



General Assembly

February Session, 2002

**Bill No. 34**

LCO No. 359

Referred to Committee on Finance, Revenue and Bonding

Introduced by:

SEN. DELUCA, 32<sup>nd</sup> Dist.

REP. WARD, 86<sup>th</sup> Dist.

**AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS.**

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

1 Section 1. Subsection (a) of section 4a-10 of the general statutes, as  
2 amended by section 2 of public act 01-7 of the June special session, is  
3 repealed and the following is substituted in lieu thereof (*Effective July*  
4 *1, 2002*):

5 (a) For the purposes described in subsection (b) of this section, the  
6 State Bond Commission shall have the power, from time to time [,] to  
7 authorize the issuance of bonds of the state in one or more series and  
8 in principal amounts not exceeding in the aggregate two hundred  
9 [twenty-seven] thirty-two million five hundred thousand dollars,  
10 provided [seventeen] twenty-two million dollars of said authorization  
11 shall be effective July 1, 2002.

12 Sec. 2. Subsection (a) of section 10-65 of the general statutes is  
13 repealed and the following is substituted in lieu thereof (*Effective July*

14 1, 2002):

15 (a) Each local or regional school district operating a vocational  
16 agriculture center approved by the State Board of Education for  
17 program, educational need, location and area to be served shall be  
18 eligible for the following grants: (1) In accordance with the provisions  
19 of chapter 173, ninety-five per cent of the net eligible costs, [in a lump  
20 sum,] through progress payments in accordance with the provisions of  
21 section 10-287i, of constructing, acquiring, renovating and equipping  
22 approved facilities to be used for such vocational agriculture center,  
23 for the expansion or improvement of existing facilities or for the  
24 replacement or improvement of equipment therein, and (2) subject to  
25 the provisions of section 10-65b, in an amount equal to seven hundred  
26 dollars per student for every secondary school student who was  
27 enrolled in such center on October first of the previous year.

28 Sec. 3. Section 10-76e of the general statutes is repealed and the  
29 following is substituted in lieu thereof (*Effective July 1, 2002*):

30 Any school district which agrees to provide special education, as  
31 part of a long-term regional plan approved by the State Board of  
32 Education, for children requiring special education who reside in other  
33 school districts or a private academy, as defined in section 10-289d,  
34 which agrees to provide special education, as part of a long-term  
35 regional plan approved by the State Board of Education, for children  
36 requiring special education shall be eligible to receive a grant [in a  
37 lump sum,] in accordance with the provisions of chapter 173, in an  
38 amount equal to ninety-five per cent of the net eligible cost to such  
39 district or to such academy, through progress payments in accordance  
40 with the provisions of section 10-287i, of purchasing, constructing or  
41 reconstructing appropriate facilities to be used primarily for children  
42 requiring special education and equipping and furnishing of any such  
43 purchase, construction or reconstruction, provided such facilities shall  
44 be approved by the State Board of Education and shall be an adjunct to  
45 or connected with facilities for children in the regular school program,

46 except when the State Board of Education determines that separate  
47 facilities would be of greater benefit to the children participating in the  
48 long-term special education program.

49 Sec. 4. Subsection (a) of section 10-264h of the general statutes is  
50 repealed and the following is substituted in lieu thereof (*Effective July*  
51 *1, 2002*):

52 (a) For the fiscal year ending June 30, 1996, and each fiscal year  
53 thereafter, a local or regional board of education, regional educational  
54 service center or a cooperative arrangement pursuant to section 10-  
55 158a for purposes of an interdistrict magnet school may be eligible for  
56 reimbursement up to ninety-five per cent of the full reasonable cost of  
57 any capital expenditure for the purchase, construction, extension,  
58 replacement, leasing or major alteration of interdistrict magnet school  
59 facilities, including any expenditure for the purchase of equipment, in  
60 accordance with this section. To be eligible for reimbursement under  
61 this section a magnet school construction project shall meet the  
62 requirements for a school building project established in chapter 173,  
63 except that the Commissioner of Education may waive any  
64 requirement in such chapter for good cause. On and after July 1, 1997,  
65 the commissioner shall approve only applications for reimbursement  
66 under this section that he finds will reduce racial, ethnic and economic  
67 isolation.

68 Sec. 5. (*Effective July 1, 2002*) Notwithstanding the provisions of  
69 subsection (e) of section 10-265h of the general statutes, an amount of  
70 up to six hundred thousand dollars in unexpended funds for the grant  
71 period ending June 30, 2001, awarded to the City of Waterbury under  
72 subsection (g) of section 13 of public act 99-242 shall be available for  
73 expenditure for an additional year.

74 Sec. 6. Subsection (c) of section 10-283 of the general statutes is  
75 repealed and the following is substituted in lieu thereof (*Effective July*  
76 *1, 2002*):

77 (c) No school building project shall be added to the list prepared by  
78 the Commissioner of Education pursuant to subsection (a) of this  
79 section after such list is submitted to the committee of the General  
80 Assembly appointed pursuant to section 10-283a unless the project is  
81 for a school placed on probation by the New England Association of  
82 Schools and Colleges and the project is necessary to preserve  
83 accreditation or the project is necessary to replace a school building for  
84 which a state agency issued a written notice of its intent to take the  
85 school property for public purpose or for the fiscal year ending June  
86 30, 2002, the project is in a town operating under state governance. The  
87 provisions of this subsection shall not apply to projects previously  
88 authorized by the General Assembly that require special legislation to  
89 correct procedural deficiencies.

90 Sec. 7. Section 10-283 of the general statutes, as amended by sections  
91 26 and 63 of public act 01-173, is amended by adding subsections (d)  
92 and (e) as follows (*Effective July 1, 2002*):

93 (NEW) (d) No application for a school building project shall be  
94 accepted by the commissioner on or after July 1, 2002, unless the  
95 applicant has secured funding authorization for the local share of the  
96 project costs prior to application. For applications filed before July 1,  
97 2002, for inclusion on the listing of projects to be submitted to the  
98 Governor and General Assembly in December 2002, pursuant to this  
99 section, no project shall be included on such listing unless the  
100 applicant has secured local funding authorization prior to December 1,  
101 2002. The reimbursement percentage for a project covered by this  
102 subsection shall reflect the rates in effect during the fiscal year in  
103 which such local funding authorization is secured.

104 (NEW) (e) For each such list submitted after December 2002, the  
105 total amount requested by the commissioner for grant commitments  
106 shall not exceed one billion dollars. Eligible projects that cannot be  
107 included on the list shall be included first on the list submitted the next  
108 following year.

109 Sec. 8. Section 10-292k of the general statutes, as amended by section  
110 17 of public act 01-7 of the June special session, is repealed and the  
111 following is substituted in lieu thereof (*Effective July 1, 2002*):

112 For purposes of funding interest subsidy grants, except for interest  
113 subsidy grants made pursuant to subsection (b) of section 10-292m, the  
114 State Treasurer is authorized and directed, subject to and in  
115 accordance with the provisions of section 3-20, to issue bonds of the  
116 state from time to time in one or more series in an aggregate amount  
117 not exceeding one hundred [twenty-one] seventy-one million one  
118 hundred thousand dollars, provided [seventeen] fifty million dollars of  
119 said authorization shall be effective July 1, [2000] 2002. Bonds of each  
120 series shall bear such date or dates and mature at such time or times  
121 not exceeding thirty years from their respective dates and be subject to  
122 such redemption privileges, with or without premium, as may be fixed  
123 by the State Bond Commission. They shall be sold at not less than par  
124 and accrued interest and the full faith and credit of the state is pledged  
125 for the payment of the interest thereon and the principal thereof as the  
126 same shall become due, and accordingly and as part of the contract of  
127 the state with the holders of said bonds, appropriation of all amounts  
128 necessary for punctual payment of such principal and interest is  
129 hereby made, and the State Treasurer shall pay such principal and  
130 interest as the same become due. The State Treasurer is authorized to  
131 invest temporarily in direct obligations of the United States, United  
132 States agency obligations, certificates of deposit, commercial paper or  
133 bank acceptances, such portion of the proceeds of such bonds or of any  
134 notes issued in anticipation thereof as may be deemed available for  
135 such purpose.

136 Sec. 9. Subsection (c) of section 22a-478 of the general statutes is  
137 repealed and the following is substituted in lieu thereof (*Effective July*  
138 *1, 2002*):

139 (c) The funding of an eligible water quality project shall be pursuant  
140 to a project funding agreement between the state, acting by and

141 through the commissioner, and the municipality undertaking such  
142 project and shall be evidenced by a project fund obligation or grant  
143 account loan obligation, or both, or an interim funding obligation of  
144 such municipality issued in accordance with section 22a-479. A project  
145 funding agreement shall be in a form prescribed by the commissioner.  
146 A nonpoint source pollution abatement project shall receive a project  
147 grant of seventy-five per cent of the cost of the project determined to  
148 be eligible by the commissioner. A combined sewer project shall  
149 receive (1) a project grant of fifty per cent of the cost of the project,  
150 which cost shall be the cost the federal Environmental Protection  
151 Agency uses in making grants pursuant to Part 35 of the federal  
152 Construction Grant Regulations and Titles II and VI of the federal  
153 Water Pollution Control Act, as amended; and (2) a loan for the  
154 remainder of the costs of the project, not exceeding one hundred per  
155 cent of the eligible water quality project costs. A construction contract  
156 eligible for financing awarded by a municipality on or after July 1,  
157 1999, as a project undertaken for nitrogen removal shall receive a  
158 project grant of thirty per cent of the cost of the project associated with  
159 nitrogen removal and a loan for the remainder of the costs of the  
160 project, not exceeding one hundred per cent of the eligible water  
161 quality project costs. Nitrogen removal projects under design or  
162 construction on July 1, 1999, and projects that have been constructed  
163 but have not received permanent, clean water fund financing, on July  
164 1, 1999, shall be eligible to receive a thirty per cent grant. Any other  
165 eligible water quality project shall receive (A) a project grant of twenty  
166 per cent of the cost, which cost shall be the cost the federal  
167 Environmental Protection Agency uses for grants pursuant to said Part  
168 35 and said Titles II and VI, and (B) a loan for the remainder of the  
169 costs of the project, not exceeding one hundred per cent of the eligible  
170 project cost. [On] In or after fiscal year 2007, all eligible water quality  
171 projects eligible for funding shall receive a loan of one hundred per  
172 cent of the eligible costs and shall not receive a project grant. In or after  
173 fiscal year 2002, eligible water quality projects that exclusively address  
174 sewer collection and conveyance system improvements may receive a

175 loan for one hundred per cent of the eligible costs and shall not receive  
176 a project grant. Any such sewer collection and conveyance system  
177 improvement project shall be rated, ranked, and funded separately  
178 from other water pollution control projects and shall be considered  
179 only if it is highly consistent with the state's conservation and  
180 development plan, or is primarily needed as the most cost effective  
181 solution to an existing area-wide pollution problem and incorporates  
182 minimal capacity for growth. All loans made in accordance with the  
183 provisions of this section for an eligible water quality project shall bear  
184 an interest rate of two per cent per annum. The commissioner may  
185 allow any project fund obligation, grant account loan obligation or  
186 interim funding obligation for an eligible water quality project to be  
187 repaid by a borrowing municipality prior to maturity without penalty.

188 Sec. 10. Subsection (a) of section 22a-483 of the general statutes, as  
189 amended by section 6 of public act 01-7 of the June special session, is  
190 repealed and the following is substituted in lieu thereof (*Effective July*  
191 *1, 2002*):

192 (a) For the purposes of sections 22a-475 to 22a-483, inclusive, as  
193 amended, the State Bond Commission shall have the power, from time  
194 to time, to authorize the issuance of bonds of the state in one or more  
195 series and in principal amounts, not exceeding in the aggregate seven  
196 hundred [ninety-seven] sixty-one million [eight hundred] thirty  
197 thousand dollars, provided [forty] three million two hundred  
198 thousand dollars of said authorization shall be effective July 1, 2002.

199 Sec. 11. Subsection (a) of section 32-231l of the general statutes is  
200 repealed and the following is substituted in lieu thereof (*Effective July*  
201 *1, 2002*):

202 (a) For the purposes described herein the State Bond Commission  
203 shall have the power, from time to time [,] to authorize the issuance of  
204 bonds of the state in one or more series and in principal amounts not  
205 exceeding in the aggregate [one hundred twenty-eight] ninety-five  
206 million dollars, provided twenty-one million nine hundred thousand

207 dollars of said authorization shall be effective on June 21, 1994.

208       Sec. 12. (NEW) (*Effective July 1, 2002*) Notwithstanding any  
209 provision of chapter 173 of the general statutes or the regulations  
210 adopted under said chapter 173, a local board of education in a town  
211 that is a distressed municipality, as defined in section 32-9p of the  
212 general statutes, with a population greater than ninety thousand shall  
213 be eligible to submit a consolidated school construction grant  
214 application for multiple school projects and be eligible to receive a  
215 single grant equal to the state share of total project costs. Based on a  
216 determination by the Office of Policy and Management that any such  
217 municipality is unable to reasonably issue debt to finance the local  
218 share of such costs, discretionary federal block grant funds may be  
219 deemed to have financed the local share of total project costs without  
220 regard to any zone restrictions that may limit the actual expenditure of  
221 such funds to specific schools. Notwithstanding the provisions of  
222 subdivision (18) of section 10-282 of the general statutes, projects  
223 whose eligibility is provided for under this section may be considered  
224 renovations for purposes of receiving state grants.

225       Sec. 13. (NEW) (*Effective July 1, 2002*) Notwithstanding any  
226 provision of the general statutes, the Department of Economic and  
227 Community Development, in consultation with the Connecticut  
228 Housing Finance Authority, the Office of Policy and Management and  
229 the State Treasurer, shall arrange for the transfer of the housing loan  
230 portfolio of said department or any portion thereof, to said authority.

231       Sec. 14. (NEW) (*Effective July 1, 2002*) (a) The Commissioner of  
232 Education shall, in accordance with the implementation plan  
233 developed pursuant to subsection (d) of this section, require any  
234 school building project for which state assistance is sought to  
235 participate, as directed by the Department of Education, in an owner-  
236 controlled insurance program established with respect to general  
237 liability, environmental liability, professional liability, casualty,  
238 property, title, business interruption, business risk, force majeure,

239 completion and other insurable risks at school building sites.

240 (b) The costs and benefits of the owner-controlled insurance  
241 program shall be apportioned in amounts equivalent to the pro rata  
242 shares of both the state and municipal contributions as determined by  
243 the management unit charged with the administration of the program.  
244 The costs shall be deducted from the available grant moneys allocable  
245 to each school building project approved by the Commissioner of  
246 Education. Costs include, but are not limited to, the costs of such  
247 policies of insurance necessary to insure the various building projects,  
248 costs to implement safety and loss programs at each construction site  
249 and overall administrative and program oversight costs.

250 (c) The Commissioner of Education may use any funds authorized  
251 or appropriated for the school construction program to pay for all  
252 program costs associated with the owner-controlled insurance  
253 program.

254 (d) The Department of Education shall develop an implementation  
255 plan for the owner-controlled insurance program that shall provide for  
256 municipal participation in the program as provided in subsection (a) of  
257 this section.

258 Sec. 15. Subsection (a) of section 45 of public act 98-249 is repealed  
259 and the following is substituted in lieu thereof (*Effective July 1, 2002*):

260 (a) For the purposes described in subsection (b) of this section, the  
261 State Bond Commission shall have the power, from time to time [,] to  
262 authorize the issuance of bonds of the state in one or more series and  
263 in principal amounts not exceeding in the aggregate [one million eight]  
264 five hundred thousand dollars.

265 Sec. 16. (*Effective July 1, 2002*) Sections 23 and 24 of public act 98-179  
266 are repealed.

This act shall take effect as follows:

Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>
Sec. 3	<i>July 1, 2002</i>
Sec. 4	<i>July 1, 2002</i>
Sec. 5	<i>July 1, 2002</i>
Sec. 6	<i>July 1, 2002</i>
Sec. 7	<i>July 1, 2002</i>
Sec. 8	<i>July 1, 2002</i>
Sec. 9	<i>July 1, 2002</i>
Sec. 10	<i>July 1, 2002</i>
Sec. 11	<i>July 1, 2002</i>
Sec. 12	<i>July 1, 2002</i>
Sec. 13	<i>July 1, 2002</i>
Sec. 14	<i>July 1, 2002</i>
Sec. 15	<i>July 1, 2002</i>
Sec. 16	<i>July 1, 2002</i>

***Statement of Purpose:***

To implement the Governor's proposed capital budget.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*