



Substitute House Bill No. 6807

Public Act No. 23-124

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:

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 Section 7-535 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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 Section 7-536 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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(1) "Adjusted equalized net grand list per capita" means the adjusted equalized net grand list per capita determined for each town pursuant to section 10-261;

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

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

(4) "Local capital improvement project" means a municipal capital expenditure project for any of the following purposes: (A) Road construction, renovation, repair or resurfacing, (B) sidewalk and pavement improvements, (C) construction, renovation, enlargement or repair of sewage treatment plants and sanitary or storm, water or sewer lines, including separation of lines, (D) public building construction other than schools, including renovation, repair, code compliance, energy conservation and fire safety projects, (E) construction, renovation, enlargement or repair of dams, bridges and flood control projects, (F) construction, renovation, enlargement or repair of water treatment or filtration plants and water mains, (G) construction, renovation or enlargement of solid waste facilities, (H) improvements to public parks, (I) the preparation and revision of local capital improvement plans projected for a period of not less than five years and so prepared as to show the general description, need and estimated cost of each individual capital improvement, (J) improvements to emergency communications systems and building security systems, including for schools, (K) public housing projects, including renovations and improvements and energy conservation and the development of additional housing, (L) renovations to or construction of veterans' memorial monuments, (M) thermal imaging systems, (N) bulky waste and landfill projects, (O) the preparation and revision of municipal plans of conservation and development adopted pursuant to section 8-

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

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

(6) "Population" means the number of persons according to the most recent federal decennial census, except that, in intervening years between such censuses, "population" means the number of persons

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according to the most recent estimate of the Department of Public Health; and

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

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

(c) Each allocation under subsection (b) of this section shall be made to municipalities in accordance with the following formula: (1) Thirty per cent of the amount shall be allocated pro rata on the basis of the ratio of the total number of miles of improved and unimproved highways in each town to the total number of miles of improved and unimproved highways in all towns in the state, as determined under sections 13a-175b and 13a-175d; (2) twenty-five per cent of the amount shall be allotted pro rata on the basis of the following ratio: The density of each town multiplied by the population of such town shall be the numerator of the fraction. The resulting products for all the towns shall be added together, and the sum shall be the denominator of the fraction; (3) twenty-five per cent of the amount shall be allotted on the basis of the following ratio: The population of each town multiplied by the inverse

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of the adjusted equalized net grand list per capita of such town shall be the numerator of the fraction, and the resulting products for all the towns shall be added together and the sum shall be the denominator of the fraction; and (4) twenty per cent of the amount shall be allotted pro rata on the basis of the ratio of the population of each town to the population of the state. Any city or borough not consolidated with the town in which it is located and any town containing such a city or borough shall share the allocation to such town on the basis of the following ratio: The total taxes levied in the previous fiscal year by such town, city or borough shall be the numerator of the fraction. The total taxes levied by the town and all cities or boroughs located within such town shall be added together, and the sum shall be the denominator of the fraction. Any such city or borough may, by vote of its legislative body, direct the Secretary of the Office of Policy and Management to reallocate all or a portion of the share of such city or borough to the town in which it is located.

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

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

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

(3) Notwithstanding the provisions of subdivision (2) of subsection (f) of this section, the secretary, at [his or her] the secretary's discretion,

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may authorize expense reimbursement for a project listed in subparagraphs (T) to (X), inclusive, of subdivision (4) of subsection (a) of this section prior to such project's inclusion on the local capital improvement plan adopted by a municipality. The secretary may require certification from the municipality that such municipality is taking steps to amend its local capital improvement plan to include such project.

(f) The secretary shall approve or disapprove each completed application for a local capital improvement project grant authorization not later than forty-five days after receipt of such application on a form prescribed by the secretary. Such application shall include a certification by the municipality that: (1) The project for which grant assistance is requested is a local capital improvement project; (2) the project is consistent with the local capital improvement plan adopted by the municipality; and (3) the grant proceeds shall not be used to satisfy a local matching requirement for any state assistance program other than the local bridge program established under sections 13a-175p to 13a-175u, inclusive. The municipality shall provide any other certification required by the secretary. The secretary shall authorize such grant if, in the secretary's opinion, the project meets the requirements set forth in this section and any other requirement imposed by the secretary and payment of such grant would not cause the local capital improvement account of the municipality, established under subsection (b) of this section, to be overdrawn. If a municipality fails to request payment within seven years of such authorization for a project, the secretary shall make no payment for such project unless the municipality requests and receives a waiver for such project on such terms and conditions as the secretary deems appropriate. On or before five years after the date of any such authorization and on or before six years after the date of any such authorization, the secretary shall notify, in writing, any municipality for which any such authorization has been made which notice shall indicate the time which has elapsed since such authorization

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and the date after which the secretary may not make payments for an authorized project.

(g) Each municipality may apply to the secretary for expense reimbursement at the time it submits a local capital improvement project authorization request or any time after such authorization request has been approved by the secretary. The application for expense reimbursement shall be submitted on a form prescribed by the secretary and shall contain identification of the expenses for which reimbursement is sought and certification from the municipality that: (1) Expenditures for the project conform to the provisions of subdivision (4) of subsection (a) of this section and the municipality is entitled to the reimbursement requested in the application; and (2) the municipality agrees to maintain detailed accounting records of the project reflecting the expenditures for which reimbursement has been requested and to make such records available to its independent auditor and the state. The municipality shall provide any other certification required by the secretary. Not later than five business days after such certification, the Comptroller shall draw his or her order on the Treasurer, who shall pay the grant to the municipality.

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

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grant made under this section to be reduced by such amount.

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

(j) Not later than September 1, 2024, and annually thereafter, each municipality issued a grant pursuant to subsection (i) of this section in the preceding fiscal year shall submit a report to the secretary, in a form and manner prescribed by the secretary, describing the amounts expended in such fiscal year for each of the local capital improvement projects described in subdivision (4) of subsection (a) of this section.

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

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

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

(a) A municipality may authorize and approve the issuance of local capital improvement grant anticipation notes. Proceeds from the issuance and sale of such grant anticipation notes shall be used to temporarily finance an eligible local capital improvement project approved by the Secretary of the Office of Policy and Management

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pursuant to subsection (f) of section 7-536, as amended by this act. Such grant anticipation notes may be issued and sold to any lender on such terms and in such manner as shall be determined by a municipality. Such grant anticipation notes may be renewed from time to time by the issuance of other notes, provided the final maturity of such notes shall not exceed six months from the date of completion of an eligible local capital improvement project. Such notes and renewals shall not be subject to the requirements and limitations set forth in sections 7-378 and 7-378a. The provisions of section 7-374 shall apply to such notes and any renewals thereof. The officer or agency authorized by law or by vote of the municipality to issue such grant anticipation notes shall, within any limitation imposed by such law or vote, determine the date, maturity, interest rate, form, manner of sale and other details of such notes. Such notes may bear interest or be sold at a discount and the interest or discount on such notes, including renewals thereof. The expense of preparing, issuing and marketing such notes may not be included as a part of the cost of an eligible local capital improvement project.

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

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