



# House of Representatives

General Assembly

**File No. 506**

February Session, 2004

Substitute House Bill No. 5032

*House of Representatives, April 7, 2004*

The Committee on Finance, Revenue and Bonding reported through REP. STILLMAN of the 38th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE AUTHORIZATION OF BONDS OF THE STATE FOR TRANSPORTATION PURPOSES.**

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

1 Section 1. (*Effective from passage*) (a) For the purposes described in  
2 subsection (b) of this section, the State Bond Commission shall have  
3 the power, from time to time, to authorize the issuance of bonds of the  
4 state in one or more series and in principal amounts not exceeding in  
5 the aggregate twenty-five million dollars.

6 (b) The proceeds of the sale of said bonds, to the extent of the  
7 amount stated in subsection (a) of this section, shall be used by the  
8 Department of Transportation for the purpose of payment of the  
9 transportation costs, as defined in subdivision (6) of section 13b-75 of  
10 the general statutes, with respect to the projects and uses described in  
11 this subsection, which projects and uses are found and determined to  
12 be in furtherance of one or more of the authorized purposes for the

13 issuance of special tax obligation bonds set forth in section 13b-74 of  
14 the general statutes, as amended. Any proceeds from the sale of said  
15 bonds may be used by the Department of Transportation for the  
16 Bureau of Transportation for the purchase of rail equipment, not  
17 exceeding twenty-five million dollars.

18 (c) All provisions of sections 13b-74 to 13b-77, inclusive, of the  
19 general statutes, as amended, or the exercise of any right or power  
20 granted thereby, which are not inconsistent with the provisions of this  
21 section are hereby adopted and shall apply to all bonds authorized by  
22 the State Bond Commission pursuant to this section, and temporary  
23 notes in anticipation of the money to be derived from the sale of any  
24 such bonds so authorized may be issued in accordance with said  
25 sections 13b-74 to 13b-77, inclusive, and from time to time renewed.  
26 Such bonds shall mature at such time or times not exceeding thirty  
27 years from their respective dates as may be provided in or pursuant to  
28 the resolution or resolutions of the State Bond Commission authorizing  
29 such bonds. None of said bonds shall be authorized except upon a  
30 finding by the State Bond Commission that there has been filed with it  
31 a request for such authorization which is signed by or on behalf of the  
32 Secretary of the Office of Policy and Management and states such  
33 terms and conditions as said commission, in its discretion, may  
34 require. Said bonds issued pursuant to this section shall be special tax  
35 obligations of the state and all pledged revenues, as defined in  
36 subdivision (4) of section 13b-75 of the general statutes, are pledged for  
37 the payment of the principal of and interest on said bonds as the same  
38 become due, and accordingly and as part of the contract of the state  
39 with the holders of said bonds, appropriation of all amounts from the  
40 special transportation fund created under section 13b-68 of the general  
41 statutes, as amended, necessary for punctual payment of such  
42 principal and interest is hereby made, and the State Treasurer shall pay  
43 such principal and interest as the same become due.

44 Sec. 2. (*Effective from passage*) None of said bonds shall be issued  
45 except upon a finding by the State Bond Commission that there has  
46 been filed with it (1) a request for such authorization, which is signed

47 by the Secretary of the Office of Policy and Management or by or on  
48 behalf of such state officer, department or agency and stating such  
49 terms and conditions as said commission, in its discretion, may  
50 require, and (2) any capital development impact statement and any  
51 human services facility collocation statement required to be filed with  
52 the Secretary of the Office of Policy and Management pursuant to  
53 section 4-26b of the general statutes, any advisory report regarding the  
54 state conservation and development policies plan required pursuant to  
55 section 16a-31 of the general statutes, and any statement regarding  
56 farm land required pursuant to subsection (g) of section 3-20, of the  
57 general statutes, as amended, and section 22-6 of the general statutes,  
58 as amended, provided the State Bond Commission may authorize said  
59 bonds without a finding that the reports and statements required by  
60 subdivision (2) of this section have been filed with it if said  
61 commission authorizes the secretary of said commission to accept such  
62 reports and statements on its behalf. No funds derived from the sale of  
63 bonds authorized by said commission without a finding that the  
64 reports and statements required by subdivision (2) of this section have  
65 been filed with it shall be allotted by the Governor for any project until  
66 the reports and statements required by subdivision (2) of this section  
67 with respect to such project have been filed with the secretary of said  
68 commission.

69       Sec. 3. (*Effective from passage*) For the purposes of sections 1 to 4,  
70 inclusive, of this act, each request filed as provided in section 2 of this  
71 act for an authorization of bonds shall identify the project for which  
72 the proceeds of the sale of such bonds are to be used and expended  
73 and, in addition to any terms and conditions required pursuant to  
74 section 2 of this act, shall include the recommendation of the person  
75 signing such request as to the extent to which federal, private or other  
76 moneys then available for costs in connection with any such project  
77 should be added to the state moneys available or becoming available  
78 from the proceeds of bonds and temporary notes issued in anticipation  
79 of the receipt of the proceeds of bonds. If such request includes a  
80 recommendation that some amount of such federal, private or other  
81 moneys should be added to such state moneys, then, if and to the

82 extent directed by the State Bond Commission at the time of  
 83 authorization of such bonds, said amount of such federal, private or  
 84 other moneys then available, or thereafter to be made available, for  
 85 costs in connection with such project shall be added to such state  
 86 moneys.

87       Sec. 4. (*Effective from passage*) Said bonds issued pursuant to sections  
 88 1 to 4, inclusive, of this act, shall be special obligations of the state and  
 89 shall not be payable from nor charged upon any funds other than  
 90 revenues of the state pledged therefor in subsection (b) of section 13b-  
 91 61 of the general statutes, as amended, and section 13b-69 of the  
 92 general statutes, or such other receipts, funds or moneys as may be  
 93 pledged therefore. Said bonds shall not be payable from nor charged  
 94 upon any funds other than such pledged revenues or such other  
 95 receipts, funds or moneys as may be pledged therefor nor shall the  
 96 state of any political subdivision thereof be subject to any liability  
 97 thereon, except to the extent of such pledged revenues or such other  
 98 receipts, funds or moneys as may be pledged therefor. Said bonds shall  
 99 be issued under and in accordance with the provisions of section 13b-  
 100 74 to 13b-77, inclusive, of the general statutes, as amended.

101       Sec. 5. (*Effective from passage*) The Department of Transportation may  
 102 solicit bids or qualifications in for equipment, materials or services for  
 103 a project funded, in whole or in part, by the Transportation Strategy  
 104 Board Project Account, established by section 113 of public act 03-1 of  
 105 the June 30 special session, at any time in the fiscal year,  
 106 notwithstanding the fact that all required funds may not be available  
 107 for expenditure until later in the same or next succeeding fiscal year.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>from passage</i>
Sec. 5	<i>from passage</i>

*TRA*      *Joint Favorable Subst. C/R*

*FIN*

*FIN*      *Joint Favorable*

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-Effect	FY 05 \$	FY 06 \$
Treasurer, Debt Serv.	TF - Cost	See Below	See Below

Note: TF=Transportation Fund

**Municipal Impact:** None

**Explanation**

The bill authorizes \$25 million in Special Tax Obligation (STO) bonds in FY 05. The interest cost to issue this amount for twenty years, assuming a 6.0% interest rate, is \$18.6 million.

The \$25 million in STO bonds will not be used to leverage federal highway funding because all of the federal funds available to the state have already been leveraged by other transportation-related projects.

**OFA Bill Analysis**

sHB 5032

**AN ACT CONCERNING THE AUTHORIZATION OF BONDS OF THE STATE FOR TRANSPORTATION PURPOSES.**

**SUMMARY:**

The bill authorizes \$25 million in Special Tax Obligation (STO) bonds for the purchase of rail equipment, including passenger cars and locomotives.

It also permits the Department of Transportation to solicit bids or qualifications for equipment, materials or services for a project partially or completely funded through the Transportation Strategy Board Project Account, despite the fact that all of the funds may not be available for expenditure until later in the same fiscal year or the next fiscal year.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Transportation Committee

Joint Favorable Substitute Change of Reference

Yea 27      Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 44      Nay 0