



Senate

General Assembly

February Session, 2000

File No. 411

Senate Bill No. 589

Senate, April 4, 2000

The Committee on Finance, Revenue and Bonding reported through SEN. LOONEY of the 11th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

An Act Concerning The Guarantee By The State Of Certain Obligations Of The Town And City Of West Haven.

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

1 Section 2 of special act 92-5 is amended to read as follows:

2 (a) The full faith and credit of the state of Connecticut is hereby
3 pledged to guarantee the payment of principal and interest on up to
4 thirty-five million dollars in aggregate principal amount of city bonds or
5 bond anticipation notes authorized and issued for capital projects, deficit
6 funding bonds or interim funding obligations issued in anticipation of
7 deficit funding bonds, provided any deficit funding bonds or interim
8 funding obligations issued in anticipation of deficit funding bonds to be
9 guaranteed by the state shall be approved in writing by the governor.
10 Any renewals of such bond anticipation notes or interim funding
11 obligations issued in anticipation of deficit funding bonds so guaranteed
12 by the state shall not be cumulative as to the maximum authorized
13 amount of borrowings guaranteed pursuant to this act and shall not be

14 subject to the provisions of the general statutes imposing time limitations
15 on the renewal of temporary borrowings. Any issuance of bonds to
16 permanently finance bond anticipation notes guaranteed by the state and
17 any amount of deficit funding bonds to permanently finance any
18 previously issued interim funding obligations issued in anticipation of
19 deficit funding bonds guaranteed by the state shall also not be
20 cumulative as to the maximum authorized amount of borrowings
21 guaranteed pursuant to this act.

22 (b) The city is hereby authorized to include any guarantee authorized
23 by the state pursuant to this act on any bonds or bond anticipation notes
24 authorized and issued for capital projects, deficit funding bonds or
25 interim funding obligations issued in anticipation of deficit funding
26 bonds guaranteed pursuant to this act.

27 (c) Notwithstanding any other provision of this act, the city is not
28 authorized to include any guaranty of the state on, and the state's
29 guaranty shall not apply to, any bond or bond anticipation note, deficit
30 funding bond or interim funding obligation issued in anticipation of
31 deficit funding bonds or any other obligation of the city of West Haven
32 issued after January 1, 2000.

FIN Committee Vote: Yea 39 Nay 0 JF

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: See Explanation Below

Affected Agencies: Office of the State Treasurer

Municipal Impact: None

Explanation**State Impact:**

SA 92-5 provided a state guarantee for West Haven for up to \$35 million in city bonds or bond anticipation notes authorized for capital projects, deficit funding bonds or interim funding obligations issued in anticipation of deficit funding bonds. The state currently includes the \$35 million in the calculation of state debt limit capacity. The bill permits elimination of this amount from the calculation, which will free up debt issuance capacity.

Municipal Impact:

The bill has no impact on West Haven because the city no longer needs state assistance to issue debt.

OLR Bill Analysis

SB 589

***AN ACT CONCERNING THE GUARANTEE BY THE STATE OF
CERTAIN OBLIGATIONS OF THE TOWN AND CITY OF WEST
HAVEN.***

The Office of Legislative Research does not analyze special acts.