



General Assembly

January Session, 2017

Governor's Bill No. 7050

LCO No. 3789



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:

REP. ARESIMOWICZ, 30th Dist.

REP. RITTER M., 1st Dist.

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

AN ACT CONCERNING ENHANCEMENTS TO MUNICIPAL FINANCE AND ACCOUNTABILITY.

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

1 Section 1. Section 7-560 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2017*):

3 Whenever used in subsection (a) of section 7-394b, [and] sections 7-
4 560 to 7-579, inclusive, as amended by this act, and sections 12, 15 and
5 18 to 23, inclusive, of this act, the following definitions shall apply:

6 (1) "Attorney General" means the Attorney General of the state of
7 Connecticut.

8 (2) "Certified municipality" means a municipality that has been
9 certified as a tier I or tier II municipality by the secretary.

10 (3) "Chief executive officer" means the officer described in section 7-
11 193.

12 (4) "Debt service payment fund" means the fund into which the
13 proceeds of the property tax intercept procedure are deposited and
14 from which debt service on all outstanding general obligations of a
15 municipality which have a term of more than one year and
16 additionally all outstanding general obligations which the
17 municipality determines are to be supported by the tax intercept
18 procedure shall be paid as provided in subsection (a) of section 7-394b
19 and sections 7-560 to 7-579, inclusive, as amended by this act.

20 (5) "Debt service payment fund requirement" means an amount at
21 least equal to the aggregate amount of principal, sinking fund
22 installments, if any, and interest during the then current fiscal year as
23 the same become due and payable on all outstanding general
24 obligations of the municipality which have a term of more than one
25 year and additionally all outstanding general obligations which the
26 municipality determines are to be supported by the tax intercept
27 procedure.

28 (6) "Deficit" means with respect to the general fund of any
29 municipality, any cumulative excess of expenditures, encumbrances,
30 or other uses of funds for any fiscal year and all prior fiscal years over
31 revenues of the municipality for such period and the prior year's
32 undesignated fund balance, as reflected in the most recent audited
33 financial statements of such municipality. For purposes of determining
34 such excess, revenues shall not include the proceeds of tax anticipation
35 notes and expenditures shall not include any principal payment of tax
36 anticipation notes.

37 (7) "Deficit obligation" means any general obligation with a term of
38 more than one year or any bond or any note issued in anticipation
39 thereof, issued by a municipality either for the purpose of or having
40 the effect of reducing, eliminating or preventing a general fund, special

41 revenue fund or enterprise fund deficiency, other than any obligation
42 issued pursuant to chapter 110.

43 (8) "Designated tier I municipality" means a municipality
44 designated as a tier I municipality in accordance with the provisions of
45 section 12 of this act.

46 (9) "Designated tier II municipality" means a municipality
47 designated as a tier II municipality in accordance with the provisions
48 of section 15 of this act.

49 (10) "Designated tier III municipality" means a municipality
50 designated as a tier III municipality in accordance with the provisions
51 of section 18 of this act.

52 (11) "Designated tier IV municipality" means a municipality
53 designated as a tier IV municipality in accordance with the provisions
54 of section 20 of this act.

55 (12) "Equalized mill rate" means the tax rate derived from the most
56 recent available grand levy of a municipality divided by the equalized
57 net grand list on which such levy is based, as determined by the
58 secretary in accordance with section 10-261a.

59 (13) "Fund balance" means the amount that assets and deferred
60 outflow of resources of a municipality's general fund exceeds the
61 liabilities and deferred inflow of resources of the general fund of the
62 municipality, as of the fiscal year ended as reflected in the
63 municipality's most recent audited financial statements presented in
64 accordance with generally accepted accounting principles.

65 (14) "Fund balance percentage" means the fund balance of the
66 general fund of a municipality as of the fiscal year ended in the
67 municipality's most recent audited financial statements and presented
68 in accordance with generally accepted accounting principles, divided
69 by the sum of revenues of the general fund and operating transfers

70 into the general fund for the fiscal year.

71 [(8)] (15) "General fund deficiency" means a deficit or a projected
72 fiscal year deficit, or both.

73 [(9)] (16) "General obligation" means an obligation issued by a
74 municipality and secured by the full faith and credit and taxing power
75 of such municipality including any contingent obligation which is
76 payable from the general fund and is subject to annual appropriation.

77 [(10)] (17) "Maximum required capital reserve" means the maximum
78 aggregate amount of principal, interest and other amounts due and
79 owing during any succeeding fiscal year, excluding any sinking fund
80 installments payable in a prior fiscal year on outstanding general
81 obligations of a certified municipality supported by a special capital
82 reserve fund issued pursuant to subsection (a) of section 7-394b and
83 sections 7-568 to 7-579, inclusive, as amended by this act.

84 [(11)] (18) "Minimum required capital reserve" means the aggregate
85 amount of principal, sinking fund installments, interest and other
86 amounts due and owing during the next succeeding fiscal year on
87 outstanding general obligations of a certified municipality supported
88 by a special capital reserve fund pursuant to subsection (a) of section 7-
89 394b and sections 7-560 to 7-579, inclusive, as amended by this act.

90 (19) "Municipal Accountability Review Board" means the Municipal
91 Accountability Review Board established pursuant to section 19 of this
92 act.

93 (20) "Municipal aid" means formula grants, grants, payments in lieu
94 of taxes, reimbursements, payments and other funding provided by
95 the state to municipalities and used to fund municipal general fund
96 budgets, including education budgets.

97 [(12)] (21) "Municipal Finance Advisory Commission" means the
98 Municipal Finance Advisory Commission established in section 7-

99 394b.

100 (22) "Municipal revenue increase in fiscal year ending June 30, 2018,
101 as a per cent of revenues" means the net difference in estimated
102 municipal revenues from state sources and new municipal taxing
103 authority as compiled by the secretary pursuant to section 4-71b for the
104 fiscal year ending June 30, 2018, as compared to the estimated
105 municipal revenues from such sources compiled by the secretary
106 pursuant to section 4-71b for the fiscal year ending June 30, 2017,
107 divided by the sum of revenues of the general fund and operating
108 transfers into the general fund as reported in the municipality's
109 audited financial statements for the fiscal year ending June 30, 2016.

110 [(13)] (23) "Municipality" means any town, city, borough,
111 consolidated town and city, consolidated city and borough, any
112 metropolitan district, any district, as defined in section 7-324, and any
113 other political subdivision of the state having the power to levy taxes
114 and to issue bonds, notes or other obligations.

115 [(14)] (24) "Obligation" means any bond, bond anticipation note, tax
116 anticipation note or other interim funding obligation, certificate of
117 participation, security, financing lease, installment purchase
118 agreements, capital lease, receivable or other asset sale, refinancing
119 covered by this definition and any other transaction which constitutes
120 debt in accordance with both municipal reporting standards in section
121 7-394a and the regulations prescribing municipal financial reporting
122 adopted by the secretary.

123 [(15)] (25) "Outstanding obligation" means any obligation with
124 respect to which a principal or interest payment, sinking fund
125 installment or other payment or deposit is, or will be, due in the future
126 and for which moneys or defeasance securities have not been
127 deposited in escrow.

128 [(16)] (26) "Projected fiscal year deficit" means, with respect to the
129 general fund of any municipality during any fiscal year, the excess of

130 estimated expenditures and uses of funds for the fiscal year over
131 estimated revenues and any cumulative undesignated general fund
132 balance from the prior fiscal year.

133 [(17)] (27) "Property taxes" means all taxes on real and personal
134 property levied by the municipality in accordance with the general
135 statutes including any interest, penalties and other related charges, and
136 shall not mean any rent, rate, fee, special assessment or other charge
137 based on benefit or use.

138 [(18)] (28) "Property tax intercept procedure" means a procedure
139 where a municipality provides for the collection and deposit in a debt
140 service payment fund maintained with a trustee of all property taxes
141 needed to meet the debt service payment fund requirement and which
142 meets all the requirements of section 7-562, as amended by this act.

143 (29) "Property tax levy" means the mill rate of the municipality
144 multiplied by the net taxable grand list of the municipality.

145 [(19)] (30) "Revenues" means, with respect to the general fund for
146 any municipality for any fiscal year, property taxes and other moneys
147 that are generally available for, accounted for and deposited in the
148 municipality's general fund.

149 [(20)] (31) "Secretary" means the Secretary of the Office of Policy and
150 Management.

151 [(21)] (32) "Special capital reserve fund" means the fund established
152 pursuant to section 7-571, as amended by this act, to secure the timely
153 payment of principal and interest on general obligations issued by a
154 certified municipality approved by the Treasurer pursuant to section 7-
155 573.

156 [(22)] (33) "State" means the state of Connecticut.

157 [(23)] (34) "Tier I municipality" means any municipality which has
158 applied to and been certified by the secretary as a tier I municipality.

159 [(24)] (35) "Tier II municipality" means any municipality which has
160 applied to and been certified by the secretary as a tier II municipality.

161 [(25)] (36) "Treasurer" means the Treasurer of the state of
162 Connecticut.

163 [(26)] (37) "Trustee" means any trust company or bank having the
164 powers of a trust company within or without the state, appointed by
165 the municipality as trustee for the municipality's tax intercept
166 procedure or special capital reserve fund and approved by the
167 Treasurer, as well as any successor trust company or bank having the
168 powers of a trust company within or without the state succeeding a
169 prior trust company or bank as trustee, so appointed and approved.

170 Sec. 2. Section 7-561 of the general statutes is repealed and the
171 following is substituted in lieu thereof (*Effective July 1, 2017*):

172 Any municipality may establish a property tax intercept procedure
173 and a debt service payment fund, as provided in sections 7-562 to 7-
174 564, inclusive, as amended by this act. The municipal officer or body
175 empowered to issue general obligations or to determine the details of
176 general obligations authorized by the municipality may establish such
177 tax intercept procedure and such debt service payment fund, may
178 determine the details and approve the terms of all indentures and
179 agreements and other instruments necessary or appropriate to
180 establish and implement a tax intercept procedure and a debt service
181 payment fund as provided in [subsection (a) of section 7-394b and]
182 sections 7-560 to 7-579, inclusive, as amended by this act, and may
183 bind the municipality, pursuant to any such indenture or agreement,
184 with the requirements of [subsection (a) of section 7-394b and] sections
185 7-560 to 7-579, inclusive, as amended by this act, and of any ordinance
186 or resolution authorizing the issuance of such general obligations of
187 the municipality.

188 Sec. 3. Section 7-562 of the general statutes is repealed and the
189 following is substituted in lieu thereof (*Effective July 1, 2017*):

190 (a) Any municipality which proposes to issue general obligations
191 supported by a tax intercept procedure shall deliver to the secretary,
192 together with the notice described in this section, documentation
193 demonstrating that: (1) Such municipality has authorized the issuance
194 of such obligations in accordance with the general statutes, charter,
195 special act or home rule ordinance or the provisions of [subsection (a)
196 of section 7-394b and] sections 7-560 to 7-579, inclusive, as amended by
197 this act; (2) such municipality has established a property tax intercept
198 procedure and a debt service payment fund with a trustee in
199 accordance with the provisions of [subsection (a) of section 7-394b and]
200 sections 7-560 to 7-579, inclusive, as amended by this act; and (3) such
201 property tax intercept procedure shall assure that the property tax
202 receipts transferred to the trustee and deposited in the debt service
203 payment fund shall be in an amount at least equal to and deposited by
204 such dates so as to satisfy the debt service payment fund requirement.

205 (b) Each such property tax intercept procedure and debt service
206 payment fund shall: (1) Take effect immediately upon the issuance of
207 such obligations; (2) provide that all outstanding general obligations of
208 the municipality which have a term of more than one year shall be
209 supported by and paid from debt service payment fund and that
210 property taxes collected by the tax collector of such municipality shall
211 be deposited in such debt service payment fund as provided in
212 subsection (a) of this section; and (3) provide that the tax intercept
213 procedure, the debt service payment fund, any indenture or agreement
214 establishing them, may be amended by the municipality without the
215 consent of any holder of any obligation of the municipality if such
216 amendment does not impair the rights of the holders and is requested
217 by the secretary or the Treasurer.

218 (c) Prior to the issuance of any general obligation and on or prior to
219 the first day of each fiscal year thereafter, a municipality pursuant to
220 its tax intercept procedure shall determine the percentage or amounts
221 of property taxes to be deposited in such debt service payment fund,
222 the time that such taxes shall be deposited therein and such other

223 terms, conditions and requirements as such municipality shall
224 determine to be in the best interest of the municipality, provided such
225 terms, conditions and requirements shall assure that the debt service
226 payment fund shall have money deposited therein by such dates so as
227 to satisfy, and in amounts equal to or in excess of, the debt service
228 payment requirement. Pursuant to the tax intercept procedure, the
229 chief executive officer of such municipality shall certify to both the tax
230 collector of such municipality and the trustee of the debt service
231 payment requirement, the percentage or amount and the time for
232 deposit of the property taxes therein and such other matters with
233 respect to the operations of the fund as may be required by the tax
234 intercept procedure. Such percentage, amount and time shall be
235 sufficient to assure that the debt service payment fund shall at all times
236 have sufficient moneys available to meet the debt service payment
237 fund requirement. The tax collector shall, immediately upon receipt,
238 remit such property taxes in the percentage or amount and at the time
239 set forth in such certificate to the trustee for deposit in the debt service
240 payment fund. Nothing shall preclude the municipality or its duly
241 authorized officers from causing additional amounts of municipal
242 taxes or other funds to be deposited in the fund.

243 (d) If the percentage or amount and the time for deposit of the
244 property taxes and such other matters with respect to the operations of
245 the fund as may be required by the tax intercept procedure are not
246 sufficient to meet the debt service payment fund requirement, the
247 trustee and the chief executive officer shall notify the secretary and the
248 Treasurer and thereafter all property taxes of such municipality shall
249 be intercepted by the tax collector and tendered to the trustee for
250 deposit in the debt service payment fund until the moneys deposited
251 therein shall be at least equal to the debt service payment fund
252 requirement.

253 (e) Funds in the debt service payment fund shall be applied only to
254 pay the outstanding general obligations of the municipality as and
255 when the same shall become due, provided if at any time during any

256 fiscal year, the moneys in the debt service payment fund exceed the
257 debt service payment fund requirement for such fiscal year, the
258 municipality, may instruct the trustee to, and the trustee shall, subject
259 to any restrictions in the tax intercept procedures, pay over to such
260 municipality the amount of such excess for use by the municipality in
261 any manner allowed by law.

262 (f) The trustee shall from time to time withdraw from the debt
263 service payment fund all amounts required for the payment of debt
264 service on all general obligations of the municipality, as the same shall
265 become due, and shall cause the amounts so withdrawn and disbursed
266 to the paying agents for such general obligations to be applied to such
267 payment.

268 (g) The debt service payment fund and all moneys or securities
269 therein or payable thereto are hereby declared to be property of the
270 depositing municipality devoted to essential governmental purposes
271 and accordingly shall not be applied to any purpose other than as
272 provided in [subsection (a) of section 7-394b and] sections 7-560 to 7-
273 579, inclusive, as amended by this act, and shall not be subject to any
274 order, judgment, lien, execution, attachment, set-off or counterclaim by
275 any creditor of the municipality, except the trustee.

276 Sec. 4. Section 7-563 of the general statutes is repealed and the
277 following is substituted in lieu thereof (*Effective July 1, 2017*):

278 The tax intercept procedure and the debt service payment fund shall
279 be established pursuant to an indenture or other agreement between
280 the municipality and the trustee. Such indenture or agreement shall
281 include all the terms, conditions and requirements pertaining to the tax
282 intercept procedure and the debt service payment fund in accordance
283 with the requirements of [subsection (a) of section 7-394b and] sections
284 7-560 to 7-579, inclusive, as amended by this act, and the municipality
285 shall agree to comply with all such terms, conditions and requirements
286 for the benefit of the holders of any general obligations supported by

287 such tax intercept procedure. Such indenture or agreement may also
288 include covenants to pay the fees and expenses of the trustee and to
289 indemnify the trustee from claims against the trustee, covenants of the
290 municipality to protect and safeguard the security and rights of the
291 holders of the obligations issued and sold subject thereto and inclusion
292 of such covenants in the contract of the municipality with such holders
293 and for the benefit of any holders of outstanding general obligations,
294 provided such benefit conferred thereon shall not be deemed to
295 restrict, preclude or otherwise impair any rights that such holders
296 currently may assert and, without limiting said rights, such indenture
297 or agreement shall contain covenants as to: (1) Establishment,
298 maintenance and implementation of both the property tax intercept
299 procedure and the debt service payment fund in a manner such that
300 the municipality can transfer to the trustee for deposit in the debt
301 service payment fund amounts at least equal to the debt service
302 payment fund requirement, and the temporary investment of proceeds
303 of such funds pending their use in accordance with [subsection (a) of
304 section 7-394b and] sections 7-560 to 7-579, inclusive, as amended by
305 this act, and subject to such limitations on investment of public funds
306 otherwise provided for by the general statutes; (2) the appointment,
307 rights, powers and duties of the trustee including limiting or
308 abrogating the rights of the holders of such general obligations to
309 appoint any other trustee and vesting in the trustee all or any such
310 rights, duties and powers; and (3) conditions which would give rise to
311 an event of default under the terms and conditions of such general
312 obligations and actions and remedies which the trustee may take and
313 assert on behalf of such holders. Any requirement set forth in
314 [subsection (a) of section 7-394b and] sections 7-560 to 7-579, inclusive,
315 as amended by this act, pertaining to the tax intercept procedure and
316 debt service payment fund may be modified to the extent necessary to
317 comply with any covenant of the municipality necessary to ensure the
318 exclusion of interest on such obligations from gross income for federal
319 income tax purposes.

320 Sec. 5. Section 7-564 of the general statutes is repealed and the
321 following is substituted in lieu thereof (*Effective July 1, 2017*):

322 The holders of general obligations for the benefit of whom the
323 property tax intercept procedure and debt service payment fund is
324 established shall have, in addition to all other rights and remedies
325 under law, the following rights and remedies subject to the terms and
326 conditions of the applicable indenture or agreement with the trustee:

327 (1) In the event the municipality shall fail or refuse to comply with
328 the indenture or agreement with the trustee or shall default in any
329 contract made with the holders of such general obligations, the holders
330 of twenty-five per cent in aggregate principal amounts of such then
331 outstanding obligations, by instrument or instruments filed with the
332 trustee and proved or acknowledged to the satisfaction of the trustee
333 may cause the trustee to take action for the purposes provided for in
334 [subsection (a) of section 7-394b and] sections 7-560 to 7-579, inclusive,
335 as amended by this act.

336 (2) Such trustee may, upon written request of the holders of twenty-
337 five per cent in principal amount of such general obligations then
338 outstanding, in its own name, exercise all or any of the powers of any
339 such holders including: (A) By mandamus or other suit, action or
340 proceeding at law or in equity, enforce all rights of the holders of such
341 general obligations, including requiring the municipality to carry out
342 the provisions of any contract with the holders or any indenture or
343 agreement with the trustee and to perform its duty thereunder; (B)
344 bring suit upon such general obligations; and (C) by action or suit in
345 equity, enjoin any acts or things which may be unlawful or in violation
346 of the rights of the holders of such obligations.

347 (3) Such trustee shall have and possess all of the powers necessary
348 or appropriate for the exercise of any functions specifically set forth in
349 [subsection (a) of section 7-394b and] sections 7-560 to 7-579, inclusive,
350 as amended by this act, or incident to the general representation of the

351 holders of such general obligations of such issue in the enforcement
352 and protection of their rights.

353 (4) The Superior Court shall have jurisdiction of any suit, action or
354 proceeding by or on behalf of the holders of obligations. The venue of
355 such suit, action or proceeding shall be the judicial district in which
356 such municipality is located.

357 Sec. 6. Section 7-565 of the general statutes is repealed and the
358 following is substituted in lieu thereof (*Effective July 1, 2017*):

359 The state does hereby pledge to and agree with the holders of any
360 general obligations issued under [subsection (a) of section 7-394b and]
361 sections 7-560 to 7-579, inclusive, as amended by this act, and with
362 those parties who may enter into contracts with a municipality
363 pursuant to the provisions of [subsection (a) of section 7-394b and]
364 sections 7-560 to 7-579, inclusive, as amended by this act, that the state
365 will not limit or alter the rights hereby vested in a municipality until
366 such obligations, together with the interest thereon, are fully met and
367 discharged and such contracts are fully performed on the part of the
368 municipality, provided nothing in [subsection (a) of section 7-394b
369 and] sections 7-560 to 7-579, inclusive, as amended by this act, shall
370 preclude limitation or alteration if and when adequate provision shall
371 be made by law for the protection of the holders of such general
372 obligations of a municipality or those entering into such contracts with
373 a municipality. A municipality as agent for the state is authorized to
374 include this pledge and undertaking by the state in such general
375 obligations.

376 Sec. 7. Section 7-568 of the general statutes is repealed and the
377 following is substituted in lieu thereof (*Effective July 1, 2017*):

378 (a) Except as expressly provided in [subsection (a) of section 7-394b
379 and] sections 7-560 to 7-579, inclusive, as amended by this act, no
380 municipality shall issue any deficit obligation to fund a general fund
381 deficiency.

382 (b) Notwithstanding any charter, special act or home-rule ordinance
383 to the contrary, any municipality which has no outstanding deficit
384 obligation and which has not issued a deficit obligation in the past five
385 years, is authorized and empowered to issue deficit obligations to fund
386 a deficit, provided such municipality shall, within the time and in the
387 manner prescribed by regulations adopted by the secretary, in
388 consultation with the Treasurer: (1) Notify the secretary of its intent to
389 issue such deficit obligations, (2) provide the secretary with the
390 documentation required under [subsection (a) of section 7-394b and]
391 sections 7-560 to 7-579, inclusive, as amended by this act, (3) establish a
392 property tax intercept procedure, and (4) establish and covenant to
393 maintain with a trustee a debt service payment fund into which the
394 property tax receipts shall be deposited pursuant to the property tax
395 intercept procedure in an amount at least equal to the debt service
396 payment requirement and from which the trustee shall disburse funds
397 to pay debt service on all general obligations of such municipality
398 which have a term of over one year as and when the same shall
399 become due. [The secretary shall refer to the Municipal Finance
400 Advisory Commission, pursuant to the provisions of section 7-395, any
401 municipality which notifies the secretary that it intends to issue deficit
402 obligations under this section.] Notwithstanding any other provisions
403 of sections 1 to 26, inclusive, of this act, any municipality that issues a
404 deficit obligation pursuant to this section or in the five years preceding
405 July 1, 2017, shall be designated a tier III municipality by the secretary.

406 Sec. 8. Section 7-569 of the general statutes is repealed and the
407 following is substituted in lieu thereof (*Effective July 1, 2017*):

408 No municipality, including any certified or designated municipality,
409 shall issue any obligation for which there is a special capital reserve
410 fund of any kind which is in any way contributed to or guaranteed by
411 the state unless and until such obligation, and the indenture or
412 agreement establishing such special capital reserve fund, is approved
413 by the Treasurer. The approval of the Treasurer shall be based on
414 documentation provided and certified by such municipality

415 demonstrating to the Treasurer's satisfaction that (1) the secretary has
416 determined that the municipality is a certified [the] or designated
417 municipality, (2) the Municipal Finance Advisory Commission, in the
418 case of a certified municipality or designated tier I municipality, or the
419 Municipal Accountability Review Board, in the case of a designated
420 tier II, III or IV municipality, has approved the obligation to be issued
421 under [subsection (a) of section 7-394b and] sections 7-560 to 7-579,
422 inclusive, as amended by this act, (3) the municipality is not in default
423 on any general obligation after giving effect to an obligation approved
424 under this section, (4) the municipality has funded or made due
425 provision to fund the special capital reserve fund, (5) the financing is
426 in the public interest, and (6) the secretary and the Treasurer have
427 approved the property tax intercept procedure authorized by
428 [subsection (a) of section 7-394b and] sections 7-560 to 7-579, inclusive,
429 as amended by this act.

430 Sec. 9. Section 7-570 of the general statutes is repealed and the
431 following is substituted in lieu thereof (*Effective July 1, 2017*):

432 Any certified or designated municipality which has authorized the
433 issue of its general obligations and proposed to issue and secure such
434 general obligations by a special capital reserve fund is hereby
435 empowered to authorize and issue additional general obligations in
436 the manner described in this section, solely for the purposes and in
437 such amounts as are necessary (1) to fund all or a portion of such
438 special capital reserve fund and (2) to pay all or a portion of the costs
439 of issuing such authorized general obligations and such additional
440 general obligations. Such additional general obligations and the
441 appropriation of the proceeds thereof shall be authorized by a
442 resolution adopted by a majority of all the members of the legislative
443 body of the municipality, which for purposes of this section shall mean
444 the body described below, notwithstanding the provisions of any
445 general statute, special act, charter, special act charter, home-rule
446 ordinance, local ordinance or local law governing the authorization of
447 bonds or other obligations of such municipality or the appropriation of

448 the proceeds thereof, all of which provisions are hereby superseded
449 solely for the purposes of this section, including, but not limited to,
450 any public hearing requirement, referendum approval requirement,
451 referendum petition requirement, or recommendation or approval by
452 any official, board, commission, agency, town meeting, representative
453 town meeting, board of finance or other entity. The legislative body of
454 the municipality empowered to authorize such additional obligations
455 shall mean (A) the board of selectmen in any town without a charter,
456 (B) the board of selectmen, council, board of directors, board of
457 aldermen or board of burgesses in any municipality with a charter, (C)
458 the board of education in any regional school district, (D) the city
459 council in any unconsolidated city, (E) the board of burgesses in any
460 unconsolidated borough, and (F) the board of directors or similar body
461 in any other municipality. Notwithstanding any provision of a local
462 law, ordinance, charter, special act charter, home-rule ordinance or the
463 provisions of any bond authorizing ordinance or resolution, a certified
464 or designated municipality's obligations may be sold at public sale on
465 sealed proposal, by negotiation or by private placement in such
466 manner at such price or prices, at such time or times and on such terms
467 or conditions as the Treasurer determines to be in the best interest of
468 the municipality and the state. Any certified or designated
469 municipality which issues general obligations under [subsection (a) of
470 section 7-394b and] sections 7-560 to 7-579, inclusive, as amended by
471 this act, shall transfer bond proceeds and such other funds to the
472 special capital reserve fund in the amount necessary to cause the
473 amount of money in the special capital reserve fund to equal the
474 maximum required capital reserve and to maintain therein an amount
475 equal to the maximum required capital reserve.

476 Sec. 10. Section 7-571 of the general statutes is repealed and the
477 following is substituted in lieu thereof (*Effective July 1, 2017*):

478 (a) Any certified or designated municipality may establish a special
479 capital reserve fund to secure general obligations with a term of more
480 than one year issued pursuant to [subsection (a) of section 7-394b and]

481 sections 7-560 to 7-579, inclusive, as amended by this act. The special
482 capital reserve fund shall be established pursuant to an indenture or
483 other agreement between the municipality and the trustee. Such
484 indenture or agreement shall include all the terms, conditions and
485 requirements pertaining to the special capital reserve fund in
486 accordance with the requirements of [subsection (a) of section 7-394b
487 and] sections 7-560 to 7-579, inclusive, as amended by this act, any
488 requirements imposed by the secretary or the Treasurer, and any
489 requirements imposed by the ordinance or resolution authorizing the
490 issuance of such general obligations, and the municipality shall agree
491 to comply with all such terms, conditions and requirements for the
492 benefit of the holders of any general obligations supported by such
493 special capital reserve fund and for the benefit of the state. Such
494 indenture or agreement may also include covenants to pay the fees and
495 expenses of the trustee and to indemnify the trustee against claims
496 against the trustee and any other provisions which the municipality
497 determines are necessary or appropriate to secure general obligations.
498 The municipal officer or body empowered to issue such general
499 obligations or to determine the details of such general obligations
500 authorized by the municipality may establish such capital reserve fund
501 and may determine the details and approve the terms of all indentures
502 and agreements and other instruments necessary or appropriate to
503 establish and implement such special capital reserve fund as provided
504 in [subsection (a) of section 7-394b and] sections 7-560 to 7-579,
505 inclusive, as amended by this act, and may bind the municipality
506 pursuant to any such indenture or agreement.

507 (b) The special capital reserve fund shall consist of (1) bond
508 proceeds and other moneys of the municipality available to be
509 deposited therein and (2) any money made available therefor by the
510 state in accordance with this section. All moneys held in the special
511 capital reserve fund, except as hereinafter provided, shall be used to
512 pay interest due and owing in respect of general obligations of the
513 municipality secured by such special capital reserve fund and for the

514 redemption and retirement of such general obligations as they mature
515 or become due pursuant to any sinking fund redemption provisions,
516 or for the redemption and retirement of such general obligations
517 pursuant to any refinancing or refunding provided any such
518 refinancing or refunding obligations are not supported by any special
519 capital reserve fund and any amounts in such special capital reserve
520 fund are first applied to repay to the state any amounts which the state
521 has paid or deposited in the special capital reserve fund and which the
522 municipality has not repaid to the state. Income and interest from the
523 investment of moneys in the special capital reserve fund shall be
524 retained therein to meet any deficiencies in the maximum required
525 capital reserve. Any amounts in excess of the maximum required
526 capital reserve may be transferred first to the state in an amount equal
527 to the aggregate amount transferred by the state for deposit in the
528 special capital payment fund minus the aggregate amount of all
529 previous reimbursements to the state, second to the debt service
530 payment fund until the moneys in the debt service reserve fund equal
531 or exceed the debt service payment requirement, and third to the
532 municipality. Notwithstanding any provisions of this section, no
533 municipality shall issue an obligation secured by a special capital
534 reserve fund unless and until there is in the special capital reserve fund
535 moneys and investments in an aggregate amount equal to the
536 maximum required capital reserve, after giving effect to such
537 obligations being issued. Any municipality may appropriate and
538 deposit bond proceeds into the special capital reserve fund to bring the
539 amount of money and investments therein to the maximum required
540 capital reserve. Any requirement set forth in [subsection (a) of section
541 7-394b and] sections 7-560 to 7-579, inclusive, as amended by this act,
542 pertaining to the special capital reserve fund may be modified to the
543 extent necessary to comply with any covenant of the municipality
544 necessary to ensure the exclusion of interest on general obligations of
545 the municipality supported by the special capital reserve fund from
546 gross income for federal income tax purposes. On or before December
547 first of each year, there is deemed to be appropriated from the state

548 General Fund such sums, if any, as shall be certified by the chief
549 executive officer of a certified or designated municipality to the
550 secretary, the Treasurer and the Municipal Finance Advisory
551 Commission for a certified municipality or a designated tier I
552 municipality, or the Municipal Accountability Review Board, for a
553 designated tier II, III or IV municipality, as necessary to restore special
554 capital reserve fund to an amount equal to the minimum required
555 capital reserve, and such amounts shall be allotted and paid from the
556 General Fund of the state to the trustee for deposit in the special capital
557 reserve fund. Such amounts, if any, shall be repaid by the municipality
558 to the state and credited to the General Fund as soon as possible, from
559 any moneys available therefor. For purposes of valuation of the special
560 capital reserve fund, securities acquired as an investment for such fund
561 shall be valued at par, actual cost to the certified or designated
562 municipality or market value, whichever value is lower.

563 Sec. 11. Section 7-572 of the general statutes is repealed and the
564 following is substituted in lieu thereof (*Effective July 1, 2017*):

565 Any municipality that desires to issue general obligations under
566 section 7-573, as amended by this act, shall apply to the secretary for
567 certification or designation. The secretary may certify as a [Tier] tier I
568 municipality any municipality which applies to be certified, provided
569 such municipality (1) has a long-term bond rating from at least one
570 bond rating agency which is investment grade or higher, (2) is unable
571 to secure municipal bond insurance from any bond insurance
572 company on reasonable terms and conditions on the date the secretary
573 certifies such municipality, and (3) otherwise meets the standards
574 established by the secretary. Such standards shall be [adopted as
575 regulations] established in writing by the secretary, [in consultation]
576 after consulting with the Treasurer, [and] shall provide for a level of
577 supervision over such municipality which the secretary deems to be
578 sufficient to minimize the risk of a draw upon the special capital
579 reserve fund and a transfer from the state General Fund and shall be
580 posted on the Internet web site of the Office of Policy and

581 Management. The secretary may recertify and decertify any
582 municipality then certified, provided the secretary shall not
583 automatically decertify any municipality which is able to secure bond
584 insurance after it has been certified by the secretary.

585 Sec. 12. (NEW) (*Effective July 1, 2017*) (a) A municipality shall be
586 designated a tier I municipality by the secretary if any of the following
587 conditions exist: (1) The municipality has no bond rating, or its highest
588 bond rating is A or above, provided the municipality has no rating that
589 is not investment grade, receives less than thirty per cent of its current
590 fiscal year general fund budget revenues in the form of municipal aid
591 from the state, has a positive fund balance percentage, and has a
592 municipal revenue increase in fiscal year ending June 30, 2018, as a per
593 cent of revenues of two per cent or more, (2) the municipality has no
594 bond rating or its highest bond rating is A, provided the municipality
595 has no rating that is not investment grade, receives less than thirty per
596 cent of its current fiscal year general fund budget revenues in the form
597 of municipal aid from the state, and had a positive fund balance
598 percentage of less than five per cent, (3) the municipality's highest
599 bond rating is AA or above, provided the municipality has no rating
600 that is not investment grade, receives thirty per cent or more of its
601 current fiscal year general fund budget revenues in the form of
602 municipal aid from the state, has an equalized mill rate of less than
603 thirty, has a positive fund balance percentage, and has a municipal
604 revenue increase in fiscal year ending June 30, 2018, as a per cent of
605 revenues of two per cent or more, or (4) the secretary, based on reports
606 and findings of the Municipal Finance Advisory Commission, finds the
607 fiscal condition of the municipality to warrant a designation as a tier I
608 municipality.

609 (b) The secretary shall refer any municipality which is designated as
610 a tier I municipality to the Municipal Finance Advisory Commission,
611 pursuant to the provisions of section 7-395 of the general statutes. In
612 addition to the requirements of section 7-394b of the general statutes,
613 such municipality shall prepare and present a three-year financial plan

614 to the Municipal Finance Advisory Commission for its review and
615 approval.

616 Sec. 13. Section 7-573 of the general statutes is repealed and the
617 following is substituted in lieu thereof (*Effective July 1, 2017*):

618 Any [Tier I] tier I certified municipality or designated tier I
619 municipality that meets the eligibility requirements of subdivisions (1)
620 to (3), inclusive, of section 7-572, as amended by this act, may issue
621 general obligations with a term of more than one year which are
622 supported by a special capital reserve fund, but not general obligations
623 to fund a general fund deficiency, as provided in [subsection (a) of
624 section 7-394b and] sections 7-560 to 7-579, inclusive, as amended by
625 this act. Any such [Tier] tier I municipality shall, within the time and in
626 the manner prescribed by [regulations] written procedures adopted by
627 the secretary, in consultation with the Treasurer: (1) Notify the
628 secretary of its intent to issue such obligations, (2) provide the
629 secretary with the documentation required under [subsection (a) of
630 section 7-394b and] sections 7-560 to 7-579, inclusive, as amended by
631 this act, (3) establish a property tax intercept procedure and debt
632 service payment fund in accordance with the provisions of [subsection
633 (a) of section 7-394b and] sections 7-560 to 7-579, inclusive, as amended
634 by this act, and (4) comply with sections 7-569 to 7-571, inclusive, as
635 amended by this act. The secretary shall refer to the Municipal Finance
636 Advisory Commission, pursuant to the provisions of section 7-395, any
637 tier I certified municipality which notifies the secretary that it intends
638 to issue obligations under this section.

639 Sec. 14. Section 7-574 of the general statutes is repealed and the
640 following is substituted in lieu thereof (*Effective July 1, 2017*):

641 Any municipality that desires to issue general obligations under
642 section 7-575, as amended by this act, shall apply to the secretary for
643 certification. The secretary may certify as a tier II municipality any
644 municipality which applies to be certified to issue a general obligation

645 authorized by [subsection (a) of section 7-394b and] sections 7-560 to 7-
646 579, inclusive, as amended by this act, provided such municipality (1)
647 has a long-term bond rating from at least one bond rating agency
648 which is investment grade or higher, (2) is unable to obtain municipal
649 bond insurance from any bond insurance company on reasonable
650 terms and conditions on the date the secretary certifies such
651 municipality, (3) has not issued a deficit obligation in the last five
652 years, (4) has no deficit obligations outstanding, and (5) otherwise
653 meets the standards established by the secretary. Such standards shall
654 be [adopted as regulations] established in writing by the secretary, [in
655 consultation] after consulting with the Treasurer, [and] shall provide
656 for a level of supervision over such municipality which the secretary
657 deems to be sufficient to minimize the risk of a draw upon the special
658 capital reserve fund and a transfer from the state General Fund and
659 shall be posted on the Internet web site of the Office of Policy and
660 Management. The secretary may recertify and decertify any
661 municipality then certified, provided the secretary shall not
662 automatically decertify any municipality which is able to secure bond
663 insurance after it has been certified by the secretary.

664 Sec. 15. (NEW) (*Effective July 1, 2017*) (a) A municipality shall be
665 designated a tier II municipality by the secretary if any of the following
666 conditions exist: (1) The municipality has no bond rating from a bond
667 rating agency, or, if its highest bond rating is A, provided the
668 municipality has no rating that is not investment grade, receives thirty
669 per cent or more of its current fiscal year general fund budget revenues
670 in the form of municipal aid from the state, has a positive fund balance
671 percentage of five per cent or more, has an equalized mill rate of less
672 than thirty, and has a municipal revenue increase in fiscal year ending
673 June 30, 2018, as a per cent of revenues of two per cent or more, (2) the
674 municipality has no bond rating from a bond rating agency, or, if its
675 highest bond rating is A, provided the municipality has no rating that
676 is not investment grade, receives thirty per cent or more of its current
677 fiscal year general fund budget revenues in the form of municipal aid

678 from the state, has an equalized mill rate of less than thirty, and has a
679 positive fund balance percentage of less than five per cent, (3) the
680 municipality's highest bond rating is AA or higher, provided the
681 municipality has no rating that is not investment grade, receives thirty
682 per cent or more of its current fiscal year general fund budget revenues
683 in the form of municipal aid from the state, and has an equalized mill
684 rate of thirty or more, (4) the municipality's highest bond rating is AA
685 or higher, provided the municipality has no rating that is not
686 investment grade, and has a negative fund balance percentage, (5) the
687 municipality's highest bond rating is Baa or BBB, provided the
688 municipality has no rating that is not investment grade, has a positive
689 fund balance percentage and an equalized mill rate of less than thirty,
690 or (6) the secretary, based on reports and findings of the Municipal
691 Finance Advisory Commission, finds that the fiscal condition of the
692 municipality warrants its designation as a tier II municipality.

693 (b) The secretary shall refer any municipality designated as a tier II
694 municipality to the Municipal Accountability Review Board
695 established pursuant to section 19 of this act. Said board shall have the
696 same authority and responsibilities possessed by the Municipal
697 Finance Advisory Commission with respect to tier II certified
698 municipalities referred to it, including, but not limited to, requiring
699 that such municipalities prepare and present to said board for its
700 review and approval a three-year financial plan and monthly financial
701 reports, in a manner prescribed by said board. In preparing and
702 adopting its annual budgets, such municipality shall only include
703 assumptions respecting state revenues and property tax revenues as
704 approved by such board and such board shall approve or disapprove
705 all obligations issued by a designated tier II municipality pursuant to
706 section 7-575 of the general statutes, as amended by this act, and this
707 section, provided it shall only approve such obligations which in its
708 judgment improve the financial condition of such municipality.

709 Sec. 16. Section 7-575 of the general statutes is repealed and the
710 following is substituted in lieu thereof (*Effective July 1, 2017*):

711 Any tier II certified municipality or any designated tier II, III or IV
712 municipality that meets the eligibility requirements of subdivisions (1)
713 to (5), inclusive, of section 14 of this act, or any designated tier IV
714 municipality that does not meet such eligibility requirements but
715 receives approval by the Municipal Accountability Review Board
716 pursuant subdivision (7) of subsection (a) of section 20 of this act, may
717 issue general obligations with a term of more than one year which are
718 supported by a special capital reserve fund, including general
719 obligations to fund a deficit, as provided in [subsection (a) of section 7-
720 394b and] sections 7-560 to 7-579, inclusive, as amended by this act
721 provided no municipality shall issue an obligation with a term of more
722 than one year to fund a projected fiscal year deficit. Any such certified
723 or designated tier II municipality shall, within the time and in the
724 manner prescribed by [regulations adopted] written standards
725 established by the secretary, [in consultation] after consulting with the
726 Treasurer: (1) Notify the secretary of its intent to issue such
727 obligations, (2) provide the secretary with the documentation required
728 under [subsection (a) of section 7-394b and] sections 7-560 to 7-579,
729 inclusive, as amended by this act, (3) establish a property tax intercept
730 procedure and debt service payment fund in accordance with the
731 provisions of [subsection (a) of section 7-394b and] sections 7-560 to 7-
732 579, inclusive, as amended by this act, and (4) comply with sections 7-
733 569 to 7-571, inclusive, as amended by this act. The secretary shall refer
734 to the Municipal Finance Advisory Commission, pursuant to the
735 provisions of section 7-395, any certified tier II municipality which
736 notifies the secretary that it intends to issue obligations under this
737 section. A municipality that issues a deficit obligation pursuant to this
738 section shall be a designated tier III municipality.

739 Sec. 17. Section 7-576 of the general statutes is repealed and the
740 following is substituted in lieu thereof (*Effective July 1, 2017*):

741 Each tier II certified municipality shall work with and report to the
742 Municipal Finance Advisory Commission as provided for in this
743 section. The secretary shall refer to the Municipal Finance Advisory

744 Commission any tier II certified municipality for the purpose of
745 improving the fiscal condition of such municipality. Such municipality
746 shall prepare and present to the Municipal Finance Advisory
747 Commission for its review and approval a three-year financial plan
748 and monthly financial report in the manner prescribed by the
749 Municipal Finance Advisory Commission. In addition, in preparing
750 and adopting its annual budgets, such municipality shall include
751 assumptions respecting state revenues and property tax revenues as
752 approved by the Municipal Finance Advisory Commission. The
753 Municipal Finance Advisory Commission shall approve or disapprove
754 all obligations issued by a tier II certified municipality pursuant to
755 section 7-575, as amended by this act, and this section, [inclusive,]
756 provided it shall only approve such obligations which in its judgment
757 improve the financial condition of such municipality.

758 Sec. 18. (NEW) (*Effective July 1, 2017*) (a) A municipality shall be
759 designated as a tier III municipality if any of the following conditions
760 exist: (1) The municipality has at least one bond rating from a bond
761 rating agency that is below investment grade, (2) the municipality has
762 no bond rating from a bond rating agency, or, if its highest bond rating
763 is A, Baa or BBB, provided the municipality has no rating that is not
764 investment grade, and it has either (A) a negative fund balance
765 percentage, or (B) an equalized mill rate that is thirty or more and it
766 receives thirty per cent or more of its current fiscal year general fund
767 budget revenues in the form of municipal aid from the state, or (3) the
768 municipality issues a deficit obligation or has issued a deficit
769 obligation in the five years preceding July 1, 2017.

770 (b) The secretary shall refer any municipality that is a designated
771 tier III municipality to the Municipal Accountability Review Board
772 established pursuant to the provisions of section 19 of this act. The
773 Municipal Accountability Review Board, with the approval of at least
774 two-thirds of its members, may redesignate or designate a tier II
775 municipality as a tier III municipality following a finding that the fiscal
776 condition of the municipality warrants such a designation. Any such

777 designation shall require the approval of the Governor.

778 Sec. 19. (NEW) (*Effective July 1, 2017*) (a) There is established a
779 Municipal Accountability Review Board, which shall be in the Office of
780 Policy and Management for administrative purposes only and which
781 shall be comprised of the Secretary of the Office of Policy and
782 Management, or the secretary's designee, who shall be the chairperson
783 of the board, the State Treasurer, or the State Treasurer's designee, who
784 shall be the co-chairperson of the board, four members appointed by
785 the Governor, including one of whom shall be a resident of a tier II, III,
786 or IV municipality, one of whom shall have expertise in finance, one of
787 whom shall be affiliated with a business located in a designated or
788 certified tier II, III or IV municipality and one whom shall be a current
789 or former municipal chief executive officer or municipal financial
790 officer. If more than two municipalities are designated tier III or IV
791 municipalities, the Governor may make additional appointments to
792 the board provided such additional appointees shall be assigned to
793 serve in regard to specified municipalities referred to such board. In
794 addition, with regard to each municipality designated for referral to
795 the board, the members of the board shall include: (1) The chief elected
796 official of the municipality, (2) a chief executive officer of a bargaining
797 unit representing employees of the municipality, who is jointly
798 recommended by a majority of the chief executive officers of the
799 administrative units of the municipality, provided such
800 recommendation shall be made not later than thirty days after the
801 municipality's designation as a tier II, III or IV municipality, and (3)
802 one member to be appointed by the Governor, based upon a
803 recommendation by the council of governments for the region in
804 which the designated tier II, III or IV municipality is located. The
805 members of the board shall serve without compensation, but shall be
806 reimbursed for expenses incurred in performance of their duties.
807 Expenses of the board related to its work with designated tier III or IV
808 municipalities, including any staff, consultants and other expenses
809 adopted by the board, may, following consultation with such

810 municipalities, be charged to such municipalities by the board and
811 may be paid from the proceeds of any deficit obligation or debt
812 restructuring bonds.

813 (b) Each designated tier III municipality shall work with the
814 Municipal Accountability Review Board and report to it as provided
815 for in this section. In addition to possessing such powers granted to
816 such board with respect to the designated or certified tier II
817 municipalities referred to it, the following shall apply:

818 (1) The board shall review and comment on the municipality's
819 annual budget prior to its adoption by the legislative body.

820 (2) In preparing and adopting its annual budgets, the municipality
821 shall only include assumptions respecting state revenues and property
822 tax revenues and a mill rate as are approved by the board.

823 (3) The board shall approve or disapprove all obligations issued by
824 a tier III municipality that is eligible to issue bonds pursuant to the
825 provisions of section 7-575 of the general statutes, as amended by this
826 act, provided it shall only approve such obligations which in its
827 judgment improve the financial condition of such municipality.

828 (4) The board shall review and comment on proposed debt
829 obligations of the municipality not covered by section 7-575 of the
830 general statutes, as amended by this act, prior to their issuance.

831 (5) The board may approve or disapprove any contract of the
832 municipality exceeding two hundred thousand dollars.

833 (6) With respect to any proposed collective bargaining agreement
834 negotiated pursuant to sections 7-467 to 7-477, inclusive, of the general
835 statutes or pursuant to section 10-153d of the general statutes, the
836 board shall review and comment on the impact of any such agreement
837 on the municipality's financial plan and fiscal sustainability prior to
838 action on such proposed agreement by the municipal legislative body

839 or legislative body of the local or regional school district, as applicable.

840 (7) The board may review and comment on the impact of any
841 arbitration award on the municipality's financial plan and fiscal
842 sustainability prior to the ability of the municipal legislative body
843 pursuant to section 7-473c of the general statutes or the legislative
844 body of the local or regional school district pursuant to section 10-153f
845 of the general statutes to act on such awards.

846 (8) The board shall monitor compliance with the municipality's
847 three-year financial plan and annual budget and recommend that the
848 municipality make such changes as are necessary to ensure budgetary
849 balance in such plan and budget.

850 (9) The board shall recommend that the municipality implement
851 measures relating to the efficiency and productivity of the
852 municipality's operations and management as the board deems
853 appropriate, to reduce costs and improve services so as to advance the
854 purposes of sections 1 to 26, inclusive, of this act.

855 (10) The board may obtain information on the financial condition
856 and financial needs of the municipality.

857 (11) The board, in consultation with the municipality, may retain
858 such staff and hire consultants experienced in the field of municipal
859 finance, municipal law, governmental operations and administration
860 or governmental accounting as it deems necessary or desirable for
861 accomplishing its purposes.

862 (12) The board shall establish such written procedures as the board
863 deems necessary to carry out its responsibilities and meet the purposes
864 of sections 1 to 26, inclusive, of this act.

865 (13) The board may impose reasonable requirements necessary for a
866 municipality to receive any budgeted increase in any state assistance.

867 (c) With respect to any municipality referred to the Municipal

868 Review Accountability Board, such municipality and each of its
869 administrative units shall supply the board with such financial reports,
870 data, audits, statements and any other records or documentation as the
871 board may require to exercise its powers and to perform its duties and
872 functions. Such reports may include, but shall not be limited to, (1)
873 proposed budgets, (2) monthly reports of the financial condition of the
874 municipality, (3) the status of the municipality's current annual budget
875 and progress under its financial plan for the then current fiscal year, (4)
876 estimates of the operating results for all funds or accounts to the end of
877 the then current fiscal year, (5) pension plan and debt projections, (6)
878 statements and projections of general fund cash flow reserves, (7) the
879 number of municipal employees on the municipal payroll, and (8) debt
880 service requirements on all bonds and notes of the municipality for the
881 following month.

882 Sec. 20. (NEW) (*Effective July 1, 2017*) (a) The chief elected official of
883 a tier III municipality may apply to the secretary to request designation
884 as a designated tier IV municipality. The secretary may approve the
885 request if the secretary determines that such designation is necessary
886 to ensure the fiscal sustainability of the municipality and is in the best
887 interests of the state. The Municipal Accountability Review Board,
888 with the approval of at least two-thirds of its members, may designate
889 a tier III municipality as a tier IV municipality based on a finding by
890 the board that the fiscal condition of such municipality warrants such a
891 designation. Such designation shall require the approval of the
892 Governor. Notwithstanding the provisions of sections 7 to 16,
893 inclusive, of this act, a municipality designated tier IV municipality
894 pursuant to this section shall retain such designation following the
895 issuance of a deficit obligation subsequent to such municipality's
896 designation as a tier IV municipality. With respect to a designated tier
897 IV municipality, the Municipal Accountability Review Board shall
898 have the same powers and responsibilities as it has with respect to
899 designated tier III municipalities in addition to which it shall have the
900 following additional or superseding authority and responsibilities:

901 (1) To review and approve or disapprove the municipality's annual
902 budget, including, but not limited to, the general fund, other
903 governmental funds, enterprise funds and internal service funds. No
904 annual budget, annual tax levy or user fee for the municipality shall
905 become operative until it has been approved by the board. If the board
906 disapproves any annual budget, it shall adopt an interim budget and
907 establish a tax rate and user fees. Such interim budget shall take effect
908 at the commencement of the fiscal year and shall remain in effect until
909 the municipality submits and the board approves a modified budget.

910 (2) To review and approve all bond ordinances and bond
911 resolutions of the municipality.

912 (3) To monitor compliance with the municipality's three-year
913 financial plan and annual budget and require that the municipality
914 make such changes as are necessary to ensure budgetary balance in
915 such plan and budget.

916 (4) (A) To approve or reject all collective bargaining agreements for
917 a new term, other than modifications, amendments or reopenings of an
918 agreement, to be entered into by the municipality or any of its agencies
919 or administrative units, including the board of education. If it rejects
920 an agreement, the board shall indicate the specific provisions of the
921 proposed agreement which caused the rejection, as well as its rationale
922 for the rejection. The board may indicate the total cost impact or
923 savings that are acceptable in a new agreement. Following any
924 rejection of a proposed collective bargaining agreement, the parties to
925 the agreement shall have ten days from the date of the board's rejection
926 to consider the board's concerns and propose a modified agreement.
927 After the expiration of such ten-day period, the board shall approve or
928 reject any such modified agreement. If the parties have been unable to
929 reach an agreement or the board rejects such modified agreement, the
930 board shall set forth the terms of the agreement, which shall be
931 binding upon the parties. In establishing the terms of the agreement, as
932 well as in making a determination to reject a proposed agreement, the

933 parties shall have an opportunity to make a presentation to the board.
934 The board shall not be limited to consideration and inclusion in the
935 collective bargaining agreement of matters raised or negotiated by the
936 parties; and (B) to approve or reject all modifications, amendments or
937 reopeners to collective bargaining agreements entered into by the
938 municipality or any of its agencies or administrative units, including
939 the board of education. If it rejects an amendment to an agreement, the
940 board shall indicate the specific provisions of the proposed
941 amendment which caused the rejection, as well as its rationale for the
942 rejection. The board may indicate the total cost impact or savings
943 acceptable in a new amendment. If the board rejects a proposed
944 amendment to a collective bargaining agreement, the parties to the
945 agreement shall have ten days from the date of the board's rejection to
946 consider the board's concerns and put forth a modified amendment.
947 After the expiration of such ten-day period, the board shall approve or
948 reject any revised amendment. If the parties are unable to reach a
949 modified amendment or the board rejects such modified amendment,
950 the board shall set forth the terms of the new amendment, which shall
951 be binding upon the parties. For the purposes of this subparagraph,
952 the board shall be limited to the subject of any proposed amendment.
953 In establishing the terms of the new agreement, as well as in making a
954 determination to reject a proposed amendment pursuant to this
955 subdivision, the parties shall have an opportunity to make a
956 presentation to the board.

957 (5) With respect to collective bargaining agreements of the
958 municipality or any of its agencies or administrative units, including,
959 but not limited to, the board of education that are in or are subject to
960 binding arbitration, to serve as the binding arbitration panel. The
961 board shall have the power to impose binding arbitration upon the
962 parties any time after the seventy-fifth day following the
963 commencement of negotiations or to reject any arbitration award
964 pending potential municipal or board of education legislative action
965 pursuant to section 7-473c or 10-153f of the general statutes. If, upon

966 the date of a municipality's designation as a tier IV municipality, the
967 parties are in binding arbitration, the board shall immediately replace
968 any established binding arbitration panel. The board may reduce the
969 time limits in the applicable provisions of the general statutes or any
970 public or special acts governing binding arbitration by one-half. The
971 board shall not be limited to consideration and inclusion in the
972 collective bargaining agreement of the last best offers or the matters
973 raised by or negotiated by the parties.

974 (6) (A) To require its approval of proposed transfers of a
975 municipality's appropriations in excess of fifty thousand dollars, (B) to
976 review, approve, disapprove or modify the budget of the board of
977 education for the municipality on a line-item basis and to require the
978 board of education to submit to it any budget transfers, or (C) to
979 appoint a financial manager and delegate to such manager, in writing,
980 such powers as the board deems necessary or appropriate for the
981 purpose of managing the financial and administrative affairs of the
982 municipality for the period of time during which the municipality is
983 subject to the powers of the board provided the board may override
984 any actions taken by such manager at any time and shall not delegate
985 the powers enumerated under subdivisions (2), (3) and (5) to (7),
986 inclusive, and (11) to (13), inclusive, of subsection (b) of section 19 of
987 this act, or subdivisions (1), (2) and (4) to (7), inclusive, of this section.

988 (7) To approve and authorize the issuance of obligations under
989 section 7-575 of the general statutes, as amended by this act, including,
990 with regard to a designated tier IV municipality otherwise ineligible to
991 issue such obligations, for the purposes of issuing general obligations
992 for purposes of deficit financing, addressing pension liabilities in
993 accordance with section 7-374c of the general statutes, debt
994 restructuring and other purposes allowed for which municipal
995 obligations are authorized by the general statutes.

996 (b) Notwithstanding the provisions of section 7-370c of the general
997 statutes, or any other public or special act, local law or charter, or

998 ordinance or resolution, which limits or imposes conditions on the
999 date of the first maturity of, or the due date of the first sinking fund
1000 payment for, or on the amount of any principal or any principal and
1001 interest installments on, or sinking fund payment deposit for,
1002 refunding bonds issued by any municipality, the board may authorize
1003 a designated tier IV municipality to issue refunding bonds for which
1004 the provisions of section 7-371 of the general statutes regarding such
1005 limitations shall not apply, regardless of whether or not such
1006 refunding bonds achieve net present value savings, as described in
1007 section 7-370c of the general statutes, with respect to the refunded
1008 bonds. The board shall only approve the issue of such refunding bonds
1009 upon a determination that, in its judgment, the issue of such bonds
1010 will improve the financial condition of such municipality.

1011 (c) Notwithstanding the provisions of section 7-370c or 7-371 of the
1012 general statutes, or any other public or special act, local law or charter,
1013 or ordinance or resolution, which limits or imposes conditions on the
1014 final maturity of, or the due date of the last sinking fund payment for,
1015 bonds issued by any municipality, the board may authorize a
1016 designated tier IV municipality to issue bonds for which the last
1017 installment of any series of such bonds shall mature, or the last sinking
1018 fund payment for such series of bonds shall be due, not later than
1019 thirty years from the date of issue of such bonds. The board shall only
1020 approve the issuance of such bonds upon a determination that, in its
1021 judgment, such issuance will improve the financial condition of such
1022 municipality.

1023 Sec. 21. (NEW) (*Effective July 1, 2017*) A municipality designated as
1024 tier I municipality in accordance with section 12 of this act or a tier II
1025 municipality in accordance with section 15 of this act shall retain such
1026 designation, notwithstanding any positive changes in the factors
1027 leading to its current designation, for a minimum of the two fiscal
1028 years subsequent to its most current designation or until, following
1029 any such designation, (1) there have been no annual operating
1030 budgetary deficits in the general fund of the municipality for two

1031 consecutive fiscal years, (2) the municipality's bond rating has either
1032 improved or remained unchanged since its most current designation,
1033 (3) the municipality has presented and the commission or board has
1034 approved a financial plan that projects a positive unreserved fund for
1035 the three succeeding consecutive fiscal years covered by such financial
1036 plan, and (4) the municipality's audits for such consecutive fiscal years
1037 have been completed and contain no general fund deficit.
1038 Notwithstanding any other provisions of sections 1 to 26, inclusive, of
1039 this act, the municipality shall remain undesignated for purposes of a
1040 tier designation, unless circumstances would result in the municipality
1041 being designated as a tier numerically higher than its most recent
1042 designation.

1043 Sec. 22. (NEW) (*Effective July 1, 2017*) (a) A municipality designated
1044 as tier III municipality in accordance with section 18 of this act or tier
1045 IV municipality in accordance with section 20 of this act shall retain
1046 such designation, for a minimum of the three fiscal years subsequent to
1047 its most current designation notwithstanding any positive changes in
1048 the factors leading to its current designation, or until, following its
1049 most current designation: (1) There have been no annual operating
1050 budgetary deficits in the general fund of the municipality for three
1051 consecutive fiscal years, (2) the municipality's bond rating has either
1052 improved or remained unchanged since its most current designation,
1053 provided it has no bond ratings that are below investment grade, (3)
1054 the municipality has presented and the board has approved a financial
1055 plan that projects a positive unreserved fund balance for the three
1056 succeeding consecutive fiscal years covered by such financial plan, and
1057 (4) the audits for the aforementioned consecutive fiscal years have
1058 been completed and contain no general fund deficit.

1059 (b) Notwithstanding any other provisions of sections 1 to 26,
1060 inclusive, of this act, the municipality shall remain undesignated for
1061 purposes of a tier designation, unless it has an annual operating
1062 budgetary deficit in its general fund equal to one per cent or more of
1063 its most recently completed annual general fund budget or if it

1064 experiences an annual operating budgetary deficit in its general fund
1065 in consecutive years of any amount or if it has one or more bond
1066 ratings that are below investment grade.

1067 Sec. 23. (NEW) (*Effective July 1, 2017*) A designated tier II, III or IV
1068 municipality shall not enact a property tax levy in its annual budget
1069 that is more than three per cent greater than the property tax levy
1070 contained in its annual budget for the prior fiscal year. The secretary
1071 shall develop such procedures and guidelines as may be needed to
1072 assist in the implementation of such property tax levy limitation. Any
1073 designated tier II, III or IV municipality may apply to the Municipal
1074 Accountability Review Board for exceptions to such property tax levy
1075 limitation. Factors to be considered by such board in approving or
1076 disapproving such exception shall include the need to address critical
1077 matters impacting the health and welfare of the citizens, funding
1078 needed to reduce a municipality's long-term obligations and the
1079 implementation of court orders or legal settlements.

1080 Sec. 24. Section 7-577 of the general statutes is repealed and the
1081 following is substituted in lieu thereof (*Effective July 1, 2017*):

1082 (a) The Attorney General may apply for a writ of mandamus on
1083 behalf of the [commission] Municipal Finance Advisory Commission
1084 or the Municipal Accountability Review Board, acting through its
1085 chairperson, requiring any official, employee or agent of the
1086 municipality to carry out and give effect to any determination of the
1087 commission authorized by [subsection (a) of section 7-394b and]
1088 sections 7-560 to 7-579, inclusive, as amended by this act, and any
1089 obligation by a municipality to repay to the state any amounts the state
1090 pays into a special capital reserve fund and compliance by a
1091 municipality with any agreements or indenture pertaining to a special
1092 capital reserve fund or tax intercept procedure or debt service payment
1093 fund related thereto. Each such application shall be filed in superior
1094 court for the judicial district of Hartford.

1095 (b) The superior court for the judicial district of Hartford may, by
1096 application of the secretary, the commission, the Municipal
1097 Accountability Review Board or the Attorney General, enforce, by
1098 appropriate decree or process, any provisions of [subsection (a) of
1099 section 7-394b and] sections 7-560 to 7-579, inclusive, as amended by
1100 this act, or any act or determination of the commission rendered
1101 pursuant to [subsection (a) of section 7-394b and] sections 7-560 to 7-
1102 579, inclusive, as amended by this act.

1103 Sec. 25. Section 7-578 of the general statutes is repealed and the
1104 following is substituted in lieu thereof (*Effective July 1, 2017*):

1105 Within one year of initial participation [in] as a certified tier I or tier
1106 II municipality, a participating municipality may develop a
1107 comprehensive economic development plan designed to increase the
1108 tax base of the municipality to a level that will allow the municipality
1109 to provide an adequate level of municipal services. The plan shall be
1110 approved by the legislative authority of the municipality. If at any time
1111 after the comprehensive economic development plan has been
1112 completed and the municipality fails to show substantial progress in
1113 meeting the goals of the plan, the state may suspend further assistance
1114 to the municipality. The secretary, in consultation with the
1115 Commissioner of Economic and Community Development, shall
1116 evaluate the comprehensive economic development plan annually. The
1117 secretary may provide qualified staff and financial assistance to the
1118 qualifying municipality for purposes of developing a comprehensive
1119 economic development plan.

1120 Sec. 26. Section 7-579 of the general statutes is repealed and the
1121 following is substituted in lieu thereof (*Effective July 1, 2017*):

1122 For the purposes of [subsection (a) of section 7-394b and] sections 7-
1123 560 to 7-578, inclusive, as amended by this act, deficit obligation, as
1124 defined in section 7-560, with respect to the town and city of New
1125 Haven, means such obligation issued on or after July 1, 1993.

1126 Sec. 27. (NEW) (*Effective July 1, 2017*) (a) Each municipality shall
 1127 annually reimburse the state for a portion of the state's contributions to
 1128 the teachers' retirement system made pursuant to section 10-183z of
 1129 the general statutes. Such reimbursement payment shall be made not
 1130 later than December thirty-first of each fiscal year. For the fiscal years
 1131 ending June 30, 2018, and June 30, 2019, the amounts of such payments
 1132 to be made by each municipality are as follows:

T1		Reimbursement	Reimbursement
T2		for	for
T3		Fiscal Year 2018	Fiscal Year 2019
T4	Andover	431,456	445,479
T5	Ansonia	1,380,587	1,425,456
T6	Ashford	452,003	466,693
T7	Avon	2,887,735	2,981,586
T8	Barkhamsted	409,944	423,267
T9	Beacon Falls	637,285	657,997
T10	Berlin	2,441,492	2,520,840
T11	Bethany	749,833	774,202
T12	Bethel	2,332,959	2,408,780
T13	Bethlehem	304,101	313,984
T14	Bloomfield	2,009,129	2,074,426
T15	Bolton	713,027	736,200
T16	Bozrah	272,946	281,817
T17	Town of Branford	2,747,784	2,837,087
T18	Bridgeport	12,908,368	13,327,890
T19	Bridgewater	169,504	175,013
T20	Bristol	5,994,524	6,189,347
T21	Brookfield	2,119,039	2,187,907
T22	Brooklyn	767,308	792,245
T23	Burlington	1,276,359	1,317,840
T24	Canaan	172,333	177,933
T25	Canterbury	479,505	495,089
T26	Canton	1,230,338	1,270,324
T27	Chaplin	279,788	288,881
T28	Cheshire	3,508,100	3,622,113
T29	Chester	310,439	320,528
T30	Clinton	1,725,858	1,781,949
T31	Colchester	2,081,212	2,148,852
T32	Colebrook	169,448	174,955
T33	Columbia	613,199	633,128

T34	Cornwall	192,670	198,931
T35	Coventry	1,357,867	1,401,998
T36	Cromwell	1,442,833	1,489,725
T37	Danbury	7,411,220	7,652,085
T38	Darien	4,584,090	4,733,073
T39	Deep River	418,412	432,010
T40	Derby	980,928	1,012,808
T41	Durham	1,085,539	1,120,819
T42	Eastford	183,496	189,459
T43	East Granby	770,240	795,273
T44	East Haddam	1,016,006	1,049,027
T45	East Hampton	1,528,350	1,578,021
T46	East Hartford	5,716,884	5,902,683
T47	East Haven	2,282,352	2,356,528
T48	East Lyme	2,252,917	2,326,137
T49	Easton	1,298,824	1,341,036
T50	East Windsor	1,052,181	1,086,377
T51	Ellington	1,898,286	1,959,980
T52	Enfield	4,254,110	4,392,369
T53	Essex	606,580	626,294
T54	Fairfield	9,194,608	9,493,433
T55	Farmington	3,343,850	3,452,525
T56	Franklin	193,209	199,488
T57	Glastonbury	5,098,541	5,264,244
T58	Goshen	322,064	332,531
T59	Granby	1,514,998	1,564,236
T60	Greenwich	10,053,427	10,380,164
T61	Griswold	1,349,780	1,393,648
T62	Groton	3,970,190	4,099,221
T63	Guilford	2,865,342	2,958,465
T64	Haddam	1,102,026	1,137,842
T65	Hamden	4,812,509	4,968,915
T66	Hampton	175,822	181,537
T67	Hartford	17,059,239	17,613,665
T68	Hartland	192,298	198,548
T69	Harwinton	658,967	680,384
T70	Hebron	1,362,129	1,406,399
T71	Kent	309,444	319,501
T72	Killingly	1,752,218	1,809,165
T73	Killingworth	757,422	782,038
T74	Lebanon	851,915	879,603
T75	Ledyard	1,913,289	1,975,471

T76	Lisbon	429,293	443,245
T77	Litchfield	900,232	929,490
T78	Lyme	288,526	297,903
T79	Madison	2,602,739	2,687,329
T80	Manchester	5,081,279	5,246,421
T81	Mansfield	1,662,704	1,716,741
T82	Marlborough	840,959	868,290
T83	Meriden	5,842,301	6,032,176
T84	Middlebury	1,029,867	1,063,337
T85	Middlefield	551,370	569,289
T86	Middletown	3,683,211	3,802,916
T87	Milford	5,581,054	5,762,438
T88	Monroe	3,017,406	3,115,472
T89	Montville	2,039,532	2,105,817
T90	Morris	281,468	290,615
T91	Naugatuck	3,173,613	3,276,755
T92	New Britain	7,512,822	7,756,989
T93	New Canaan	4,198,553	4,335,006
T94	New Fairfield	2,069,310	2,136,562
T95	New Hartford	801,726	827,782
T96	New Haven	14,966,054	15,452,451
T97	Newington	3,457,889	3,570,271
T98	New London	2,188,925	2,260,065
T99	New Milford	3,088,270	3,188,639
T100	Newtown	3,917,100	4,044,406
T101	Norfolk	152,352	157,303
T102	North Branford	1,473,670	1,521,564
T103	North Canaan	417,493	431,062
T104	North Haven	2,494,713	2,575,792
T105	North Stonington	641,730	662,587
T106	Norwalk	9,215,371	9,514,871
T107	Norwich	3,331,735	3,440,017
T108	Old Lyme	1,062,442	1,096,971
T109	Old Saybrook	1,271,219	1,312,533
T110	Orange	1,997,989	2,062,923
T111	Oxford	1,330,435	1,373,674
T112	Plainfield	1,589,753	1,641,420
T113	Plainville	1,927,428	1,990,069
T114	Plymouth	1,236,815	1,277,012
T115	Pomfret	447,189	461,723
T116	Portland	966,127	997,526
T117	Preston	457,631	472,504

T118	Prospect	999,501	1,031,985
T119	Putnam	790,031	815,707
T120	Redding	1,740,644	1,797,215
T121	Ridgefield	4,407,654	4,550,903
T122	Rocky Hill	2,027,836	2,093,741
T123	Roxbury	307,820	317,824
T124	Salem	348,037	359,349
T125	Salisbury	389,052	401,697
T126	Scotland	222,785	230,025
T127	Seymour	1,732,618	1,788,928
T128	Sharon	309,766	319,833
T129	Shelton	3,726,462	3,847,572
T130	Sherman	389,839	402,509
T131	Simsbury	3,634,442	3,752,561
T132	Somers	1,157,222	1,194,832
T133	Southbury	2,179,715	2,250,556
T134	Southington	4,547,523	4,695,318
T135	South Windsor	3,591,178	3,707,891
T136	Sprague	283,602	292,819
T137	Stafford	1,295,535	1,337,640
T138	Stamford	14,188,331	14,649,453
T139	Sterling	294,708	304,286
T140	Stonington	1,775,660	1,833,369
T141	Stratford	5,413,087	5,589,013
T142	Suffield	1,860,799	1,921,275
T143	Thomaston	751,201	775,615
T144	Thompson	769,109	794,105
T145	Tolland	1,934,215	1,997,078
T146	Torrington	3,250,448	3,356,088
T147	Trumbull	5,476,968	5,654,970
T148	Union	84,703	87,456
T149	Vernon	2,884,556	2,978,304
T150	Voluntown	295,379	304,978
T151	Wallingford	5,230,018	5,399,994
T152	Warren	140,734	145,308
T153	Washington	423,138	436,890
T154	Waterbury	12,291,680	12,691,160
T155	Waterford	2,383,220	2,460,675
T156	Watertown	2,310,071	2,385,148
T157	Westbrook	823,917	850,695
T158	West Hartford	8,011,568	8,271,945
T159	West Haven	4,458,510	4,603,411

T160	Weston	2,355,644	2,432,202
T161	Westport	5,877,870	6,068,901
T162	Wethersfield	2,801,870	2,892,931
T163	Willington	613,739	633,686
T164	Wilton	3,998,115	4,128,054
T165	Winchester	594,612	613,937
T166	Windham	2,520,456	2,602,371
T167	Windsor	3,208,290	3,312,560
T168	Windsor Locks	1,526,083	1,575,681
T169	Wolcott	1,830,112	1,889,591
T170	Woodbridge	1,288,548	1,330,426
T171	Woodbury	1,048,371	1,082,443
T172	Woodstock	863,428	891,489

1133 (b) If any municipality fails to make the payment required under
 1134 subsection (a) of this section for any fiscal year within thirty days after
 1135 the date such payment is due, a five per cent penalty shall be assessed
 1136 on the total amount of the payment due for such fiscal year.

1137 (c) Notwithstanding any provision of the general statutes, if any
 1138 municipality defaults in the payment of its obligation under
 1139 subsections (a) and (b) of this section, the State Treasurer shall notify
 1140 the State Comptroller and the Commissioner of Administrative
 1141 Services that the municipality is in default of such obligation. Upon
 1142 notice of such default, the state shall withhold payment of state aid
 1143 and assistance to such municipality pursuant to any statute in
 1144 existence at the time the default is established up to the amount of
 1145 such obligation.

1146 Sec. 28 (NEW) (*Effective from passage and applicable to assessment years*
 1147 *commencing on or after October 1, 2016*) (a) For purposes of this section,
 1148 (1) "acute care general hospital" means any such facility licensed by the
 1149 Department of Public Health that is used primarily for general medical
 1150 care and treatment, exclusive of any hospital used primarily for the
 1151 care and treatment of special types of disease or physical or mental
 1152 conditions, (2) "freestanding chronic disease hospital" means a facility
 1153 licensed by said department that provides for the care and treatment of

1154 chronic diseases, excluding any such facility that has an ownership
1155 affiliation with and is operated in the same location as a chronic and
1156 convalescent nursing home, and (3) "municipality" means any town,
1157 city or borough, consolidated town and city or consolidated town and
1158 borough.

1159 (b) Any real property owned by an acute care general hospital, a
1160 freestanding chronic disease hospital, a children's hospital or a
1161 psychiatric hospital shall be subject to the property tax under chapter
1162 203 of the general statutes. The provisions of this section regarding the
1163 taxable status of any such real property shall supersede the provisions
1164 of any section of the general statutes or any public or special act to the
1165 contrary, except for (1) the property tax exemptions specified in
1166 subdivisions (1) and (2) of section 12-81 of the general statutes, (2) any
1167 property for which a payment in lieu of taxes is made under
1168 subsection (b) of section 12-20b of the general statutes, and (3) the
1169 property tax exemption a municipality may provide by adopting an
1170 ordinance in accordance with the provisions of subsection (c) of this
1171 section.

1172 (c) (1) Any municipality in which real property, as described in
1173 section 12-64 of the general statutes, owned by any acute care general
1174 hospital, freestanding chronic disease hospital, children's hospital or
1175 psychiatric hospital is situated may, by ordinance adopted by its
1176 legislative body, or, in a municipality where the legislative body is a
1177 town meeting, by vote of the board of selectmen, provide an
1178 exemption from property tax applicable to such real property for
1179 assessment years commencing on or after October 1, 2016. Such
1180 property tax exemption may be applicable to all or a portion of the
1181 total assessment of such real property, as determined by the
1182 municipality. The percentage of such total real property assessment
1183 that is exempt shall be specified in the ordinance adopted pursuant to
1184 this subsection and the remaining portion of such total real property
1185 assessment, if any, shall be subject to taxation as provided in
1186 subsection (b) of this section. The ordinance may provide that real

1187 property leased to an acute care general hospital, a freestanding
1188 chronic disease hospital, a children's hospital or a psychiatric hospital
1189 is eligible for an exemption under this subsection. The ordinance shall
1190 provide that any real property acquired or leased by an acute care
1191 general hospital, a freestanding chronic disease hospital, a children's
1192 hospital or a psychiatric hospital after the first day of October shall
1193 first become exempt to the extent allowed by the municipality on the
1194 assessment date next succeeding the date of acquisition or lease. The
1195 chief executive officer of any municipality that adopts an ordinance
1196 pursuant to this subsection shall send a copy of such ordinance to the
1197 Secretary of the Office of Policy and Management, not later than ten
1198 business days after the date on which the municipality's legislative
1199 body votes to approve such ordinance.

1200 (2) The owner of an acute care general hospital, a freestanding
1201 chronic disease hospital, a children's hospital or a psychiatric hospital
1202 seeking an exemption adopted by ordinance pursuant to subdivision
1203 (1) of this subsection shall apply to the assessor of such municipality.
1204 Such application shall be on a form prepared for such purpose by the
1205 assessor and shall be filed not later than the first day of November
1206 following the assessment date with respect to which such exemption is
1207 claimed, except that an application for the assessment year
1208 commencing October 1, 2016, may be filed not later than sixty days
1209 after the date on which an ordinance authorizing the exemption is
1210 effective. The assessor may grant an extension of not more than forty-
1211 five days to file the application upon determination that there is good
1212 cause. If the date for filing is a Saturday, Sunday or a legal holiday, the
1213 application may be filed without penalty on the following business
1214 day.

1215 (3) Failure to file an application in the form or manner or within the
1216 time period prescribed under this subsection shall constitute a waiver
1217 of the right to such exemption for the assessment year, unless the
1218 assessor grants an extension of time to file such application. If an
1219 extension of time is so allowed, the applicant shall pay a fee for late

1220 filing to the municipality in which the real property, for which such
1221 application is filed, is situated, unless such fee is waived by the
1222 assessor or board of assessors. Such fee shall be as follows: (A) If the
1223 assessed value of the real property for which such exemption
1224 application is filed is one hundred thousand dollars or less, fifty
1225 dollars; (B) if the assessed value of the real property for which such
1226 exemption application is filed is greater than one hundred thousand
1227 dollars but less than two hundred fifty thousand dollars, one hundred
1228 fifty dollars; (C) if the assessed value of the real property for which
1229 such exemption application is filed is equal to or greater than two
1230 hundred fifty thousand dollars but less than five hundred thousand
1231 dollars, two hundred fifty dollars; and (D) if the assessed value of the
1232 real property for which such exemption application is filed is equal to
1233 or greater than five hundred thousand dollars, five hundred dollars.

1234 (4) When an applicant has filed, and the assessor has approved,
1235 such application for the first time, such applicant shall file an
1236 exemption application quadrennially thereafter, subject to the
1237 provisions of this subdivision. Any owner who has submitted an
1238 application and been approved in any year for the exemption under
1239 this subsection shall be presumed to be qualified for such exemption in
1240 the three assessment years immediately following the year of initial
1241 approval, unless the following occurs: (A) There is a change to the
1242 composition of the exempt real property of the acute care general
1243 hospital, freestanding chronic disease hospital, children's hospital or
1244 psychiatric hospital, or (B) the acute care general hospital, freestanding
1245 chronic disease hospital, children's hospital or psychiatric hospital
1246 acquires, by purchase or lease, real property, whether or not such real
1247 property was tax-exempt to any extent under this subsection prior to
1248 such purchase or lease. If there is such a change or acquisition, the
1249 owner shall file a new application for the exemption under this
1250 subsection by the first day of November next succeeding the date of
1251 any change or acquisition described in this subdivision. Any such
1252 newly altered or acquired real property shall be subject to taxation

1253 until the application and approval requirements of this subsection
1254 have been complied with.

1255 (5) If the legislative body of the municipality elects, pursuant to
1256 section 12-62c of the general statutes, to defer all or any part of the
1257 amount of the increase in the assessed value of real property in the
1258 year a revaluation becomes effective and in any succeeding year in
1259 which such deferment is allowed, the portion of the taxable real
1260 property assessment of an acute care general hospital, a freestanding
1261 chronic disease hospital, a children's hospital or a psychiatric hospital
1262 for each assessment year in which such deferments are allowed, shall
1263 reflect assessments based upon such deferment.

1264 (d) (1) Notwithstanding the provisions of section 12-55 of the
1265 general statutes, the assessor or board of assessors of any municipality
1266 in which real property owned by an acute care general hospital, a
1267 freestanding chronic disease hospital, a children's hospital or a
1268 psychiatric hospital is situated and becomes taxable as of the
1269 assessment year commencing October 1, 2016, shall reflect the addition
1270 of the assessments of such taxable real property and the deduction of
1271 such assessments from the tax-exempt portion of the grand list for said
1272 assessment year. Such assessor shall send written notice of the
1273 valuation of any such taxable real property to the last-known address
1274 of the acute care general hospital, freestanding chronic disease
1275 hospital, children's hospital or psychiatric hospital that owns such real
1276 property and such hospital shall have the right to appeal such
1277 valuation during a special meeting of the board of assessment appeals,
1278 as provided in this subsection. Each notice sent pursuant to this
1279 subsection shall include: (A) The total valuation of the real property;
1280 (B) the percentage and amount of the real property assessment that is
1281 subject to taxation; and (C) information describing the manner in
1282 which an appeal may be filed with the board of assessment appeals.
1283 Each such notice shall be mailed not later than ten calendar days after
1284 the date on which the assessor adjusts the taxable and tax-exempt
1285 grand lists pursuant to this subsection. The assessor shall notify the

1286 board of assessment appeals of the supplemental addition to the
1287 taxable grand list for the assessment year commencing October 1, 2016.

1288 (2) Any person, including any lessee of real property whose lease
1289 has been recorded as provided in section 47-19 of the general statutes
1290 and is bound under the terms of the lease to pay real property taxes
1291 and any person to whom title to such property has been transferred
1292 since the assessment date, claiming to be aggrieved by the actions of
1293 the assessor of such municipality regarding such valuation may appeal
1294 to the board of assessment appeals. Such appeal shall be filed, in
1295 writing, not later than thirty days after the date on which the assessor
1296 sends notice of a supplemental addition to the taxable grand list for the
1297 assessment year commencing October 1, 2016. The written appeal shall
1298 include, but is not limited to, the property owner's name, the name and
1299 position of the signer, a description of the property that is the subject
1300 of the appeal, the name and mailing address of the party to be sent all
1301 correspondence from the board of assessment appeals, the reason for
1302 the appeal, the appellant's estimate of value, the signature of the
1303 property owner or a duly authorized agent of the property owner and
1304 the date of signature.

1305 (3) During the assessment year commencing October 1, 2016, the
1306 board of assessment appeals shall notify each aggrieved person who
1307 filed a written appeal in accordance with subdivision (2) of this
1308 subsection regarding the valuation of real property of the date, time
1309 and place of the appeal hearing. Such notice shall be sent not later than
1310 seven calendar days preceding the hearing date, except that the board
1311 may elect not to conduct an appeal hearing for any commercial,
1312 industrial, utility or apartment property with an assessed value greater
1313 than one million dollars. In such case, the board shall notify the
1314 appellant, in writing, that it has elected not to conduct an appeal
1315 hearing. The board shall determine all appeals for which it conducts an
1316 appeal hearing and send written notification of the final determination
1317 of such appeals to each such person not later than one week after such
1318 determination has been made. Such written notification shall include

1319 information describing the property owner's right to appeal the
1320 determination of such board in accordance with subdivision (5) of this
1321 subsection.

1322 (4) The board of assessment appeals shall not reduce the valuation
1323 or assessment of real property on the revised taxable grand list owned
1324 or leased by an acute care general hospital, a freestanding chronic
1325 disease hospital, a children's hospital or a psychiatric hospital that
1326 does not appear at a hearing before the board of assessment appeals,
1327 either in person or by such hospital's attorney or agent, and offer or
1328 consent to be sworn before the board and answer all questions
1329 touching such hospital's real property situated in the municipality.

1330 (5) Any person aggrieved by (A) the action of the board of
1331 assessment appeals with respect to the supplemental addition of real
1332 property to the assessment list for the assessment year commencing
1333 October 1, 2016, under the provisions of this subsection, or (B) a
1334 decision of the board not to conduct an appeal hearing for any such
1335 real property with an assessed value greater than one million dollars,
1336 may make application, not later than two months after the date of the
1337 mailing of notice of such action, in the nature of an appeal therefrom,
1338 to the superior court for the judicial district in which such town or city
1339 is situated. All provisions of section 12-117a of the general statutes,
1340 other than the time for filing, shall be applicable to such application.
1341 The pendency of such application shall not suspend an action by the
1342 municipality to collect not more than seventy-five per cent of the tax so
1343 assessed or not more than ninety per cent of such tax with respect to
1344 any real property for which the assessed value is five hundred
1345 thousand dollars or more, and upon which such appeal is taken.

1346 (e) (1) During the assessment year commencing October 1, 2016, the
1347 tax collector shall prepare a warrant with respect to the supplemental
1348 addition of taxable real property to the grand list for said year under
1349 subsection (d) of this section and shall forward such warrant to the
1350 owner of such real property. Such tax collector shall have the same

1351 powers for the collection of the tax based on such supplemental
1352 additions to such list as for the collection of other taxes. The tax
1353 collector shall, not later than twenty days after receiving notice from
1354 the assessor of the addition of such taxable real property to the taxable
1355 grand list for said assessment year, mail or deliver to the owner of such
1356 real property a bill for the amount of taxes for which such owner is
1357 liable and shall include with such bill, using (A) an attachment, (B) an
1358 enclosure, or (C) printed matter upon the face of the bill, a statement of
1359 state aid to municipalities that shall be in the following form:

1360 "The (fiscal year) budget for the (city or town) estimates that ...
1361 Dollars will be received from the state of Connecticut for various state
1362 financed programs. Without this assistance your (fiscal year) property
1363 tax would be (insert the amount computed in accordance with
1364 subsection (b) of section 12-130 of the general statutes) mills."

1365 (2) Such tax shall be due and payable not later than thirty days after
1366 the date on which the tax collector mailed or delivered the tax bill to
1367 the owner of such real property. Failure to send out or receive any
1368 such bill or statement shall not invalidate the tax. For purposes of this
1369 subdivision, "mail" includes to send by electronic mail, provided an
1370 individual from whom taxes are due consents, in writing, to receive a
1371 bill and statement electronically.

1372 (3) If the tax collector of a municipality in which the real property of
1373 any acute care general hospital, freestanding chronic disease hospital,
1374 children's hospital or psychiatric hospital is situated collects real
1375 property taxes for the assessment year commencing October 1, 2016, in
1376 more than one installment, the tax collector shall cause payment of any
1377 tax due under this subsection to be made in the number of installments
1378 remaining in the fiscal year for all other real property taxes. If the final
1379 day for payment of any tax or any installment is a Saturday, Sunday or
1380 a legal holiday, payment may be made without interest or penalty on
1381 the following business day.

1382 (f) (1) The assessor of any town in which real property owned by an
1383 acute care general hospital, a freestanding chronic disease hospital, a
1384 children's hospital or a psychiatric hospital becomes subject to the
1385 property tax under chapter 203 of the general statutes for the
1386 assessment year commencing October 1, 2016, shall separate the real
1387 property within a district, as defined in section 7-324 of the general
1388 statutes, from the other real property in the town. The assessor shall
1389 promptly notify the district clerk that the assessment of such real
1390 property has been added to the taxable portion of the grand list for
1391 said assessment year. If the legislative body of the town elects,
1392 pursuant to section 12-62c of the general statutes, to defer all or any
1393 part of the amount of the increase in the assessed value of real
1394 property in the year a revaluation becomes effective and in any
1395 succeeding year in which such deferment is allowed, such assessment
1396 furnished to the district clerk for each such year shall reflect
1397 assessments based upon such deferment.

1398 (2) The district clerk shall prepare a rate bill and deliver such bill to
1399 the treasurer of the district. The district and the treasurer shall have the
1400 same powers as towns and collectors of taxes to collect and enforce
1401 payment of such taxes. Such taxes, when laid, shall be a lien upon the
1402 real property in the same manner as town taxes and may be continued
1403 by certificates recorded in the land record office of the town and
1404 foreclosed in the same manner as liens for town taxes or enforced in
1405 accordance with any provision of the general statutes for the collection
1406 of property taxes. The assessor or board of assessment appeals shall
1407 promptly forward to the district clerk any certificate of correction or
1408 notice of any other lawful change to the grand list for the assessment
1409 year commencing October 1, 2016. The district clerk shall, not later
1410 than ten days after receiving any such certificate or notice, forward a
1411 copy of such certificate or notice to the treasurer, who shall correct
1412 accordingly the assessment of the real property for which such
1413 certificate or notice was issued and the rate bill related to such
1414 assessment.

1415 Sec. 29. Subsections (a) and (b) of section 12-18b of the general
1416 statutes are repealed and the following is substituted in lieu thereof
1417 (*Effective July 1, 2017*):

1418 (a) For purposes of this section:

1419 (1) "College and hospital property" means all real property owned
1420 by a private nonprofit institution of learning, an acute care general
1421 hospital, a freestanding chronic disease hospital or an eligible urgent
1422 care facility and described in [subsection (a) of section 12-20a]
1423 subdivisions (17) to (20), inclusive, of this subsection;

1424 (2) "District" [means any district, as defined] has the same meaning
1425 as provided in section 7-324;

1426 (3) "Qualified college and hospital property" means college and
1427 hospital property described in subparagraph [(B)] (C) of subdivision
1428 (2) of subsection (b) of this section;

1429 (4) "Qualified state, municipal or tribal property" means state,
1430 municipal or tribal property described in subparagraphs (A) to (G),
1431 inclusive, of subdivision (1) of subsection (b) of this section;

1432 (5) "Municipality" means any town, city, borough, consolidated
1433 town and city and consolidated town and borough;

1434 (6) "Select college and hospital property" means college and hospital
1435 property described in [subparagraph (A)] subparagraphs (A) and (B)
1436 of subdivision (2) of subsection (b) of this section;

1437 (7) "Select payment in lieu of taxes account" means the account
1438 established pursuant to section 12-18c;

1439 (8) "Select state property" means state property described in
1440 subparagraph (H) of subdivision (1) of subsection (b) of this section;

1441 (9) "State, municipal or tribal property" means all real property

1442 described in subsection (a) of section 12-19a;

1443 (10) "Tier one districts or municipalities" means the ten districts or
1444 municipalities with the highest percentage of tax exempt property on
1445 the list of municipalities prepared by the Secretary of the Office of
1446 Policy and Management pursuant to subsection (c) of this section and
1447 having a mill rate of twenty-five mills or more;

1448 (11) "Tier two districts or municipalities" means the next twenty-five
1449 districts or municipalities after tier one districts or municipalities with
1450 the highest percentage of tax exempt property on the list of
1451 municipalities prepared by the Secretary of the Office of Policy and
1452 Management pursuant to subsection (c) of this section and having a
1453 mill rate of twenty-five mills or more;

1454 (12) "Tier three districts or municipalities" means all districts and
1455 municipalities not included in tier one districts or municipalities or tier
1456 two districts or municipalities;

1457 (13) "Tier one municipalities" means the ten municipalities with the
1458 highest percentage of tax exempt property on the list of municipalities
1459 prepared by the Secretary of the Office of Policy and Management
1460 pursuant to subsection (c) of this section and having a mill rate of
1461 twenty-five mills or more;

1462 (14) "Tier two municipalities" means the next twenty-five
1463 municipalities after tier one municipalities with the highest percentage
1464 of tax exempt property on the list of municipalities prepared by the
1465 Secretary of the Office of Policy and Management pursuant to
1466 subsection (c) of this section and having a mill rate of twenty-five mills
1467 or more;

1468 (15) "Tier three municipalities" means all municipalities not
1469 included in tier one municipalities or tier two municipalities; [and]

1470 (16) "Mill rate" means the mill rate on real property and personal

1471 property other than motor vehicles;

1472 (17) "Private nonprofit institution of higher learning" means any
1473 such institution, as defined in subsection (a) of section 10a-34, or any
1474 independent institution of higher education, as defined in subsection
1475 (a) of section 10a-173, that is engaged primarily in education beyond
1476 the high school level, and offers courses of instruction for which
1477 college or university-level credit may be given or may be received by
1478 transfer, the property of which is exempt from property tax under any
1479 of the subdivisions of section 12-81, as amended by this act;

1480 (18) "Acute care general hospital" means any such facility licensed
1481 by the Department of Public Health that is used primarily for general
1482 medical care and treatment, exclusive of any hospital used primarily
1483 for the care and treatment of special types of disease or physical or
1484 mental conditions, the real property of which was tax exempt under
1485 any of the subdivisions of section 12-81, as amended by this act, in the
1486 assessment year commencing October 1, 2015;

1487 (19) "Freestanding chronic disease hospital" means a facility licensed
1488 by the Department of Public Health that provides for the care and
1489 treatment of chronic diseases, excluding any such facility that has an
1490 ownership affiliation and operated in the same location as a chronic
1491 and convalescent nursing home, the real property of which was tax
1492 exempt under any of the subdivisions of section 12-81, as amended by
1493 this act, in the assessment year commencing October 1, 2015; and

1494 (20) "Eligible urgent care facility" includes an urgent care facility
1495 that operates for at least twelve hours a day, had been the location of a
1496 nonprofit general hospital for at least a portion of calendar year 1996
1497 and was eligible to receive payments in lieu of taxes for such property
1498 under section 12-20a in the fiscal year commencing July 1, 2016.

1499 (b) Notwithstanding the provisions of sections 12-19a and 12-20a, all
1500 funds appropriated for state grants in lieu of taxes shall be payable to
1501 municipalities and districts pursuant to the provisions of this section.

1502 On or before January first, annually, the Secretary of the Office of
1503 Policy and Management shall determine the amount due, as a state
1504 grant in lieu of taxes, to each municipality and district in this state
1505 wherein college and hospital property is [located] situated and to each
1506 municipality in this state wherein state, municipal or tribal property,
1507 except that which was acquired and used for highways and bridges,
1508 but not excepting property acquired and used for highway
1509 administration or maintenance purposes, is [located] situated.

1510 (1) The grant payable to any municipality for state, municipal or
1511 tribal property under the provisions of this section in the fiscal year
1512 ending June 30, 2017, and each fiscal year thereafter shall be equal to
1513 the total of:

1514 (A) One hundred per cent of the property taxes that would have
1515 been paid with respect to any facility designated by the Commissioner
1516 of Correction, on or before August first of each year, to be a
1517 correctional facility administered under the auspices of the
1518 Department of Correction or a juvenile detention center under
1519 direction of the Department of Children and Families that was used for
1520 incarcerative purposes during the preceding fiscal year. If a list
1521 containing the name and location of such designated facilities and
1522 information concerning their use for purposes of incarceration during
1523 the preceding fiscal year is not available from the Secretary of the State
1524 on August first of any year, the Commissioner of Correction shall, on
1525 said date, certify to the Secretary of the Office of Policy and
1526 Management a list containing such information;

1527 (B) One hundred per cent of the property taxes that would have
1528 been paid with respect to that portion of the John Dempsey Hospital
1529 located at The University of Connecticut Health Center in Farmington
1530 that is used as a permanent medical ward for prisoners under the
1531 custody of the Department of Correction. Nothing in this section shall
1532 be construed as designating any portion of The University of
1533 Connecticut Health Center John Dempsey Hospital as a correctional

1534 facility;

1535 (C) One hundred per cent of the property taxes that would have
1536 been paid on any land designated within the 1983 Settlement
1537 boundary and taken into trust by the federal government for the
1538 Mashantucket Pequot Tribal Nation on or after June 8, 1999;

1539 (D) Subject to the provisions of subsection (c) of section 12-19a,
1540 sixty-five per cent of the property taxes that would have been paid
1541 with respect to the buildings and grounds comprising Connecticut
1542 Valley Hospital in Middletown;

1543 (E) With respect to any municipality in which more than fifty per
1544 cent of the property is state-owned real property, one hundred per cent
1545 of the property taxes that would have been paid with respect to such
1546 state-owned property;

1547 (F) Forty-five per cent of the property taxes that would have been
1548 paid with respect to all municipally owned airports, [;] except for the
1549 exemption applicable to such property, on the assessment list in such
1550 municipality for the assessment date two years prior to the
1551 commencement of the state fiscal year in which such grant is payable.
1552 The grant provided pursuant to this section for any municipally
1553 owned airport shall be paid to any municipality in which the airport is
1554 [located] situated, except that the grant applicable to Sikorsky Airport
1555 shall be paid one-half to the town of Stratford and one-half to the city
1556 of Bridgeport;

1557 (G) Forty-five per cent of the property taxes that would have been
1558 paid with respect to any land designated within the 1983 Settlement
1559 boundary and taken into trust by the federal government for the
1560 Mashantucket Pequot Tribal Nation prior to June 8, 1999, or taken into
1561 trust by the federal government for the Mohegan Tribe of Indians of
1562 Connecticut, provided the real property subject to this subparagraph
1563 shall be the land only, and shall not include the assessed value of any
1564 structures, buildings or other improvements on such land; and

1565 (H) Forty-five per cent of the property taxes that would have been
1566 paid with respect to all other state-owned real property.

1567 (2) (A) (i) The grant payable to any municipality or district for
1568 college and hospital property under the provisions of this section in
1569 the fiscal year ending June 30, 2017, [and each fiscal year thereafter]
1570 shall be equal to the total of seventy-seven per cent of the property
1571 taxes that, except for any exemption applicable to any college and
1572 hospital property under the provisions of section 12-81, as amended by
1573 this act, would have been paid with respect to college and hospital
1574 property on the assessment list in such municipality or district for the
1575 assessment date two years prior to the commencement of the state
1576 fiscal year in which such grant is payable; [and]

1577 (ii) The grant payable to any municipality or district for college
1578 property in the fiscal year ending June 30, 2018, and each fiscal year
1579 thereafter shall be equal to the total of seventy-seven per cent of the
1580 property taxes that, except for any exemption applicable to the real
1581 property of any institution of higher education under the provisions of
1582 section 12-81, as amended by this act, would have been paid with
1583 respect to college property on the assessment list in such municipality
1584 or district for the assessment date two years prior to the
1585 commencement of the state fiscal year in which such grant is payable;

1586 (B) Notwithstanding the provisions of subparagraph (A) of this
1587 subdivision, the grant payable to any municipality or district with
1588 respect to real property of an eligible urgent care facility in the fiscal
1589 year ending June 30, 2017, and each fiscal year thereafter shall be
1590 seventy-seven per cent; and

1591 ~~[(B)]~~ (C) Notwithstanding the provisions of subparagraph (A) of this
1592 subdivision, the grant payable to any municipality or district with
1593 respect to a campus of the United States Department of Veterans
1594 Affairs Connecticut Healthcare Systems in the fiscal year ending June
1595 30, 2017, and each fiscal year thereafter shall be one hundred per cent.

1596 Sec. 30. Subdivision (1) of subsection (e) of section 12-18b of the
 1597 general statutes is repealed and the following is substituted in lieu
 1598 thereof (*Effective July 1, 2017*):

1599 (e) (1) (A) For the fiscal years ending June 30, 2018, and June 30,
 1600 2019, if the total of grants payable to each municipality and district in
 1601 accordance with the provisions of subsection (b) of this section
 1602 [exceeds] differs from the amount appropriated for the purposes of
 1603 said subsection (b) for said fiscal years: ~~[(A)]~~ (i) The amount of the
 1604 grant payable to each municipality for state, municipal or tribal
 1605 property, for which the grant calculated under this section is less than
 1606 one hundred per cent of the property tax that would be due for such
 1607 property except for the exemption applicable to such property, and to
 1608 each municipality or district for college and hospital property shall be
 1609 ~~[reduced]~~ adjusted proportionately, provided the percentage of the
 1610 property taxes payable to a municipality or district with respect to
 1611 such property shall not be lower than the percentage paid to the
 1612 municipality or district for such property for the fiscal year ending
 1613 June 30, 2015; and ~~[(B)]~~ (ii) certain municipalities and districts shall
 1614 receive an additional payment in lieu of taxes grant payable from the
 1615 select payment in lieu of taxes account. The total amount of the grant
 1616 payment is as follows:

T173	Municipality/District	Grant Amount
T174	Ansonia	20,543
T175	Bridgeport	3,236,058
T176	Chaplin	11,177
T177	Danbury	620,540
T178	Deep River	1,961
T179	Derby	138,841
T180	East Granby	9,904
T181	East Hartford	214,997
T182	Hamden	620,903
T183	Hartford	12,422,113

T184	Killingly	46,615
T185	Ledyard	3,012
T186	Litchfield	13,907
T187	Mansfield	2,630,447
T188	Meriden	259,564
T189	Middletown	727,324
T190	Montville	26,217
T191	New Britain	2,085,537
T192	New Haven	15,246,372
T193	New London	1,356,780
T194	Newington	176,884
T195	North Canaan	4,393
T196	Norwich	259,862
T197	Plainfield	16,116
T198	Simsbury	21,671
T199	Stafford	43,057
T200	Stamford	552,292
T201	Suffield	53,767
T202	Wallingford	61,586
T203	Waterbury	3,284,145
T204	West Hartford	211,483
T205	West Haven	339,563
T206	Windham	1,248,096
T207	Windsor	9,660
T208	Windsor Locks	32,533
T209	Borough of Danielson (Killingly)	2,232
T210	Borough of Litchfield	143
T211	Middletown: South Fire District	1,172
T212	Plainfield - Plainfield Fire District	309
T213	West Haven First Center (D1)	1,187
T214	West Haven: Allingtown FD (D3)	53,053
T215	West Haven: West Shore FD (D2)	35,065

1617 (B) In no event shall an adjusted grant calculated under this
1618 subsection exceed one hundred per cent of the property tax that would
1619 have been due except for the exemption applicable to any property for
1620 which a grant is payable.

1621 Sec. 31. Subdivision (7) of section 12-81 of the general statutes is
1622 amended by adding subparagraph (C) as follows (*Effective from passage*
1623 *and applicable to assessment years commencing on or after October 1, 2016*):

1624 (NEW) (C) On and after October 1, 2016, real property owned by
1625 any acute care general hospital or freestanding chronic disease
1626 hospital, as defined in section 28 of this act, or children's hospital or
1627 psychiatric hospital shall not be considered to be property used for a
1628 charitable purpose under this section, except that nothing in this
1629 subparagraph shall be deemed to affect the charitable or tax-exempt
1630 status of any real payment for which a payment in lieu of taxes is made
1631 under subsection (b) of section 12-20b or of any personal property of a
1632 corporation as described in subparagraph (A) of this subdivision;

1633 Sec. 32. Subdivision (16) of section 12-81 of the general statutes is
1634 repealed and the following is substituted in lieu thereof (*Effective from*
1635 *passage and applicable to assessment years commencing on or after October 1,*
1636 *2016*):

1637 (16) Subject to the provisions of section 12-88, all personal property
1638 of, or held in trust for, any Connecticut hospital society or corporation
1639 or sanatorium, provided (A) no officer, member or employee thereof
1640 receives or, at any future time, shall receive any pecuniary profit from
1641 the operations thereof, except reasonable compensation for services in
1642 the conduct of its affairs, and (B) in 1967, and quadrennially thereafter,
1643 a statement shall be filed by such hospital society, corporation or
1644 sanatorium on or before the first day of November with the assessor or
1645 board of assessors of any town, consolidated town and city or
1646 consolidated town and borough, in which any of its personal property
1647 claimed to be exempt is situated. Such statement shall be filed on a

1648 form provided by such assessor or board of assessors;

1649 Sec. 33. Subdivision (58) of section 12-81 of the general statutes is
1650 repealed and the following is substituted in lieu thereof (*Effective from*
1651 *passage and applicable to assessment years commencing on or after October 1,*
1652 *2016*):

1653 (58) (A) Subject to authorization of the exemption by ordinance in
1654 any municipality, any real or personal property leased to a charitable,
1655 religious or nonprofit organization, exempt from taxation for federal
1656 income tax purposes, provided such property is used exclusively for
1657 the purposes of such charitable, religious or nonprofit organization
1658 and not otherwise exempt under this section;

1659 (B) On and after October 1, 2016, any real property leased to an
1660 acute care general hospital or a freestanding chronic disease hospital,
1661 as both terms are defined in section 28 of this act, a children's hospital
1662 or a psychiatric hospital shall not be eligible for the exemption under
1663 this subdivision, unless the municipality in which such leased real
1664 property is situated provides for such an exemption by ordinance
1665 adopted in accordance with section 28 of this act;

1666 Sec. 34. Subsection (e) of section 19a-644 of the general statutes is
1667 repealed and the following is substituted in lieu thereof (*Effective from*
1668 *passage*):

1669 (e) The office shall require each hospital licensed by the Department
1670 of Public Health, that is not subject to the provisions of subsection (a)
1671 of this section, to report to said office on its operations in the preceding
1672 fiscal year by filing (1) copies of the hospital's audited financial
1673 statements, [except a] and (2) a Hospital Reporting System Report 500
1674 of twelve months' actual filing. A health system, as defined in section
1675 19a-508c, may submit to the office one such report that includes the
1676 audited financial statements and Report 500 for each of its hospitals.
1677 Such report shall be due at the office on or before the close of business
1678 on the last business day of the fifth month following the month in

1679 which a hospital's fiscal year ends.

1680 Sec. 35. (NEW) (*Effective October 1, 2017, and applicable to assessment*
1681 *years commencing on or after October 1, 2017*) (a) Any hospital claiming
1682 an exemption from the property tax on personal property pursuant to
1683 subdivision (7) or (16) of section 12-81 of the general statutes, as
1684 amended by this act, with respect to any taxable year shall submit a
1685 declaration of the tangible personal property, as described in sections
1686 12-41 and 12-43 of the general statutes, and a statement in accordance
1687 with section 12-49 of the general statutes. Such declaration shall be
1688 submitted on or before October first or the extended filing date
1689 granted pursuant to section 12-42 of the general statutes, as amended
1690 by this act, as applicable, to the assessor or board of assessors of the
1691 municipality in which the hospital property claimed to be exempt is
1692 located. Commercial or financial information in any declaration filed
1693 under this section shall not be open to public inspection. The assessor
1694 or board of assessors, as applicable, shall add taxable property to any
1695 such declaration if so required by subsection (b) of section 12-53 of the
1696 general statutes. Exemptions claimed pursuant to subdivision (7) or
1697 (16) of section 12-81 of the general statutes, as amended by this act,
1698 shall be deemed waived for any assessment year in which a hospital
1699 fails to file a declaration in the manner prescribed by this section. For
1700 purposes of this section, "personal property" includes all property
1701 subject to tax pursuant to section 12-71 of the general statutes, and
1702 "hospital" means any nonprofit (1) acute care general hospital, (2)
1703 ambulatory surgical center, as defined in section 12-263i of the general
1704 statutes, (3) freestanding chronic hospital, and (4) urgent care facility
1705 that operates for at least twelve hours a day, had been the location of a
1706 nonprofit general hospital for at least a portion of calendar year 1996
1707 and was eligible to receive payments in lieu of taxes for such property
1708 under section 12-20a of the general statutes in the fiscal year
1709 commencing July 1, 2016. "Hospital" does not include any such
1710 hospital, center or facility operated by the federal government or the
1711 state of Connecticut or any political subdivision thereof.

1712 (b) Any assessor in receipt of a declaration filed pursuant to
1713 subsection (a) of this section shall determine the present true and
1714 actual value of such declared property pursuant to the requirements
1715 set forth in sections 12-63 and 12-71 of the general statutes. Such
1716 assessor shall include data concerning the assessment of tangible
1717 personal property included on a personal property declaration filed in
1718 accordance with this section, in the data provided to the Secretary of
1719 the Office of Policy and Management for purposes of the report under
1720 section 12-120a of the general statutes.

1721 Sec. 36. Section 12-42 of the general statutes is repealed and the
1722 following is substituted in lieu thereof (*Effective October 1, 2017, and*
1723 *applicable to assessment years commencing on or after October 1, 2017*):

1724 The assessors may grant an extension of not more than forty-five
1725 days to file the declaration required pursuant to section 12-41 or
1726 section 35 of this act upon determination that there is good cause. If no
1727 declaration is filed, the assessors shall fill out a declaration including
1728 all property [which] that the assessors have reason to believe is owned
1729 by the person for whom such declaration is prepared, liable to
1730 taxation, at the percentage of its actual valuation, as determined by the
1731 assessors in accordance with the provisions of sections 12-63 and 12-71,
1732 from the best information they can obtain, and add thereto twenty-five
1733 per cent of such assessment. When the first day of November is a
1734 Saturday or Sunday, the declaration may be filed or postmarked on the
1735 next business day following.

1736 Sec. 37. Subparagraph (A) of subdivision (7) of section 12-81 of the
1737 general statutes is repealed and the following is substituted in lieu
1738 thereof (*Effective October 1, 2017, and applicable to assessment years*
1739 *commencing on or after October 1, 2017*):

1740 (7) (A) Subject to the provisions of sections 12-87, [and] 12-88 and
1741 section 35 of this act, the real property of, or held in trust for, a
1742 corporation organized exclusively for scientific, educational, literary,

1743 historical or charitable purposes or for two or more such purposes and
1744 used exclusively for carrying out one or more of such purposes or for
1745 the purpose of preserving open space land, as defined in section 12-
1746 107b, for any of the uses specified in said section, that is owned by any
1747 such corporation, and the personal property of, or held in trust for, any
1748 such corporation, provided (i) any officer, member or employee
1749 thereof does not receive or at any future time shall not receive any
1750 pecuniary profit from the operations thereof, except reasonable
1751 compensation for services in effecting one or more of such purposes or
1752 as proper beneficiary of its strictly charitable purposes, and (ii) in 1965,
1753 and quadrennially thereafter, a statement shall be filed on or before the
1754 first day of November with the assessor or board of assessors of any
1755 town, consolidated town and city or consolidated town and borough,
1756 in which any of its property claimed to be exempt is situated. Such
1757 statement shall be filed on a form provided by such assessor or board
1758 of assessors. The real property shall be eligible for the exemption
1759 regardless of whether it is used by another corporation organized
1760 exclusively for scientific, educational, literary, historical or charitable
1761 purposes or for two or more such purposes;

1762 Sec. 38. Subdivision (16) of section 12-81 of the general statutes, as
1763 amended by section 32 of this act, is repealed and the following is
1764 substituted in lieu thereof (*Effective October 1, 2017, and applicable to*
1765 *assessment years commencing on or after October 1, 2017*):

1766 (16) Subject to the provisions of section 12-88 and section 35 of this
1767 act, all personal property of, or held in trust for, any Connecticut
1768 hospital society or corporation or sanatorium, provided (A) no officer,
1769 member or employee thereof receives or, at any future time, shall
1770 receive any pecuniary profit from the operations thereof, except
1771 reasonable compensation for services in the conduct of its affairs, and
1772 (B) in 1967, and quadrennially thereafter, a statement shall be filed by
1773 such hospital society, corporation or sanatorium on or before the first
1774 day of November with the assessor or board of assessors of any town,
1775 consolidated town and city or consolidated town and borough, in

1776 which any of its personal property claimed to be exempt is situated.
1777 Such statement shall be filed on a form provided by such assessor or
1778 board of assessors;

1779 Sec. 39. Section 12-81 of the general statutes is amended by adding
1780 subdivision (78) as follows (*Effective October 1, 2017, and applicable to*
1781 *assessment years commencing on or after October 1, 2017*):

1782 (NEW) (78) Personal property owned or leased by a business
1783 organization whose personal property has a total assessed value of less
1784 than ten thousand dollars. Any person claiming the exemption
1785 provided under this subdivision for any assessment year shall
1786 annually, on or before the first day of November, file a written
1787 application for such exemption with the assessor or board of assessors
1788 in the town in which such personal property is located. Failure to file
1789 such an application in the manner and form provided by such assessor
1790 or board of assessors or within the time limit prescribed shall
1791 constitute a waiver of the right to the exemption for the assessment
1792 year.

1793 Sec. 40. Section 4-66*l* of the general statutes is repealed and the
1794 following is substituted in lieu thereof (*Effective July 1, 2017*):

1795 (a) For the purposes of this section:

1796 (1) "FY 15 mill rate" means the mill rate a municipality uses during
1797 the fiscal year ending June 30, 2015;

1798 (2) "Mill rate" means, unless otherwise specified, the mill rate a
1799 municipality uses to calculate tax bills for motor vehicles;

1800 (3) "Municipality" means any town, city, consolidated town and city
1801 or consolidated town and borough. "Municipality" includes a district
1802 for the purposes of subdivision (1) of subsection (d) of this section;

1803 (4) "Municipal spending" means:

T216 Municipal Municipal
T217 spending for spending for
T218 the fiscal year - the fiscal year
T219 prior to the two years
T220 current fiscal prior to the
T221 year current year
T222 _____ X 100 = Municipal spending;
T223 Municipal spending for the fiscal
T224 year two years prior to the
T225 current year

1804 (5) "Per capita distribution" means:

T226 Municipal population
T227 _____ X Sales tax revenue = Per capita distribution;
T228 _____
T229 Total state population

1805 (6) "Pro rata distribution" means:

T230 Municipal weighted
T231 mill rate
T232 calculation
T233 _____ X Sales tax revenue = Pro rata distribution;
T234 Sum of all municipal
T235 weighted mill rate
T236 calculations combined

1806 (7) "Regional council of governments" means any such council
1807 organized under the provisions of sections 4-124i to 4-124p, inclusive;

1808 (8) "Municipal population" means the number of persons in a
1809 municipality according to the most recent estimate of the Department
1810 of Public Health;

1811 (9) "Total state population" means the number of persons in this

1812 state according to the most recent estimate published by the
1813 Department of Public Health;

1814 (10) "Weighted mill rate" means a municipality's FY 15 mill rate
1815 divided by the average of all municipalities' FY 15 mill rate;

1816 (11) "Weighted mill rate calculation" means per capita distribution
1817 multiplied by a municipality's weighted mill rate;

1818 (12) "Sales tax revenue" means the moneys in the account remaining
1819 for distribution pursuant to subdivision (6) of subsection (b) of this
1820 section;

1821 (13) "District" means any district, as defined in section 7-324; and

1822 (14) "Secretary" means the Secretary of the Office of Policy and
1823 Management.

1824 (b) There is established an account to be known as the "municipal
1825 revenue sharing account" which shall be a separate, nonlapsing
1826 account within the General Fund. The account shall contain any
1827 moneys required by law to be deposited in the account. The secretary
1828 shall set aside and ensure availability of moneys in the account in the
1829 following order of priority and shall transfer or disburse such moneys
1830 as follows:

1831 (1) Ten million dollars for the fiscal year ending June 30, 2016, shall
1832 be transferred not later than April fifteenth for the purposes of grants
1833 under section 10-262h;

1834 (2) For the fiscal year ending June 30, 2018, and each fiscal year
1835 thereafter, moneys sufficient to make motor vehicle property tax
1836 grants payable to municipalities pursuant to subsection (c) of this
1837 section shall be expended not later than August first annually by the
1838 secretary;

1839 (3) For the fiscal year ending June 30, 2018, and each fiscal year

1840 thereafter, moneys sufficient to make the grants payable from the
1841 select payment in lieu of taxes grant account established pursuant to
1842 section 12-18c shall annually be transferred to the select payment in
1843 lieu of taxes account in the Office of Policy and Management;

1844 (4) For the fiscal years ending June 30, 2018, and June 30, 2019,
1845 moneys sufficient to make the municipal revenue sharing grants
1846 payable to municipalities pursuant to subdivision (2) of subsection (d)
1847 of this section shall be expended not later than October thirty-first
1848 annually by the secretary;

1849 (5) For the fiscal year ending June 30, 2018, and each fiscal year
1850 thereafter, seven million dollars shall be expended for the purposes of
1851 the regional services grants pursuant to subsection (e) of this section to
1852 the regional councils of governments; and

1853 (6) For the fiscal year ending June 30, 2020, and each fiscal year
1854 thereafter, moneys in the account remaining shall be expended
1855 annually by the secretary for the purposes of the municipal revenue
1856 sharing grants established pursuant to subsection (f) of this section.
1857 Any such moneys deposited in the account for municipal revenue
1858 sharing grants between October first and June thirtieth shall be
1859 distributed to municipalities on the following October first and any
1860 such moneys deposited in the account between July first and
1861 September thirtieth shall be distributed to municipalities on the
1862 following January thirty-first. Any municipality may apply to the
1863 Office of Policy and Management on or after July first for early
1864 disbursement of a portion of such grant. The Office of Policy and
1865 Management may approve such an application if it finds that early
1866 disbursement is required in order for a municipality to meet its cash
1867 flow needs. No early disbursement approved by said office may be
1868 issued later than September thirtieth.

1869 (c) For the fiscal year ending June 30, 2018, and each fiscal year
1870 thereafter, motor vehicle property tax grants to municipalities that

1871 impose mill rates on real property and personal property other than
 1872 motor vehicles greater than 32 mills or that, when combined with the
 1873 mill rate of any district located within the municipality, impose mill
 1874 rates greater than 32 mills, shall be made in an amount equal to the
 1875 difference between the amount of property taxes levied by the
 1876 municipality and any district located within the municipality on motor
 1877 vehicles for the assessment year commencing October 1, 2013, and the
 1878 amount such levy would have been if the mill rate on motor vehicles
 1879 for said assessment year was 32 mills. Not later than fifteen calendar
 1880 days after receiving a property tax grant pursuant to this section, the
 1881 municipality shall disburse to any district located within the
 1882 municipality the amount of any such property tax grant that is
 1883 attributable to the district.

1884 (d) (1) For the fiscal year ending June 30, 2017, each municipality
 1885 shall receive a municipal revenue sharing grant, which shall be
 1886 payable August 1, 2016, from the Municipal Revenue Sharing Fund
 1887 established in section 4-66p. The total amount of the grant payable is as
 1888 follows:

T237	Municipality	Grant Amount
T238	Andover	66,705
T239	Ansonia	605,442
T240	Ashford	87,248
T241	Avon	374,711
T242	Barkhamsted	76,324
T243	Beacon Falls	123,341
T244	Berlin	843,048
T245	Bethany	114,329
T246	Bethel	392,605
T247	Bethlehem	42,762
T248	Bloomfield	438,458
T249	Bolton	106,449
T250	Bozrah	53,783
T251	Branford	570,402

T252	Bridgeport	14,476,283
T253	Bridgewater	15,670
T254	Bristol	1,276,119
T255	Brookfield	343,611
T256	Brooklyn	103,910
T257	Burlington	193,490
T258	Canaan	14,793
T259	Canterbury	58,684
T260	Canton	211,078
T261	Chaplin	48,563
T262	Cheshire	594,084
T263	Chester	57,736
T264	Clinton	268,611
T265	Colchester	330,363
T266	Colebrook	29,694
T267	Columbia	111,276
T268	Cornwall	11,269
T269	Coventry	252,939
T270	Cromwell	288,951
T271	Danbury	2,079,675
T272	Darien	171,485
T273	Deep River	93,525
T274	Derby	462,718
T275	Durham	150,019
T276	East Granby	106,222
T277	East Haddam	186,418
T278	East Hampton	263,149
T279	East Hartford	3,877,281
T280	East Haven	593,493
T281	East Lyme	243,736
T282	East Windsor	232,457
T283	Eastford	23,060
T284	Easton	155,216
T285	Ellington	321,722

T286	Enfield	911,974
T287	Essex	74,572
T288	Fairfield	795,318
T289	Farmington	335,287
T290	Franklin	26,309
T291	Glastonbury	754,546
T292	Goshen	30,286
T293	Granby	244,839
T294	Greenwich	366,588
T295	Griswold	243,727
T296	Groton	433,177
T297	Guilford	456,863
T298	Haddam	170,440
T299	Hamden	4,491,337
T300	Hampton	38,070
T301	Hartford	13,908,437
T302	Hartland	27,964
T303	Harwinton	113,987
T304	Hebron	208,666
T305	Kent	26,808
T306	Killingly	351,213
T307	Killingworth	85,270
T308	Lebanon	149,163
T309	Ledyard	307,619
T310	Lisbon	45,413
T311	Litchfield	169,828
T312	Lyme	21,862
T313	Madison	372,897
T314	Manchester	1,972,491
T315	Mansfield	525,280
T316	Marlborough	131,065
T317	Meriden	1,315,347
T318	Middlebury	154,299
T319	Middlefield	91,372

T320	Middletown	964,657
T321	Milford	1,880,830
T322	Monroe	404,221
T323	Montville	401,756
T324	Morris	28,110
T325	Naugatuck	2,405,660
T326	New Britain	5,781,991
T327	New Canaan	168,106
T328	New Fairfield	288,278
T329	New Hartford	140,338
T330	New Haven	2,118,290
T331	New London	750,249
T332	New Milford	565,898
T333	Newington	651,000
T334	Newtown	572,949
T335	Norfolk	20,141
T336	North Branford	292,517
T337	North Canaan	66,052
T338	North Haven	487,882
T339	North Stonington	107,832
T340	Norwalk	3,401,590
T341	Norwich	1,309,943
T342	Old Lyme	79,946
T343	Old Saybrook	101,527
T344	Orange	284,365
T345	Oxford	171,492
T346	Plainfield	310,350
T347	Plainville	363,176
T348	Plymouth	255,581
T349	Pomfret	54,257
T350	Portland	192,715
T351	Preston	58,934
T352	Prospect	197,097
T353	Putnam	76,399

T354	Redding	189,781
T355	Ridgefield	512,848
T356	Rocky Hill	405,872
T357	Roxbury	15,998
T358	Salem	85,617
T359	Salisbury	20,769
T360	Scotland	36,200
T361	Seymour	343,388
T362	Sharon	19,467
T363	Shelton	706,038
T364	Sherman	39,000
T365	Simsbury	567,460
T366	Somers	141,697
T367	South Windsor	558,715
T368	Southbury	404,731
T369	Southington	889,821
T370	Sprague	89,456
T371	Stafford	243,095
T372	Stamford	2,372,358
T373	Sterling	77,037
T374	Stonington	202,888
T375	Stratford	1,130,316
T376	Suffield	321,763
T377	Thomaston	158,888
T378	Thompson	114,582
T379	Tolland	303,971
T380	Torrington	2,435,109
T381	Trumbull	745,325
T382	Union	17,283
T383	Vernon	641,027
T384	Voluntown	33,914
T385	Wallingford	919,984
T386	Warren	11,006
T387	Washington	25,496

T388	Waterbury	13,438,542
T389	Waterford	259,091
T390	Watertown	453,012
T391	West Hartford	1,614,320
T392	West Haven	1,121,850
T393	Westbrook	80,601
T394	Weston	211,384
T395	Westport	262,402
T396	Wethersfield	940,267
T397	Willington	121,568
T398	Wilton	380,234
T399	Winchester	224,447
T400	Windham	513,847
T401	Windsor	593,921
T402	Windsor Locks	256,241
T403	Wolcott	340,859
T404	Woodbridge	247,758
T405	Woodbury	200,175
T406	Woodstock	97,708
T407	Borough of Danielson	-
T408	Borough of Litchfield	-
T409	Bloomfield, Blue Hills FD	92,961
T410	Enfield Thompsonville FD #2	354,311
T411	Manchester - Eighth Utility District	436,718
T412	Middletown - City Fire	910,442
T413	Middletown So Fire	413,961
T414	Norwich CCD	552,565
T415	Norwich TCD	62,849
T416	Simsbury FD	221,536
T417	Plainfield Fire District	-
T418	Windham, Special Service District #2	640,000
T419	Windham 1st Taxing District	-
T420	Windham First	
T421	West Haven First Center (D1)	1,039,843

T422	West Haven: Allingtown FD (D3)	483,505
T423	West Haven: West Shore FD (D2)	654,640

1889 (2) For the fiscal years ending June 30, 2018, and June 30, 2019, each
1890 municipality shall receive a municipal sharing grant payable not later
1891 than October thirty-first of each year. The total amount of the grant
1892 payable is as follows:

T424	Municipality	Grant Amount
T425	Andover	96,020
T426	Ansonia	643,519
T427	Ashford	125,591
T428	Avon	539,387
T429	Barkhamsted	109,867
T430	Beacon Falls	177,547
T431	Berlin	1,213,548
T432	Bethany	164,574
T433	Bethel	565,146
T434	Bethlehem	61,554
T435	Bloomfield	631,150
T436	Bolton	153,231
T437	Bozrah	77,420
T438	Branford	821,080
T439	Bridgeport	9,758,441
T440	Bridgewater	22,557
T441	Bristol	1,836,944
T442	Brookfield	494,620
T443	Brooklyn	149,576
T444	Burlington	278,524
T445	Canaan	21,294
T446	Canterbury	84,475
T447	Canton	303,842
T448	Chaplin	69,906
T449	Cheshire	855,170

T450	Chester	83,109
T451	Clinton	386,660
T452	Colchester	475,551
T453	Colebrook	42,744
T454	Columbia	160,179
T455	Cornwall	16,221
T456	Coventry	364,100
T457	Cromwell	415,938
T458	Danbury	2,993,644
T459	Darien	246,849
T460	Deep River	134,627
T461	Derby	400,912
T462	Durham	215,949
T463	East Granby	152,904
T464	East Haddam	268,344
T465	East Hampton	378,798
T466	East Hartford	2,036,894
T467	East Haven	854,319
T468	East Lyme	350,852
T469	East Windsor	334,616
T470	Eastford	33,194
T471	Easton	223,430
T472	Ellington	463,112
T473	Enfield	1,312,766
T474	Essex	107,345
T475	Fairfield	1,144,842
T476	Farmington	482,637
T477	Franklin	37,871
T478	Glastonbury	1,086,151
T479	Goshen	43,596
T480	Granby	352,440
T481	Greenwich	527,695
T482	Griswold	350,840
T483	Groton	623,548

T484	Guilford	657,644
T485	Haddam	245,344
T486	Hamden	2,155,661
T487	Hampton	54,801
T488	Hartford	1,498,643
T489	Hartland	40,254
T490	Harwinton	164,081
T491	Hebron	300,369
T492	Kent	38,590
T493	Killingly	505,562
T494	Killingworth	122,744
T495	Lebanon	214,717
T496	Ledyard	442,811
T497	Lisbon	65,371
T498	Litchfield	244,464
T499	Lyme	31,470
T500	Madison	536,777
T501	Manchester	1,971,540
T502	Mansfield	756,128
T503	Marlborough	188,665
T504	Meriden	1,893,412
T505	Middlebury	222,109
T506	Middlefield	131,529
T507	Middletown	1,388,602
T508	Milford	2,707,412
T509	Monroe	581,867
T510	Montville	578,318
T511	Morris	40,463
T512	Naugatuck	1,251,980
T513	New Britain	3,131,893
T514	New Canaan	241,985
T515	New Fairfield	414,970
T516	New Hartford	202,014
T517	New Haven	114,863

T518	New London	917,228
T519	New Milford	814,597
T520	Newington	937,100
T521	Newtown	824,747
T522	Norfolk	28,993
T523	North Branford	421,072
T524	North Canaan	95,081
T525	North Haven	702,295
T526	North Stonington	155,222
T527	Norwalk	4,896,511
T528	Norwich	1,362,971
T529	Old Lyme	115,080
T530	Old Saybrook	146,146
T531	Orange	409,337
T532	Oxford	246,859
T533	Plainfield	446,742
T534	Plainville	522,783
T535	Plymouth	367,902
T536	Pomfret	78,101
T537	Portland	277,409
T538	Preston	84,835
T539	Prospect	283,717
T540	Putnam	109,975
T541	Redding	273,185
T542	Ridgefield	738,233
T543	Rocky Hill	584,244
T544	Roxbury	23,029
T545	Salem	123,244
T546	Salisbury	29,897
T547	Scotland	52,109
T548	Seymour	494,298
T549	Sharon	28,022
T550	Shelton	1,016,326
T551	Sherman	56,139

T552	Simsbury	775,368
T553	Somers	203,969
T554	South Windsor	804,258
T555	Southbury	582,601
T556	Southington	1,280,877
T557	Sprague	128,769
T558	Stafford	349,930
T559	Stamford	3,414,955
T560	Sterling	110,893
T561	Stonington	292,053
T562	Stratford	1,627,064
T563	Suffield	463,170
T564	Thomaston	228,716
T565	Thompson	164,939
T566	Tolland	437,559
T567	Torrington	1,133,394
T568	Trumbull	1,072,878
T569	Union	24,878
T570	Vernon	922,743
T571	Voluntown	48,818
T572	Wallingford	1,324,296
T573	Warren	15,842
T574	Washington	36,701
T575	Waterbury	5,595,448
T576	Waterford	372,956
T577	Watertown	652,100
T578	West Hartford	2,075,223
T579	West Haven	1,614,877
T580	Westbrook	116,023
T581	Weston	304,282
T582	Westport	377,722
T583	Wethersfield	1,353,493
T584	Willington	174,995
T585	Wilton	547,338

T586	Winchester	323,087
T587	Windham	739,671
T588	Windsor	854,935
T589	Windsor Locks	368,853
T590	Wolcott	490,659
T591	Woodbridge	274,418
T592	Woodbury	288,147
T593	Woodstock	140,648

1893 (e) For the fiscal year ending June 30, 2017, and each fiscal year
1894 thereafter, each regional council of governments shall receive a
1895 regional services grant, the amount of which will be based on a
1896 formula to be determined by the secretary, except that, for the fiscal
1897 year ending June 30, 2018, and each fiscal year thereafter, thirty-five
1898 per cent of such grant moneys shall be awarded to regional councils of
1899 governments for the purpose of assisting regional education service
1900 centers in merging their human resource, finance or technology
1901 services with such services provided by municipalities within the
1902 region. For the fiscal year ending June 30, 2017, three million dollars
1903 shall be expended by the secretary from the Municipal Revenue
1904 Sharing Fund established in section 4-66p for the purpose of the
1905 regional services grant. No such council shall receive a grant for the
1906 fiscal year ending June 30, 2018, or any fiscal year thereafter, unless the
1907 secretary approves a spending plan for such grant moneys submitted
1908 by such council to the secretary on or before July 1, 2017, and annually
1909 thereafter. The regional councils of governments shall use such grants
1910 for planning purposes and to achieve efficiencies in the delivery of
1911 municipal services by regionalizing such services, including, but not
1912 limited to, region-wide consolidation of such services. Such efficiencies
1913 shall not diminish the quality of such services. A unanimous vote of
1914 the representatives of such council shall be required for approval of
1915 any expenditure from such grant. On or before October 1, 2017, and
1916 biennially thereafter, each such council shall submit a report, in
1917 accordance with section 11-4a, to the joint standing committees of the

1918 General Assembly having cognizance of matters relating to planning
1919 and development and finance, revenue and bonding. Such report shall
1920 summarize the expenditure of such grants and provide
1921 recommendations concerning the expansion, reduction or modification
1922 of such grants.

1923 (f) For the fiscal year ending June 30, 2020, and each fiscal year
1924 thereafter, each municipality shall receive a municipal revenue sharing
1925 grant as follows:

1926 (1) (A) A municipality having a mill rate at or above twenty-five
1927 shall receive the per capita distribution or pro rata distribution,
1928 whichever is higher for such municipality.

1929 (B) Such grants shall be increased by a percentage calculated as
1930 follows:

T594	Sum of per capita distribution amount
T595	for all municipalities having a mill rate
T596	below twenty-five - pro rata distribution
T597	amount for all municipalities
T598	having a mill rate below twenty-five
T599	_____
T600	Sum of all grants to municipalities
T601	calculated pursuant to subparagraph (A)
T602	of subdivision (1) of this subsection.

1931 (C) Notwithstanding the provisions of subparagraphs (A) and (B) of
1932 this subdivision, Hartford shall receive not more than 5.2 per cent of
1933 the municipal revenue sharing grants distributed pursuant to this
1934 subsection; Bridgeport shall receive not more than 4.5 per cent of the
1935 municipal revenue sharing grants distributed pursuant to this
1936 subsection; New Haven shall receive not more than 2.0 per cent of the
1937 municipal revenue sharing grants distributed pursuant to this
1938 subsection and Stamford shall receive not more than 2.8 per cent of the
1939 equalization grants distributed pursuant to this subsection. Any excess

1940 funds remaining after such reductions in payments to Hartford,
1941 Bridgeport, New Haven and Stamford shall be distributed to all other
1942 municipalities having a mill rate at or above twenty-five on a pro rata
1943 basis according to the payment they receive pursuant to this
1944 subdivision; and

1945 (2) A municipality having a mill rate below twenty-five shall receive
1946 the per capita distribution or pro rata distribution, whichever is less for
1947 such municipality.

1948 (3) For the purposes of this subsection, "mill rate" means the mill
1949 rate for real property and personal property other than motor vehicles.

1950 (g) Except as provided in subsection (c) of this section, a
1951 municipality may disburse any municipal revenue sharing grant funds
1952 to a district within such municipality.

1953 [(h) (1) Except as provided in subdivision (2) of this subsection, for
1954 the fiscal year ending June 30, 2018, and each fiscal year thereafter, the
1955 amount of the grant payable to a municipality in any year in
1956 accordance with subsection (d) or (f) of this section shall be reduced if
1957 such municipality increases its adopted budget expenditures for such
1958 fiscal year above a cap equal to the amount of adopted budget
1959 expenditures authorized for the previous fiscal year by 2.5 per cent or
1960 more or the rate of inflation, whichever is greater. Such reduction shall
1961 be in an amount equal to fifty cents for every dollar expended over the
1962 cap set forth in this subsection. For the purposes of this section, (A)
1963 "municipal spending" does not include expenditures for debt service,
1964 special education, implementation of court orders or arbitration
1965 awards, expenditures associated with a major disaster or emergency
1966 declaration by the President of the United States, a disaster emergency
1967 declaration issued by the Governor pursuant to chapter 517 or any
1968 disbursement made to a district pursuant to subsection (c) or (g) of this
1969 section, budgeting for an audited deficit, nonrecurring grants, capital
1970 expenditures or payments on unfunded pension liabilities, (B)

1971 "adopted budget expenditures" includes expenditures from a
1972 municipality's general fund and expenditures from any nonbudgeted
1973 funds, and (C) "capital expenditure" means a nonrecurring capital
1974 expenditure of one hundred thousand dollars or more. Each
1975 municipality shall annually certify to the secretary, on a form
1976 prescribed by said secretary, whether such municipality has exceeded
1977 the cap set forth in this subsection and if so the amount by which the
1978 cap was exceeded.

1979 (2) For the fiscal year ending June 30, 2018, and each fiscal year
1980 thereafter, the amount of the grant payable to a municipality in any
1981 year in accordance with subsection (d) or (f) of this section shall not be
1982 reduced in the case of a municipality whose adopted budget
1983 expenditures exceed the cap set forth in subdivision (1) of this
1984 subsection by an amount proportionate to any increase to its municipal
1985 population from the previous fiscal year, as determined by the
1986 secretary.]

1987 [(i)] (h) For the fiscal year ending June 30, 2020, and each fiscal year
1988 thereafter, the amount of the grant payable to a municipality in any
1989 year in accordance with subsection (f) of this section shall be reduced
1990 proportionately in the event that the total of such grants in such year
1991 exceeds the amount available for such grants in the municipal revenue
1992 sharing account established pursuant to subsection (b) of this section.

1993 Sec. 41. Section 12-130 of the general statutes, as amended by section
1994 209 of public act 15-244, is repealed and the following is substituted in
1995 lieu thereof (*Effective October 1, 2017*):

1996 (a) When any community, authorized to raise money by taxation,
1997 lays a tax, it shall appoint a collector thereof; and the selectmen of
1998 towns, and the committees of other communities, except as otherwise
1999 specially provided by law, shall make out and sign rate bills containing
2000 the proportion which each individual is to pay according to the
2001 assessment list; and any judge of the Superior Court or any justice of

2002 the peace, on their application or that of their successors in office, shall
2003 issue a warrant for the collection of any sums due on such rate bills.
2004 Each collector shall mail or hand to each individual from whom taxes
2005 are due a bill for the amount of taxes for which such individual is
2006 liable. In addition, the collector shall include with such bill, using [one
2007 of the following methods] (1) an attachment, (2) an enclosure, or (3)
2008 printed matter upon the face of the bill, a statement of [: (A) State] state
2009 aid to municipalities [which] that shall be in the following form:

2010 "The (fiscal year) budget for the (city or town) estimates that ...
2011 Dollars will be received from the state of Connecticut for various state
2012 financed programs. Without this assistance your (fiscal year) property
2013 tax would be (herein insert the amount computed in accordance with
2014 subsection (b) of this section) mills." ; and

2015 (B) State aid reduction to municipalities that overspend, which shall
2016 be in the following form:

2017 "The state will reduce grants to your town if local spending
2018 increases by more than 2.5 per cent from the previous fiscal year."]

2019 Failure to send out or receive any such bill or statement shall not
2020 invalidate the tax. For purposes of this subsection, "mail" includes to
2021 send by electronic mail, provided an individual from whom taxes are
2022 due consents₂ in writing₂ to receive a bill and statement electronically.
2023 Prior to sending any such bill or statement by electronic mail, a
2024 community shall provide the public with the appropriate electronic
2025 mail address of the community on the community's Internet web site
2026 and shall establish procedures to ensure that any individual who
2027 consents to receive a bill or statement electronically (i) receives such
2028 bill or statement, and (ii) is provided the proper return electronic mail
2029 address of the community sending the bill or statement.

2030 (b) The mill rate to be inserted in the statement of state aid to
2031 municipalities required by subsection (a) of this section shall be
2032 computed on the total estimated revenues required to fund the

2033 estimated expenditures of the municipality exclusive of assistance
2034 received or anticipated from the state.

2035 Sec. 42. Subsection (b) of section 12-71 of the general statutes is
2036 repealed and the following is substituted in lieu thereof (*Effective*
2037 *October 1, 2017, and applicable to assessment years commencing on or after*
2038 *October 1, 2017*):

2039 (b) Except as otherwise provided by the general statutes, property
2040 subject to this section shall be valued at the same percentage of its then
2041 actual valuation as the assessors have determined with respect to the
2042 listing of real estate for the same year, except that any antique, rare or
2043 special interest motor vehicle, as defined in section 14-1, as amended
2044 by this act, shall be assessed at a value of not more than [five hundred]
2045 one thousand dollars. The owner of such antique, rare or special
2046 interest motor vehicle may be required by the assessors to provide
2047 reasonable documentation that such motor vehicle is an antique, rare
2048 or special interest motor vehicle, provided any motor vehicle for which
2049 special number plates have been issued pursuant to section 14-20 shall
2050 not be required to provide any such documentation. The provisions of
2051 this section shall not include money or property actually invested in
2052 merchandise or manufacturing carried on out of this state or
2053 machinery or equipment [which] that would be eligible for exemption
2054 under subdivision (72) of section 12-81 once installed and [which] that
2055 cannot begin or [which] that has not begun manufacturing, processing
2056 or fabricating; or [which] that is being used for research and
2057 development, including experimental or laboratory research and
2058 development, design or engineering directly related to manufacturing
2059 or being used for the significant servicing, overhauling or rebuilding of
2060 machinery and equipment for industrial use or the significant
2061 overhauling or rebuilding of other products on a factory basis or being
2062 used for measuring or testing or metal finishing or in the production of
2063 motion pictures, video and sound recordings.

2064 Sec. 43. Subdivision (3) of section 14-1 of the general statutes is

2065 repealed and the following is substituted in lieu thereof (*Effective*
2066 *October 1, 2017*):

2067 (3) "Antique, rare or special interest motor vehicle" means a motor
2068 vehicle [twenty] thirty years old or older [which] that is being
2069 preserved because of historic interest and [which] is not altered or
2070 modified from the original manufacturer's specifications, except that a
2071 motor vehicle that was registered as an antique, rare or special interest
2072 motor vehicle in accordance with section 14-20 prior to October 1, 2017,
2073 shall be permitted to continue to be registered as an antique, rare or
2074 special interest motor vehicle;

2075 Sec. 44. (NEW) (*Effective July 1, 2017*) (a) The Secretary of the Office
2076 of Policy and Management shall establish a program for municipalities
2077 to apply for approval of a plan for taxation that establishes
2078 differentiated rates of taxation for different classes of property.
2079 Different mill rates for taxable real property in each class shall not be
2080 applicable to any real property for which a grant is payable under
2081 section 12-19a, 12-20a or 12-81b of the general statutes, as amended by
2082 this act.

2083 (b) The secretary shall (1) establish application procedures and
2084 criteria for the program and post such procedures and criteria on the
2085 Office of Policy and Management's Internet web site, and (2) send a
2086 copy of such procedures and criteria to the joint standing committee of
2087 the General Assembly having cognizance of matters relating to finance,
2088 revenue and bonding.

2089 (c) Prior to submitting a plan to the secretary, the chief elected
2090 official of a municipality shall:

2091 (1) Appoint a committee consisting of (A) a representative of the
2092 legislative body of the municipality, (B) a representative from the
2093 business community, (C) the assessor of the municipality, and (D)
2094 relevant taxpayers and stakeholders, to prepare a plan for submission
2095 to the legislative body of the municipality of the implementation of

2096 different rates of taxation among property classes. Such plan shall (i)
2097 provide a process for implementation of differentiated tax rates, (ii)
2098 designate geographic areas of the municipality where the
2099 differentiated rates shall be applied, if applicable, and (iii) identify
2100 legal and administrative issues affecting the implementation of the
2101 plan. The chief elected official, chief executive officer and tax collector
2102 of the municipality shall have an opportunity to review and comment
2103 on the plan prior to its submission to the legislative body of the
2104 municipality; and

2105 (2) Submit, after approval of the plan by the legislative body of the
2106 municipality, such plan to the secretary before October first for
2107 implementation in the following fiscal year.

2108 (d) The secretary shall not approve a plan unless the chief elected
2109 official of the municipality certifies that the plan has been developed
2110 and approved pursuant to the requirements under subsection (c) of
2111 this section. The secretary shall send a notice of approval or
2112 disapproval to the chief executive officer of the municipality and to the
2113 joint standing committee of the General Assembly having cognizance
2114 of matters relating to finance, revenue and bonding not later than
2115 January first next following such submission.

2116 (e) No municipality shall implement differentiated tax rates in a
2117 plan approved by the secretary until the legislative body of the
2118 municipality adopts such rates by ordinance or, in a municipality
2119 where the legislative body is a town meeting, by vote of the board of
2120 selectmen.

2121 Sec. 45. (NEW) (*Effective July 1, 2017*) The amount of state aid, plus
2122 the sum of all property taxes paid to a municipality for real property
2123 owned by a hospital, in the fiscal year ending June 30, 2018, that
2124 exceeds the amount of actual state aid paid to the municipality in the
2125 fiscal year ending June 30, 2017, shall be excluded from municipal
2126 revenue that is considered when determining the financial capacity of

2127 a municipal employer or local board of education for arbitration
 2128 awards entered on or after July 1, 2017. For the purposes of this
 2129 section, "state aid" means the amount of actual state aid, if known, or
 2130 the estimated amount of funds the municipality can expect to receive
 2131 as calculated by the Secretary of Policy and Management pursuant to
 2132 4-71b of the general statutes. "State aid" does not include the amount of
 2133 any capital expenditures of the state made on behalf of the
 2134 municipality.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2017</i>	7-560
Sec. 2	<i>July 1, 2017</i>	7-561
Sec. 3	<i>July 1, 2017</i>	7-562
Sec. 4	<i>July 1, 2017</i>	7-563
Sec. 5	<i>July 1, 2017</i>	7-564
Sec. 6	<i>July 1, 2017</i>	7-565
Sec. 7	<i>July 1, 2017</i>	7-568
Sec. 8	<i>July 1, 2017</i>	7-569
Sec. 9	<i>July 1, 2017</i>	7-570
Sec. 10	<i>July 1, 2017</i>	7-571
Sec. 11	<i>July 1, 2017</i>	7-572
Sec. 12	<i>July 1, 2017</i>	New section
Sec. 13	<i>July 1, 2017</i>	7-573
Sec. 14	<i>July 1, 2017</i>	7-574
Sec. 15	<i>July 1, 2017</i>	New section
Sec. 16	<i>July 1, 2017</i>	7-575
Sec. 17	<i>July 1, 2017</i>	7-576
Sec. 18	<i>July 1, 2017</i>	New section
Sec. 19	<i>July 1, 2017</i>	New section
Sec. 20	<i>July 1, 2017</i>	New section
Sec. 21	<i>July 1, 2017</i>	New section
Sec. 22	<i>July 1, 2017</i>	New section
Sec. 23	<i>July 1, 2017</i>	New section
Sec. 24	<i>July 1, 2017</i>	7-577
Sec. 25	<i>July 1, 2017</i>	7-578
Sec. 26	<i>July 1, 2017</i>	7-579

Sec. 27	July 1, 2017	New section
Sec. 28	<i>from passage and applicable to assessment years commencing on or after October 1, 2016</i>	New section
Sec. 29	July 1, 2017	12-18b(a) and (b)
Sec. 30	July 1, 2017	12-18b(e)(1)
Sec. 31	<i>from passage and applicable to assessment years commencing on or after October 1, 2016</i>	12-81(7)
Sec. 32	<i>from passage and applicable to assessment years commencing on or after October 1, 2016</i>	12-81(16)
Sec. 33	<i>from passage and applicable to assessment years commencing on or after October 1, 2016</i>	12-81(58)
Sec. 34	<i>from passage</i>	19a-644(e)
Sec. 35	<i>October 1, 2017, and applicable to assessment years commencing on or after October 1, 2017</i>	New section
Sec. 36	<i>October 1, 2017, and applicable to assessment years commencing on or after October 1, 2017</i>	12-42
Sec. 37	<i>October 1, 2017, and applicable to assessment years commencing on or after October 1, 2017</i>	12-81(7)(A)
Sec. 38	<i>October 1, 2017, and applicable to assessment years commencing on or after October 1, 2017</i>	12-81(16)
Sec. 39	<i>October 1, 2017, and applicable to assessment years commencing on or after October 1, 2017</i>	12-81
Sec. 40	July 1, 2017	4-66l

Sec. 41	<i>October 1, 2017</i>	12-130
Sec. 42	<i>October 1, 2017, and applicable to assessment years commencing on or after October 1, 2017</i>	12-71(b)
Sec. 43	<i>October 1, 2017</i>	14-1(3)
Sec. 44	<i>July 1, 2017</i>	New section
Sec. 45	<i>July 1, 2017</i>	New section

Statement of Purpose:

To implement the Governor's budget recommendations.

[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.]