

## House Bill No. 9001

**June 23, 1986, Special Session II PUBLIC ACT NO. 86-1**

AN ACT AUTHORIZING THE USE OF A PORTION OF THE GENERAL FUND SURPLUS FOR THE FISCAL YEAR ENDING JUNE 30, 1986, FOR A TOWN IMPROVEMENT PROGRAM, A MUNICIPAL SOLID WASTE RECYCLING PROGRAM AND REVENUE SHARING GRANTS TO TOWNS, AND AUTHORIZING THE USE OF CERTAIN UNAPPROPRIATED SURPLUS FOR THE REDEMPTION OR PURCHASE OF OUTSTANDING STATE INDEBTEDNESS.

Section 1. There is established a town improvement program to allocate a portion of the general fund surplus for the fiscal year ending June 30, 1986, for state grants to towns. Each grant shall be used for the purposes specified by resolution of the legislative body of such town in accordance with the restrictions and as authorized by the procedures set forth in sections 2 to 4, inclusive, of this act. The comptroller shall allocate the funds transferred to the comptroller in section 9 of this act to a separate nonlapsing account established by the comptroller and administered by the treasurer for the benefit of each town in the state in an amount equal to ten dollars per person for the total population of such town. Such amount shall be determined by the secretary of the office of policy and management in accordance with the population enumerated in the most recent federal decennial census of population or that enumerated in the current population report series issued by the United States Department of Commerce, Bureau of Census, available on January 1, 1986, whichever is more recent. The treasurer may invest the funds in each such account in the short term investment fund established pursuant to the provisions of section 3-27a of the general statutes, and any interest derived from the investment of such funds shall be credited to such account.

Sec. 2. On or after August 1, 1986, there is established for each town a local allocation council, which shall consist of the members of the general assembly whose districts include all or any part of such town. Any member may appoint a designee to serve in the place of such member for any hearing or meeting of the local allocation council. Each such council shall elect a chairman from among its members. For the purpose of notice required pursuant to this act, the address of such chairman's home shall be deemed to be the address of the local allocation council.

Sec. 3. Not later than August 1, 1986, the secretary of the office of policy and management shall mail a written notice to each member of the general assembly and to the clerk of each town, informing them of the amount allocated to such town's account as determined pursuant to section 1 of this act. The notice shall also state that the funds so allocated are available only for the purposes of: (1) Funding specific, nonrecurring town expenses or capital projects; (2) replacing funds not received by the town as a result of the operation of federal spending reductions occasioned by the Gramm-Rudman-Hollings Act; or (3) establishing a trust fund for the benefit of the town.

Sec. 4. (a) Not later than August 30, 1986, the legislative body of each town shall meet with the local allocation council for such town. Not later than September 30, 1986, the legislative body of each town shall meet and, in accordance with the procedures required for the authorization of any expenditure by such town, adopt a resolution proposing a specific use or specific uses of the amount allocated to the account of such town, within the restrictions set forth in section 3. The legislative body shall provide a written copy of such resolution to the local allocation council for the town and to the secretary of the office of policy and management within five days after the date such resolution is adopted. For the purposes of this subsection, in any town in which a town meeting is the legislative body, the board of selectmen of such town shall have the powers and the duties of the legislative body.

(b) Not later than October 15, 1986, the local allocation council for the town shall conduct a public hearing for the purpose of receiving testimony regarding use of the amount allocated to the account of such town, as proposed in the resolution adopted by the legislative body pursuant to subsection (a) of this section. Notice of the time, place and subject matter of such hearing shall be given by publication in the form of a legal advertisement appearing not less than five days before such hearing in a newspaper having a general circulation in the town. The council shall adopt procedural rules for the conduct of such hearing, provided testimony shall be restricted to matters concerning the purposes set forth in section 3 of this act. The expenses incurred by a local allocation council in conducting such public hearing and in publishing notice of such hearing shall be charged against the account of the town represented by such council.

(c) The local allocation council shall, not later than October 30, 1986, vote to either reject or approve the resolution of the legislative body. If the local allocation council fails to act, it shall be deemed to have approved the resolution for the purposes of this section. The resolution shall be rejected only upon the negative vote of not less than three-fourths of the membership of the council present and voting, provided if any council has less than four members, such rejection shall require a unanimous vote of the members present and voting. If the local allocation council rejects the resolution of the legislative body, the legislative body shall have thirty days from the date of such rejection in which to meet and adopt a modified or alternative resolution, according to the procedures and pursuant to the restrictions set forth in this act. Not later than fifteen days from the submission of the modified or alternative resolution, the local allocation council shall again vote to either reject or approve said recommendation in accordance with the provisions of this subsection. If the local allocation council fails to act within the fifteen day period, it shall be deemed to have approved the alternative or modified resolution for the purposes of this section.

(d) Upon such approval, the chief executive officer of the town shall notify the secretary of the office of policy and management. Said secretary shall certify to the comptroller the amount of funds that are necessary for the purpose of implementing such resolution. The comptroller shall pay a grant to such town, within available allocations, for such purpose. The comptroller shall maintain records indicating, for each town's account, the amount credited to the account, the amount paid out and charged to the

account, and any balance available for additional expenditure, provided any amount not approved for expenditure pursuant to this section from any such account as of July 1, 1987, shall revert to the general fund.

Sec. 5. (NEW) (a) There shall be established a municipal solid waste recycling program. The commissioner of environmental protection, in consultation and coordination with the task force established under subsection (c) of this section, shall develop a plan for such program. The plan shall (1) be consistent with the state-wide solid waste management plan adopted pursuant to section 2 of public act 85-436, (2) give priority in all parts of the plan to regional approaches to the recycling of solid waste, (3) provide for grants from the municipal solid waste recycling trust fund established under subsection (d) of this section to municipalities for purposes which may include but shall not be limited to (A) the acquisition or lease of land, easements, structures, machinery and equipment, for solid waste recycling facilities, (B) the planning, design, construction and improvement of solid waste recycling facilities, (C) the purchase or lease of collection equipment and materials for municipalities and homeowners to carry out municipal recycling programs and (D) the support and expansion of municipal solid waste recycling programs, (4) establish standards for municipalities which shall effect the maximum level of recycling and source separation, condition each grant to a municipality under subdivision (3) of this subsection on the adoption of such standards by the municipality and give priority in the making of such grants to municipalities which, on the effective date of this act, require residents and businesses to separate recyclables from solid waste, (5) provide for the development of intermediate centers for the processing of solid waste recyclables, giving priority to sites where waste-to-energy facilities are located or planned to be located, (6) provide for financial assistance from the municipal solid waste recycling trust fund for the development of such centers and (7) review existing contracts entered into by municipalities for the delivery of solid waste to waste-to-energy facilities and provide financial incentives to such municipalities for the coordination of such contracts with the municipal solid waste recycling program.

(b) The commissioner of environmental protection, in consultation with such task force, shall submit the plan developed under subsection (a) of this section to the governor and the general assembly not later than January 1, 1987, and, if the general assembly adopts a resolution approving such plan, the commissioner shall implement the municipal solid waste recycling program not later than April 1, 1987, in accordance with the provisions of such plan, and the commissioner shall adopt regulations in accordance with the provisions of chapter 54 of the general statutes to carry out the purposes of such program.

(c) There is established a task force to assist in the development of the municipal solid waste recycling program. The task force shall consist of: The secretary of the office of policy and management, or his designee; the commissioner of economic development, or his designee; the chairman of the Connecticut resources recovery authority, or his designee; one person representing a municipality having a population of not more than ten thousand, one person representing a municipality having a population of more than ten thousand but not more than fifty thousand, one person

representing a municipality having a population of more than fifty thousand but not more than one hundred thousand and one person representing a municipality having a population of more than one hundred thousand, one each of whom shall be appointed by the president pro tempore of the senate, the minority leader of the senate, the speaker of the house of representatives and the minority leader of the house of representatives; two members of the public, one of whom shall be appointed by the speaker of the house of representatives and one of whom shall be appointed by the president pro tempore of the senate; and four members of the general assembly, two of whom shall be appointed by the speaker of the house of representatives and two of whom shall be appointed by the president pro tempore of the senate. The members of the task force shall elect a chairman, who shall be one of the members appointed by the speaker of the house of representatives or by the president pro tempore of the senate.

(d) There is established a fund to be known as the "municipal solid waste recycling trust fund". The fund shall contain any moneys required by law to be deposited in the fund and shall be held separate and apart from all other moneys, funds and accounts. Investment earnings credited to the assets of said fund shall become part of assets of said fund. Any balance remaining in said fund at the end of any fiscal year shall be carried forward in said fund for the fiscal year next succeeding.

(e) The commissioner of environmental protection may accept and receive on behalf of said fund any available federal, state or private funds. Any such funds shall be deposited in said fund.

(f) The proceeds of said fund shall be applied to the municipal solid waste recycling program established under subsection (a) of this section, provided (1) not more than fifty thousand dollars shall be allocated, for the fiscal year ending June 30, 1987, to the commissioner of environmental protection for the implementation of such program and (2) not more than one hundred thousand dollars shall be allocated for the expenses of the task force established under subsection (c) of this section.

Sec. 6. Section 17 of public act 86-332 is repealed and the following is substituted in lieu thereof:

[(a)] The commissioner of environmental protection shall study the feasibility of the transmission of data continuously monitored at resources recovery facilities to a central receiving area.

[(b) The commissioner of environmental protection shall study source separation and recycling at resources recovery facilities and submit a report of his findings to the general assembly on or before January 1, 1987.]

Sec. 7. Section 4-30a of the general statutes, as amended by section 1 of public act 85-516 and section 8 of public act 86-403, is repealed and the following is substituted in lieu thereof:

(a) After the accounts for the general fund have been closed for each fiscal year and the comptroller has determined the amount of unappropriated surplus in said fund, after any amounts required by provision of law to be transferred for other purposes have been deducted, the amount of such surplus shall be transferred by the state treasurer to a special fund to be known as the budget reserve fund. When the amount in said fund [in any fiscal year] equals five per cent of the net general fund appropriations [in such] FOR THE fiscal year IN PROGRESS, no further

transfers shall be made by the treasurer to said fund and the amount of such surplus in excess of that transferred to said fund shall be deemed to be appropriated for: [purposes of retiring such portion of the total indebtedness of the state in excess of the state's normal debt retirement schedule as may be retired by the amount of such surplus in excess of that transferred to said fund.] (1) REDEEMING PRIOR TO MATURITY ANY OUTSTANDING INDEBTEDNESS OF THE STATE SELECTED BY THE TREASURER IN THE BEST INTERESTS OF THE STATE; (2) PURCHASING OUTSTANDING INDEBTEDNESS OF THE STATE IN THE OPEN MARKET AT SUCH PRICES AND ON SUCH TERMS AND CONDITIONS AS THE TREASURER SHALL DETERMINE TO BE IN THE BEST INTERESTS OF THE STATE FOR THE PURPOSE OF EXTINGUISHING OR DEFEASING SUCH DEBT; (3) PROVIDING FOR THE DEFEASANCE OF ANY OUTSTANDING INDEBTEDNESS OF THE STATE SELECTED BY THE TREASURER IN THE BEST INTERESTS OF THE STATE BY IRREVOCABLY PLACING WITH AN ESCROW AGENT IN TRUST AN AMOUNT TO BE USED SOLELY FOR, AND SUFFICIENT TO SATISFY, SCHEDULED PAYMENTS OF BOTH INTEREST AND PRINCIPAL ON SUCH INDEBTEDNESS; OR (4) ANY COMBINATION OF THESE METHODS. PENDING THE USE OR APPLICATION OF SUCH AMOUNT FOR THE PAYMENT OF INTEREST AND PRINCIPAL, SUCH AMOUNT MAY BE INVESTED IN (A) DIRECT OBLIGATIONS OF THE UNITED STATES GOVERNMENT, INCLUDING STATE AND LOCAL GOVERNMENT TREASURY SECURITIES THAT THE UNITED STATES TREASURY ISSUES SPECIFICALLY TO PROVIDE STATE AND LOCAL GOVERNMENTS WITH REQUIRED CASH FLOWS AT YIELDS THAT DO NOT EXCEED INTERNAL REVENUE SERVICE ARBITRAGE LIMITS, (B) OBLIGATIONS GUARANTEED BY THE UNITED STATES GOVERNMENT, AND (C) SECURITIES BACKED BY UNITED STATES GOVERNMENT OBLIGATIONS AS COLLATERAL AND FOR WHICH INTEREST AND PRINCIPAL PAYMENTS ON THE COLLATERAL GENERALLY FLOW IMMEDIATELY THROUGH TO THE SECURITY HOLDER.

(b) Moneys in said budget reserve fund shall be expended only as provided in this subsection. When in any fiscal year the comptroller has determined the amount of a deficit applicable with respect to the immediately preceding fiscal year, to the extent necessary, the amount of funds credited to said budget reserve fund shall be deemed to be appropriated for purposes of funding such deficit.

(c) The treasurer is authorized to invest all or any part of said fund in accordance with the provisions of section 3-31a. The interest derived from the investment of said fund shall be credited to the general fund.

Sec. 8. Notwithstanding the provisions of section 4-30a of the general statutes, as amended by section 1 of public act 85-516, section 8 of public act 86-403, and section 7 of this act, no amount of the unappropriated surplus for the fiscal year ending June 30, 1986, shall be deemed to be appropriated for the purposes of subdivisions (1), (2), (3) or (4) of subsection (a) of said section 4-30a, as amended, with regard to any portion of the outstanding indebtedness of the state maturing before July 1, 1987.

Sec. 9. Notwithstanding the provisions of section 4-30a of the general statutes, as amended by section 1 of public act 85-516, section 8 of public act 86-403, and section 7 of this act, on or before July 31, 1986: (1) The treasurer shall transfer the sum of thirty million dollars from the general fund surplus for the fiscal year ending June 30, 1986, to the Revenue Sharing Account within the Municipal Infrastructure Trust Fund established by section 2 of public act 85-1 of the July special session, as amended by section 18 of public act 86-107 and section 11 of public act 86-178. Such amount shall be deemed to be appropriated for the purposes of said account; (2) the treasurer shall transfer the sum of thirty-three million dollars from the general fund surplus for the fiscal year ending June 30, 1986, to the comptroller. Such amount shall be deemed to be appropriated for the purposes of section 1 of this act; (3) the treasurer shall transfer the sum of ten million dollars from the general fund surplus for the fiscal year ending June 30, 1986, to the municipal solid waste recycling trust fund established by section 5 of this act. Such amount shall be deemed to be appropriated for the purposes of said fund.

Sec. 10. This act shall take effect from its passage.

Approved July 17, 1986.

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