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## OLR Bill Analysis

### sSB 9

# **AN ACT CONCERNING THE ENVIRONMENT, CLIMATE AND SUSTAINABLE MUNICIPAL AND STATE PLANNING, AND THE USE OF NEONICOTINOIDS AND SECOND-GENERATION ANTICOAGULANT RODENTICIDES.**

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### § 18 — ZONING REGULATIONS

*Requires that municipal zoning regulations provide for proper ways to mitigate and avoid the negative effects of sea level change; allows the regulations to (1) require or promote resilience and (2) give incentives for using flood-risk reduction building methods*

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*Allows municipal zoning regulations to provide for (1) a regional TDR system and (2) sending and receiving sites in conjunction with a multi-town or regional TDR system; allows COGs to administer joint or multi-town TDR systems; allows two or more municipalities to set up a TDR bank; sets criteria for eligible sending and receiving sites*

### § 21 — STATE WATER PLAN UPDATE

*Requires the state water plan's next update to (1) consider (a) the potential impact of climate change on water resource quality and (b) temperatures and precipitation information when identifying water quantities and qualities for various uses and (2) include recommendations and an implementation plan for reducing effects on water from climate change and extreme weather*

### § 22 — WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REGULATION AND PERMIT REVIEW

*On a 10-year basis beginning by the end of 2028, requires DEEP, DPH, and PURA to review and revise their water supply regulations and DEEP and DPH to review and revise their sewage disposal system permitting processes and related regulations, all to include certain projections*

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### § 33 — SECOND-GENERATION ANTICOAGULANT RODENTICIDES

*Requires DEEP, by January 1, 2026, to classify second-generation anticoagulant rodenticides as restricted use pesticides*

### § 34 — NEONICOTINOIDS

*Prohibits, beginning January 1, 2026, selling, possessing, or using pesticides with neonicotinoids; exempts certain uses (e.g., on agricultural plants or to eliminate certain invertebrate pests)*

## **SUMMARY**

This bill makes changes in laws related to planning for and preparing against certain hazards and climate change (e.g., sea level rise, rising groundwater, extreme heat, wildfire, drought, or flooding). Among other things, the bill:

1. requires certain entities to give consumers flood disclosure notices;
2. requires updates to local, regional, and state plans of conservation and development, the state's civil preparedness plan, and local evacuation or hazard mitigation plans;
3. allows municipal zoning regulations to provide for regional transfer of development rights systems;
4. requires updates to the state water plan and reviews of water supply and sewage disposal system regulations to account for certain projections; and
5. creates a framework for municipalities to establish resiliency improvement districts.

The bill requires the Department of Energy and Environmental Protection (DEEP) to classify second-generation anticoagulant rodenticides as restricted use pesticides. It also prohibits selling, possessing, or using pesticides with neonicotinoids, except for certain uses (e.g., on agricultural plants or to eliminate certain invertebrate pests).

A section-by-section analysis follows below.

EFFECTIVE DATE: July 1, 2025, except as specified below.

## **§§ 1-5 — FLOOD DISCLOSURES**

*Requires certain insurance producers and brokers to (1) notify certain insurance applicants about flood insurance availability, and (2) post a flood insurance notice on the policy declarations page; requires financial institutions to notify mortgage applicants of flood damage risk and who to contact for flood insurance information; requires certain property sellers to give prospective buyers a flood disclosure notice that the DCP commissioner must develop; requires landlords to give tenants a flood disclosure notice before entering into or renewing a lease, and include a specific notice in rental agreements*

***Personal Risk Insurance (§ 1)***

The bill requires insurance producers or brokers to provide an applicant for a personal risk insurance policy (e.g., a homeowners or renters insurance policy) written disclosure of the availability of flood insurance coverage. The disclosure must explain the option of purchasing flood insurance through the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP) or private insurers. The producer or broker must get the applicant's written acknowledgement that he or she received the disclosure and whether he or she declined to purchase flood insurance.

The bill also requires the insurers to include on a personal risk insurance policy declarations page a specific notice that the policy does not include flood insurance.

EFFECTIVE DATE: July 1, 2026

***Mortgage Loans (§ 2)***

The bill requires a creditor (e.g., state or federal bank, credit union, mortgage lender or correspondent lender, or other financial institution) to give a mortgage loan applicant a notice written in plain language with certain information about flood insurance by the mortgage closing date.

Specifically, the notice must inform the applicant that (1) standard homeowners insurance policies do not cover flood related losses, (2) flood damage can happen regardless of if the property is in a designated flood zone, and (3) the applicant may want to consult an insurance producer or broker about flood insurance availability and benefits. The applicant must sign and date the notice, and the creditor must keep a copy of it with the applicant's mortgage records.

EFFECTIVE DATE: July 1, 2026

***Residential Condition Report (§§ 3 & 4)***

The bill requires a person selling residential property on or after July 1, 2026, to give a prospective buyer a flood disclosure notice when he or she gives the required written condition report.

It requires the Department of Consumer Protection (DCP) commissioner, by June 15, 2026, to develop the notice in consultation with DEEP, the housing and insurance departments, industry representatives, and housing advocates.

Under the bill, the notice must at least include the following:

1. if the property is in a (a) FEMA-designated floodplain, (b) Special Flood Hazard Area per FEMA's current flood insurance rate maps for the area, or (c) moderate risk flood hazard area;
2. if federal law requires the property to have flood insurance coverage;
3. if the seller (or previous owners) received assistance from FEMA, the U.S. Small Business Administration (SBA), or other state or federal disaster assistance for flood damage;
4. if a FEMA elevation certificate is available;
5. if the seller ever filed a flood damage claim under a flood insurance policy;
6. if the structure has experienced water penetration or damage from seepage or a natural flood event; and
7. any other information the DCP commissioner requires.

Under the bill, transfers of newly built residential real property for which there is an implied warranty are subject to this flood disclosure notice requirement, despite being exempt from giving a residential condition report. The seller must give the flood disclosure notice when he or she would have otherwise needed to give a residential condition report absent the exemption.

***Landlord/Tenant Rental Agreements (§ 5)***

The bill requires a landlord to give a tenant, before entering into or renewing a rental agreement on or after July 1, 2026, a flood disclosure notice. The DCP commissioner, by June 15, 2026, must develop this

notice in consultation with DEEP, the housing and insurance departments, industry representatives, and housing advocates.

Under the bill, the notice must at least include the following:

1. if the leased premises (including common areas and parking areas) are in a (a) FEMA-designated floodplain, (b) Special Flood Hazard Area per FEMA's current flood insurance rate maps for the area, or (c) moderate risk flood hazard area;
2. if federal law requires the premises to have flood insurance coverage;
3. if the landlord or any tenant (or previous owner or tenant) received assistance from FEMA, the U.S. SBA, or other state or federal disaster assistance for flood damage;
4. if a FEMA elevation certificate is available;
5. if the landlord or any tenant ever filed a flood damage claim under a flood insurance policy;
6. if, and how often, the premises experienced flood damage, water seepage, or pooled water from a natural flood event;
7. if the landlord has actual knowledge that the premises have been flooded; and
8. any other information the DCP commissioner requires.

The bill also requires rental agreements to have a specific notice to tenants that (1) standard renters insurance policies do not typically cover flood damage and (2) flood insurance may be available through FEMA's NFIP. The notice must also encourage them to review their policy.

## **§§ 6 & 7 — COASTAL SITE PLAN REVIEWS**

*Makes new single-family home construction subject to coastal site plan review under the Coastal Management Act; requires municipal zoning commissions and zoning boards of appeals to give DEEP a copy of each coastal site plan for any activity proposed within certain FEMA-designated areas or sites with tidal wetlands, beaches, or dunes*

By law, coastal municipalities must perform coastal site plan reviews under the state's Coastal Management Act (CMA). The CMA requires coastal site plan reviews for certain activities in the coastal boundary and landward of the mean high water mark to determine conformity with municipal zoning regulations and certain state statutory requirements.

The bill applies coastal site review requirements to building new single-family homes. Current law allows municipalities to exempt the construction of these homes from coastal site plan review, except when the structure is (1) on an island not connected to the mainland by an existing road bridge or causeway or (2) within 100 feet of tidal wetlands, coastal bluffs and escarpments, beaches, and dunes.

The bill also requires municipalities to give DEEP a copy of each coastal site plan for any activity proposed within a FEMA-designated V, VE, A, or AE area (i.e. special flood hazard areas), or Limit of Moderate Wave Action (LiMWA) area (i.e. where wave heights are between 1.5 and 3 feet), or any site with tidal wetlands, beaches, or dunes. They must do this within 15 days after receiving the plan. DEEP may comment on a plan within 35 days after receiving it, and DEEP's comments must be considered before final action is taken on the plan. Current law requires this process only for the coastal site plans of shoreline flood and erosion control structures.

The law also currently requires the municipal zoning commissions to give DEEP a copy of a submitted coastal site plan and receive DEEP's comments for consideration. The bill extends these requirements to zoning boards of appeals.

EFFECTIVE DATE: October 1, 2025

## **§ 8 — BAN ON USING STATE FUNDS IN FLOODWAY**

*Generally prohibits state funds from being used to build new residential structures on repetitive-loss properties or within the floodway or coastal high-hazard area*

The bill generally prohibits, beginning December 1, 2025, any state entity from using state funds, and any recipient of state funds or federal funds provided through a state agency, from using any of it to directly

subsidize building any new residential structure or reconstruction of a residential structure that increases the finished habitable living space when the structure is located on a repetitive-loss property or within the floodway or coastal high-hazard area (e.g., FEMA-designated coastal AE, VE, and V zones and LiMWAs).

However, the prohibition does not apply to (1) projects that began construction before that date and (2) reconstruction solely to bring the structure into FEMA compliance or for work performed on an area of property that is outside of the floodway or coastal high-hazard areas.

EFFECTIVE DATE: Upon passage

## **§ 9 — LOCAL EVACUATION AND HAZARD MITIGATION PLANS**

*Requires municipal evacuation or hazard mitigation plans to identify and address certain threats due to sea level change (e.g., to critical infrastructure) and ways to avoid or reduce climate change's effects; requires use of geospatial data in identifying those threats*

Beginning October 1, 2025, the bill requires municipal evacuation plans and municipal hazard mitigation plans to identify and address (1) threats to surface transportation, critical infrastructure, and local land uses due to sea level change and (2) actions, strategies, and capital projects to avoid or reduce impacts and risks from climate change (e.g., increased precipitation, flooding, sea level rise, and extreme heat). The transportation, infrastructure, land uses, actions, strategies, and capital projects must be identified in geospatial data using the state's plane coordinate system, as applicable, which must be provided to the Department of Emergency Services and Public Protection (DESPP), the Department of Transportation (DOT), and the Office of Policy and Management (OPM) if they ask for it. This work may be done regionally.

## **§ 10 — MUNICIPAL CULVERT AND BRIDGE DATA**

*Requires each municipality to annually submit a geospatial data file to its regional council of governments on its culverts and bridges; requires each regional council of governments to annually submit the files to OPM*

Beginning by October 1, 2026, the bill requires each municipality to annually submit a geospatial data file on each culvert and bridge within its control and boundaries to the regional council of governments (COG) to which it belongs.



Under the bill, the report must include each culvert's and bridge's (1) geospatial data, using the state's plane coordinate system; (2) locational coordinates; and (3) age and dimensions. It must also have any other information determined necessary by, and be in the format set by, OPM in consultation with DOT and DEEP.

The bill then requires each COG, beginning by December 1, 2026, to annually (1) submit the geospatial data file to the OPM secretary and (2) report any municipality that did not submit its data file.

## **§ 11 — MUNICIPAL RESERVE FUNDS**

*Explicitly allows municipal reserve funds to cover expenditures intended to increase a capital improvement's resiliency against climate change impacts*

Existing law restricts the use of municipal reserve funds to specified purposes, including financing capital and nonrecurring expenditures to plan, construct, reconstruct, or acquire a specific capital improvement. The bill explicitly allows the funds to cover these expenditures when they are intended to increase a capital improvement's resiliency against climate change impacts (e.g., increased precipitation, flooding, sea level rise, and extreme heat).

As under existing law, reserve funds may also be used to (1) acquire a specific piece of equipment; (2) pay property tax revaluation costs; and (3) pay the costs associated with preparing, amending, or adopting a municipal plan of conservation and development. By law, the municipality's budget-making authority must recommend, and its legislative body must approve, any expenditure from the reserve fund.

## **§ 12 — TOWN AID ROAD**

*Expands the eligible uses of Town Aid Road program funds by adding construction, reconstruction, improvements, and maintenance to increase resiliency against increased precipitation, flooding, sea level rise, and extreme heat*

The bill expands the eligible uses of municipal Town Aid Road (TAR) program grants to include construction, reconstruction, improvements, and maintenance to increase resiliency against increased precipitation, flooding, sea level rise, and extreme heat.

By law, \$12.5 million of money appropriated to DOT is allocated each

fiscal year for distribution under the TAR program. Currently, municipalities can use their TAR grant for a variety of activities, such as highway and bridge construction or maintenance, snow plowing and sanding, tree trimming or removal, installing traffic signs and signals, traffic control, vehicle safety programs, parking planning, and providing essential public transportation services and facilities.

## **§§ 13-16 — PLANS OF CONSERVATION AND DEVELOPMENT**

*Generally expands the information that must be included in local, regional, and the state's plans of conservation and development to include strategies for responding to, and information related to, climate change effects (e.g., increased precipitation or extreme heat)*

Plans of conservation and development are statements of development, resource management, and investment policies created by certain government entities. Municipalities and COGs must update their plans at least once every 10 years, and OPM must submit an updated plan to the legislature for its approval once every five years (CGS §§ 8-23, 8-35a & 16a-24 et seq.).

The bill requires each type of plan (i.e. local, regional, and state) to include strategies for responding to, and information related to, climate change effects, as described below.

### ***Local Plans (§§ 13 & 14)***

***Required Considerations.*** State law sets out what local planning commissions (or a special committee a commission appoints) must consider when preparing local plans of conservation and development, including things like the municipality's needs; protecting and preserving agriculture; using development patterns that are consistent with the municipality's soil, terrain, and infrastructure capacity; the state and regional plans of conservation and development; and the most recent sea level change scenario.

For plans adopted on or after October 1, 2026, the bill broadens the commissions' considerations to include the most recent hazard and climate projections from federal and state authorities, such as the National Oceanic and Atmospheric Administration (NOAA), FEMA, the U.S. Environmental Protection Agency (EPA), and UConn.

**Plan Purposes.** State law sets the requirements for local plans of conservation and development. The bill adds to the mandated content by requiring plans adopted beginning October 1, 2026, to:

1. include a climate change vulnerability assessment (see below);
2. take into account identified threats, vulnerabilities, and impacts from the vulnerability assessment for the recommended most desirable land uses;
3. note inconsistencies with reducing vehicle mileage as a growth management principle;
4. identify infrastructure (e.g., facilities, public utilities, and roadways) critical for evacuation and sustaining quality of life during a natural disaster that must always be operational;
5. identify strategies and design standards that may be used to avoid or reduce risks from natural disasters, hazards, and climate change; and
6. include geospatial data that is (a) used to prepare the plan or (b) needed to convey the plan's information.

The bill allows local plans of conservation and development to identify areas vulnerable to climate change effects to prioritize funding for infrastructure needs and resilience planning.

Under the bill, the climate change vulnerability assessment must (1) be based on information from the above-referenced state and federal authorities (i.e. NOAA, FEMA, EPA, and UConn) and (2) assess existing and anticipated threats to and vulnerabilities from natural disasters, hazards, and climate change (e.g., increased temperatures, drought, flooding, wildfire, storms, and sea level rise). It must also assess the impacts of the disasters and hazards to individuals, communities, institutions, businesses, economic development, public infrastructure and facilities, public health, safety, and welfare.

Additionally, the assessment must:

1. identify goals, policies, and techniques to avoid or reduce the above threats, vulnerabilities, and impacts;
2. describe any consistencies and inconsistencies between the assessment and any existing or proposed municipal natural hazard mitigation plan, floodplain management plan, comprehensive emergency operations plan, emergency response plan, post-disaster recovery plan, long-range transportation plan, or capital improvement plan; and
3. identify and recommend any needed (a) integration of data from the assessment into these plans and (b) actions to make the assessment and plans consistent.

Lastly, the bill allows a planning commission or its special committee to use information and data from the plans that are compared for consistency as part of the vulnerability assessment (e.g., hazard mitigation or emergency response plans) when preparing the plan of conservation and development. This explicitly includes using a document the applicable COG coordinated. However, this data cannot be incorporated by reference; it must be summarized and applied in the plan to the municipality's specific policies, goals, and standards.

***Optional Commission Recommendations.*** The bill similarly expands the topics for which commissions and special committees may make recommendations in their plans. Existing law permits recommendations for things such as airports; parks; locations for public buildings, public utilities, and public housing projects; programs to implement the plan; and priority funding areas.

The bill also permits recommendations for a (1) land use program to promote reducing and avoiding risks from natural disasters, hazards, and climate change; (2) transfer of development rights program, which sets criteria for sending and receiving sites and related technical details (see § 20 below); and (3) identifying a resiliency improvement district, which the bill authorizes municipalities to establish (see §§ 23-32 below).

***Plan Submission.*** Under existing law, the planning commission

must submit a copy of the plan to OPM, along with a description of any inconsistencies between the plan and the state plan of conservation and development, within 60 days after adopting it. The bill requires that (1) the submission also include the geospatial data used to prepare the plan, as prescribed by the OPM secretary, and (2) the described inconsistencies include a comparison with the applicable regional plan of conservation and development.

### ***Regional Plans (§ 15)***

By law, regional conservation and development plans must, among other things, identify areas where it is feasible and prudent to promote compact, transit-accessible, pedestrian-oriented mixed-use development patterns. They also note inconsistencies of those patterns with certain specified growth management principles, such as protecting environmental assets that are critical to public health and safety. The bill adds protecting ecosystem services to these principles.

Current law allows for regional plans of development to encourage energy-efficient development patterns, use of solar and other forms of renewable energy, and energy conservation. Under the bill, the plans may also include land use strategies to reduce climate change effects, and the development patterns must be resilient in addition to energy efficient.

The bill also requires these plans, beginning October 1, 2025, to (1) show consistency with the regional long-range transportation plan and the regional summary of the hazard mitigation plan (where there is a regional hazard mitigation plan) and (2) identify critical facilities in the region along with geospatial data showing the facilities' location, address, and general function. This data must be available to DESPP, DOT, and OPM if they ask for it.

### ***State Plan (§ 16)***

The state plan of conservation and development (POCD) is a five-year plan to guide state agency action affecting land and water resources. OPM, through its secretary, prepares revisions to the plan and the law specifies numerous considerations and components the

POCD must address and include (CGS § 16a-24 et seq.).

The bill broadens the required considerations and recommendations related to flooding and erosion beginning with POCDs adopted after the adoption of the 2025-2030 POCD. Specifically, as shown in the table below, these later plans must also (1) consider risks from changes in the rate and timing of precipitation and increased average temperatures from extreme heat; (2) identify impacts from the extreme heat and drought; and (3) make land use strategy recommendations that minimize risks to public health, infrastructure, and the environment.

**Table: Required POCD Contents Under Current Law and the Bill**

<b><i>Current Law (2025-2030 POCD)</i></b>	<b><i>Future POCDs Under the Bill</i></b>
Consider risks due to increased coastal flooding and erosion (depending on site topography), based on the most recent sea level change scenario for Connecticut published by UConn's Marine Sciences Division	Consider risks due to: <ul style="list-style-type: none"> <li>increased flooding and erosion (depending on site topography), based on the most recent sea level change scenario for Connecticut published by UConn's Marine Sciences Division and other sources OPM deems appropriate, and</li> <li>changes in the rate and timing of annual precipitation and increased average temperatures from extreme heat</li> </ul>
Identify impacts from the increased flooding and erosion on infrastructure and natural resources	Identify impacts from extreme heat, drought, and increased flooding and erosion on infrastructure and natural resources
Make recommendations for siting future infrastructure and property development to minimize using areas prone to the flooding and erosion	Make recommendations for: <ul style="list-style-type: none"> <li>siting future infrastructure and property development to minimize using areas prone to the flooding and erosion and</li> <li>land use strategies that minimize risks to public health, infrastructure, and the environment</li> </ul>
Consider the state's greenhouse gas (GHG) reduction goals*	Consider the state's GHG reduction goals*

\*The Global Warming Solutions Act requires the state to reduce GHG emissions to certain levels, like 45% below 2001 emission levels by January 1, 2023, and 80% below 2001 emission levels by January 1, 2050. It also requires the state to reduce GHG emissions from electricity supplied to electric customers in

the state to zero percent by January 1, 2040 (CGS § 22a-200a).

## **§ 17 — CIVIL PREPAREDNESS PLAN**

*Beginning October 1, 2028, requires the state's civil preparedness plan and program to consider observed and projected climate trends related to certain situations*

By law, the DESPP commissioner must prepare a comprehensive state plan and program for civil preparedness (activities and measures to address certain disasters or emergencies), subject to the governor's approval. Beginning October 1, 2028, the bill requires the plan and program to consider observed and projected climate trends related to extreme weather events, drought, coastal and inland flooding, storm surge, wildfire, extreme heat, and any other hazards the commissioner deems relevant.

## **§ 18 — ZONING REGULATIONS**

*Requires that municipal zoning regulations provide for proper ways to mitigate and avoid the negative effects of sea level change; allows the regulations to (1) require or promote resilience and (2) give incentives for using flood-risk reduction building methods*

The bill requires that zoning regulations adopted under the Zoning Enabling Act (as opposed to a special act) include proper ways to mitigate and avoid the potential negative effects of sea level change on public health, public welfare, and the environment. In doing so, the regulations must consider the most recent sea level change scenario for Connecticut published by UConn's Marine Sciences Division.

The bill allows zoning regulations to require or promote resilience (i.e. the ability to prepare for and adapt to changing conditions and withstand and recover rapidly from deliberate attacks, accidents, or naturally occurring threats or incidents, such as those associated with climate change), including risks from extreme heat, drought, or prolonged or intense precipitation. It also allows them to give incentives for developers who use flood-risk reduction building methods.

EFFECTIVE DATE: October 1, 2025

## **§§ 18-20 & 35 — TRANSFER OF DEVELOPMENT RIGHTS**

*Allows municipal zoning regulations to provide for (1) a regional TDR system and (2) sending and receiving sites in conjunction with a multi-town or regional TDR system; allows COGs to administer joint or multi-town TDR systems; allows two or more municipalities to set up a TDR bank; sets criteria for eligible sending and receiving sites*

***Municipal or Regional TDR Systems (§§ 18, 20 & 35)***

A transfer of development rights (TDR) system involves separating the right to develop land from the land itself, a process that makes the development right a marketable credit. These systems usually involve designating (1) preservation areas (i.e. sending sites) where building is restricted and (2) development areas (i.e. receiving sites) where developers can exceed permitted densities if they buy development rights from owners in the preservation areas. Existing law allows (1) a single municipality to establish a TDR system through its zoning regulations and (2) two or more municipalities to enter into an agreement for a joint or multi-town TDR system.

The bill allows municipalities to provide for (1) a regional TDR system through their zoning regulations, just as existing law allows for municipal TDR systems, and (2) sending and receiving sites in conjunction with a multi-town or regional TDR system. The bill also allows COGs or other agencies to administer these joint or multi-town TDR systems.

As under current law for municipal TDR systems, the bill allows regional TDR systems to vary density limits in connection with a transfer. It also eliminates the current requirement that a TDR system adopted through zoning regulations require both parties (transferors and transferees) to apply jointly for the transfer.

***TDR Banks (§ 20)***

The bill allows two or more municipalities that have entered into a TDR agreement to enter into an interlocal agreement to set up a TDR bank. (It does not specify a TDR bank's purposes or duties.) These interlocal agreements must:

1. identify the receiving site and include the local development rights legislation that was or will be adopted by the municipality or municipalities where the site is located,
2. describe procedures for terminating the TDR bank, and
3. describe the conversion ratio to be used in the receiving site.



Under the bill, the conversion ratio may express the extent of additional development rights in any combination of units, floor area, height, or other applicable development standards that the municipality may modify to create incentives for purchasing development rights.

***Eligible Receiving Sites.*** Under the bill, each of these receiving sites must be:

1. eligible to connect with a public water system;
2. within one-half mile from public transportation facilities (e.g., rail and bus stations) and above the 500-year flood elevation;
3. outside the boundaries of core forest (i.e. unfragmented forest land that is at least 300 feet from the boundary between forest land and non-forest land, as determined by the DEEP commissioner); and
4. outside the boundaries of any area impacted by the state's most recent sea level change scenario.

***Eligible Sending Sites.*** The bill specifies that eligible sending sites may include:

1. core forest or agricultural land;
2. farm land classified under the "PA 490 program" (which allows eligible land to be assessed for property tax purposes based on its current use, rather than its fair market value);
3. areas identified as containing habitat for endangered or threatened species (as identified under state or federal law or a written determination of the U.S. Fish and Wildlife Service or state and federally recognized tribe); and
4. areas within the boundaries of a floodplain or area impacted by the state's most recent sea level change scenario.

***Definitions (§ 19)***

Under the bill, a “receiving site” is one or more designated sites or land areas to which development rights from one or more sending sites may be transferred and where increased development is allowed to occur because of the transfer. A “sending site” is one or more designated sites or land areas in which development rights are designated for use in one or more receiving sites.

EFFECTIVE DATE: July 1, 2025, except the section defining receiving and sending sites is effective upon passage.

## **§ 21 — STATE WATER PLAN UPDATE**

*Requires the state water plan’s next update to (1) consider (a) the potential impact of climate change on water resource quality and (b) temperatures and precipitation information when identifying water quantities and qualities for various uses and (2) include recommendations and an implementation plan for reducing effects on water from climate change and extreme weather*

The bill requires the next update to the state water plan to consider (1) the potential impact of climate change on water resource quality and (2) past conditions and predictions of future temperatures and precipitation when identifying available quantities and qualities of surface water and groundwater that are for public water supply, health, economic, recreation, and environmental benefits on a regional basin scale. It must also have recommendations and an implementation plan to reduce effects on water quality and quantity from climate change and extreme weather events.

By law, the Water Planning Council (WPC) is responsible for preparing and periodically updating the state water plan, which is used to manage the state’s water resources. The WPC is comprised of the DEEP and Department of Public Health (DPH) commissioners, the Public Utilities Regulatory Authority (PURA) chairperson, and the OPM secretary, or their designees. Adoption of the plan, and revisions to it, involves (1) an opportunity for the public to review the plan, attend a public hearing on it, and submit written comments; (2) legislative review, which may include a public hearing; and (3) approval by the governor if the legislature does not timely approve it (i.e. within 24 months after its original submission) (CGS §§ 25-33o and 22a-352).

**§ 22 — WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REGULATION AND PERMIT REVIEW**

*On a 10-year basis beginning by the end of 2028, requires DEEP, DPH, and PURA to review and revise their water supply regulations and DEEP and DPH to review and revise their sewage disposal system permitting processes and related regulations, all to include certain projections*

The bill requires DEEP, DPH, and PURA to each (1) review their respective regulations on water supply and (2) revise them to include the most concurrent projections on precipitation, temperature, and other conditions that could impact water quality, quantity, and distribution.

The bill also requires DEEP and DPH to each review and revise their sewage disposal system permitting processes and related regulations to include the most concurrent projections on precipitation, flooding, sea level rise, and other conditions that could impact public safety and environmental quality.

These efforts must be done every 10 years, beginning by December 31, 2028.

**§§ 23-32 — RESILIENCY IMPROVEMENT DISTRICTS**

*Creates a framework authorizing municipalities to establish resiliency improvement districts to finance capital projects addressing climate change mitigation, adaptation, or resilience; allows municipalities to finance projects in these districts by designating incremental property tax revenue and specified savings generated in the district, imposing benefit assessments on real property in the district, and issuing bonds backed by these revenue streams and other sources; allows municipalities to fix property tax assessments in the district for up to 30 years*

**Overview**

The bill allows municipalities, through their legislative bodies, to establish a resiliency improvement district to finance capital projects meant to address climate change mitigation, adaptation, or resilience. It allows a municipality to finance projects in the district by (1) designating all or part of the new or incremental real property tax revenue and specified savings generated in the district for repaying the costs incurred to fund the projects; (2) imposing assessments on real property in the district benefiting from certain public improvements (i.e. benefit assessments); and (3) issuing bonds with up to 30-year terms backed by various sources, including these revenue streams, to pay project costs.

The bill imposes certain criteria for designating a resiliency improvement district that generally parallel those in existing law for designating a tax increment financing district. It specifies a process for establishing a resiliency improvement district that, among other things, requires a municipality to (1) consider the proposed district's contribution to the municipality and its residents, (2) determine whether it conforms with its plan of conservation and development, and (3) hold at least one public hearing on the proposal.

It requires a municipality's legislative body to adopt a master plan for the resiliency improvement district and prescribes the plan's components, including a financial plan that defines the costs and revenue sources required to accomplish the master plan. It also allows municipalities to fix property tax assessments in the district for up to 30 years.

To carry out a district master plan, the bill allows municipalities to issue bonds with up to 30-year terms backed by various sources, including (1) their full faith and credit (i.e. general obligation (GO) bonds); (2) the income, proceeds, revenues, and property within the district; and (3) tax increment revenues, increased savings, and benefit assessments.

***Establishing the District (§ 24(a), (d) & (e))***

The bill allows a municipality's legislative body to establish a resiliency improvement district within the municipality's boundaries subject to the bill's requirements. (Under the bill, a "municipality" is a town, city, borough, consolidated town and city, or consolidated town and borough.) The district is effective when the legislative body approves it and adopts a district master plan, as described below. If the municipality operates under a charter that prohibits these districts, the bill prohibits it from establishing one.

The bill also allows two or more contiguous municipalities to enter into an interlocal agreement to set up a district and adopt a district master plan for a district made up of contiguous properties partially located in each. They must adopt the agreement before they set up the

district or plan according to the interlocal agreement law. The agreement must divide among the participating municipalities any power, right, duty, or obligation set out in the bill. As with other districts, joint districts are effective when the respective legislative bodies approve it and adopt a district master plan.

***Advisory Board (§ 31)***

The bill allows the legislative body of each applicable municipality to create a board to advise it and designated administrative entities on (1) planning, building, and implementing the district master plan and (2) maintaining and operating the district after the plan's completion. The advisory board's members must include people who own or occupy real property in or next to the district.

***Conditions for Approval (§ 25)***

The bill requires municipalities (through their legislative bodies, or board of selectmen if the legislative body is a town meeting) to take certain steps before establishing a district and approving a district master plan.

***Planning Commission.*** The municipality must give the proposed district master plan to its planning commission, if it has one, and ask it to study the plan and issue a written advisory opinion, with a determination as to whether it is consistent with the municipality's plan of conservation and development.

***Public Hearing.*** The municipality must hold at least one public hearing on the proposed district. It must publish notice of the hearing at least 10 days in advance in a conspicuous place on the municipality's website (or municipalities' websites, in the case of a joint district) and include (1) the hearing's date, time, and place; (2) a legal description of the proposed district's boundaries; and (3) the draft district master plan. The draft plan must also be (1) available for people to physically review it and (2) posted on each applicable municipality's website.

***Approval Criteria.*** The municipality must determine whether the proposed district meets certain criteria. First, it must consider if it and

its master plan will contribute to the municipality's well-being or improve its residents' health, welfare, or safety.

In addition, it must determine whether the proposed district meets the following conditions:

1. it must contain an area that experiences, or is likely to experience, adverse impacts from hazards or climate change (e.g., sea level rise, rising groundwater, extreme heat, wildfire, drought, or flooding);
2. it must have been identified in (a) a municipal hazard mitigation plan, (b) a local or regional plan of conservation and development, or (c) another related planning process;
3. the plan must show that it reduces risks from these identified adverse impacts in the district;
4. a portion of its real property must be suitable for commercial, industrial, mixed-use, or retail uses or transit-oriented development; and
5. it must not increase the vulnerability and risk to adjacent properties or other hazards in the district.

If there are existing residential uses in the district, the proposed district must also provide for replacing or renovating these residential buildings under certain conditions. Specifically, if the district is in a flood zone or within the sea level rise boundaries in the sea level change scenario for Connecticut published by UConn's Marine Sciences Division, it must:

1. include a height standard of at least two feet of freeboard above the base flood elevation, or as designated by the state building code or municipal building requirements, whichever imposes a greater height standard, and indicate whether construction of or renovation to commercial or industrial buildings must be flood-proofed or elevated; and

2. allow vehicles to access these buildings at a height of two feet above base flood elevation.

Lastly, the original assessed value of the proposed district (i.e. the value of all taxable real property in the district as of the prior October 1), plus the original assessed value of all of the existing tax increment districts within the relevant municipalities, cannot exceed 10% of the total value of taxable property in the municipalities as of the October 1 immediately before the district's establishment. This calculation does not include any districts consisting entirely of contiguous property owned by a single taxpayer (i.e. parcels divided by a road, power line, railroad line, or right-of-way).

### ***Dissolving the District or Changing Its Boundaries (§ 24(c))***

Under the bill, a municipality's legislative body may generally vote to dissolve a district or change its boundaries at any time. But it may not dissolve the district or decrease its boundaries if the district has any outstanding bonds, other than municipal GO bonds.

### ***District Powers (§ 24(b) & (f))***

***Development.*** The bill authorizes a municipality, within a district and consistent with its district master plan, to:

1. acquire, construct, reconstruct, improve, preserve, alter, extend, operate, and maintain property or promote development to meet the plan's objectives (in doing so, it may acquire property, land, and easements through negotiation or by other legal means);
2. execute and deliver contracts, agreements, and other documents related to the district's operation and maintenance;
3. issue bonds and other obligations as the bill allows;
4. enter into fixed assessment agreements for real property in the district, subject to the restrictions described below;
5. accept grants, advances, loans, or other financial assistance from public or private sources and do anything necessary or desirable

to secure the aid (the bill specifies that this funding includes funds from the Climate Change and Coastal Resiliency Reserve Fund, stormwater authorities, and flood prevention, climate resilience, and erosion control systems); and

6. according to terms it establishes, (a) provide services, facilities, or property; (b) lend, grant, or contribute funds; and (c) take any other action it is authorized to perform for other municipal purposes.

These powers are in addition to those the municipality has under the Constitution, the statutes, special acts, or the bill's other provisions.

***Fixing Assessments in the District.*** The bill allows a municipality, through its board of selectmen, town council, or other governing body, to enter into written agreements with a taxpayer to fix the assessment of real property in the district for up to 30 years. The property's fixed assessment, plus the value of any future improvements, cannot be less than its assessment as of the last regular assessment date without the future improvements.

Fixed assessment agreements must be recorded on the municipality's land records. This recording (1) constitutes notice to the property's subsequent purchasers or encumbrancers, whether they acquire the property voluntarily or involuntarily, and (2) is binding.

A municipality may bring an action in the Superior Court for the judicial district in which it is located to force a taxpayer to comply with the agreement's terms.

***Tax Abatements for Affordable Housing in the District.*** The bill specifies that it does not limit a municipality's authority under the law to offer, enter into, or change any tax abatement for real property in the district if that property has at least one affordable housing unit. (By law, a unit is affordable if it costs a household no more than 30% of its income, for households making up to the median income of the town where the unit is located.)



***District Master Plan (§ 26)***

**Requirement.** The bill requires a municipality's legislative body to adopt a (1) "district master plan" for the district and (2) statement of the percentage or amount of "increased assessed value" that will be designated as "captured assessed value" under the plan, as described below. It must adopt the plan (1) at the same time it adopts the district, subject to the bill's procedures, and (2) after receiving the planning commission's (or combined planning and zoning commission's) written advisory opinion or 90 days after it requested the opinion, whichever comes first.

**Purpose.** Under the bill, the "district master plan" is a statement of means and objectives prepared by the municipality, or municipalities acting under an interlocal agreement, relating to a district designed to do the following:

1. reduce the risk of, or exposure to, extreme events, hazards, and climate change effects;
2. support economic development;
3. provide housing opportunities in existing residential areas;
4. improve or broaden the tax base; and
5. build or improve the physical facilities and structures needed for "resilience projects," "environmental infrastructure," or "clean energy projects."

Under the bill, "resilience projects" are those (including capital projects) designed and implemented to address climate change mitigation, adaptation, or resilience. They include projects (1) mitigating the effects of river, bay, sea, or groundwater rise; extreme heat or the urban heat island effect; or drought and (2) meant to reduce flooding risk. (By law, "resilience" is the ability to prepare for and adapt to changing conditions and withstand and recover rapidly from deliberate attacks, accidents, or naturally occurring threats or incidents, such as those associated with climate change.)

“Environmental infrastructure” is structures, facilities, systems, services, and improvement projects related to water, waste and recycling, climate adaptation and resiliency, agriculture, land conservation, parks and recreation, and environmental markets such as carbon offsets and ecosystem services. “Clean energy projects” are renewal energy projects using Class I renewable sources (e.g., wind and solar).

**Components.** The district master plan must include:

1. a legal description of the district’s boundaries;
2. the tax identification numbers for its lots or parcels;
3. the present condition and uses of its land and buildings and how building and improving physical facilities or structures will reduce or eliminate risk from existing or expected hazards;
4. the district’s existing or expected hazards;
5. the public facilities, improvements, or programs anticipated to be financed in whole or part;
6. if the district has existing residential housing, a plan to rehabilitate, build, or replace the housing, subject to the state’s plan of conservation and development and consolidated plan for housing and community development, that includes meaningful efforts to reduce displacement;
7. a plan for maintaining and operating the resiliency improvements after they are completed;
8. the district’s maximum duration, which cannot exceed 50 fiscal years, beginning with the year in which the district is established; and
9. a financial plan, as described below.

**Financial Plan Component.** The bill requires the district master plan to include a financial plan that identifies the project costs and revenue

sources required to accomplish the district master plan. The financial plan must contain:

1. cost estimates (a) for the anticipated public improvements and developments and (b) to support relocating or temporarily housing displaced residents;
2. the maximum amount of indebtedness to be incurred to implement the plan;
3. the anticipated revenue sources (e.g., increased savings, fees, assessments, grants, or other sources);
4. a description of the terms and conditions of any agreements, including any anticipated savings agreements, assessment agreements, contracts, or other obligations related to the master plan;
5. estimates of the district's increased assessed values and increased savings; and
6. for each year, the (a) portion of the increased assessed values and savings that will be applied to the plan as captured assessed values and (b) resulting tax increments.

***Amending and Reviewing the Master Plan.*** The bill (1) authorizes the legislative body of each applicable municipality to amend the master plan and (2) requires it to review the plan at least once every 10 years after its initial approval in order for the district and plan to remain in effect. (However, as long as any debt authorized and issued by the municipality under the bill's authority is outstanding, a district cannot be dissolved for failing to comply with this requirement.) The bill specifies that these provisions do not apply to plans that include development funded in whole or part by federal funds if federal law prohibits it.

***Tax Increment Revenues (§ 27)***

In addition to imposing benefit assessments to finance projects, the

bill allows municipalities to finance projects using the incremental (1) real property tax revenue generated in the district (“tax increment”) and (2) savings to district residents or businesses resulting from the reduction of any existing insurance premium or other premium, surcharge, or fee after the district’s implementation (“increased savings”). It also allows the municipality to use this revenue stream to repay the bonds issued to finance the projects, as described below.

***Captured Assessed Value.*** The bill generally allows each applicable municipality to designate all or part of the district’s tax increment and increased savings to finance all or part of the district’s master plan. In the case of any existing or planned residential use in the district, it allows the municipality to use the percentage of this revenue and savings needed to (1) rehabilitate, build, or replace dwellings and (2) increase or improve access to affordable housing within the municipality, either in or next to the district.

Under the bill, the amount of tax increment revenue designated by the municipality is determined by the district’s “captured assessed value,” that is, the percentage or amount of the incremental increase in property values (“increased assessed value”) that is used from year to year to finance the plan’s project costs. The incremental increase in property values is the amount by which the value of the district’s property as of October 1 of each year (“current assessed value”) exceeds its value as of October 1 of the tax year before the district was established (“original assessed value”). The captured assessed value is subject to any fixed assessment agreements.

Once the municipality establishes the district and adopts its master plan, its assessor must certify the original assessed value of the taxable real property within the district’s boundaries. The assessor must also annually certify the:

1. current assessed value of the district’s taxable real property,
2. amount by which the current assessed value has increased or decreased from the original assessed value, and

3. amount of the captured assessed value.

***Apportioning Property Taxes in the Municipality.*** The bill requires that property taxes paid by property owners within the district be apportioned equally with the property taxes paid by other property owners in the municipality located outside the district. It specifies that its provisions do not authorize the unequal apportionment or assessment of taxes on real property in the municipality.

***District Master Plan Fund (§ 27(c))***

Under the bill, municipalities that designate a percentage or amount of captured assessed value in their district master plans must establish a fund for depositing the resulting incremental tax revenues and paying project costs. They must also deposit in the fund any benefit assessments imposed on real property in the district, as described below.

***Account Structure.*** The fund must consist of a (1) project cost account and (2) development sinking fund account for any bonds issued to carry out or administer the district master plan. The bill authorizes the municipality to transfer funds between the accounts, as long as the transfers do not yield an insufficient balance in either account to cover its annual obligations.

The project cost account is pledged to and charged with paying project costs outlined in the financial plan, including reimbursing project cost expenditures incurred by a public body (e.g., the municipality, a developer, a property owner, or another third-party entity), other than reimbursements paid with bond proceeds.

The development sinking fund account is pledged to and charged with (1) paying interest and principal on district bonds as they come due, including any redemption premium; (2) paying the costs of providing or reimbursing any entity that provides a guarantee, letter of credit, bond insurance policy, or other credit enhancement device used to secure debt service payments on district bonds; and (3) funding any required reserve fund.

***Depositing Tax Increment Revenues.*** The municipality must

annually set aside all tax increment revenues on captured assessed values and deposit the revenues in a specific order. The revenues must first go to the development sinking fund account, in an amount necessary to pay the annual debt service on the bonds issued (considering estimated future revenues that will be deposited to the account and earnings on this amount), excluding any GO bonds issued by the municipality that are backed solely by its full faith and credit. Any remaining revenues must go to the project cost account.

***Excess Revenues.*** At any time during the district's term, the municipality's legislative body may vote to return to the municipality's general fund any tax increment revenues remaining in either account that exceed the amount necessary to pay the account's obligations. In doing so, it must consider any transfers made between the accounts.

***Audit Requirement.*** The bill requires the district master plan fund and its accounts to be audited annually by an independent auditor according to generally accepted accounting principles. The audit report must be (1) open to public inspection and (2) provided to the state's Auditors of Public Accounts.

***Eligible Costs (§ 28)***

The bill limits the use of a district master plan fund to paying certain costs for (1) improvements made within the district, (2) improvements made outside the district that are directly related to or necessary for the district's establishment or operation, and (3) environmental improvement projects developed by the municipality that are associated with the district.

***Improvements Made in the District.*** The bill allows the fund to pay the following costs for improvements made within the district:

1. capital costs, as described below;
2. financing costs, including closing and issuance costs, reserve funds, and capitalized interest;
3. real property assembly costs;

4. technical and marketing assistance program costs;
5. professional service costs, including licensing, architectural, planning, engineering, development, and legal expenses;
6. maintenance and operation costs (i.e. the cost of the activities necessary to maintain and operate facilities after their development, including informational, promotional, and educational programs, as well as safety and surveillance activities);
7. administrative costs, including reasonable charges for the time municipal employees, other agencies, or third-party entities spend implementing a district master plan; and
8. organizational costs related to the district's planning and establishment, including the cost of conducting environmental impact studies, informing the public about the district, and implementing the district master plan.

Under the bill, capital costs include the cost of:

1. acquiring or constructing land, improvements, infrastructure, measures designed to improve resilience, environmental infrastructure, clean energy projects, public ways, parks, buildings, structures, railings, signs, landscaping, plantings, curbs, sidewalks, turnouts, recreational facilities, structured parking, transportation improvements, pedestrian improvements, and other related improvements, fixtures, and equipment for public or private use;
2. demolishing, altering, remodeling, repairing, or reconstructing existing buildings, structures, and fixtures;
3. remediating environmental contamination;
4. preparing a site and finishing work; and
5. incurring associated fees and expenses, such as licensing,

permitting, planning, engineering, architectural, testing, legal, and accounting expenses.

***Improvements Made Outside the District.*** For improvements made outside the district that are directly related to or necessary for establishing or operating the district, the fund may pay the:

1. portion of the costs reasonably related to constructing, altering, or expanding facilities required due to improvements or activities within the district, including roadways, traffic signals, easements, sewage or water treatment plants or other environmental protection devices, storm or sanitary sewer lines, water lines, electrical lines, fire station improvement, and street signs;
2. costs of public safety and public school improvements made necessary by the district's establishment; and
3. costs of mitigating any of the district's adverse impacts on the municipality and its constituents.

***Benefit Assessments (§ 29)***

***Funding Mechanism.*** Under the act, a municipality that constructs, improves, extends, equips, rehabilitates, repairs, acquires, provides a grant for, or finances the cost of public improvements in a district may assess a proportion of these costs as a benefit assessment on real property in the district that benefits from these public improvements. It may, by ordinance, apportion the value of the improvements according to a formula that reflects the actual benefits accruing to the various properties because of the development and maintenance (presumably, the public improvements and their maintenance).

The municipality may (1) require property owners to pay the benefit assessments in annual installments for up to 50 years and (2) forgive the benefit assessments in any given year without affecting future installments. It may assess buildings or structures constructed or expanded in the district after the initial benefit assessment is imposed as if they existed at the time of the original benefit assessment.



***Revising and Adopting the Assessments.*** The municipality must revise and adopt the assessments at least once a year within 60 days before the start of the fiscal year. If the municipality imposes the benefit assessments before acquiring or constructing the public improvements, it may subsequently adjust the assessments once the improvements are complete to reflect their actual cost.

***Public Hearing and Notice Requirement.*** Before estimating and imposing a benefit assessment, the municipality must hold at least one public hearing on the payment schedule or any revisions to it. It must publish a notice of the hearing at least 10 days in advance in a conspicuous place on the municipality's website (or municipalities' sites for joint districts). The notice must include:

1. the hearing's date, time, and place;
2. a legal description of the district's boundaries;
3. a statement that all interested property owners in the district will be given an opportunity to be heard at the hearing and file objections to the assessment amount;
4. the maximum assessment rate to be increased in any one year;  
and
5. a statement indicating that the proposed list of properties to be assessed and the estimated assessments against those properties are available at the town or assessor's office.

The notice may also include the maximum number of years that the assessments will be levied. The municipality must make the proposed benefit assessment schedule available to any member of the public, upon request, by the notice's publication date.

The bill generally applies the same statutory public hearing and appeal procedures to district benefit assessments as apply under existing law to municipal sewer system benefit assessments levied by water pollution control authorities (CGS § 7-250). It substitutes the municipality's board of finance (or legislative body if it has none) for the

water pollution control authority for purposes of this process. The municipality must also follow this notice and hearing process when increasing benefit assessments or extending the number of years that they will be levied.

**Collection and Enforcement.** The municipality has the same powers to collect and enforce the benefit assessments as it does for municipal taxes. It must establish the payment due date and provide notice of the due date at least 30 days in advance by (1) publishing it in a conspicuous place on each applicable municipality's website (with the posting's date and time) and (2) mailing it to the last known address of each affected property owner. Assessment revenues must be paid into the appropriate district master plan fund account.

Unpaid benefit assessments are liens against the property. Property owners must pay the same interest rate on delinquent assessments as on delinquent property taxes (1.5% per month or 18% per year). The liens (1) may be continued, recorded, and released in the same manner as property tax liens; (2) take precedence over all other liens and encumbrances, except those for municipal property taxes; and (3) may be enforced in the same way as property tax liens.

### ***Bonds (§ 30)***

To carry out or administer a district master plan or other functions under the bill's provisions, municipalities may issue bonds and other obligations (e.g., refunding bonds, notes, interim certificates, and debentures) backed by:

1. their full faith and credit (i.e. GO bonds);
2. the income, proceeds, revenues, and property within the district, including grants, loans, advances, or contributions from state, federal, or other sources;
3. tax increment and increased savings revenues and benefit assessments; or
4. any combination of these sources.

Under the bill, only the municipality's GO bonds count towards its bond cap.

The bill requires municipalities to authorize these bonds, without the state's consent, by resolution of its legislative body, regardless of any other statute, municipal ordinance, or charter provision governing municipal bond issuances. The municipality's legislative body, or the municipal officers to which the legislative body delegates authority for issuing the bonds, must determine:

1. how the bonds will be issued and sold;
2. their interest rates, including variable rates;
3. the term over which they will mature, which must be no more than 30 years;
4. when interest will be paid;
5. whether and under what terms bonds may be purchased or redeemed; and
6. all other issuing conditions.

It allows the municipality to secure the bonds by executing a trust agreement with a bank or trust company that contains reasonable provisions for protecting and enforcing bondholders' rights. Any pledge the municipality makes concerning such an agreement is (1) valid and binding from the time it is made; (2) immediately subject to a lien without physical delivery of the money; and (3) valid and binding against all parties with claims against the municipality, regardless of whether the parties received specific notice of the lien. It specifies that any expenses the municipality incurs in carrying out the trust agreement may be treated as project costs.

The bill assures bondholders that state and local entities may invest in the bonds and that the state will not limit or alter the district, or the municipality's powers and duties with respect to the district, until the bonds are repaid.

The bill specifies that its provisions do not restrict a municipality's ability to raise revenue to pay project costs by any other legal means.

***Priority Projects (§ 32)***

Under the bill, districts must prioritize the solicitation, selection, and design of infrastructure projects designed to increase resilience and that either:

1. use natural and nature-based solutions meant to restore, maintain, or enhance ecosystem services and processes that maintain or improve environmental quality in or next to the district or
2. address the needs of environmental justice communities (i.e. distressed municipalities or areas where at least 30% of the population consists of low-income people who are not institutionalized and have an income below 200% of the federal poverty level) or vulnerable communities (i.e. populations that may be disproportionately affected by climate change).

If the resiliency project results in affordable housing being demolished or reduced, the municipality, resiliency project developer, property owner, or a third-party entity must commit to replacing these units in the district within four years. If this is not feasible within the district, then the units must be replaced reasonably close to the district at a rate of at least two units for each one that would have otherwise been replaced in the district.

**§ 33 — SECOND-GENERATION ANTICOAGULANT RODENTICIDES**

*Requires DEEP, by January 1, 2026, to classify second-generation anticoagulant rodenticides as restricted use pesticides*

The bill requires the DEEP commissioner, by January 1, 2026, to classify all second-generation anticoagulant rodenticides for restricted use, meaning that they may cause unreasonable adverse environmental effects. By law, this classification requires pesticides to be applied only by, or under the direct supervision of, a certified applicator or subject to other restrictions the commissioner imposes through regulations. (Currently, DEEP classifies these rodenticides for general use, meaning

no specialized license is required to apply them.)

Under the bill, “second-generation anticoagulant rodenticides” are pesticide products containing brodifacoum, bromadiolone, difenacoum, or difethialone (see *Background*).

EFFECTIVE DATE: Upon passage

### **Background**

**Second-Generation Anticoagulant Rodenticides.** Most rodenticides are anticoagulant compounds that interfere with blood clotting and cause death from excessive bleeding. Second-generation anticoagulants were developed to control rodents that are resistant to first-generation anticoagulants. These pesticides are more likely to be effective after a single feeding and may remain in animal tissue longer than first-generation products. They are registered only for the commercial and structural pest control markets.

**Related Bill.** sHB 6915 (File 112), favorably reported by the Environment Committee, (1) prohibits using second-generation anticoagulant rodenticides in Connecticut, subject to certain exemptions, and (2) requires DEEP to report to the Environment Committee on the potential implications of applying existing restrictions and licensing requirements to this rodenticide use.

### **§ 34 — NEONICOTINOIDS**

*Prohibits, beginning January 1, 2026, selling, possessing, or using pesticides with neonicotinoids; exempts certain uses (e.g., on agricultural plants or to eliminate certain invertebrate pests)*

The bill prohibits, beginning January 1, 2026, selling, possessing, or using a pesticide that has any neonicotinoid (see *Background — Neonicotinoids*). However, it exempts the following from the ban:

1. use on agricultural plants;
2. use to eliminate an invasive invertebrate pest if the DEEP commissioner, after consulting with the Connecticut Agricultural Experiment Station’s (CAES) director, determines that there is no effective available alternative; and

3. any neonicotinoid that is not labeled for plant use, like those for pet care, veterinary purposes, or indoor or structural pest control.

The bill authorizes the DEEP commissioner to assess a civil penalty of up to \$2,500 per violation to anyone who violates the ban.

EFFECTIVE DATE: Upon passage

### ***Agricultural Plants***

Under the bill, an “agricultural plant” is a plant or plant part that is grown, maintained, or produced for commercial purposes, such as for sale or trade, research or experiments, or use (in whole or part) in another location. It includes things like a grain, fruit, vegetable, wood fiber or timber product, flowering or foliage plant or tree, seedling, transplant, or turf grass for sod. The bill excludes from the definition pasture or rangeland for grazing.

### ***Invasive Invertebrate Pests***

The bill allows the CAES director to consult with the Pesticide Advisory Council to determine if a pesticide is the only effective control option available for an invasive invertebrate pest.

Under the bill, this pest is any invertebrate species, including its eggs or other biological material that can propagate the species, that also:

1. is regulated or under quarantine by CAES or the U.S. Department of Agriculture or
2. occurs outside of its Level III ecoregion (i.e. an area defined by the EPA based on things like geology, vegetation, soils, and hydrology) and is, or threatens to be, a substantial pest to plants of economic importance, an environmental harm, or harmful to human, animal, or plant health.

### ***Background — Neonicotinoids***

By law, a neonicotinoid is a pesticide that selectively acts on an organism’s nicotinic acetylcholine receptors (i.e. impacts the nervous system), including clothianidin, dinotefuran, imidacloprid,

thiamethoxam, and any other pesticide that the DEEP commissioner, after consulting with CAES, determines will kill at least 50% of a bee population when up to two micrograms of it is applied to each bee (CGS § 22-61k). Neonicotinoids that are labeled for treating plants are “restricted use,” and may only be applied by someone certified under state law to do so or by someone that person supervises.

### **COMMITTEE ACTION**

Environment Committee

Joint Favorable Substitute

Yea 24 Nay 9 (03/14/2025)