

Legislative History for Connecticut Act

HB 7648	PA 572 Scanned	1987
House 11008-11012		5
Senate 5083-5084, 5129-5130		4
Finance, Revenue and Bonding 1052-1054		3
		12

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate and House of Representatives Proceedings

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JOINT
STANDING
COMMITTEE
HEARINGS

FINANCE,
REVENUE
AND BONDING

PART 3

721-1066

1987

38
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FINANCE, REVENUE AND BONDING

April 20, 1987

MR. PETTIT: (continued)

State of Connecticut some money, by doing some financing, buying notes and bonds and so forth. We want to save the hospitals some money, by doing equipment financing. That is the only purpose of this whole equipment financing. It is not easy to do; it is difficult. When you have the various lifes and so on, but that is the purpose of the thing. That is the reason for the \$100,000 going down to \$25,000, because \$100,000 is nothing to Yale/New Haven, but it is an awful lot of money to somebody else.

SEN. DI BELLA: I think that point was well made, Jim. Thank you. Are there any further comments? Gentlemen, you are off the hook. Thank you.

Is there anyone else from CHEFA who would like to testify? Frank, you have got one more, right?

MR. D'ERCOLE: You are probably tired of hearing from me, and I will be very brief, but I do have another bill. I feel as though they are deserting a sinking ship...

The bill before you, Raised Committee number 7648, An Act Concerning Certain Bond Provisions for the Municipal Development and Redevelopment Statutes. The purpose of this bill is to make certain technical changes to provisions which have been in the General Statutes for many years. The provisions were, I believe, initially in the Redevelopment Chapter, so this bill makes changes both in the Redevelopment Chapter and the Chapter which came later, entitled "Municipal Development Projects."

During the housing days of redevelopment, somebody came up with the idea of tax increment bonds, which is to issue bonds repaid from the increment over what taxes were on the undeveloped land, or the land as it was with run-down property. The additional taxes to be gained from the redevelopment of the property, or the development... When

39.
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FINANCE, REVENUE AND BONDING

April 20, 1987

MR. D'ERCOLE: (continued)

redevelopment began to bog down in the late sixties, Henry Fischer, the late Henry Fischer, who was then the General Counsel for the Redevelopment Agencies, submitted a bill to include the tax increment provisions in the Municipal Development Act, so that they could be done outside of a... so that a tax increment financing could be done outside of a redevelopment area or outside of the redevelopment area.

Now, we are merely concerned with this for purposes of the Municipal Development Act, although... because the provisions in both chapters are equivalent, Ed Meeley at the Legislative Commissioner's Office quite rightly, I think, decided to amend both. Because they are exactly the same. Now, the changes that we are making are:

-To clarify that tax increment bonds may be authorized by the legislative body of the municipality after a public hearing.

That, I believe, was the initial intent, but the provisions that had been in the law for a long time were unclear. They did not properly make the distinction from one section to the next, between tax increment bonds and general obligation bonds. The reference to general obligation bonds had always been very cryptic, and I knew what it meant, but I don't think many other people did, and the provisions were never really used because they were so fuzzy.

Tax increment bonds are becoming important now. We are doing a couple of projects and looking at one or two others. In that process, it has become clear to me that the provisions of the statute should be amended, because there are all kinds of things that you have to do in connection with a tax increment financing bond that were not permissible, or that were not set forth in the General Statutes. So, if it is not set forth in the General Statutes, the municipality, you know...

40

abs FINANCE, REVENUE AND BONDING

April 20, 1987

MR. D'ERCOLE: (continued)

can't do it. And, because the provisions were so old in the Redevelopment Section, when Henry lifted them out of there and put them in the Municipal Development Act, they had already been around for a long time... you know.. in relation to what goes on in financing today.

The other reason for it was to make clear that tax increment bonds are authorized in one section and general obligation bonds in the next. If general obligation bonds are issued for any of the purposes set forth in the Municipal Development Act, you have to go through all of the proceedings that you would go through for the authorization of general obligation bonds, generally by the municipality including any referendum requirements set forth in the charter.

Tax increment bonds being different, tax increment bonds being to promote economic development in the community... can be approved by the legislative body, because the municipality presumably isn't losing anything. They are still getting the taxes that they got, and when the bonds are paid off, they will get the tax increments. But, during the time that the bonds are outstanding, the tax increments are pledged for the security of the bond holder.

Are there any questions?

REP. SMOKO: Seeing none, thank you, Frank, very much.

MR. D'ERCOLE: Thank you very much for your time this morning. You are an interesting Committee. You read all of these bills... carefully.

SEN. DI BELLA: Frank, you are going to get back to us with some language?

MR. D'ERCOLE: I will take care of that.

S-275

CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1987

VOL. 30
PART 14
4816-5199

MONDAY
JUNE 1, 1987

127
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Calendar No. 848, File No. 997, Substitute for
H.B. 7648, AN ACT CONCERNING CERTAIN BOND PROVISIONS
OF THE MUNICIPAL REDEVELOPMENT AND DEVELOPMENT STATUTES.
As amended by House Amendment Schedule "A". Favorable
report of the Committee on Finance, Revenue and Bonding.

THE CHAIRMAN:

Senator DiBella.

SENATOR DIBELLA:

Thank you, Mr. President. I move adoption of the
Committee's Joint favorable report and urge passage of
the Bill in concurrence with House Amendment "A".

THE CHAIRMAN:

You may proceed.

SENATOR DIBELLA:

Thank you, Mr. President. This Bill amends those
sections of Chapters 130 and 132 of the General Statutes.
The redevelopment act and the municipal development
projects act relatively, respectfully authorizing
municipalities to issue bonds for redevelopment and
development purposes including tax, incremental bonds,
payable from a portion of the real property taxes in a
dedicated project area.

These technical amendments have been drafted to

MONDAY
JUNE 1, 1987

128 5084
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have been drafted to update these Chapters so that municipalities will be able to structure redevelopment and development bond issues to meet the current fiscal market practices. If there are no further questions, Mr. President, I'd ask this be placed on the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

THE CLERK:

Page 4, Calendar 851, File number 675, Substitute
for House Bill number 6104, AN ACT CONCERNING VOTER
REGISTRATION INFORMATION, as amended by House Amendment
Schedule "B", Favorable Report of the Committee on Appropriations. Clerk has an Amendment.

THE CHAIR:

Senator Maloney.

SENATOR MALONEY:

Yes, thank you, Mr. President. I would move acceptance of the Joint Favorable Committee Report and adoption of the Bill.

THE CHAIR:

You may proceed and I believe the Clerk has an Amendment. . .

SENATOR MALONEY:

MONDAY
JUNE 1, 1987

173 5129
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SENATOR HARPER:

Thank you, Mr. President. The Appropriations Committee will meet tomorrow before the beginning of the first session, whichever chamber starts first. More than likely the House, to take up a Collective Bargaining Agreement.

THE CHAIR:

Will the clerk please now call the items placed on the consent calendar. And announcement for immediate roll call.

THE CLERK:

Immediate roll call has been ordered in the Senate. .
Will all Senators please return to the chamber. Immediate roll call has been ordered in the Senate. Will all Senators please return to the chamber. Consent Calendar
No. 1, Page 1, HS 105 Calendar No. 857, HB 7610 Calendar No. 772, Page 2, HB 7609
HB 7648 Calendar No. 835, Page 3, HB 5686 Calendar No. 844, Calendar No. HB 6417
HB 7648 Page 4, HB 6417 Calendar No. 850, HB 7625 Calendar No. 852, Calendar HB 7093
HB 7093 No. 853, HB 7440 Calendar No. 855, Page 5, HB 6951 Calendar No. 856,
HB 7188 Calendar No. 858, HB 7318 Calendar 859, Page 6, HB 7514 Calendar 860,
HB 7596 Calendar No. 861, HB 5068 Calendar No. 862, Page 7, Calendar No. HB 5631
HB 5631 866, HB 6652 Calendar No., 867, HB 7374 Calendar No. 864, SB 437 Calendar No. 504,
Page 8, SB 1209 Calendar No. 506, SB 97 Calendar No. 511, HB 6617 Calendar No. 557,

MONDAY
JUNE 1, 1987

174
lc **5130**

Page 9, Calendar SB 889 595 and Calendar HB 7542 No. 817.

THE CHAIR:

Are there any corrections, additions, deletions?
If not, the machine is open. We're voting on the first
consent calendar. Senator Freedman.

SENATOR FREEDMAN:

The Calendar on Page 9 again. I think some numbers
were mentioned that we didn't have.

THE CLERK:

Page 9, Calendar ~~No. 595~~, and Calendar No. 817.

SENATOR FREEDMAN:

Page 7.

THE CLERK:

867, 866, 504, and 864.

THE CHAIR:

I think Calendar HB 7374 No. 864 is on Page 6. It's the
right, the correct number. It was the matter that was
disputed before. Further corrections? If there be none,
the machine is open. Please cast your vote.

The machine is closed. Clerk, please tally the vote.

Result of the vote on the Consent Calendar:

33 Yea
0 Nay

The Consent Calendar is adopted. Senator O'Leary.

H-479

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1987

VOL. 30
PART 30
10899-11306

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House of Representatives

Thursday, May 28, 1987

REP. FRANKEL: (121st)

Mr. Speaker, may this item be passed temporarily?

ACTING SPEAKER JAEKLE:

Motion is to pass this item temporarily. Is there objection? Seeing none, it is so passed.

Clerk, please return to the Call of the Calendar.

CLERK:

Page 5, Calendar 793. Substitute for House Bill 7648. AN ACT CONCERNING CERTAIN BOND PROVISIONS OF THE MUNICIPAL REDEVELOPMENT AND DEVELOPMENT STATUTES. Favorable Report of the Committee on FINANCE, REVENUE AND BONDING.

REP. SMOKO: (91st)

Mr. Speaker.

ACTING SPEAKER JAEKLE:

Representative Smoko.

REP. SMOKO: (91st)

Mr. Speaker, I move acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate. Oh, I am sorry, not in concurrence. It is a House Bill... passage of the bill.

abs

305

House of Representatives

Thursday, May 28, 1987

ACTING SPEAKER JAEKLE:

The motion is on acceptance and passage. Will you remark?

REP. SMOKO: (91st)

Mr. Speaker, this bill was originally on the Consent Calendar as it makes technical revisions to the incremental financing provisions of our municipal re-development statutes. However, there is a call for an amendment. I would like the Clerk to call LCO number 8705, and I be permitted to summarize.

ACTING SPEAKER JAEKLE:

The Clerk has an amendment, LCO number 8705, designated House Amendment Schedule "A". Will the Clerk please call?

CLERK:

LCO 8705, designated House "A", offered by Representative Smoko.

ACTING SPEAKER JAEKLE:

There is a request for permission for summarization. Is there objection? Hearing none, please proceed.

REP. SMOKO: (91st)

Thank you very much, Mr. Speaker. The file

abs

House of Representatives

Thursday, May 28, 1987

copy allows the incremental financing provisions to essentially click in upon the bond authorization proceedings. But, the amendment will clarify that the incremental tax revenues could be deposited in a special fund at the adoption of the development plan which is considered necessary because the development plan would be substantially before the bond authorizing proceedings, especially in an instance of post-construction financing.

Mr. Speaker, the amendment seems appropriate. It gives the municipalities an additional option in this area, that I concur with, and I would urge adoption of the amendment.

ACTING SPEAKER JAEKLE:

The question is on the adoption of the amendment. Will you remark? Will you remark? If not, all those in favor of the adoption of the amendment, please signify by saying aye.

REPRESENTATIVES:

Aye.

ACTING SPEAKER JAEKLE:

All those opposed, say nay.

The amendment is adopted.

abs

House of Representatives

Thursday, May 28, 1987

* House Amendment Schedule "A":

In line 195, before the word "Any" strike the opening bracket and after the word "under" strike the closing bracket and insert in lieu thereof "THIS CHAPTER OR ANY"

In line 201, after the word "after" strike the opening bracket

In line 202, after the word "plan" strike the closing bracket and insert in lieu thereof "OR"

In line 203, after the comma insert "AS THE CASE MAY BE,"

In line 496, before the word "Any" strike the opening bracket and after the word "under" strike the closing bracket and insert in lieu thereof "THIS CHAPTER OR ANY"

In line 502, after the word "after" strike the opening bracket

In line 503, before the comma insert an opening bracket and after the closing bracket insert "OR"

In line 504, after the word "PROCEEDINGS" insert ", AS THE CASE MAY BE,"

ACTING SPEAKER JAEKLE:

Will you remark further? Will you remark further? If not, staff and guests, please come to the Well of the House. Members, please be seated. The machine will be opened.

CLERK:

The House of Representatives is now voting by roll. Members, to the Chamber, please. The House of

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House of Representatives

Thursday, May 28, 1987

Representatives is currently taking a roll call vote.

Will members please hurry to the Chamber?

ACTING SPEAKER JAEKLE:

Have all the members voted? Have all the members voted? If so, the machine will be locked, and the Clerk will take a tally.

Clerk, please announce the tally.

CLERK:

House Bill 7648, as amended by House "A":

Total Number Voting	141
Necessary for Passage	72
Those voting Yea	141
Those voting Nay	0
Those absent and not Voting	10

ACTING SPEAKER JAEKLE:

The bill, as amended, is passed.

SPEAKER STOLBERG:

Representative Jaekle, thank you very, very much.

(applause and cheering)

Clerk, please return to the Call of the Calendar.