



General Assembly

February Session, 2000

**Amendment**

LCO No. 3131

Offered by:  
REP. PRELLI, 63rd Dist.

To: Subst. House Bill No. 5883      File No. 329      Cal. No. 266

***"An Act Concerning The Open Space Trust Fund."***

1      After line 443, insert the following and renumber the remaining  
2      section accordingly:

3      "Sec. 9. Section 4-30a of the general statutes is repealed and the  
4      following is substituted in lieu thereof:

5      (a) After the accounts for the General Fund have been closed for  
6      each fiscal year and the Comptroller has determined the amount of  
7      unappropriated surplus in said fund, after any amounts required by  
8      provision of law to be transferred for other purposes have been  
9      deducted, the amount of such surplus shall be transferred by the State  
10     Treasurer to a special fund to be known as the Budget Reserve Fund.  
11     When the amount in said fund equals five per cent of the net General  
12     Fund appropriations for the fiscal year in progress, no further transfers  
13     shall be made by the Treasurer to said fund and the amount of such  
14     surplus in excess of that transferred to said fund shall be deemed to be  
15     appropriated to the State Employees Retirement Fund, in addition to  
16     the contributions required pursuant to section 5-156a, [ , but not

17 exceeding] When the amount in the State Employees Retirement Fund  
18 equals five per cent of the unfunded past service liability of the system  
19 as set forth in the most recent actuarial valuation certified by the  
20 Retirement Commission, no further transfers shall be made by the  
21 Treasurer to said fund and the amount of such surplus in excess of that  
22 transferred to said fund shall be deemed to be appropriated to a  
23 special nonlapsing fund to be known as the Debt Avoidance Fund to  
24 the extent necessary to provide funding for major capital projects for  
25 which the General Assembly has empowered the State Bond  
26 Commission or the State Treasurer to authorize bonds if (1) neither the  
27 State Bond Commission nor the State Treasurer has allocated bonds for  
28 the project, and (2) the State Bond Commission has affirmatively  
29 determined that it is reasonable and prudent to provide funding for  
30 the project from moneys in said fund. Such surplus in excess of the  
31 amounts transferred to the Budget Reserve Fund, [and] the state  
32 employees retirement system and the Debt Avoidance Fund shall be  
33 deemed to be appropriated for: (1) Redeeming prior to maturity any  
34 outstanding indebtedness of the state selected by the Treasurer in the  
35 best interests of the state; (2) purchasing outstanding indebtedness of  
36 the state in the open market at such prices and on such terms and  
37 conditions as the Treasurer shall determine to be in the best interests of  
38 the state for the purpose of extinguishing or defeasing such debt; (3)  
39 providing for the defeasance of any outstanding indebtedness of the  
40 state selected by the Treasurer in the best interests of the state by  
41 irrevocably placing with an escrow agent in trust an amount to be used  
42 solely for, and sufficient to satisfy, scheduled payments of both interest  
43 and principal on such indebtedness; or (4) any combination of these  
44 methods. Pending the use or application of such amount for the  
45 payment of interest and principal, such amount may be invested in (A)  
46 direct obligations of the United States government, including state and  
47 local government treasury securities that the United States Treasury  
48 issues specifically to provide state and local governments with  
49 required cash flows at yields that do not exceed Internal Revenue  
50 Service arbitrage limits, (B) obligations guaranteed by the United  
51 States government, and (C) securities backed by United States

52 government obligations as collateral and for which interest and  
53 principal payments on the collateral generally flow immediately  
54 through to the security holder.

55 (b) Moneys in said Budget Reserve Fund shall be expended only as  
56 provided in this subsection. When in any fiscal year the Comptroller  
57 has determined the amount of a deficit applicable with respect to the  
58 immediately preceding fiscal year, to the extent necessary, the amount  
59 of funds credited to said Budget Reserve Fund shall be deemed to be  
60 appropriated for purposes of funding such deficit.

61 (c) The Treasurer is authorized to invest all or any part of [said  
62 fund] the Budget Reserve Fund in accordance with the provisions of  
63 section 3-31a. The interest derived from the investment of said fund  
64 shall be credited to the General Fund."