



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 Section 7-535 of the general statutes is repealed and the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 Section 7-536 of the general statutes is repealed and the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 adjusted
18 equalized net grand list per capita determined for each town pursuant
19 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 sewer
30 lines, including separation of lines, (D) public building construction
31 other than schools, including renovation, repair, code compliance,
32 energy conservation and fire safety projects, (E) construction,
33 renovation, enlargement or repair of dams, bridges and flood control
34 projects, (F) construction, renovation, enlargement or repair of water
35 treatment or filtration plants and water mains, (G) construction,
36 renovation or enlargement of solid waste facilities, (H) improvements to
37 public parks, (I) the preparation and revision of local capital
38 improvement plans projected for a period of not less than five years and
39 so prepared as to show the general description, need and estimated cost
40 of each individual capital improvement, (J) improvements to emergency
41 communications systems and building security systems, including for
42 schools, (K) public housing projects, including renovations and
43 improvements and energy conservation and the development of
44 additional housing, (L) renovations to or construction of veterans'
45 memorial monuments, (M) thermal imaging systems, (N) bulky waste
46 and landfill projects, (O) the preparation and revision of municipal
47 plans of conservation and development adopted pursuant to section 8-
48 23, provided such plans are endorsed by the legislative body of the
49 municipality not more than one hundred eighty days after adoption by

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

247 expense of preparing, issuing and marketing such notes may not be
248 included as a part of the cost of an eligible local capital improvement
249 project.

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

254 (c) No municipality shall authorize or approve the issuance of a local
255 capital improvement grant anticipation note in connection with a local
256 capital improvement project financed by a grant issued pursuant to
257 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.

FIN Joint Favorable