
OLR Bill Analysis

sHB 7208

AN ACT CONCERNING REFERENDA ON THE SALE OF MUNICIPAL AUTHORITIES, DEPARTMENTS, AGENCIES OR ASSETS THEREOF OR THE PRIVATIZATION OF MUNICIPAL SERVICES OR FUNCTIONS.

SUMMARY

This bill requires certain agreements between a municipality and a private company to be submitted to a referendum if successfully petitioned for by a municipality's electors. Specifically, the requirement applies to agreements, authorized by the municipality's legislative body on or after July 1, 2025, to be entered into that (1) sell a municipal department, agency, authority, or any of its assets, to a private company or (2) have a private company provide services or perform functions that are substantially similar to and in lieu of those conducted by municipal employees.

The referendum requirement is triggered if a petition that meets state law's requirements (see BACKGROUND) is signed by at least 5% of a municipality's electors and filed with the applicable clerk within 30 days of the legislative body's authorization to enter into the agreement. Before entering into an applicable agreement, the municipality must wait until the petition period expires, and (presumably only if a petition is submitted) until the clerk determines a petition does not satisfy the bill's provisions.

Otherwise, if the clerk determines the petition satisfies the bill's requirements, he or she must notify the legislative body and the municipality's chief executive officer of the successful petition and that a referendum must be held at the next regular election on whether to approve the legislative body's authorization. If a majority of the voters approve the referendum, the municipality may proceed in entering into the agreement. If the majority does not approve the authorization, the

municipality may not proceed and is prohibited from entering into an agreement regarding the same sale or privatization for a five-year period (the bill does not specify when this period begins).

This bill's provisions apply regardless of any special act, charter, or home rule ordinance provision, unless a municipality is operating under a provision that authorizes a lower threshold of electors to trigger a referendum. If so, the act's, charter's, or ordinance's threshold supersedes the bill's threshold.

EFFECTIVE DATE: July 1, 2025

BACKGROUND

Petition Requirements

A referendum petition must be on a form set or approved by the town clerk. Each petition page must contain a statement, signed under penalty of false statement by the circulator, that (1) includes the circulator's name and address, (2) each person signing the petition did so under penalty of false statement and in the circulator's presence, (3) the circulator knows each signer or ensured the signer satisfactorily identified themselves, and (4) the signatures were not obtained before six months of the petition's filing. Any page without this statement is considered invalid (CGS § 7-9).

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 13 Nay 6 (03/19/2025)