



General Assembly

**Substitute Bill No. 6807**

January Session, 2023



**AN ACT CONCERNING THE ISSUANCE OF LOCAL CAPITAL IMPROVEMENT PROJECT GRANTS.**

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

1 Section 1. Section 7-535 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 There is established and created a fund to be known as the "Local  
4 Capital Improvement Fund". Said fund shall contain any moneys  
5 required by law to be deposited in the fund and shall be held separate  
6 and apart from all other moneys, funds and accounts. Any balance  
7 remaining in said fund at the end of any fiscal year shall be carried  
8 forward in said fund for the fiscal year next succeeding. The resources  
9 of such fund shall be expended for the purpose of [reimbursing  
10 municipalities for] issuing grants to municipalities to reimburse or pay  
11 for the cost of eligible local capital improvement projects pursuant to  
12 section 7-536, as amended by this act.

13 Sec. 2. Section 7-536 of the general statutes is repealed and the  
14 following is substituted in lieu thereof (*Effective from passage*):

15 (a) As used in sections 7-535 to 7-538, inclusive, as amended by this  
16 act:

17 (1) "Adjusted equalized net grand list per capita" means the

18 adjusted equalized net grand list per capita determined for each town  
19 pursuant to section 10-261;

20 (2) "Density" means the population of a municipality divided by the  
21 number of square miles of the municipality;

22 (3) "Grant anticipation note" means a note issued in anticipation of  
23 the receipt of project grants to the municipality from moneys in the  
24 Local Capital Improvement Fund;

25 (4) "Local capital improvement project" means a municipal capital  
26 expenditure project for any of the following purposes: (A) Road  
27 construction, renovation, repair or resurfacing, (B) sidewalk and  
28 pavement improvements, (C) construction, renovation, enlargement or  
29 repair of sewage treatment plants and sanitary or storm, water or  
30 sewer lines, including separation of lines, (D) public building  
31 construction other than schools, including renovation, repair, code  
32 compliance, energy conservation and fire safety projects, (E)  
33 construction, renovation, enlargement or repair of dams, bridges and  
34 flood control projects, (F) construction, renovation, enlargement or  
35 repair of water treatment or filtration plants and water mains, (G)  
36 construction, renovation or enlargement of solid waste facilities, (H)  
37 improvements to public parks, (I) the preparation and revision of local  
38 capital improvement plans projected for a period of not less than five  
39 years and so prepared as to show the general description, need and  
40 estimated cost of each individual capital improvement, (J)  
41 improvements to emergency communications systems and building  
42 security systems, including for schools, (K) public housing projects,  
43 including renovations and improvements and energy conservation and  
44 the development of additional housing, (L) renovations to or  
45 construction of veterans' memorial monuments, (M) thermal imaging  
46 systems, (N) bulky waste and landfill projects, (O) the preparation and  
47 revision of municipal plans of conservation and development adopted  
48 pursuant to section 8-23, provided such plans are endorsed by the  
49 legislative body of the municipality not more than one hundred eighty  
50 days after adoption by the commission, (P) acquisition of automatic

51 external defibrillators, (Q) floodplain management and hazard  
52 mitigation activities, (R) on-board oil refining systems consisting of a  
53 filtration canister and evaporation canister that remove solid and  
54 liquid contaminants from lubricating oil, (S) activities related to the  
55 planning of a municipal broadband network, provided the speed of  
56 the network shall be not less than three hundred eighty-four thousand  
57 bits per second, (T) establishment of bikeways and greenways, (U)  
58 land acquisition, including for open space, and costs involved in  
59 making land available for public uses, (V) acquisition of technology  
60 related to implementation of the Department of Education's common  
61 core state standards, (W) technology upgrades, including for  
62 improvements to expand public access to government information  
63 through electronic portals and kiosks, (X) for the fiscal years ending  
64 June 30, 2013, and June 30, 2014, acquisition of snow removal  
65 equipment, capital expenditures made to improve public safety, and  
66 capital expenditures made to facilitate regional cooperation, and (Y)  
67 for hazardous tree removal or trimming for nonutility-related  
68 hazardous branches, limbs and trees on municipal property or within a  
69 municipal right-of-way. "Local capital improvement project" means  
70 only capital expenditures and includes repairs incident to  
71 reconstruction and renovation but does not include ordinary repairs  
72 and maintenance of an ongoing nature. As used in this subdivision,  
73 "floodplain management" and "hazard mitigation" have the same  
74 meanings as provided in section 25-68j;

75 (5) "Municipality" means any town, city, borough, consolidated  
76 town and city or consolidated town and borough;

77 (6) "Population" means the number of persons according to the most  
78 recent federal decennial census, except that, in intervening years  
79 between such censuses, "population" means the number of persons  
80 according to the most recent estimate of the Department of Public  
81 Health; and

82 (7) "Secretary" means the Secretary of the Office of Policy and  
83 Management.

84 (b) On February first of each year, not more than the amount as  
85 authorized by the General Assembly for the fiscal year from the  
86 resources of the Local Capital Improvement Fund shall be allocated to  
87 the Secretary of the Office of Policy and Management, who shall  
88 allocate an amount to each municipality in the state in accordance with  
89 the provisions of subsection (c) of this section. The secretary shall  
90 credit all such allocated moneys to a local capital improvement  
91 account for each municipality and make local improvement project  
92 grants from such accounts to such municipalities pursuant to the  
93 provisions of this section. The secretary shall maintain records  
94 indicating, for each municipality's account, the amount credited to the  
95 account each year, the amount paid out in local capital improvement  
96 project grants and charged to the account and the balance available for  
97 additional local capital improvement project grants.

98 (c) Each allocation under subsection (b) of this section shall be made  
99 to municipalities in accordance with the following formula: (1) Thirty  
100 per cent of the amount shall be allocated pro rata on the basis of the  
101 ratio of the total number of miles of improved and unimproved  
102 highways in each town to the total number of miles of improved and  
103 unimproved highways in all towns in the state, as determined under  
104 sections 13a-175b and 13a-175d; (2) twenty-five per cent of the amount  
105 shall be allotted pro rata on the basis of the following ratio: The density  
106 of each town multiplied by the population of such town shall be the  
107 numerator of the fraction. The resulting products for all the towns  
108 shall be added together, and the sum shall be the denominator of the  
109 fraction; (3) twenty-five per cent of the amount shall be allotted on the  
110 basis of the following ratio: The population of each town multiplied by  
111 the inverse of the adjusted equalized net grand list per capita of such  
112 town shall be the numerator of the fraction, and the resulting products  
113 for all the towns shall be added together and the sum shall be the  
114 denominator of the fraction; and (4) twenty per cent of the amount  
115 shall be allotted pro rata on the basis of the ratio of the population of  
116 each town to the population of the state. Any city or borough not  
117 consolidated with the town in which it is located and any town

118 containing such a city or borough shall share the allocation to such  
119 town on the basis of the following ratio: The total taxes levied in the  
120 previous fiscal year by such town, city or borough shall be the  
121 numerator of the fraction. The total taxes levied by the town and all  
122 cities or boroughs located within such town shall be added together,  
123 and the sum shall be the denominator of the fraction. Any such city or  
124 borough may, by vote of its legislative body, direct the Secretary of the  
125 Office of Policy and Management to reallocate all or a portion of the  
126 share of such city or borough to the town in which it is located.

127 (d) On March first of each year the Secretary of the Office of Policy  
128 and Management shall indicate to each municipality the amount  
129 allocated to the municipality under subsections (b) and (c) of this  
130 section in accordance with section 4-71a.

131 (e) (1) Each municipality may apply to the secretary for project  
132 authorization and expense reimbursement of local capital  
133 improvement projects.

134 (2) Notwithstanding the deadlines imposed by this section, each  
135 municipality that has expended funds in the fiscal year ending June 30,  
136 2013, on projects listed in subparagraphs (T) to (X), inclusive, of  
137 subdivision (4) of subsection (a) of this section may apply to the  
138 secretary for reimbursement of such expenses.

139 (3) Notwithstanding the provisions of subdivision (2) of subsection  
140 (f) of this section, the secretary, at [his or her] the secretary's discretion,  
141 may authorize expense reimbursement for a project listed in  
142 subparagraphs (T) to (X), inclusive, of subdivision (4) of subsection (a)  
143 of this section prior to such project's inclusion on the local capital  
144 improvement plan adopted by a municipality. The secretary may  
145 require certification from the municipality that such municipality is  
146 taking steps to amend its local capital improvement plan to include  
147 such project.

148 (f) The secretary shall approve or disapprove each completed

149 application for a local capital improvement project grant authorization  
150 not later than forty-five days after receipt of such application on a form  
151 prescribed by the secretary. Such application shall include a  
152 certification by the municipality that: (1) The project for which grant  
153 assistance is requested is a local capital improvement project; (2) the  
154 project is consistent with the local capital improvement plan adopted  
155 by the municipality; and (3) the grant proceeds shall not be used to  
156 satisfy a local matching requirement for any state assistance program  
157 other than the local bridge program established under sections 13a-  
158 175p to 13a-175u, inclusive. The municipality shall provide any other  
159 certification required by the secretary. The secretary shall authorize  
160 such grant if, in the secretary's opinion, the project meets the  
161 requirements set forth in this section and any other requirement  
162 imposed by the secretary and payment of such grant would not cause  
163 the local capital improvement account of the municipality, established  
164 under subsection (b) of this section, to be overdrawn. If a municipality  
165 fails to request payment within seven years of such authorization for a  
166 project, the secretary shall make no payment for such project unless  
167 the municipality requests and receives a waiver for such project on  
168 such terms and conditions as the secretary deems appropriate. On or  
169 before five years after the date of any such authorization and on or  
170 before six years after the date of any such authorization, the secretary  
171 shall notify, in writing, any municipality for which any such  
172 authorization has been made which notice shall indicate the time  
173 which has elapsed since such authorization and the date after which  
174 the secretary may not make payments for an authorized project.

175 (g) Each municipality may apply to the secretary for expense  
176 reimbursement at the time it submits a local capital improvement  
177 project authorization request or any time after such authorization  
178 request has been approved by the secretary. The application for  
179 expense reimbursement shall be submitted on a form prescribed by the  
180 secretary and shall contain identification of the expenses for which  
181 reimbursement is sought and certification from the municipality that:  
182 (1) Expenditures for the project conform to the provisions of

183 subdivision (4) of subsection (a) of this section and the municipality is  
184 entitled to the reimbursement requested in the application; and (2) the  
185 municipality agrees to maintain detailed accounting records of the  
186 project reflecting the expenditures for which reimbursement has been  
187 requested and to make such records available to its independent  
188 auditor and the state. The municipality shall provide any other  
189 certification required by the secretary. Not later than five business  
190 days after such certification, the Comptroller shall draw his or her  
191 order on the Treasurer, who shall pay the grant to the municipality.

192 (h) Each municipality receiving a local capital improvement project  
193 grant under this section shall retain detailed accounting records of all  
194 expenses incurred relative to the local capital improvement project for  
195 which a grant is received for a period of not less than three years  
196 following the completion of such project. If the secretary determines  
197 that such records are not maintained or a review of such records  
198 indicates that such grant, or any portion thereof, was used for a  
199 purpose other than its intended purpose, the secretary shall provide  
200 written notification to the chief executive officer of the municipality of  
201 such finding. Upon issuing a finding under this section, the secretary  
202 may require the municipality to promptly pay to the state an amount  
203 equal to the amount of the grant or [he may] cause the amount of any  
204 future grant made under this section to be reduced by such amount.

205 (i) Notwithstanding the provisions of subsections (e), (f) and (g) of  
206 this section, on and after the effective date of this section, allocated  
207 moneys credited to the account of a municipality in accordance with  
208 subsection (b) of this section shall be issued as a grant by the secretary  
209 to such municipality not later than June thirtieth of each fiscal year.  
210 Such grants shall be used for reimbursement and costs associated with  
211 local capital improvement projects.

212 (j) Not later than September 1, 2024, and annually thereafter, each  
213 municipality issued a grant pursuant to subsection (i) of this section in  
214 the preceding fiscal year shall submit a report to the secretary, in a  
215 form and manner prescribed by the secretary, describing the amounts

216 expended in such fiscal year for each of the local capital improvement  
217 projects described in subdivision (4) of subsection (a) of this section.

218 [(i)] (k) On and after January 1, [2001] 2024, no municipality shall  
219 [receive] use any financial assistance received under this section for  
220 improvements to information technology systems to manage the  
221 century date change effect.

222 [(j)] (l) No municipality shall be eligible to receive financial  
223 assistance under this section for reimbursement of the cost of  
224 preparing a municipal plan of conservation and development,  
225 pursuant to section 8-23, more than once in any ten-year calendar  
226 period.

227 Sec. 3. Section 7-537 of the general statutes is repealed and the  
228 following is substituted in lieu thereof (*Effective from passage*):

229 (a) A municipality may authorize and approve the issuance of local  
230 capital improvement grant anticipation notes. Proceeds from the  
231 issuance and sale of such grant anticipation notes shall be used to  
232 temporarily finance an eligible local capital improvement project  
233 approved by the Secretary of the Office of Policy and Management  
234 pursuant to subsection (f) of section 7-536, as amended by this act.  
235 Such grant anticipation notes may be issued and sold to any lender on  
236 such terms and in such manner as shall be determined by a  
237 municipality. Such grant anticipation notes may be renewed from time  
238 to time by the issuance of other notes, provided the final maturity of  
239 such notes shall not exceed six months from the date of completion of  
240 an eligible local capital improvement project. Such notes and renewals  
241 shall not be subject to the requirements and limitations set forth in  
242 sections 7-378 and 7-378a. The provisions of section 7-374 shall apply  
243 to such notes and any renewals thereof. The officer or agency  
244 authorized by law or by vote of the municipality to issue such grant  
245 anticipation notes shall, within any limitation imposed by such law or  
246 vote, determine the date, maturity, interest rate, form, manner of sale  
247 and other details of such notes. Such notes may bear interest or be sold



248 at a discount and the interest or discount on such notes, including  
249 renewals thereof. The expense of preparing, issuing and marketing  
250 such notes may not be included as a part of the cost of an eligible local  
251 capital improvement project.

252 (b) Local capital improvement grant anticipation notes shall be  
253 general obligations of the issuing municipality and each such  
254 obligation shall recite that the full faith and credit of the issuing  
255 municipality are pledged for the payment of the principal thereof and  
256 interest thereon.

257 (c) No municipality shall authorize or approve the issuance of a  
258 local capital improvement grant anticipation note in connection with a  
259 local capital improvement project financed by a grant issued pursuant  
260 to subsection (i) of section 7-536, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	7-535
Sec. 2	<i>from passage</i>	7-536
Sec. 3	<i>from passage</i>	7-537

**PD**      *Joint Favorable Subst.*