



House Bill No. 6716

Public Act No. 09-12

AN ACT CONCERNING CLEAN WATER PROJECTS, THE STATE FISCAL STABILIZATION FUND AND THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009.

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

Section 1. (NEW) (*Effective from passage*) At least fourteen days prior to the submission by the Governor of an application prepared pursuant to the American Recovery and Reinvestment Act of 2009, P. L. 111-5, Section 14005, to the United States Secretary of Education for a State Fiscal Stabilization Fund allocation, the Governor shall submit such application to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations, education and higher education. Not later than seven days after receipt of the application, said committees shall hold a public hearing on such application. At such public hearing, the Governor or a designee shall present testimony concerning the details of such application.

Sec. 2. Subsection (g) of section 22a-477 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(g) Amounts in the water pollution control federal revolving loan account of the Clean Water Fund shall be available to the

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commissioner to provide financial assistance (1) to any municipality for construction of eligible water quality projects, and (2) for any other purpose authorized by Title VI of the federal Water Pollution Control Act. In providing such financial assistance to municipalities, amounts in such account may be used only: (A) By the commissioner to make loans to municipalities at an interest rate of two per cent per annum, provided such loans shall not exceed a term of twenty years and shall have principal and interest payments commencing not later than one year after scheduled completion of the project, and provided the loan recipient will establish a dedicated source of revenue for repayment of the loan; (B) by the commissioner to guarantee, or purchase insurance for, local obligations, where such action would improve credit market access or reduce interest rates; (C) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the state if the proceeds of the sale of such bonds have been deposited in such account; (D) to be invested by the Treasurer of the state and earn interest on moneys in such account; (E) by the commissioner to pay for the reasonable costs of administering such account and conducting activities under Title VI of the federal Water Pollution Control Act; and (F) by the Treasurer to be transferred to the water pollution control state account for the purpose of meeting federal requirements for subsidization.

Sec. 3. Subsection (s) of section 22a-477 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(s) Amounts in the drinking water federal revolving loan account of the Clean Water Fund shall be available to the commissioner to provide financial assistance (1) to any recipient for construction of eligible drinking water projects and approved by the Department of Public Health, and (2) for any other purpose authorized by the federal Safe Drinking Water Act or other related federal acts. In providing

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such financial assistance to recipients, amounts in such account may be used only: (A) By the commissioner to make loans to recipients at an interest rate not exceeding one-half the rate of the average net interest cost as determined by the last previous similar bond issue by the state of Connecticut as determined by the State Bond Commission in accordance with subsection (t) of section 3-20, provided such loans shall not exceed a term of twenty years, or such longer period as may be permitted by applicable federal law, and shall have principal and interest payments commencing not later than one year after scheduled completion of the project, and provided the loan recipient shall establish a dedicated source of revenue for repayment of the loan, except to the extent that the priority list of eligible drinking water projects allows for the making of project loans to disadvantaged communities upon different terms, including reduced interest rates or an extended term, if permitted by federal law; (B) by the commissioner to guarantee, or purchase insurance for, local obligations, where such action would improve credit market access or reduce interest rates; (C) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the state if the proceeds of the sale of such bonds have been deposited in such account; (D) to be invested by the State Treasurer and earn interest on moneys in such account; (E) by the Commissioner of Environmental Protection and the Department of Public Health to pay for the reasonable costs of administering such account and conducting activities under the federal Safe Drinking Water Act or other related federal acts; and (F) by the Commissioner of Environmental Protection and the Commissioner of Public Health to provide additional forms of subsidization, including grants, principal forgiveness or negative interest loans or any combination thereof, if permitted by federal law and made pursuant to a project funding agreement in accordance with subsection (k) of section 22a-478.

Approved April 23, 2009