



House of Representatives

General Assembly

File No. 191

January Session, 2003

Substitute House Bill No. 6601

House of Representatives, April 7, 2003

The Committee on Higher Education and Employment Advancement reported through REP. KERENSKY of the 14th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT AUTHORIZING THE CONSTITUENT UNITS OF THE STATE SYSTEM OF HIGHER EDUCATION TO MAKE PAYMENT OF CLAIMS THAT INCLUDE THE PROCEEDS OF A STATE BOND ISSUE.

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

1 Section 1. Subsection (b) of section 3-25 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2003*):

4 (b) Subject to the approval of the Comptroller and in accordance
5 with such procedures as he may specify, the chief executive officer of a
6 constituent unit of the state system of higher education or, in the case
7 of the Connecticut State University system, the chief executive officer
8 of a state university, may make payment of any claim against the
9 constituent unit or institution, as appropriate, other than a payment for
10 payroll, debt service payable on state bonds to bondholders, paying
11 agents or trustees, or any payment the source of which includes the
12 proceeds of a state bond issue, except as otherwise authorized

13 pursuant to this subsection. Upon receipt of a request to make such
 14 payment, the Treasurer shall delegate such authority to such chief
 15 executive officer and shall approve such banking arrangements as are
 16 necessary for such unit or institution to make such payments.
 17 Payments for payroll, debt services payable on state bonds to
 18 bondholders, paying agents or trustees, or payments from the
 19 proceeds of state bonds shall be made solely by the Treasurer in
 20 accordance with the provisions of subsection (a) of this section, except
 21 that, subject to approval of the Comptroller and Treasurer, and in
 22 accordance with such procedures as the Comptroller or Treasurer may
 23 specify, which procedures shall be designed to preserve the tax-
 24 exempt status of the bonds issued or to be issued for such purposes,
 25 the chief executive officer of a constituent unit of the state system of
 26 higher education or, in the case of the Connecticut State University
 27 System, the chief executive officer of a state university, may make
 28 payment of any claim against the constituent unit or institution, as
 29 appropriate, from the proceeds of state bonds.

This act shall take effect as follows:	
Section 1	July 1, 2003

HED *Joint Favorable Subst.*

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:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Constituent Units of Higher Education	Various - None	None	None

Municipal Impact: None

Explanation

This bill is technical and has no fiscal impact.

OLR Bill Analysis

sHB 6601

AN ACT AUTHORIZING THE CONSTITUENT UNITS OF THE STATE SYSTEM OF HIGHER EDUCATION TO MAKE PAYMENT OF CLAIMS THAT INCLUDE THE PROCEEDS OF A STATE BOND ISSUE**SUMMARY:**

Currently, the comptroller may authorize and specify procedures under which the chief executive officer of a constituent unit of the state higher education system or state university system may pay claims against the institutions except when they involve payroll, debt service on state bonds, or any payment from the proceeds of a state bond issue. This bill allows payment of claims from bond proceeds by these institutions when the state comptroller and treasurer approve it and subject to any procedures they specify. Any such procedures must be designed to preserve the tax-exempt status of the bonds from which the payments may be made.

By law, the constituent units of the state system of higher education are the (1) University of Connecticut and its branches, (2) Connecticut State University system (Central, Eastern, Southern, and Western Connecticut State Universities), (3) regional community-technical colleges, and (4) Board for State Academic Awards.

EFFECTIVE DATE: July 1, 2003

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 22 Nay 0