



General Assembly

Bill No. 2002

*June Special Session,
2001*

LCO No. 9141

Referred to Committee on No Committee

Introduced by:

SEN. SULLIVAN, 5th Dist.

REP. LYONS, 146th Dist.

***AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR
CAPITAL IMPROVEMENTS AND CONCERNING CERTAIN
UNEXPENDED BOND PROCEEDS.***

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

1 Section 1. Subsections (a) and (b) of section 4-66c of the general
2 statutes are repealed and the following is substituted in lieu thereof:

3 (a) For the purposes of subsection (b) of this section, the State Bond
4 Commission shall have power, from time to time, to authorize the
5 issuance of bonds of the state in one or more series and in principal
6 amounts not exceeding in the aggregate [six hundred sixty-nine
7 million six hundred ninety-five thousand nine hundred two] nine
8 hundred fifty-three million six hundred ninety-five thousand nine
9 hundred two dollars, provided [one hundred thirty million] one
10 hundred forty-two million dollars of said authorization shall be
11 effective July 1, [2000] 2002. All provisions of section 3-20, or the
12 exercise of any right or power granted thereby, which are not
13 inconsistent with the provisions of this section, are hereby adopted

14 and shall apply to all bonds authorized by the State Bond Commission
15 pursuant to this section, and temporary notes in anticipation of the
16 money to be derived from the sale of any such bonds so authorized
17 may be issued in accordance with said section 3-20 and from time to
18 time renewed. Such bonds shall mature at such time or times not
19 exceeding twenty years from their respective dates as may be provided
20 in or pursuant to the resolution or resolutions of the State Bond
21 Commission authorizing such bonds. None of said bonds shall be
22 authorized except upon a finding by the State Bond Commission that
23 there has been filed with it a request for such authorization, which is
24 signed by or on behalf of the Secretary of the Office of Policy and
25 Management and states such terms and conditions as said commission
26 in its discretion may require. Said bonds issued pursuant to this
27 section shall be general obligations of the state and the full faith and
28 credit of the state of Connecticut are pledged for the payment of the
29 principal of and interest on said bonds as the same become due, and
30 accordingly as part of the contract of the state with the holders of said
31 bonds, appropriation of all amounts necessary for punctual payment
32 of such principal and interest is hereby made, and the Treasurer shall
33 pay such principal and interest as the same become due.

34 (b) The proceeds of the sale of said bonds, to the extent hereinafter
35 stated, shall be used, subject to the provisions of subsections (c) and (d)
36 of this section, for the purpose of redirecting, improving and
37 expanding state activities which promote community conservation and
38 development and improve the quality of life for urban residents of the
39 state as hereinafter stated: (1) For the Department of Economic and
40 Community Development: Economic and community development
41 projects, including administrative costs incurred by the Department of
42 Economic and Community Development, not exceeding [seventy-
43 seven million three hundred thousand] eighty-one million three
44 hundred thousand dollars, one million dollars of which shall be used
45 for a grant to the development center program and the nonprofit
46 business consortium deployment center approved pursuant to section
47 32-411 provided [five million] two million dollars of said authorization

48 shall be effective July 1, [2000] 2002; (2) for the Department of
49 Transportation: Urban mass transit, not exceeding two million dollars;
50 (3) for the Department of Environmental Protection: Recreation
51 development and solid waste disposal projects, not exceeding one
52 million nine hundred ninety-five thousand nine hundred two dollars;
53 (4) for the Department of Social Services: Child day care projects,
54 elderly centers, shelter facilities for victims of domestic violence,
55 emergency shelters and related facilities for the homeless,
56 multipurpose human resource centers and food distribution facilities,
57 not exceeding thirty-nine million one hundred thousand dollars,
58 provided four million dollars of said authorization shall be effective
59 July 1, 1994; (5) for the Department of Economic and Community
60 Development: Housing projects, not exceeding three million dollars;
61 (6) for the Office of Policy and Management: (A) Grants-in-aid to
62 municipalities for a pilot demonstration program to leverage private
63 contributions for redevelopment of designated historic preservation
64 areas, not exceeding one million dollars; (B) grants-in-aid for urban
65 development projects including economic and community
66 development, transportation, environmental protection, public safety,
67 children and families and social services projects and programs,
68 including, in the case of economic and community development
69 projects administered on behalf of the Office of Policy and
70 Management by the Department of Economic and Community
71 Development, administrative costs incurred by the Department of
72 Economic and Community Development, not exceeding [five hundred
73 forty-five million three hundred thousand] eight hundred twenty-five
74 million three hundred thousand dollars, provided [one hundred
75 twenty-five million] one hundred forty million dollars of said
76 authorization shall be effective July 1, [2000] 2002. Five million dollars
77 of the grants-in-aid authorized in subparagraph (B) of subdivision (6)
78 of this subsection may be made available to private nonprofit
79 organizations for the purposes described in said subparagraph (B).
80 Five million dollars of the grants-in-aid authorized in subparagraph
81 (B) of subdivision (6) of this subsection may be made available for

82 necessary renovations and improvements of libraries.

83 Sec. 2. Subsection (a) of section 4a-10 of the general statutes is
84 repealed and the following is substituted in lieu thereof:

85 (a) For the purposes described in subsection (b) of this section, the
86 State Bond Commission shall have the power, from time to time, to
87 authorize the issuance of bonds of the state in one or more series and
88 in principal amounts not exceeding in the aggregate [one hundred
89 eighty-nine million five hundred thousand] two hundred twenty-
90 seven million five hundred thousand dollars, provided [twenty-one
91 million] seventeen million dollars of said authorization shall be
92 effective July 1, [2000] 2002.

93 Sec. 3. Subsection (a) of section 7-538 of the general statutes is
94 repealed and the following is substituted in lieu thereof:

95 (a) For the purposes described in subsection (b) of this section, the
96 State Bond Commission shall have the power, from time to time, to
97 authorize the issuance of bonds of the state in one or more series and
98 in principal amounts not exceeding in the aggregate [four hundred ten
99 million] four hundred seventy million dollars, provided thirty million
100 dollars of said authorization shall be effective July 1, [2000] 2002.

101 Sec. 4. Section 10-287d of the general statutes is repealed and the
102 following is substituted in lieu thereof:

103 For the purposes of funding (1) grants to projects that have received
104 approval of the State Board of Education pursuant to sections 10-287
105 and 10-287a, subsection (a) of section 10-65 and section 10-76e, (2)
106 grants to assist school building projects to remedy safety and health
107 violations and damage from fire and catastrophe, and (3) regional
108 vocational-technical school projects pursuant to section 10-283b, the
109 State Treasurer is authorized and directed, subject to and in
110 accordance with the provisions of section 3-20, to issue bonds of the
111 state from time to time in one or more series in an aggregate amount

112 not exceeding [two billion five hundred sixty-five million three
113 hundred sixty thousand] three billion one hundred fifty-eight million
114 three hundred sixty thousand dollars, provided [three hundred ninety-
115 three million] four hundred fifty million dollars of said authorization
116 shall be effective July 1, [2000] 2002. Bonds of each series shall bear
117 such date or dates and mature at such time or times not exceeding
118 thirty years from their respective dates and be subject to such
119 redemption privileges, with or without premium, as may be fixed by
120 the State Bond Commission. They shall be sold at not less than par and
121 accrued interest and the full faith and credit of the state is pledged for
122 the payment of the interest thereon and the principal thereof as the
123 same shall become due, and accordingly and as part of the contract of
124 the state with the holders of said bonds, appropriation of all amounts
125 necessary for punctual payment of such principal and interest is
126 hereby made, and the State Treasurer shall pay such principal and
127 interest as the same become due. The State Treasurer is authorized to
128 invest temporarily in direct obligations of the United States, United
129 States agency obligations, certificates of deposit, commercial paper or
130 bank acceptances such portion of the proceeds of such bonds or of any
131 notes issued in anticipation thereof as may be deemed available for
132 such purpose.

133 Sec. 5. Section 22-26hh of the general statutes is repealed and the
134 following is substituted in lieu thereof:

135 The State Bond Commission shall have power, from time to time, to
136 authorize the issuance of bonds of the state in one or more series and
137 in principal amounts not exceeding in the aggregate [eighty-three
138 million seven hundred fifty thousand] eighty-seven million seven
139 hundred fifty thousand dollars, the proceeds of which shall be used
140 [by the Commissioner of Agriculture] for the purposes of [this chapter]
141 section 22-26dd, provided not more than two million dollars of said
142 authorization shall be effective July 1, 2002, and further provided not
143 more than two million dollars shall be used for the purposes of section
144 22-26jj. All provisions of section 3-20, or the exercise of any right or

145 power granted thereby which are not inconsistent with the provisions
146 of this section are hereby adopted and shall apply to all bonds
147 authorized by the State Bond Commission pursuant to this section, and
148 temporary notes in anticipation of the money to be derived from the
149 sale of any such bonds so authorized may be issued in accordance with
150 said section 3-20 and from time to time renewed. Such bonds shall
151 mature at such time or times not exceeding twenty years from their
152 respective dates as may be provided in or pursuant to the resolution or
153 resolutions of the State Bond Commission authorizing such bonds.
154 None of said bonds shall be authorized except upon a finding by the
155 State Bond Commission that there has been filed with it a request for
156 such authorization, which is signed by or on behalf of the Secretary of
157 the Office of Policy and Management and states such terms and
158 conditions as said commission, in its discretion, may require. Said
159 bonds issued pursuant to this section shall be general obligations of the
160 state and the full faith and credit of the state of Connecticut are
161 pledged for the payment of the principal of and interest on said bonds
162 as the same become due, and accordingly and as part of the contract of
163 the state with the holders of said bonds, appropriation of all amounts
164 necessary for punctual payment of such principal and interest is
165 hereby made, and the Treasurer shall pay such principal and interest
166 as the same become due.

167 Sec. 6. Subsection (a) of section 22a-483 of the general statutes is
168 repealed and the following is substituted in lieu thereof:

169 (a) For the purposes of sections 22a-475 to 22a-483, inclusive, the
170 State Bond Commission shall have the power, from time to time, to
171 authorize the issuance of bonds of the state in one or more series and
172 in principal amounts, not exceeding in the aggregate [seven hundred
173 seventeen million eight hundred thirty thousand] seven hundred
174 ninety-seven million eight hundred thirty thousand dollars, provided
175 [fifty-three million one hundred thousand] forty million dollars of said
176 authorization shall be effective July 1, [2000] 2002.

177 Sec. 7. Subsection (d) of section 22a-483 of the general statutes is
178 repealed and the following is substituted in lieu thereof:

179 (d) Notwithstanding the foregoing, nothing herein shall preclude
180 the State Bond Commission from authorizing the issuance of revenue
181 bonds, in principal amounts not exceeding in the aggregate [nine
182 hundred ninety-nine million four hundred thousand] one billion two
183 hundred thirty-eight million four hundred thousand dollars, provided
184 [sixty-six million nine hundred thousand] one hundred fifty-eight
185 million dollars of said authorization shall be effective July 1, [2000]
186 2002, that are not general obligations of the state of Connecticut to
187 which the full faith and credit of the state of Connecticut are pledged
188 for the payment of the principal and interest. Such revenue bonds shall
189 mature at such time or times not exceeding thirty years from their
190 respective dates as may be provided in or pursuant to the resolution or
191 resolutions of the State Bond Commission authorizing such revenue
192 bonds. The revenue bonds, revenue state bond anticipation notes and
193 revenue state grant anticipation notes authorized to be issued under
194 sections 22a-475 to 22a-483, inclusive, shall be special obligations of the
195 state and shall not be payable from nor charged upon any funds other
196 than the revenues or other receipts, funds or moneys pledged therefor
197 as provided in said sections 22a-475 to 22a-483, inclusive, including the
198 repayment of municipal loan obligations; nor shall the state or any
199 political subdivision thereof be subject to any liability thereon except
200 to the extent of such pledged revenues or the receipts, funds or
201 moneys pledged therefor as provided in said sections 22a-475 to
202 22a-483, inclusive. The issuance of revenue bonds, revenue state bond
203 anticipation notes and revenue state grant anticipation notes under the
204 provisions of said sections 22a-475 to 22a-483, inclusive, shall not
205 directly or indirectly or contingently obligate the state or any political
206 subdivision thereof to levy or to pledge any form of taxation whatever
207 therefor or to make any appropriation for their payment. The revenue
208 bonds, revenue state bond anticipation notes and revenue state grant
209 anticipation notes shall not constitute a charge, lien or encumbrance,
210 legal or equitable, upon any property of the state or of any political

211 subdivision thereof, except the property mortgaged or otherwise
212 encumbered under the provisions and for the purposes of said sections
213 22a-475 to 22a-483, inclusive. The substance of such limitation shall be
214 plainly stated on the face of each revenue bond, revenue state bond
215 anticipation note and revenue state grant anticipation note issued
216 pursuant to said sections 22a-475 to 22a-483, inclusive, shall not be
217 subject to any statutory limitation on the indebtedness of the state and
218 such revenue bonds, revenue state bond anticipation notes and
219 revenue state grant anticipation notes, when issued, shall not be
220 included in computing the aggregate indebtedness of the state in
221 respect to and to the extent of any such limitation. As part of the
222 contract of the state with the owners of such revenue bonds, revenue
223 state bond anticipation notes and revenue state grant anticipation
224 notes, all amounts necessary for the punctual payment of the debt
225 service requirements with respect to such revenue bonds, revenue
226 state bond anticipation notes and revenue state grant anticipation
227 notes shall be deemed appropriated, but only from the sources
228 pledged pursuant to said sections 22a-475 to 22a-483, inclusive. The
229 proceeds of such revenue bonds or notes may be deposited in the
230 Clean Water Fund for use in accordance with the permitted uses of
231 such fund. Any expense incurred in connection with the carrying out
232 of the provisions of this section, including the costs of issuance of
233 revenue bonds, revenue state bond anticipation notes and revenue
234 state grant anticipation notes may be paid from the accrued interest
235 and premiums or from any other proceeds of the sale of such revenue
236 bonds, revenue state bond anticipation notes or revenue state grant
237 anticipation notes and in the same manner as other obligations of the
238 state. All provisions of subsections (g), (k), (l), (s) and (u) of section
239 3-20 or the exercise of any right or power granted thereby which are
240 not inconsistent with the provisions of said sections 22a-475 to 22a-483,
241 inclusive, are hereby adopted and shall apply to all revenue bonds,
242 state revenue bond anticipation notes and state revenue grant
243 anticipation notes authorized by the State Bond Commission pursuant
244 to said sections 22a-475 to 22a-483, inclusive. For the purposes of

245 subsection (o) of section 3-20, "bond act" shall be construed to include
246 said sections 22a-475 to 22a-483, inclusive.

247 Sec. 8. Subsection (a) of section 32-141 of the general statutes is
248 repealed and the following is substituted in lieu thereof:

249 (a) (1) The total amount of private activity bonds which may be
250 issued by state issuers in [any] the calendar year commencing January
251 1, 2001, under the state ceiling in effect for such year, shall be allocated
252 as follows: [(1)] (A) [Forty] Sixty per cent to the Connecticut Housing
253 Finance Authority; [(2) thirty-two] (B) fifteen per cent to the
254 Connecticut Development Authority; [(3) eighteen] and (C) twenty-
255 five per cent to municipalities and political subdivisions, departments,
256 agencies, authorities and other bodies of municipalities, the
257 Connecticut Higher Education Supplemental Loan Authority [;] and
258 [(4) ten per cent] for contingencies. [Notwithstanding the provisions of
259 this section to the contrary, for the calendar year commencing January
260 1, 1991, such bonds shall be allocated as follows: (A) Forty per cent to
261 the Connecticut Housing Finance Authority; (B) seventeen per cent to
262 the Connecticut Development Authority; (C) eighteen per cent to
263 municipalities and political subdivisions, departments, agencies,
264 authorities and other bodies of municipalities; (D) fifteen per cent to
265 the Connecticut Higher Educational Supplemental Loan Authority;
266 and (E) ten per cent for contingencies.]

267 (2) The total amount of private activity bonds which may be issued
268 by state issuers in the calendar year commencing January 1, 2002, and
269 each calendar year thereafter, under the state ceiling in effect for each
270 such year, shall be allocated as follows: (A) Sixty per cent to the
271 Connecticut Housing Finance Authority; (B) twelve and one-half per
272 cent to the Connecticut Development Authority; and (C) twenty-seven
273 and one-half per cent to municipalities and political subdivisions,
274 departments, agencies, authorities and other bodies of municipalities,
275 the Connecticut Higher Education Supplemental Loan Authority and
276 for contingencies.

277 Sec. 9. Section 32-142 of the general statutes is repealed and the
278 following is substituted in lieu thereof:

279 [(a) There is established a State Private Activity Bond Commission,
280 which shall consist of the Governor, the Treasurer and the Secretary of
281 the Office of Policy and Management, each of whom may designate a
282 deputy to represent him as a member at meetings of said commission,
283 with full powers to act and vote in his behalf, and the chairpersons and
284 ranking members of the joint standing committees of the General
285 Assembly having cognizance of matters relating to state finance,
286 revenue and bonding, planning and development and commerce and
287 exportation, each of whom may designate another member of the
288 respective joint standing committees, who is not a member of the State
289 Private Activity Bond Commission, to represent him as a member at
290 meetings of said commission, with full powers to act and vote in his
291 behalf. The members of said commission shall serve without
292 compensation.

293 (b) The Governor shall serve as chairman of the commission and the
294 Secretary of the Office of Policy and Management shall serve as
295 secretary and be responsible for keeping complete records of the
296 commission, including minutes certified by him of any meeting
297 showing the adoption of any resolution by the commission and other
298 actions taken by and documents filed with the commission, and such
299 records shall be the official records of the proceedings of said
300 commission and shall be maintained in the office of the Secretary of the
301 Office of Policy and Management and open for public inspection. The
302 commission shall meet at such times as the Governor designates but
303 not less often than once each year. The Secretary of the Office of Policy
304 and Management shall furnish an agenda for each meeting to the
305 members of the commission and to the Office of Fiscal Analysis seven
306 days or more prior to the meeting.]

307 (a) The State Bond Commission, established under section 3-20 shall
308 have all powers and duties related to any and all matters concerning

309 private activity bonds, as defined in section 32-140.

310 [(c)] (b) When the General Assembly is not in regular or special
311 session, the State [Private Activity] Bond Commission may, for the
312 then existing calendar year only, in response to a recommendation
313 from the Governor or on its own initiative, modify any private activity
314 bond allocation established under section 32-141 upon determining
315 that such action would be in the best interests of the state. The
316 commission may conduct a public hearing before making any such
317 modification.

318 [(d) Not later than February tenth, annually, the State Private
319 Activity Bond Commission shall submit to the General Assembly a
320 report on any action taken since the end of the preceding regular
321 session of the General Assembly. On and after October 1, 1996, the
322 report shall be submitted to the joint standing committees of the
323 General Assembly having cognizance of matters relating to state
324 finance, revenue and bonding, planning and development and
325 commerce and, upon request, to any member of the General Assembly.
326 A summary of the report shall be submitted to each member of the
327 General Assembly if the summary is two pages or less and a
328 notification of the report shall be submitted to each member if the
329 summary is more than two pages. Submission shall be by mailing the
330 report, summary or notification to the legislative address of each
331 member of the committees or the General Assembly, as applicable.]

332 Sec. 10. Subsection (a) of section 32-235 of the general statutes is
333 repealed and the following is substituted in lieu thereof:

334 (a) For the purposes described in subsection (b) of this section the
335 State Bond Commission shall have the power, from time to time, to
336 authorize the issuance of bonds of the state in one or more series and
337 in principal amounts not exceeding in the aggregate [four hundred
338 sixty-five million three hundred thousand] five hundred twenty-five
339 million three hundred thousand dollars, provided [one hundred one
340 million] thirty million dollars of said authorization shall be effective on

341 July 1, [2000] 2002.

342 Sec. 11. (NEW) It is found and declared that the state's management
343 of its workers' compensation program can be improved by reducing
344 the workers' compensation program's current administrative activities
345 and support requirements and by improving the program's current
346 fiscal status, that a loss portfolio arrangement can be used to enhance
347 the overall effectiveness of the state's workers' compensation program,
348 and therefore, it is necessary and in the public interest and for the
349 public good that the provisions of sections 12 and 13 of this act are
350 hereby declared a matter of legislative determination.

351 Sec. 12. (NEW) The Commissioner of Administrative Services is
352 authorized to enter into a loss portfolio arrangement program for the
353 purpose of transferring a group of workers' compensation claims to an
354 independent third party. Claims that qualify for transfer to such
355 program shall be approved state employees' claims which require
356 payment of future indemnity benefits and payment of medical benefits
357 to certain disabled workers. Such program shall provide that the
358 independent third party shall, as part of the assumption of liability,
359 become responsible for the management and administration of the
360 transferred liability and shall require such party to administer the
361 individual workers' compensation claims in accordance with the
362 Connecticut general statutes.

363 Sec. 13. (NEW) (a) The State Bond Commission shall have power, in
364 accordance with the provisions of this section, from time to time, to
365 authorize the issuance and sale of bonds of the state in one or more
366 series and in principal amounts in the aggregate, not exceeding fifty-
367 three million dollars.

368 (b) The proceeds of the sale of said bonds shall be used for the
369 purposes of a loss portfolio arrangement program entered into by the
370 Commissioner of Administrative Services pursuant to section 12 of this
371 act.

372 (c) All provisions of section 3-20 of the general statutes or the
373 exercise of any right or power granted thereby which are not
374 inconsistent with the provisions of this section are hereby adopted and
375 shall apply to all bonds authorized by the State Bond Commission
376 pursuant to this section and temporary notes in anticipation of the
377 money to be derived from the sale of any such bonds so authorized
378 may be issued in accordance with said section 3-20 of the general
379 statutes and from time to time renewed. Such bonds shall mature at
380 such time or times not exceeding ten years from their respective dates
381 as may be provided in or pursuant to the resolution or resolutions of
382 the State Bond Commission authorizing such bonds.

383 (d) None of said bonds shall be authorized except upon a finding by
384 the State Bond Commission that there has been filed with it a request
385 for such authorization, which is signed by the Secretary of the Office of
386 Policy and Management and stating such terms and conditions as said
387 commission, in its discretion, may require.

388 (e) For the purposes of this section "state moneys", means the
389 proceeds of the sale of bonds authorized pursuant to this section or of
390 temporary notes issued in anticipation of the moneys to be derived
391 from the sale of such bonds. Each request filed as provided in
392 subsection (d) of this section for an authorization of bonds shall
393 identify the purpose for which the proceeds of the sale of such bonds
394 are to be used and expended.

395 (f) Any balance of proceeds from the sale of said bonds authorized
396 for the purposes of subsection (b) of this section in excess of the
397 aggregate costs of the purposes so authorized shall be deposited in the
398 General Fund.

399 (g) Net earnings on investment of proceeds, accrued interest and
400 premiums on the issuance of any such bonds authorized for the
401 purposes of subsection (b) of this section, after payment of expenses
402 incurred by the State Treasurer or State Bond Commission in
403 connection with their issuance, if any, shall be used for the purposes

404 described in said subsection (b).

405 Sec. 14. (NEW) Any payment to the state as a settlement of litigation
406 relative to financing secured by a special Capital Reserve Fund shall be
407 credited to the debt retirement reserve account and available to the
408 State Treasurer for the purpose of preventing a draw on a special
409 Capital Reserve Fund.

410 Sec. 15. Subsection (k) of section 4b-55 of the general statutes is
411 repealed and the following is substituted in lieu thereof:

412 (k) "Connecticut Juvenile Training School project" means a project
413 (1) to develop on a designated site new facilities for a Connecticut
414 Juvenile Training School in Middletown including, but not limited to,
415 preparing a feasibility study for, designing, constructing,
416 reconstructing, improving or equipping said facility for use by the
417 Department of Children and Families, which is an emergency project
418 because there is an immediate need for completion of said project to
419 remedy overcrowding at Long Lane School; [. Said] said school shall
420 have an annual average daily population of not more than two
421 hundred forty residents; or (2) to develop a separate facility for girls
422 including, but not limited to, acquiring of land or buildings, designing,
423 constructing, reconstructing, improving or equipping said facility for
424 use by the Department of Children and Families.

425 Sec. 16. Subsection (b) of section 32-614 of the general statutes is
426 repealed and the following is substituted in lieu thereof:

427 (b) The proceeds of the sale of said bonds, to the extent of the
428 amount stated in subsection (a) of this section, shall be used as follows:
429 Three million dollars by the Department of Economic and Community
430 Development for a grant-in-aid to the Capital City Economic
431 Development Authority and the balance by the Office of Policy and
432 Management for a grant-in-aid to the Capital City Economic
433 Development Authority for the project costs of the convention center
434 project, [other than the project costs of the related parking facilities,] as

435 defined in section 32-651, and such portion of preliminary costs and
436 the project costs of site acquisition, site preparation and infrastructure
437 improvements related to other aspects of the overall project, all as
438 defined in section 32-651, as is determined jointly by the secretary and
439 the authority to be appropriately allocated to the convention center
440 facilities, subject to satisfaction of the conditions set forth in subsection
441 (a) of section 32-654.

442 Sec. 17. Section 10-292k of the general statutes is repealed and the
443 following is substituted in lieu thereof:

444 For purposes of funding interest subsidy grants, except for interest
445 subsidy grants made pursuant to subsection (b) of section 10-292m, the
446 State Treasurer is authorized and directed, subject to and in
447 accordance with the provisions of section 3-20, to issue bonds of the
448 state from time to time in one or more series in an aggregate amount
449 not exceeding one hundred [~~forty-four~~] twenty-one million one
450 hundred thousand dollars, provided seventeen million dollars of said
451 authorization shall be effective July 1, 2000. Bonds of each series shall
452 bear such date or dates and mature at such time or times not exceeding
453 thirty years from their respective dates and be subject to such
454 redemption privileges, with or without premium, as may be fixed by
455 the State Bond Commission. They shall be sold at not less than par and
456 accrued interest and the full faith and credit of the state is pledged for
457 the payment of the interest thereon and the principal thereof as the
458 same shall become due, and accordingly and as part of the contract of
459 the state with the holders of said bonds, appropriation of all amounts
460 necessary for punctual payment of such principal and interest is
461 hereby made, and the State Treasurer shall pay such principal and
462 interest as the same become due. The State Treasurer is authorized to
463 invest temporarily in direct obligations of the United States, United
464 States agency obligations, certificates of deposit, commercial paper or
465 bank acceptances, such portion of the proceeds of such bonds or of any
466 notes issued in anticipation thereof as may be deemed available for
467 such purpose.

468 Sec. 18. (NEW) The chief administrative officer of the department,
469 institution or agency of the state responsible for any public works
470 construction project administered by the Department of Public Works
471 under section 4b-1 of the general statutes with an estimated cost of
472 more than ten thousand dollars and receiving any portion of its
473 funding from the proceeds of bonds issued under the State General
474 Obligation Bond Procedure Act shall file a report with the Secretary of
475 the State Bond Commission forthwith upon completion or acceptance
476 of any such construction project, and in no event later than ninety days
477 thereafter, which report shall provide the following information: (1)
478 The estimated total cost of the construction project, or the actual
479 amount of the project, if ascertainable; (2) the amount, if any, required
480 to be held in retainage and the reason for such retainage; and (3) the
481 amount of any bonds authorized by the State Bond Commission and
482 allotted by the Governor to such project which remains unexpended.
483 Such report may contain a recommendation to the secretary as to the
484 further use of any portion of such unexpended bond proceeds, which
485 recommendation may, in the discretion of the secretary and the
486 Governor, be referred to the next regular session of the General
487 Assembly. Absent such recommendation and referral to the General
488 Assembly, the State Bond Commission may authorize an unexpended
489 amount to be transferred in accordance with the provisions of
490 subsection (q) of section 3-20 of the general statutes or section 3-21b of
491 the general statutes or the secretary may, prior to any such transfer,
492 authorize the expenditure of such amount for any emergency purpose
493 approved in accordance with the provisions of subsection (c) of section
494 4b-52 of the general statutes. The chief administrative officer of the
495 department, institution or agency of the state shall also file a report
496 with the cochairpersons of the joint standing committee of the General
497 Assembly having cognizance of matters relating to finance, revenue
498 and bonding on or before January 1, 2002, and each year thereafter, on
499 any such projects which have been reported to the Secretary of the
500 State Bond Commission.

501 Sec. 19. (NEW) (a) For the purposes described in subsection (b) of

502 this section, the State Bond Commission shall have the power, from
503 time to time, to authorize the issuance of bonds of the state in one or
504 more series and in principal amounts not exceeding in the aggregate
505 forty million dollars, provided twenty million dollars of said
506 authorization shall be effective July 1, 2001, and twenty million dollars
507 of said authorization shall be effective July 1, 2002.

508 (b) The proceeds of the sale of said bonds, to the extent of the
509 amount stated in subsection (a) of this section, shall be used by the
510 Office of Policy and Management for a Small Town Economic
511 Assistance Program the purpose of which shall be to provide grants-
512 in-aid to any municipality which (1) is not economically distressed
513 within the meaning of subsection (b) of section 32-9p of the general
514 statutes, does not have an urban center in any plan adopted by the
515 General Assembly pursuant to section 16a-30 of the general statutes,
516 and is not a public investment community within the meaning of
517 subdivision (9) of subsection (a) of section 7-545 of the general statutes
518 and (2) has a population, as defined in subdivision (27) of section 10-
519 262f of the general statutes, under thirty thousand. Such grants shall be
520 used for purposes for which funds would be available under section 4-
521 66c of the general statutes. No municipality may receive more than five
522 hundred thousand dollars in any one fiscal year under said program.

523 (c) All provisions of section 3-20 of the general statutes, or the
524 exercise of any right or power granted thereby, which are not
525 inconsistent with the provisions of this section are hereby adopted and
526 shall apply to all bonds authorized by the State Bond Commission
527 pursuant to this section, and temporary notes in anticipation of the
528 money to be derived from the sale of any such bonds so authorized
529 may be issued in accordance with said section 3-20 and from time to
530 time renewed. Such bonds shall mature at such time or times not
531 exceeding twenty years from their respective dates as may be provided
532 in or pursuant to the resolution or resolutions of the State Bond
533 Commission authorizing such bonds. None of said bonds shall be
534 authorized except upon a finding by the State Bond Commission that

535 there has been filed with it a request for such authorization which is
536 signed by or on behalf of the Secretary of the Office of Policy and
537 Management and states such terms and conditions as said commission,
538 in its discretion, may require. Said bonds issued pursuant to this
539 section shall be general obligations of the state and the full faith and
540 credit of the state of Connecticut are pledged for the payment of the
541 principal of and interest on said bonds as the same become due, and
542 accordingly and as part of the contract of the state with the holders of
543 said bonds, appropriation of all amounts necessary for punctual
544 payment of such principal and interest is hereby made, and the State
545 Treasurer shall pay such principal and interest as the same become
546 due.

547 Sec. 20. Subsection (c) of section 12-62f of the general statutes is
548 repealed and the following is substituted in lieu thereof:

549 (c) (1) Each municipality whose application for state financial
550 assistance has been approved by the secretary shall receive a grant-in-
551 aid on the basis of its population, as determined by the most recent
552 estimates of the Department of Public Health. The amount of such
553 grant-in-aid to any municipality with revaluation, as required in
554 section 12-62, becoming effective in any of the years 1987 to 1996,
555 inclusive, shall be as follows: [(1)] (A) Twenty-five thousand dollars to
556 each municipality with a population of less than twenty thousand; [(2)]
557 (B) thirty-five thousand dollars to each municipality with a population
558 of at least twenty thousand but less than fifty thousand; [(3)] (C) fifty
559 thousand dollars to each municipality with a population of at least
560 fifty thousand but less than one hundred thousand; and [(4)] (D) sixty
561 thousand dollars to each municipality with a population of one
562 hundred thousand or more. Each municipality that completed a
563 revaluation which became effective in the years from 1987 to 1996,
564 inclusive, and qualified for the grants-in-aid provided for in this
565 section, shall be eligible for an additional grant-in-aid equal to an
566 amount not to exceed ten per cent of the grant-in-aid limit of the grant
567 for which they originally qualified provided the additional grant-in-

568 aid shall be used for training and for installations and modifications
569 which are acquired and certified to be in compliance with the
570 minimum computer-assisted mass appraisal revaluation standards and
571 computerized administrative standards developed in accordance with
572 subsection (b) of this section.

573 (2) A municipality that conducted a revaluation as required in
574 section 12-62 without postponement or extension, but not between
575 January 1, 1987, and December 31, 1996, shall be eligible to apply for
576 and receive a grant and an additional grant-in-aid under subdivision
577 (1) of this subsection.

578 (3) No municipality shall be eligible to receive a grant and an
579 additional grant-in-aid pursuant to this section more than once.

580 Sec. 21. (NEW) (a) For purposes of this section:

581 (1) "Affordable housing" means affordable housing, as defined in
582 section 8-39a of the general statutes;

583 (2) "Commissioner" means the Commissioner of Economic and
584 Community Development;

585 (3) "Department" means the Department of Economic and
586 Community Development;

587 (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a
588 municipality; (C) a housing authority; (D) a business corporation
589 incorporated pursuant to chapter 601 of the general statutes or any
590 predecessor statutes thereto or authorized to do business pursuant to
591 said chapter 601 having as one of its purposes the construction,
592 acquisition, rehabilitation or operation of affordable housing, and
593 having a certificate or articles of incorporation approved by the
594 commissioner; (E) any partnership, limited partnership, limited
595 liability company, joint venture, sole proprietorship, trust or
596 association having as one of its purposes the construction, acquisition,
597 rehabilitation or operation of affordable housing, and having basic

598 documents of organization approved by the commissioner; or (F) any
599 combination thereof;

600 (5) "Eligible costs" means costs relating to the planning,
601 implementation and completion of an eligible project; and

602 (6) "Eligible project" means a project designed for the purpose of
603 providing affordable housing, and shall include, but not be limited to,
604 (A) acquisition, construction, rehabilitation, repair and maintenance of
605 residential or mixed use structures, (B) acquisition, construction,
606 rehabilitation, repair and maintenance of related infrastructure,
607 facilities and amenities incidental and pertinent to the provision of
608 affordable housing and intended primarily to serve the residents of the
609 affordable housing project, that may include, but not be limited to, a
610 community room, laundry, day care space, computer center,
611 management office or playground, or (C) demolition, renovation or
612 redevelopment of vacant buildings or related infrastructure.

613 (b) The state, acting by and in the discretion of the commissioner,
614 may enter into a contract for state financial assistance for any eligible
615 project in the form determined by the commissioner, including, but not
616 limited to, a grant, loan, loan guarantee, deferred loan or any
617 combination thereof.

618 (c) An application for financial assistance shall be in the form and
619 manner prescribed by the commissioner. In determining whether and
620 to what extent to fund an application received from eligible applicants,
621 the commissioner may consider relevant factors including, but not
622 limited to, the following: (A) The ability of the project to affirmatively
623 further racial and economic integration, including expanding
624 multifamily rental housing opportunities in suburban and rural
625 communities; (B) the ability of the project to meet the housing needs of
626 the lowest income populations; (C) the ability of the project to
627 revitalize urban neighborhoods, including expanding homeownership
628 and increasing multifamily rehabilitation in the central cities; (D) the
629 ability of the project to provide a full range of supportive housing

630 options for people with special needs or who are at risk of becoming
631 homeless; (E) impact of the project on the local neighborhood, region
632 and the state; (F) short-term and long-term benefits of the project; (G)
633 impact on affordable housing needs of the neighborhood, community,
634 municipality and region; (H) project feasibility; (I) potential for
635 leveraging other public and private investments; (J) applicant's ability
636 to implement the project in a timely manner; (K) the relative need for
637 the project; (L) the applicant's financial commitment to the project,
638 except in the case of a nonprofit entity or a housing authority created
639 pursuant to section 8-40 of the general statutes; and (M) the extent to
640 which the project will advance the public purposes set forth in this
641 subdivision.

642 (d) The commissioner shall review and approve the site and the
643 estimated total development budget, including the nature and amount
644 of financial assistance to be provided from all sources and by the state.
645 The commissioner may review and approve any additional factors
646 determined to be necessary or appropriate to protect the state's
647 interests. Upon determination by the commissioner that the eligible
648 costs are necessary and reasonable, and, in the case of financial
649 assistance provided from the proceeds of the state's bonds upon
650 preliminary approval by the State Bond Commission pursuant to the
651 provisions of section 3-20 of the general statutes, or, in the case of
652 financial assistance provided from a funding source other than the
653 state's bonds upon the approval by the Governor of an allotment for
654 such purpose, the state, acting by and through the commissioner, may
655 provide the financial assistance for such eligible costs.

656 (e) Financial assistance provided shall be upon terms and conditions
657 not inconsistent with the provisions of this section which the
658 commissioner shall establish as prudent and necessary to protect the
659 state's interests. Such terms and conditions may include, separately or
660 in combination, without limitation: (1) The requirements of funds from
661 other sources, including, without limitation, financing obtained from
662 quasi-public agencies, as defined in section 1-120 of the general

663 statutes, federal and local government agencies and private for-profit
664 and not-for-profit institutions; (2) participation interests; (3) subsidy
665 recapture provisions; and (4) resale and prepayment, job retention,
666 residency, use and affordability restrictions. Such terms and conditions
667 and compliance with such terms and conditions may be documented
668 and secured as the commissioner shall determine.

669 (f) (1) The commissioner may take all reasonable steps and exercise
670 all available remedies necessary or desirable to protect the obligations
671 or interests of the state, including, but not limited to, amending any
672 term or condition of a contract or agreement, provided such
673 amendment is allowed or agreed to pursuant to such contract or
674 agreement, or purchasing or redeeming, pursuant to foreclosure
675 proceedings, bankruptcy proceedings or in other judicial proceedings,
676 any property on which such commissioner or the department holds a
677 mortgage or other lien, or in which such commissioner or the
678 department has an interest.

679 (2) The commissioner may request, inspect and audit reports, books
680 and records and any other financial or project-related information with
681 respect to eligible applicants that receive financial assistance,
682 including, without limitation, resident or employment information,
683 financial and operating statements and audits. The commissioner may
684 investigate the accuracy and completeness of such reports, books and
685 records.

686 (3) Notwithstanding any provision of the general statutes, the
687 commissioner is authorized, for purposes of the program established
688 under this section, to assess and collect application fees of no more
689 than two hundred fifty dollars to recover all or part of the costs or
690 expenses incurred by the state in reviewing applications for financial
691 assistance.

692 (g) The commissioner may adopt such regulations, in accordance
693 with chapter 54 of the general statutes, as are necessary for the
694 implementation of this section.

695 Sec. 22. Section 32-462 of the general statutes is repealed and the
696 following is substituted in lieu thereof:

697 (a) As used in this section:

698 (1) "Agency" means the Department of Economic and Community
699 Development, the Connecticut Development Authority or Connecticut
700 Innovations, Incorporated.

701 (2) "Financial assistance" means grants, loans, loan guarantees,
702 contracts of insurance, investments, or combinations thereof, which are
703 provided from the proceeds of bonds, notes or other obligations of the
704 state or an agency which constitute a debt or liability of the state or
705 which are secured by a special capital reserve fund payable from
706 amounts appropriated or deemed appropriated from the General
707 Fund.

708 (3) "Applicant" means any eligible applicant seeking financial
709 assistance from an agency for a business project. The term "applicant"
710 shall not include any political subdivision of the state.

711 (4) "Business project" means a business proposal undertaken by one
712 or more applicants, but does not include housing unless undertaken in
713 combination with another unrelated type of business.

714 (5) "Biotechnology business project" means any commercial project
715 to be used or occupied by any person to conduct laboratory activity
716 relating to, or the research, development or manufacture of,
717 biologically active molecules or devices that apply to, affect or analyze
718 biological processes.

719 (b) (1) No agency or agencies may award more than a total of ten
720 million dollars of financial assistance during any two-year period to an
721 applicant or for a business project unless such financial assistance is
722 specifically authorized by an act of the General Assembly which has
723 been enacted before, on or after July 1, 1994. (2) The provisions of
724 subdivision (1) of this subsection shall not apply to any awards funded

725 or to be funded by bonds authorized to be issued by the State Bond
726 Commission before July 1, 1994.

727 (c) Notwithstanding the provisions of subsection (b) of this section,
728 no agency or agencies may award more than twenty million dollars of
729 financial assistance for a biotechnology business project during any
730 two-year period unless such financial assistance is specifically
731 authorized by an act of the General Assembly which has been enacted
732 before, on or after the effective date of this act.

733 Sec. 23. Notwithstanding the provisions of section 4-66c of the
734 general statutes and section 19 of this act, any municipality may apply
735 for assistance under said section 4-66c in an amount not to exceed five
736 hundred thousand dollars per state fiscal year for the biennium ending
737 June 30, 2003, provided such municipality does not qualify for a grant
738 under said section 19 and is not economically distressed within the
739 meaning of subsection (b) of section 32-9p of the general statutes, does
740 not have an urban center in any plan adopted by the General
741 Assembly pursuant to section 16a-30 of the general statutes, and is not
742 a public investment community within the meaning of subdivision (9)
743 of subsection (a) of section 7-545 of the general statutes.

744 Sec. 24. Section 4a-9 of the general statutes is repealed and the
745 following is substituted in lieu thereof:

746 There is created a Capital Equipment Purchase Fund. The fund shall
747 be administered by the Secretary of the Office of Policy and
748 Management. The fund shall be used for the purpose of acquiring, by
749 purchase or by exercise of prepayment or purchase options in existing
750 capital leases entered into by the state, capital equipment with an
751 anticipated remaining useful life of not less than five years from the
752 date of purchase and (1) to the extent of not more than two million
753 nine hundred thousand dollars, payment for projects under subsection
754 (a) of section 4-67f, and (2) to the extent of not more than one hundred
755 thousand dollars, payment for awards under subsection (b) of said
756 section. Notwithstanding the provisions of this section, or any

757 regulations adopted under the general statutes, a state agency may
758 purchase necessary data processing equipment that has a unit price of
759 less than one thousand dollars from the Capital Equipment Purchase
760 Fund authorized under section 4a-10, as amended by this act, provided
761 such equipment has a useful life of not less than five years.

762 Sec. 25. Subdivision (1) of subsection (a) of section 32-222 of the
763 general statutes is repealed and the following is substituted in lieu
764 thereof:

765 (1) The project involves (A) the construction, substantial renovation,
766 improvement or expansion of a facility; (B) the acquisition of an
767 existing facility that has been idle for at least one year prior to such
768 acquisition, provided if such facility is acquired through a lease, such
769 lease: (i) Shall be for an initial term of not less than five years, and (ii)
770 shall be renewable at the option of the lessee for an additional term of
771 not less than five years, provided the lease may be subject to the option
772 of the lessee to purchase the facility at any time during the lease term
773 or thereafter. The commissioner may waive the one-year idleness
774 requirement upon determination that there is a high likelihood that the
775 facility will remain idle for one year. In making such determination,
776 the commissioner shall consider the marketability of the facility, the
777 general economic condition of the municipality in which the facility is
778 located, the size of the facility, the economic benefit of the proposed
779 acquisition to the municipality and the state, including, but not limited
780 to, the number of employment positions proposed to be established at
781 the facility, and the degree to which the provision of financial
782 assistance under sections 32-220 to 32-234, inclusive, is necessary as an
783 inducement to the eligible applicant to acquire the facility; (C) the
784 acquisition of new machinery and equipment used directly in the
785 manufacturing of goods or products and acquired through purchase as
786 part of the technological upgrading of the manufacturing process of a
787 facility used in the operation of a manufacturing or economic base
788 business which (i) has been in continuous operation in the state for not
789 less than five years; and (ii) has incurred costs in acquiring such

790 machinery and equipment not less than the greater of two hundred
791 thousand dollars, or two hundred per cent of the average annual
792 expenditure of the manufacturing or economic base business for the
793 acquisition of new machinery and equipment used directly in the
794 manufacturing of goods or products at the facility during the three
795 years prior to the date upon which an application for financial
796 assistance is submitted pursuant to subsection (c) of section 32-223, or
797 (D) the acquisition, improvement, demolition, cultivation or
798 disposition of real property, or combinations thereof, or the
799 remediation of contaminated real property, used or to be used in
800 connection with the operation of a manufacturing or economic base
801 business, provided, if the eligible applicant is not a municipality or
802 implementing agency, the commissioner has determined that such
803 project would not be undertaken or completed in a timely manner
804 except for the provision of financial assistance pursuant to sections 32-
805 220 to 32-234, inclusive, and that such project promotes the economic
806 stability and growth of the state or any region thereof.

807 Sec. 26. Subsection (l) of section 32-222 of the general statutes is
808 repealed and the following is substituted in lieu thereof:

809 (l) "Manufacturing or economic base business" means a business
810 classified in accordance with the standard industrial classification
811 system of the Bureau of Census of the United States Department of
812 Commerce as belonging to a major industry group numbered 20 to 39,
813 inclusive; a business engaged in research and development directly
814 related to (1) manufacturing, (2) agriculture, or (3) aquaculture; a
815 business engaged in the creation or development of a vineyard or
816 winery; a business engaged in the significant servicing, overhauling or
817 rebuilding of machinery and equipment for industrial use; any
818 business that is part of an economic cluster; or any establishment or
819 auxiliary or operating unit thereof, as defined in the Standard
820 Industrial Classification Manual, which the commissioner determines
821 will materially contribute to the economy of the state by creating or
822 retaining jobs, exporting products or services beyond the state's

823 boundaries, encouraging innovation in products or services, adding
824 value to products or services, or otherwise supporting or enhancing
825 existing activities that are important to the economy of the state.

826 Sec. 27. (NEW) (a) Any contract for the protection of open space
827 entered into by the Commissioner of Environmental Protection with
828 BHC Company, Aquarion or Kelda Group, jointly or individually, and
829 The Nature Conservancy, through purchase of land or interests in land
830 from said companies shall be on such terms and conditions as are
831 approved by the commissioner. The Department of Environmental
832 Protection and the state are hereby authorized to carry out and fulfill
833 their obligations under any such contract. In addition to such rights as
834 said companies may have pursuant to chapter 53 of the general
835 statutes, those rights in and to land or interests in land reserved by
836 said companies in their conveyances to the state in accordance with the
837 provisions of said contract shall be enforceable in equity.

838 (b) Notwithstanding the provisions of section 16-50d of the general
839 statutes, the right of the state to acquire such water company land
840 from any of said companies shall be superior to any other water
841 company or municipality or a municipality's right of eminent domain.

842 (c) Notwithstanding the provisions of section 25-32 of the general
843 statutes, the Commissioner of Public Health may grant one or more
844 permits, pursuant to the provisions of subsection (d) of said section 25-
845 32 for the sale of said companies' Class II land to The Nature
846 Conservancy and for the sale or assignment of interests in land on
847 Class I and II land to the Commissioner of Environmental Protection or
848 to The Nature Conservancy.

849 (d) Notwithstanding the provisions of section 16-43 of the general
850 statutes and subsection (b) of section 16-50c of the general statutes, (1)
851 the Department of Public Utility Control may accept applications for a
852 sale or assignment of water company land under the provisions of this
853 section prior to the issuance by the Department of Public Health of a
854 permit for such sale or assignment pursuant to section 25-32 of the

855 general statutes, provided final Department of Public Utility control
856 approval of any such sale shall not be granted unless the Department
857 of Public Health has issued such a permit pursuant to said section 25-
858 32, and (2) no prior public notices of said company or companies'
859 intent to sell such water company land shall be required.

860 (e) Any land purchased by the state under the terms of any such
861 contract shall be preserved in perpetuity predominantly in its natural
862 scenic and open condition for the protection of natural resources while
863 allowing for recreation consistent with such protection.

864 Sec. 28. This act shall take effect July 1, 2001.