



General Assembly

January Session, 2019

Raised Bill No. 1062

LCO No. 5630



Referred to Committee on ENVIRONMENT

Introduced by:
(ENV)

**AN ACT AUTHORIZING MUNICIPAL CLIMATE CHANGE AND
COASTAL RESILIENCY RESERVE FUNDS.**

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

1 Section 1. (NEW) (*Effective July 1, 2019*) (a) Upon the
2 recommendation of the chief executive officer of a municipality and
3 approval of the budget-making authority of the municipality, the
4 legislative body of any municipality, as defined in section 7-369 of the
5 general statutes, may, by a majority vote, create a Climate Change and
6 Coastal Resiliency Reserve Fund.

7 (b) Upon the recommendation of the chief executive officer and
8 approval of the budget-making authority and the legislative body in
9 accordance with subsection (a) of this section, there shall be paid into
10 such reserve fund: (1) Amounts authorized to be transferred into such
11 Climate Change and Coastal Resiliency Reserve Fund from the general
12 fund cash surplus available at the end of any fiscal year, (2) amounts
13 raised by the annual levy of a tax for the benefit of such fund, and for
14 no other purpose, provided such tax shall be levied and collected in
15 the same manner and at the same time as the regular annual taxes of

16 such municipality, and (3) the proceeds of bonds, notes or other
17 obligations issued pursuant to subsection (b) of section 7-374b of the
18 general statutes.

19 (c) The budget-making authority of such municipality may, from
20 time to time, direct the treasurer to invest a portion of such Climate
21 Change and Coastal Reserve Fund as in the opinion of such authority
22 is advisable, provided: (1) Not more than forty per cent, or with
23 respect to such a reserve fund for which the budget-making authority
24 has adopted an asset allocation and investment policy, fifty per cent, of
25 the total amount of such reserve fund shall be invested in equity
26 securities, and (2) any portion of such reserve fund not invested
27 pursuant to subdivision (1) of this subsection may be invested in: (A)
28 Bonds or obligations of, or guaranteed by, the state or the United
29 States, or agencies or instrumentalities of the United States, (B)
30 certificates of deposit, commercial paper, savings accounts and bank
31 acceptances, (C) the obligations of any state of the United States or any
32 political subdivision thereof or the obligations of any instrumentality,
33 authority or agency of any state or political subdivision thereof, if, at
34 the time of investment, such obligations are rated in the top rating
35 categories of any nationally recognized rating service or of any rating
36 service recognized by the Banking Commissioner, and applicable to
37 such obligations, (D) the obligations of any regional school district in
38 this state, of any municipality in this state or any metropolitan district
39 in this state, if, at the time of investment, such obligations of such
40 government entity are rated in one of the top two rating categories of
41 any nationally recognized rating service or of any rating service
42 recognized by the Banking Commissioner, and applicable to such
43 obligations, (E) in any fund in which a trustee may invest pursuant to
44 section 36a-353 of the general statutes, (F) investment agreements with
45 financial institutions whose long-term obligations are rated in the top
46 two rating categories of any nationally recognized rating service or of
47 any rating service recognized by the Banking Commissioner or whose
48 short-term obligations are rated in the top rating category of any
49 nationally recognized rating service or of any rating service recognized

50 by the Banking Commissioner, or (G) investment agreements fully
51 secured by obligations of, or guaranteed by, the United States or
52 agencies or instrumentalities of the United States.

53 (d) The municipal treasurer shall submit, annually, a complete and
54 detailed report of the condition of such Climate Change and Coastal
55 Resiliency Reserve Fund to the chief elected official, budget-making
56 authority and legislative body of such municipality. Such report shall
57 be made a part of such municipality's annual report.

58 (e) Upon the recommendation of the chief elected official and
59 budget-making authority of such municipality and the approval of the
60 legislative body of such municipality, any part, or the whole, of such
61 reserve fund may be used and appropriated to pay for property losses,
62 capital projects and studies related to mitigating hazards and
63 vulnerabilities of climate change including, but not limited to, land
64 acquisition.

65 (f) Such reserve fund may be discontinued, after recommendation
66 by the chief elected official and budget-making authority of such
67 municipality to the legislative body and upon approval of such
68 discontinuation by such legislative body. Following any such vote to
69 discontinue such reserve fund, any remaining portion of such fund
70 shall be converted into, or added to, a sinking fund to provide for the
71 retirement of the bonded indebtedness of such municipality. If the
72 municipality has no bonded indebtedness, the remainder of such fund
73 shall be transferred to the general fund of such municipality.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019</i>	New section

Statement of Purpose:

To authorize municipalities to establish climate change and coastal resiliency reserve funds that can be used to fund payments for property losses and land acquisitions due to climate change.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]