



General Assembly

**Substitute Bill No. 1062**

January Session, 2019



**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 municipal  
 62 property losses, capital projects and studies related to mitigating  
 63 hazards and vulnerabilities of climate change including, but not  
 64 limited to, land 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	July 1, 2019	New section

**ENV**      *Joint Favorable Subst.*