the State Employees Retirement
583 Commission not later than October 1, 1998, and (B)
584 makes retirement contributions for each year of
585 his service as a member of the General Assembly
586 and as an employee of UCEPI, based upon his salary
587 for such year, equal to those he would have made
588 had he been a member of tier I of the state
589 employees retirement system during such periods,
590 plus interest thereon at the rate of five per cent
591 per year from the date of his entry into such
592 service to the date of payment. No such service
593 credit shall be granted until payment of all
594 contributions and interest is completed.

595 Sec. 8. Section 8 of special act 97-20 is
596 amended to read as follows:

597 (a) Notwithstanding any provision of the
598 general statutes to the contrary, the Commissioner
599 of Transportation shall convey to the town of
600 Trumbull, subject to the approval of the State
601 Properties Review Board and at a cost equal to the
602 administrative costs of making such conveyance, a
603 parcel of land located in the town of Trumbull AND
604 THE CITY OF BRIDGEPORT, having an area of
605 approximately 3.35 acres and identified as Parcel
606 No. 36 on town of Trumbull Tax Assessor's Map I12.

607 (b) The town of Trumbull shall use said
608 parcel of land for affordable housing purposes. If
609 the town of Trumbull (1) does not use said parcel
610 for said purposes, (2) does not retain ownership
611 of all of said parcel, or (3) leases all or any
612 portion of said parcel, the parcel shall revert to
613 the state of Connecticut.

614 (c) The State Properties Review Board shall
615 complete its review of the conveyance of said
616 parcel of land not later than thirty days after it
617 receives a proposed agreement from the Department
618 of Transportation. The land shall remain under the
619 care and control of said department until a
620 conveyance is made in accordance with the
621 provisions of this section. The State Treasurer
622 shall execute and deliver any deed or instrument
623 necessary for a conveyance under this section,
624 which deed or instrument shall include provisions
625 to carry out the purposes of subsection (b) of
626 this section, and the Commissioner of
627 Transportation shall have the sole responsibility
628 for all other incidents of such conveyance.

629 Sec. 9. Section 19 of public act 97-11 of the
630 June 18 special session is repealed and the
631 following is substituted in lieu thereof:

632 (a) Notwithstanding any provision of the
633 general statutes to the contrary, the Commissioner
634 of Environmental Protection shall convey to the
635 town of Franklin, subject to the approval of the
636 State Properties Review Board and at a cost equal
637 to the administrative costs of making such
638 conveyance, a parcel of land located in the
639 Franklin wildlife management area and the
640 structure known as the "Franklin House" which is
641 located on said parcel. The Commissioner of
642 Environmental Protection shall determine the

643 boundaries of said parcel of land, which shall
644 abut Route 32, have an area of approximately [one
645 acre] TWO ACRES and contain no structures other
646 than the Franklin House AND TWO BARNs.

647 (b) Said parcel of land shall be conveyed
648 subject to the condition that the town of Franklin
649 grants to the Commissioner of Environmental
650 Protection access to the well located on said
651 parcel of land.

652 (c) The town of Franklin shall use said
653 parcel of land for museum, LIBRARY OR OTHER
654 MUNICIPAL purposes. If the town of Franklin (1)
655 does not use said parcel for said purposes [,] OR
656 (2) does not retain ownership of all of said
657 parcel, [or (3) leases all or any portion of said
658 parcel,] the parcel shall revert to the state of
659 Connecticut.

660 (d) The State Properties Review Board shall
661 complete its review of the conveyance of said
662 parcel of land not later than thirty days after it
663 receives a proposed agreement from the Department
664 of Environmental Protection. The land shall remain
665 under the care and control of said department
666 until a conveyance is made in accordance with the
667 provisions of this section. The State Treasurer
668 shall execute and deliver any deed or instrument
669 necessary for a conveyance under this section,
670 which deed or instrument shall include provisions
671 to carry out the purposes of subsection (c) of
672 this section, and the Commissioner of
673 Environmental Protection shall have the sole
674 responsibility for all other incidents of such
675 conveyance.

676 Sec. 10. (a) Notwithstanding any provision of
677 the general statutes to the contrary, the
678 Commissioner of Correction shall convey to the
679 town of Cheshire, subject to the approval of the
680 State Properties Review Board and at a cost equal
681 to the administrative costs of making such
682 conveyance, a parcel of land located in the town
683 of Cheshire, having an area of approximately ten
684 acres. Said parcel of land is generally triangular
685 and is bordered on the east by Route 10 and on the
686 west by the Manson Youth Institute access road.

687 (b) The town of Cheshire shall use said
688 parcel of land for recreational purposes or may
689 lease all or any portion of said parcel for
690 recreational purposes. If the town of Cheshire:

691 (1) Does not use said parcel for recreational
692 purposes;

693 (2) Does not retain ownership of all of said
694 parcel; or

695 (3) Leases all or any portion of said parcel
696 for nonrecreational purposes,
697 the parcel shall revert to the state of
698 Connecticut.

699 (c) The State Properties Review Board shall
700 complete its review of the conveyance of said
701 parcel of land not later than thirty days after it
702 receives a proposed agreement from the Department
703 of Correction. The land shall remain under the
704 care and control of the Department of Correction
705 until a conveyance is made in accordance with the
706 provisions of this section. The State Treasurer
707 shall execute and deliver any deed or instrument
708 necessary for a conveyance under this section,
709 which deed or instrument shall include provisions
710 to carry out the purposes of subsection (b) of
711 this section, and the Commissioner of Correction
712 shall have the sole responsibility for all other
713 incidents of such conveyance. The conveyance under
714 this section shall not reduce the state grants in
715 lieu of taxes to the town of Cheshire which are
716 required under chapter 201 of the general
717 statutes.

718 Sec. 11. The Commissioner of Public Works
719 shall transfer to the Commissioner of Agriculture,
720 custody and control of a parcel of land located at
721 the Fairfield Hills Hospital, which parcel is
722 bounded by the new bypass road, Nunnawauk Road,
723 the Department of Correction property and the
724 Fairfield Hills eastern property line as
725 designated on Figure 3 of a report prepared by the
726 task force to study the use of the Fairfield Hills
727 State Property, Newtown, Connecticut, entitled "A
728 Re-Use Plan for Fairfield Hills", dated June,
729 1994.

730 Sec. 12. The town of Avon may use for
731 purposes of constructing and operating public
732 schools or other public educational facilities the
733 five parcels of land acquired pursuant to a
734 judgment in accordance with the provisions of
735 number 232 of the special acts of 1963 and
736 identified in the judgment filed in the Avon Town
737 Clerk's Office on June 26, 1964. The town of Avon
738 may exchange said parcels of land or any part of

739 said parcels for other parcels of land of
740 comparable value to said town, provided the town
741 shall use said other parcels for the purposes of
742 recreation and conservation or constructing and
743 operating public schools or other educational
744 facilities.

745 Sec. 13. (a) Notwithstanding any provision of
746 the general statutes to the contrary, the
747 Commissioner of Transportation shall convey to the
748 town of Southbury, subject to the approval of the
749 State Properties Review Board and at a cost equal
750 to the administrative costs of making such
751 conveyance, a parcel of land located in the town
752 of Southbury, having an area of approximately
753 10,191 square feet and identified as a
754 triangular-shaped parcel of state property along
755 the Seymour/Southbury Road (Rte. 67), adjacent to
756 property now or formerly of Americo DaSilva, in
757 the Southford section of Southbury.

758 (b) The town of Southbury shall use said
759 parcel of land for open space purposes. If the
760 town of Southbury:

761 (1) Does not use said parcel for said
762 purposes;

763 (2) Does not retain ownership of all of said
764 parcel; or

765 (3) Leases all or any portion of said parcel,
766 the parcel shall revert to the state of
767 Connecticut.

768 (c) The State Properties Review Board shall
769 complete its review of the conveyance of said
770 parcel of land not later than thirty days after it
771 receives a proposed agreement from the Department
772 of Transportation. The land shall remain under the
773 care and control of said department until a
774 conveyance is made in accordance with the
775 provisions of this section. The State Treasurer
776 shall execute and deliver any deed or instrument
777 necessary for a conveyance under this section,
778 which deed or instrument shall include provisions
779 to carry out the purposes of subsection (b) of
780 this section, and the Commissioner of
781 Transportation shall have the sole responsibility
782 for all other incidents of such conveyance.

783 Sec. 14. (a) Notwithstanding any provision of
784 the general statutes to the contrary, the
785 Commissioner of Mental Retardation shall convey to
786 the Southbury Land Trust, Inc., subject to the

787 approval of the State Properties Review Board and
788 at a cost equal to the administrative costs of
789 making such conveyance, two parcels of land
790 located in the town of Southbury and described as
791 follows: (1) Lot 26 in Block 84 on town of
792 Southbury Tax Assessor's Map 17, which parcel has
793 an area of approximately 27.15 acres and (2) lot
794 26A on said Block 84, which parcel has an area of
795 approximately 12.73 acres.

796 (b) The Southbury Land Trust, Inc. shall use
797 said parcels of land for open space purposes. If
798 the Southbury Land Trust, Inc.:

799 (1) Does not use said parcels for said
800 purposes;

801 (2) Does not retain ownership of all of said
802 parcels; or

803 (3) Leases all or any portion of either said
804 parcel,

805 the parcels shall revert to the state of
806 Connecticut.

807 (c) The State Properties Review Board shall
808 complete its review of the conveyance of said
809 parcel of land not later than thirty days after it
810 receives a proposed agreement from the Department
811 of Mental Retardation. The land shall remain under
812 the care and control of said department until a
813 conveyance is made in accordance with the
814 provisions of this section. The State Treasurer
815 shall execute and deliver any deed or instrument
816 necessary for a conveyance under this section,
817 which deed or instrument shall include provisions
818 to carry out the purposes of subsection (b) of
819 this section, and the Commissioner of Mental
820 Retardation shall have the sole responsibility for
821 all other incidents of such conveyance.

822 Sec. 15. (a) Notwithstanding any provision of
823 the general statutes to the contrary, the
824 Commissioner of Environmental Protection shall
825 convey to the town of East Lyme, subject to the
826 approval of the State Properties Review Board and
827 at a cost equal to the administrative costs of
828 making such conveyance, a parcel of land located
829 in the town of East Lyme, having an area of
830 approximately 3.5 acres and identified as the
831 portion of Lot 14 on town of East Lyme Tax
832 Assessor's Map 10-3 which is bounded and described
833 approximately as follows: Starting at the
834 Southwest Corner of Lot 19 going Northwesterly

835 388.49' to West Main Street, then Southwesterly
836 along West Main Street 175' to a Corner of Lot 20,
837 then 158' Southeasterly to another Corner of Lot
838 20, then 118' Southwesterly to another Corner of
839 Lot 20, the 130' Northwesterly to another Corner
840 of Lot 20 at West Main Street, then 180'
841 Southwesterly along West Main Street to a 50' long
842 curve at Giants Neck Road, then 237.5'
843 Southeasterly to the Corner of Lot 21, then
844 Northeasterly 276' to another Corner of Lot 21,
845 then Southeasterly 183' to a Brooklet, then
846 Northeasterly along this meandering Brooklet to
847 the Point of Beginning.

848 (b) The town of East Lyme shall use said
849 parcel of land for historical park and exhibition
850 purposes or may lease all or any portion of said
851 parcel to town-sponsored nonprofit organizations
852 for such purposes. If the town of East Lyme:

853 (1) Does not use said parcel for historical
854 park and exhibition purposes;

855 (2) Does not retain ownership of all of said
856 parcel; or

857 (3) Leases all or any portion of said parcel
858 except to town-sponsored nonprofit organizations
859 for such purposes,

860 the parcel shall revert to the state of
861 Connecticut.

862 (c) The State Properties Review Board shall
863 complete its review of the conveyance of said
864 parcel of land not later than thirty days after it
865 receives a proposed agreement from the Department
866 of Environmental Protection. The land shall remain
867 under the care and control of said department
868 until a conveyance is made in accordance with the
869 provisions of this section. The State Treasurer
870 shall execute and deliver any deed or instrument
871 necessary for a conveyance under this section,
872 which deed or instrument shall include provisions
873 to carry out the purposes of subsection (b) of
874 this section, and the Commissioner of
875 Environmental Protection shall have the sole
876 responsibility for all other incidents of such
877 conveyance.

878 Sec. 16. (a) Notwithstanding any provision of
879 the general statutes to the contrary, the
880 Commissioner of Transportation shall convey to the
881 town of Haddam, upon completion of environmental
882 remediation by the Department of Transportation,

883 subject to the approval of the State Properties
884 Review Board and at a cost equal to the
885 administrative costs of making such conveyance, a
886 parcel of land located at 85 Bridge Street in the
887 town of Haddam, having an area of approximately
888 2.4 acres and further identified as the property
889 shown on a map entitled "Town of Haddam, Plan
890 Showing Land to be Acquired from Clara T. Wiseburn
891 by the State of Connecticut, East
892 Haddam-Tylerville Road, Scale 1"=40', Apr. 1952,
893 G. Albert Hill, Highway Commissioner".

894 (b) The town of Haddam shall use said parcel
895 of land for tourism purposes. If the town of
896 Haddam:

897 (1) Does not use said parcel for said
898 purposes;

899 (2) Does not retain ownership of all of said
900 parcel; or

901 (3) Leases all or any portion of said parcel,
902 the parcel shall revert to the state of
903 Connecticut.

904 (c) The State Properties Review Board shall
905 complete its review of the conveyance of said
906 parcel of land not later than thirty days after it
907 receives a proposed agreement from the Department
908 of Transportation. The land shall remain under the
909 care and control of said department until a
910 conveyance is made in accordance with the
911 provisions of this section. The State Treasurer
912 shall execute and deliver any deed or instrument
913 necessary for a conveyance under this section,
914 which deed or instrument shall include provisions
915 to carry out the purposes of subsection (b) of
916 this section, and the Commissioner of
917 Transportation shall have the sole responsibility
918 for all other incidents of such conveyance.

919 Sec. 17. (a) Notwithstanding any provision of
920 the general statutes to the contrary, the
921 Commissioner of Transportation shall convey to the
922 town of Willington, subject to the approval of the
923 State Properties Review Board and at a cost equal
924 to the administrative costs of making such
925 conveyance, a parcel of land located in the town
926 of Willington, having an area of approximately
927 8.108 acres and identified as the parcel of land
928 on the westerly side of State Route 32, with
929 appurtenances on the parcel, if any, as shown on a
930 map entitled "Town of Willington, Map Showing Land

931 Transferred to the Department of Transportation by
932 the State of Connecticut, Department of
933 Environmental Protection, Scale 1"=40', April,
934 1992, Town No. 160, Project No. MISC., Serial No.
935 33, Sheet 1 of 1."

936 (b) The town of Willington shall use said
937 parcel of land for recreational purposes. If the
938 town of Willington:

939 (1) Does not use said parcel for said
940 purposes;

941 (2) Does not retain ownership of all of said
942 parcel; or

943 (3) Leases all or any portion of said parcel,
944 the parcel shall revert to the state of
945 Connecticut.

946 (c) The State Properties Review Board shall
947 complete its review of the conveyance of said
948 parcel of land not later than thirty days after it
949 receives a proposed agreement from the Department
950 of Transportation. The land shall remain under the
951 care and control of said department until a
952 conveyance is made in accordance with the
953 provisions of this section. The State Treasurer
954 shall execute and deliver any deed or instrument
955 necessary for a conveyance under this section,
956 which deed or instrument shall include provisions
957 to carry out the purposes of subsection (b) of
958 this section, and the Commissioner of
959 Transportation shall have the sole responsibility
960 for all other incidents of such conveyance.

961 Sec. 18. (a) Notwithstanding any provision of
962 the general statutes to the contrary, the
963 Commissioner of Transportation shall convey to the
964 Borough of Naugatuck, subject to the approval of
965 the State Properties Review Board and at a cost
966 equal to the administrative costs of making such
967 conveyance, a parcel of land located in the
968 Borough of Naugatuck, having an area of
969 approximately 2.41 acres and identified as Block
970 20W33 on Borough of Naugatuck Tax Assessor's Map
971 3.

972 (b) The Borough of Naugatuck shall use said
973 parcel of land for economic development purposes.
974 If the Borough of Naugatuck:

975 (1) Does not use said parcel for said
976 purposes,

977 (2) Does not retain ownership of all of said
978 parcel, or

979 (3) Leases all or any portion of said parcel,
980 the parcel shall revert to the state of
981 Connecticut.

982 (c) The State Properties Review Board shall
983 complete its review of the conveyance of said
984 parcel of land not later than thirty days after it
985 receives a proposed agreement from the Department
986 of Transportation. The land shall remain under the
987 care and control of said department until a
988 conveyance is made in accordance with the
989 provisions of this section. The State Treasurer
990 shall execute and deliver any deed or instrument
991 necessary for a conveyance under this section,
992 which deed or instrument shall include provisions
993 to carry out the purposes of subsection (b) of
994 this section, and the Commissioner of
995 Transportation shall have the sole responsibility
996 for all other incidents of such conveyance.

997 Sec. 19. (a) Notwithstanding any provision of
998 the general statutes to the contrary, the
999 Commissioner of Public Works shall convey to the
1000 town of Newtown, subject to the approval of the
1001 State Properties Review Board and at a cost equal
1002 to the administrative costs of making such
1003 conveyance, a parcel of land located in the town
1004 of Newtown, having an area of approximately 21.66
1005 acres and described as the corridor of land that
1006 closely parallels both sides of Deep Brook from
1007 the railroad tracks on the west to the Fairfield
1008 Hills Hospital property line on the east. The
1009 actual boundaries of said parcel of land are
1010 determined by a land survey entitled "Open space
1011 parcel along Deep Brook to be conveyed to the Town
1012 of Newtown", CAD No. 1486-DB.DWG pages 1 and 2
1013 dated 3/17/98, which is part of the total
1014 Fairfield Hills Hospital land survey to be
1015 provided by the Department of Public Works.

1016 (b) The town of Newtown shall use said parcel
1017 of land for open space and recreational purposes.
1018 If the town of Newtown:

1019 (1) Does not use said parcel for said
1020 purposes,

1021 (2) Does not retain ownership of all of said
1022 parcel, or

1023 (3) leases all or any portion of said parcel,
1024 the parcel shall revert to the state of
1025 Connecticut.

1026 (c) The State Properties Review Board shall
1027 complete its review of the conveyance of said
1028 parcel of land not later than thirty days after it
1029 receives a proposed agreement from the Department
1030 of Public Works. The land shall remain under the
1031 care and control of said department until a
1032 conveyance is made in accordance with the
1033 provisions of this section. The State Treasurer
1034 shall execute and deliver any deed or instrument
1035 necessary for a conveyance under this section,
1036 which deed or instrument shall include provisions
1037 to carry out the purposes of subsection (b) of
1038 this section, and the Commissioner of Public Works
1039 shall have the sole responsibility for all other
1040 incidents of such conveyance.

1041 Sec. 20. (a) Notwithstanding any provision of
1042 the general statutes to the contrary, the
1043 Commissioner of Transportation shall convey to the
1044 town of Killingly, subject to the approval of the
1045 State Properties Review Board and at a cost equal
1046 to the administrative costs of making such
1047 conveyance, a parcel of land located in the town
1048 of Killingly, having an area of approximately 5.2
1049 acres and identified as Lot 18 in Block 355 on
1050 town of Killingly Tax Assessor's Map 4707.

1051 (b) The town of Killingly shall use said
1052 parcel of land for economic development purposes
1053 or may lease all or any portion of said parcel for
1054 economic development purposes. If the town of
1055 Killingly:

1056 (1) Does not use said parcel for economic
1057 development purposes,

1058 (2) Does not retain ownership of all of said
1059 parcel except for any sale for economic
1060 development purposes, or

1061 (3) Leases all or any portion of said parcel
1062 for noneconomic development purposes,
1063 the parcel shall revert to the state of
1064 Connecticut.

1065 (c) The State Properties Review Board shall
1066 complete its review of the conveyance of said
1067 parcel of land not later than thirty days after it
1068 receives a proposed agreement from the Department
1069 of Transportation. The land shall remain under the
1070 care and control of said department until a
1071 conveyance is made in accordance with the
1072 provisions of this section. The State Treasurer
1073 shall execute and deliver any deed or instrument

1074 necessary for a conveyance under this section,
1075 which deed or instrument shall include provisions
1076 to carry out the purposes of subsection (b) of
1077 this section, and the Commissioner of
1078 Transportation shall have the sole responsibility
1079 for all other incidents of such conveyance.

1080 Sec. 21. (a) Notwithstanding any provision of
1081 the general statutes to the contrary, the
1082 Commissioner of Economic and Community Development
1083 may convey title to the structures located at
1084 88-102 Smith Street in the city of Bridgeport to
1085 an eligible developer, as defined in subsection
1086 (u) of section 8-39 of the general statutes, which
1087 demonstrates the willingness and financial ability
1088 to rehabilitate such structures and maintain their
1089 status as affordable housing.

1090 (b) The State Treasurer shall execute and
1091 deliver any deed or instrument necessary for a
1092 conveyance under this section and the Commissioner
1093 of Economic and Community Development shall have
1094 the sole responsibility for all other incidents of
1095 such conveyance.

1096 Sec. 22. (a) Notwithstanding any provision of
1097 the general statutes to the contrary, the
1098 Commissioner of Public Works shall convey to the
1099 town of Greenwich, subject to the approval of the
1100 State Properties Review Board and at a cost equal
1101 to the administrative costs of making such
1102 conveyance, a parcel of land located at the
1103 junction of Route U.S. 1, Boston Post Road and
1104 South Beach Avenue in the town of Greenwich,
1105 having an area of approximately .49 acre and
1106 bounded and described as follows:

1107 NORTHERLY: By the Junction of Route U.S. 1,
1108 the Boston Post Road and South
1109 Beach Avenue;

1110 EASTERLY: By South Beach Avenue;

1111 SOUTHERLY: By Old Greenwich Lane and land now
1112 or formerly of Harold C. and
1113 William M. Rich, each in part;

1114 WESTERLY: By Route U.S. 1, Boston Post Road;

1115 together with buildings thereon, and the same
1116 being a portion of the premises contained in an

1117 Executrix Deed, dated October 18, 1916, and
1118 recorded in the Greenwich Land Records in Volume
1119 159 at Page 148.

1120 (b) The town of Greenwich shall use said
1121 parcel of land for open space purposes. If the
1122 town of Greenwich:

1123 (1) Does not use said parcel for said
1124 purposes,

1125 (2) Does not retain ownership of all of said
1126 parcel, or

1127 (3) Leases all or any portion of said parcel,
1128 the parcel shall revert to the state of
1129 Connecticut.

1130 (c) The State Properties Review Board shall
1131 complete its review of the conveyance of said
1132 parcel of land not later than thirty days after it
1133 receives a proposed agreement from the Department
1134 of Public Works. The land shall remain under the
1135 care and control of said department until a
1136 conveyance is made in accordance with the
1137 provisions of this section. The State Treasurer
1138 shall execute and deliver any deed or instrument
1139 necessary for a conveyance under this section,
1140 which deed or instrument shall include provisions
1141 to carry out the purposes of subsection (b) of
1142 this section, and the Commissioner of Public Works
1143 shall have the sole responsibility for all other
1144 incidents of such conveyance.

1145 Sec. 23. Section 19 of special act 97-20 is
1146 amended to read as follows:

1147 (a) Notwithstanding any provision of the
1148 general statutes to the contrary, the Commissioner
1149 of Veterans' Affairs shall convey to the town of
1150 Rocky Hill, subject to the approval of the State
1151 Properties Review Board and at a cost equal to the
1152 administrative costs of making such conveyance, a
1153 [fifty] SEVENTY-FIVE acre portion of two parcels
1154 of land located adjacent to the Veterans' Home and
1155 Hospital in the town of Rocky Hill, which parcels
1156 are the same parcels of land described in a
1157 memorandum from the Office of Policy and
1158 Management to all state agency heads, dated March
1159 12, 1997, and entitled "Request for Re-use
1160 Proposals - State Land in Rocky Hill".

1161 (b) The town of Rocky Hill shall use said
1162 [fifty] SEVENTY-FIVE acre portion of said parcels
1163 of land for recreational, educational, open space
1164 or other municipal public purposes. If the town of

1165 Rocky Hill (1) does not use said portion for any
1166 such purpose, (2) does not retain ownership of all
1167 of said portion or (3) leases all or any part of
1168 said portion, the portion shall revert to the
1169 state of Connecticut.

1170 (c) The State Properties Review Board shall
1171 complete its review of the conveyance of said
1172 portion of said parcels of land not later than
1173 thirty days after it receives a proposed agreement
1174 from the Department of Veterans' Affairs. The land
1175 shall remain under the care and control of said
1176 department until a conveyance is made in
1177 accordance with the provisions of this section.
1178 The State Treasurer shall execute and deliver any
1179 deed or instrument necessary for a conveyance
1180 under this section, which deed or instrument shall
1181 include provisions to carry out the purposes of
1182 subsection (b) of this section, and the
1183 Commissioner of Veterans' Affairs shall have the
1184 sole responsibility for all other incidents of
1185 such conveyance.

1186 Sec. 24. This act shall take effect from its
1187 passage, except that sections 1 to 7, inclusive,
1188 shall take effect July 1, 1998.

* * * * *

"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 5382

STATE IMPACT	See Explanation Below
MUNICIPAL IMPACT	See Explanation Below
STATE AGENCY(S)	Department of Revenue Services, Office of the State Treasurer, Connecticut State University System, State Comptroller, Department of Public Works

EXPLANATION OF ESTIMATES:

STATE IMPACT: The bill as amended allows the universities and community-technical colleges to invest funds in the combined investment funds, which will potentially increase the rate of return on these funds.

The bill as amended conveys a parcel of land in: (1) New Britain for a parking garage at Central Connecticut State University, and (2) in New Haven for a parking garage at Southern Connecticut State University, which will result in a loss of asset value to the state.

The bill as amended permits bonds to be issued by New Britain and New Haven to finance construction of the parking garages. This will not have an impact on General Fund debt service because the bonds are not obligations of the state.

House "A" makes it clear that the bill as amended exempts disbursements made from a Connecticut Higher Education Trust (CHET) for educational purposes. The revenue loss is not expected to be significant because most CHET recipients probably fall below the threshold for state taxation or are taxed at a low rate.

House "A" mandates that the developer selected to build a building by CSU, convey its interest in a building to CSU after a period not to exceed 30 years. The fiscal impact of this provision is indeterminate because no specific agreement has been reached between CSU and a developer at this time.

House "A" will result in an increased cost to the State Employees Retirement Fund (SERF) as a result of permitting a former member of the General Assembly employed by UCEPI to become a Tier I member of the State Employees Retirement System. Although the individual is required to make the standard contributions with interest to receive the service credit, the required contributions are not sufficient to cover the actuarial cost of the benefit obligation. The cost cannot be determined, but it is not expected to be significant relative to the magnitude of SERF.

House "A" is not expected to result in a cost to the Department of Public Works to provide design build services to construct the parking garage in New Haven because the agency's cost will be paid by the city.

House "B" authorizes the conveyance of various state properties, which will result in a loss of asset value to the State. The State Properties Review and the Office of the Treasurer will incur an administrative cost for the conveyances, which is absorbable within existing budgetary resources. There is also a minimal cost saving due to a reduction in PILOT payments by the State to municipalities.

MUNICIPAL IMPACT: The bill as amended will result in a cost to New Britain and New Haven to issue bonds, as well as debt service costs, when the cities finance construction of the parking garages. Depending on the terms of the lease agreements entered into with the universities, the payments made to the cities may cover cost of bond issuance as well as debt service.

House "A" will result in a cost to New Haven for DPW fees if the city requests design build services for the construction of the parking garage.

House "B" will result in a gain in asset value for the municipalities receiving the land conveyances. There is

also a minimal loss due to a reduction in PILOT payments by the State to municipalities.

* * * * *

OLR AMENDED BILL ANALYSIS

sHB 5382 (as amended by House "A" and "B")

AN ACT CONCERNING FINANCIAL MATTERS RELATING TO INSTITUTIONS OF HIGHER EDUCATION

SUMMARY: This bill:

1. allows taxpayers to exclude from their Connecticut taxable income any disbursement from the state's tuition savings plan, known as the Connecticut Higher Education Trust (CHET), to a beneficiary if the disbursement is includable in the beneficiary's federal taxable income;
2. allows UConn, the Connecticut State University (CSU) system, and the regional community-technical colleges to ask the treasurer to invest their funds in the state's longer-term combined investment funds instead of just in the Short Term Investment Fund;
3. allows CSU more flexibility in managing its endowment fund by eliminating a requirement that it be held in trust with a bank and trust company;
4. allows the state treasurer to convey one parcel of property each to New Britain and New Haven to allow them to build parking garages for Central and Southern Connecticut State universities, respectively;
5. authorizes New Britain to bond \$12 million and New Haven \$9 million for the garages, allows them to lease the garages to CSU for the cost of their operation plus the cost of paying off the bonds, and requires them to give the land and the garages back to the state when the lease ends;

6. requires conveyances of various state properties and amends certain conveyances enacted in 1997;
7. authorizes the transfer of a parcel of property between two state agencies;
8. allows the town of Avon to use state property for education purposes;
9. allows the CSU board to lease a parcel of land at Central Connecticut State University to, and contract with, a private developer so he may construct a building to house both private businesses and university services;
10. allows a former legislator who worked for the University of Connecticut Educational Properties, Inc. (UCEPI) to become a member of Tier I of the State Employees Retirement System and receive retirement credit for his legislative and UCEPI service if he notifies the retirement commission by October 1, 1998 and makes the required contributions, with interest; and
11. makes technical changes.

House Amendment "A" eliminates ambiguous provisions concerning the state taxability of CHET income and disbursements, adds the provision allowing the CSU board to lease land to a private developer for a building, and establishes the special retirement provision.

House Amendment "B" adds the state property conveyances and transfers and the provision concerning Avon.

EFFECTIVE DATE: Upon passage for the state property conveyances and the retirement provision; July 1, 1998 for the CHET, parking garage, CCSU-private developer, and higher education funds investment provisions.

FURTHER EXPLANATION

CHET Tax Change

Under federal and state law, state taxes on money

deposited in qualified state tuition programs such as CHET and interest it earns while in the trust are deferred until it is withdrawn. At that time, the funds are taxable at the beneficiary's rate. A beneficiary can be (1) any state resident designated in a participation agreement, (2) a subsequently designated family member, (3) someone receiving a scholarship from interests in the trust purchased by a government or tax-exempt charitable organization, or (4) any other designated beneficiary enrolled in the trust. This bill makes it clear that if the disbursement is taxable as part of the beneficiary's income, it is not taxable as part of the CHET depositor's.

Investment Options for Higher Education Funds

The bill allows the UConn, CSU, and regional community-technical college boards to ask the treasurer to invest their funds in the combined investment funds he establishes to invest other state funds. The treasurer operates seven investment funds with varying degrees of financial risk ranging from a cash management fund to a venture capital fund.

The bill also gives CSU more flexibility in managing its endowment fund by eliminating the requirement that it be held in trust with a bank and trust company. Under the bill, the fund could be held in trust with some other type of financial institution such as a savings bank, savings and loan, financial services company, or a mutual fund company.

State Conveyances and Transfers

The bill requires conveyance of the following state property to the recipients indicated:

1. a parcel of land to Cheshire controlled by the Department of Correction for recreational purposes (Sec. 9);
2. a parcel of land to Southbury controlled by the Department of Transportation (DOT) for open space (Sec. 12);
3. two parcels under the control of the Department of Mental Retardation to the Southbury Land Trust, Inc. for open space

- (Sec. 13);
4. property to East Lyme under the control of the commissioner of environmental protection for an historical park and exhibition (Sec. 14);
 5. DOT property to Haddam for tourism purposes (Sec. 15);
 6. DOT property to Willington for recreational purposes (Sec. 16);
 7. DOT property to the Borough of Naugatuck for economic development purposes (Sec. 17);
 8. property to Newtown from the Department of Public Works (DPW) for open space and recreational purposes (Sec. 18);
 9. DOT property to Killingly for economic development purposes (Sec. 19); and
 10. DPW property to Greenwich for open space (Sec. 21).

Under the bill, the property must be transferred for the administrative costs of the conveyance, subject to the approval of the State Properties Review Board. The land reverts to the state if it is not used for the stated purpose.

In addition, the bill authorizes the commissioner of economic and community development to convey title to a structure located on Smith Street in Bridgeport to a developer for rehabilitation as affordable housing (Sec. 20).

The bill also requires transfer of the custody and control of a parcel located at the Fairfield Hills Hospital from the DPW commissioner to the commissioner of agriculture (Sec. 10).

The bill amends conveyances enacted in 1997 by:

1. altering the description of a DOT parcel conveyed to Trumbull by specifying that the property is located partly in Bridgeport (Sec. 7);

2. expanding the size and adding structures included on property conveyed to Franklin as well as expanding the permitted use (Sec 8); and
3. increasing the acreage of two parcels conveyed by the commissioner of veterans' affairs to Rocky Hill (Sec. 22).

It permits the town of Avon to use five parcels for its public schools or educational facilities (Sec. 11).

BACKGROUND

Legislative History

The House referred this bill to the Government Administration and Elections Committee on April 21. The committee reported it without change on April 22.

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute Change of Reference
Yea 31 Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Substitute
Yea 45 Nay 0

Government Administration and Elections Committee

Joint Favorable Report
Yea 20 Nay 0