



Substitute House Bill No. 7192

Public Act No. 19-193

AN ACT CONCERNING MUNICIPAL AND REGIONAL OPPORTUNITIES AND EFFICIENCIES.

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

Section 1. Section 7-395 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

(a) The secretary shall review each audit report filed with said secretary as provided in section 7-393, except said secretary shall review the audit reports on each audited agency biennially and may review the audit reports on any municipality or regional school district biennially, provided such secretary shall, in any year in which he does not review the report of any such municipality or regional school district, review the comments and recommendations of the independent auditor who made such audit. If, upon such review of the audit report, evidence of fraud or embezzlement is found, he shall report such information to the state's attorney for the judicial district in which such municipality, regional school district or audited agency is located. If, in the review of such audit report said secretary finds that such audit has not been prepared in compliance with the provisions of subsection (a) of section 7-394a, or said secretary finds evidence of any unsound or irregular financial practice in relation to commonly accepted standards in municipal finance, said secretary shall prepare a

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report concerning such finding, including necessary details for proper evaluation of such finding and recommendations for corrective action and shall refer such report to the Municipal Finance Advisory Commission established under section 7-394b. A copy of such report shall be filed with: (1) The chief executive officer of such municipality or audited agency or the superintendent of such school district and, in the case of a town, city or borough, with the clerk of such town, city or borough; and (2) the Auditors of Public Accounts.

(b) If, upon such review of the audit report, the secretary finds (1) that such audit has not been prepared in accordance with subsection (a) of section 7-394a, and the municipality, regional school district or audited agency did not request permission to have the audit report prepared in a manner not in compliance with said subsection; or (2) evidence of unsound or irregular financial practices or management letter comments or lack of internal controls in relation to commonly accepted standards in municipal finance, then the secretary shall prepare a report concerning such finding, including, but not limited to, information to aid in the evaluation of such finding and recommendations for corrective action. The secretary shall submit such report to (A) the Municipal Finance Advisory Commission established pursuant to section 7-394b; (B) the Auditors of Public Accounts; and (C) the chief executive officer and clerk of the municipality, superintendent of schools for the regional school district or chief executive officer of the audited agency.

(c) Upon receipt of a report submitted pursuant to subsection (b) of this section, the chief executive officer of a municipality or audited agency or superintendent of schools for the regional school district shall attest to and explain the secretary's findings and submit a plan for corrective action, in writing, to the secretary.

(d) The secretary shall refer to the Municipal Finance Advisory Commission any municipality that has not been previously referred to

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said commission pursuant to subsection (b) of this section or section 7-576, 7-576a or 7-576c, provided the municipality has:

- (1) A negative fund balance percentage;
 - (2) Reported a fund balance percentage of less than five per cent in the three immediately preceding fiscal years;
 - (3) Reported a declining fund balance trend in the two immediately preceding fiscal years;
 - (4) Issued tax or bond anticipation notes in the three immediately preceding fiscal years to meet cash liquidity;
 - (5) Had a general fund annual operating budget deficit of one and one-half per cent or more of such municipality's general fund revenues in the immediately preceding fiscal year;
 - (6) Had a general fund annual operating budget deficit of two per cent or more of such municipality's average general fund revenues in the two immediately preceding fiscal years; or
 - (7) Received a bond rating below A from a bond rating agency.
- (e) The secretary may, at the secretary's discretion and based upon the review conducted pursuant to subsection (a) of this section, refer to the Municipal Finance Advisory Commission any municipality that has not been previously referred to said commission pursuant to subsection (b) of this section or section 7-576, 7-576a or 7-576c.
- (f) For the purposes of this section, "deficit", "fund balance" and "fund balance percentage" have the same meanings as provided in section 7-560.

Sec. 2. Section 2-79a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

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(a) (1) There shall be a Connecticut Advisory Commission on Intergovernmental Relations. The purpose of the commission shall be to enhance coordination and cooperation between the state and local governments. [The]

(2) Before July 1, 2019, the commission shall consist of the president pro tempore of the Senate, the speaker of the House of Representatives, the minority leader of the Senate, the minority leader of the House of Representatives, the Secretary of the Office of Policy and Management, the Commissioners of Education, Energy and Environmental Protection, Economic and Community Development, or their designees, and sixteen additional members as follows: [(1)] (A) Six municipal officials appointed by the Governor, four of whom shall be selected from a list of nominees submitted to [him] the Governor by the Connecticut Conference of Municipalities and two of whom shall be selected from a list submitted by the Council of Small Towns. Two of such six officials shall be from towns having populations of twenty thousand or less persons, two shall be from towns having populations of more than twenty thousand but less than sixty thousand persons and two shall be from towns having populations of sixty thousand or more persons; [(2)] (B) two local public education officials appointed by the Governor, one of whom shall be selected from a list of nominees submitted to [him] the Governor by the Connecticut Association of Boards of Education and one of whom shall be selected from a list submitted by the Connecticut Association of [School Administrators] Public School Superintendents; [(3)] (C) one representative of a regional council of governments appointed by the Governor from a list of nominees submitted to [him] the Governor by the [Regional Planning Association of] Connecticut Association of Councils of Governments; [(4)] (D) five persons who do not hold elected or appointed office in state or local government, one of whom shall be appointed by the Governor, one of whom shall be appointed by the president pro tempore of the Senate, one of whom shall be appointed

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by the speaker of the House of Representatives, one of whom shall be appointed by the minority leader of the Senate and one of whom shall be appointed by the minority leader of the House of Representatives; [(5)] (E) one representative of the Connecticut Conference of Municipalities appointed by said conference; and [(6)] (F) one representative of the Council of Small Towns appointed by said council. [Each]

(3) On and after July 1, 2019, the commission shall consist of the president pro tempore of the Senate, speaker of the House of Representatives, minority leader of the Senate, minority leader of the House of Representatives, Secretary of the Office of Policy and Management, Commissioner of Education, Commissioner of Energy and Environmental Protection and Commissioner of Economic and Community Development, or their designees, and seventeen additional members as follows: (A) Six municipal officials appointed by the Governor, four of whom shall be selected from a list of nominees submitted to the Governor by the Connecticut Conference of Municipalities and two of whom shall be selected from a list submitted by the Council of Small Towns. One of such six officials shall be from a town having a population of ten thousand or less persons, one shall be from a town having a population of more than ten thousand but less than twenty thousand persons, two shall be from towns having populations of more than twenty thousand but less than sixty thousand persons and two shall be from towns having populations of sixty thousand or more persons; (B) two local public education officials appointed by the Governor, one of whom shall be selected from a list of nominees submitted to the Governor by the Connecticut Association of Boards of Education and one of whom shall be selected from a list submitted by the Connecticut Association of Public School Superintendents; (C) one representative of a regional council of governments appointed by the Governor from a list of nominees submitted to the Governor by the Connecticut Association of Councils

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of Governments; (D) one representative of organized labor appointed by the Governor from a list of nominees submitted to the Governor by the Connecticut AFL-CIO; (E) five persons who do not hold elected or appointed office in state or local government, one of whom shall be appointed by the Governor, one of whom shall be appointed by the president pro tempore of the Senate, one of whom shall be appointed by the speaker of the House of Representatives, one of whom shall be appointed by the minority leader of the Senate and one of whom shall be appointed by the minority leader of the House of Representatives; (F) one representative of the Connecticut Conference of Municipalities appointed by said conference; and (G) one representative of the Council of Small Towns appointed by said council.

(4) Before July 1, 2019, each member of the commission appointed pursuant to [subdivisions (1) to (6)] subparagraphs (A) to (F), inclusive, of subdivision (2) of this subsection shall serve for a term of two years. On and after July 1, 2019, each member of the commission appointed pursuant to subparagraphs (A) to (G), inclusive, of subdivision (3) of this subsection shall serve for a term of two years and may serve until a successor is appointed and has qualified. All other members shall serve for terms which are coterminous with their terms of office. The Governor shall appoint a chairperson and a vice-chairperson from among the commission members. Members of the General Assembly may serve as gubernatorial appointees to the commission. Members of the commission shall not be compensated for their services but shall be reimbursed for necessary expenses incurred in the performance of their duties.

(b) The commission shall: (1) Serve as a forum for consultation among state and local government officials; (2) conduct research on intergovernmental issues; (3) encourage and coordinate studies of intergovernmental issues by universities, research and consulting organizations and others; (4) initiate policy development and make

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recommendations for consideration by all levels and branches of government. The commission shall issue, from time to time, public reports of its findings and recommendations and shall issue, annually, a public report on its activities.

(c) On or before [October 1, 2019] the second Wednesday after the convening of the regular session of the General Assembly in 2020, and every four years thereafter on such second Wednesday, the commission shall submit to the General Assembly a report which lists each existing state mandate, as defined in subsection (a) of section 2-32b, and which (1) categorizes each mandate as constitutional, statutory or executive, [(2) provides the date of original enactment or issuance along with a brief description of the history of the mandate, and (3) analyzes the costs incurred by] and (2) describes the potential impacts on local governments [in] implementing the mandate. In each report the commission may also make recommendations on state mandates for consideration by the commission. On and after October 1, 1996, the report shall be submitted to the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and budgets of state agencies, to any other joint standing committee of the General Assembly having cognizance and, upon request, to any member of the General Assembly. A summary of the report shall be submitted to each member of the General Assembly if the summary is two pages or less and a notification of the report shall be submitted to each member if the summary is more than two pages. Submission shall be by mailing the report, summary or notification to the legislative address of each member of the committees or the General Assembly, as applicable. The provisions of this subsection shall not be construed to prevent the commission from making more frequent recommendations on state mandates.

(d) Commencing on or before [the second Wednesday after the convening of the 1997 regular session of the General Assembly]

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January 15, 1997, and every year thereafter except a year in which a report is filed pursuant to subsection (c) of this section, the commission shall submit to the General Assembly a supplement to the report required in said subsection [(c)] identifying any new mandates adopted and any mandates changed in the previous year.

(e) The Office of Policy and Management shall provide such staff as is necessary for the performance of the functions and duties of the Connecticut Advisory Commission on Intergovernmental Relations. Such persons may be exempt from the classified service.

Sec. 3. Section 2-32c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

On and after [January 1, 2019] July 1, 2019, the Connecticut Advisory Commission on Intergovernmental Relations, established pursuant to section 2-79a, as amended by this act, shall, not more than ninety days after adjournment of any regular or special session of the General Assembly or [September first] November fifteenth immediately following adjournment of a regular session, whichever is [sooner] later, submit to the speaker of the House of Representatives, the president pro tempore of the Senate, the majority leader of the House of Representatives, the majority leader of the Senate, the minority leader of the House of Representatives, [and] the minority leader of the Senate and the chief elected official of each municipality a report [which] that lists each state mandate enacted during said regular or special session of the General Assembly. [Within five days of] Not later than five days after receipt of the report, the speaker and the president pro tempore shall [submit the report to the Secretary of the Office of Policy and Management and] refer each state mandate to the joint standing committee or select committee of the General Assembly having cognizance of the subject matter of the mandate. [The secretary shall provide notice of the report to the chief elected official of each municipality.]

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Sec. 4. Section 7-148cc of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

[Two] Notwithstanding the provisions of the general statutes or any special act, charter, special act charter, home rule ordinance or local law, two or more municipalities may jointly perform any function that each municipality may perform separately under any provisions of the general statutes or of any special act, charter or home rule ordinance by entering into an interlocal agreement pursuant to sections 7-339a to 7-339l, inclusive. As used in this section, "municipality" means any municipality, as defined in section 7-187, any district, as defined in section 7-324, any metropolitan district or any municipal district created under section 7-330 and located within the state of Connecticut.

Sec. 5. Subdivision (6) of subsection (b) of section 7-576d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

(6) With respect to any municipality referred to the Municipal Accountability Review Board on or after January 1, 2018, in the case of any proposed collective bargaining agreement or amendments negotiated pursuant to sections 7-467 to 7-477, inclusive, including any such agreement negotiated by a board of education, notwithstanding the provisions of subsection (d) of section 7-474, or pursuant to section 10-153d, the [board] Municipal Accountability Review Board shall have the same opportunity and authority to approve or reject, on not more than two occasions, collective bargaining agreements or amendments as [is] are provided to the legislative body of such municipality in said respective sections, except that (A) any such agreement negotiated by a board of education shall be submitted to the Municipal Accountability Review Board by the bargaining representative of such board of education not later than fourteen days after any such agreement is reached, and (B) the Municipal

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Accountability Review Board shall act upon such agreement, pursuant to this subdivision, not later than thirty days after submission by such bargaining representative.

Sec. 6. Section 4-124r of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

Any regional council of governments established under the provisions of sections 4-124i to 4-124p, inclusive, may purchase real property and borrow funds for such purchase for the purposes of providing administrative office space and program functions for such council.