



House of Representatives

General Assembly

File No. 508

February Session, 2004

House Bill No. 5480

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 bill ought to pass.

AN ACT CONCERNING FUNDING OF TRANSPORTATION STRATEGY PROJECTS.

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

1 Section 1. Subsection (a) of section 3 of public act 03-4 of the June 30
2 special session is repealed and the following is substituted in lieu
3 thereof (*Effective from passage*):

4 (a) The General Assembly approves the principles set forth in
5 section I of the report specified in subdivision (4) of subsection (a) of
6 section 13b-57d, as amended, provided no funds from the
7 Transportation Strategy Board projects account, established under
8 section 13b-57r, shall be authorized for any transportation project
9 except those specified in subsection (b) of this section, provided
10 nothing in this subsection shall preclude any TSB project from being
11 funded, in whole or in part, by other state or federal funds. Funds
12 authorized for any TSB project shall be used only for said project. TSB
13 projects shall be funded from funds authorized for the Transportation

14 Strategy Board only to the extent [such projects are not funded from
15 the Infrastructure Improvement Fund] such funding is not provided
16 from other funds in the Special Transportation Fund or the
17 Infrastructure Improvement Fund created by the senior indenture for
18 special tax obligation bonds.

19 Sec. 2. Subsection (a) of section 17 of public act 03-4 of the June 30
20 special session is repealed and the following is substituted in lieu
21 thereof (*Effective from passage*):

22 (a) On or before December 1, 2003, and August first of each year
23 thereafter, the Department of Transportation, in consultation with the
24 Secretary of the Office of Policy and Management, the State Treasurer
25 and the Transportation Strategy Board, shall prepare a financing plan
26 for the annual funding and financing of the projects and purposes
27 described in section 3 of [this act] public act 03-4 of the June 30 special
28 session, as amended by this act. Such annual financing plan shall be
29 based upon the authorized funding amount establishing the maximum
30 aggregate use of cash from the incremental revenues and use of special
31 tax obligation bond proceeds to fund some or all of such projects and
32 purposes, as well as the use of any federal revenue, grants or other
33 transportation-related financial assistance which may be available in
34 such fiscal year, and shall otherwise meet all requirements of state
35 statutes and applicable trust indenture provisions, including any
36 coverage requirements, relating to such financing plan. Upon the
37 approval of such annual financing plan by the Governor, incremental
38 revenues identified in the annual financing plan for cash funding shall
39 be paid within the fiscal year of such annual financing plan into the
40 Transportation Strategy Board projects account, established under
41 section 113 of public act 03-1 of the June 30 special session, of the
42 Special Transportation Fund [, created by the senior indenture for
43 special tax obligation bonds, as an expenditure of the Infrastructure
44 Improvement Fund] and shall be available to fund those projects and
45 purposes identified in such annual financing plan for cash funding.
46 Upon the approval of the portion of the annual financing plan relating
47 to the use of bond proceeds to fund some or all of such projects and

48 purposes by the Treasurer and the Secretary of the Office of Policy and
49 Management, incremental revenues identified in the annual financing
50 plan to pay debt service and other expenditures related to the issuance
51 of special tax obligation bonds to fund such projects and purposes
52 shall be paid into the Transportation Strategy Board project account,
53 established under section 113 of public act 03-1 of the June 30 special
54 session, of the Special Transportation Fund during the fiscal year
55 covered by such financing plan and shall be available to pay debt
56 service requirements, as defined in section 13b-75, in accordance with
57 the provisions of subsection (a) of section 13b-69, as amended by this
58 act, and the Treasurer shall proceed to issue the requisite amount of
59 special tax obligation bonds, subject to any required approval of the
60 State Bond Commission, to fund those projects and purposes identified
61 in such annual financing plan to be funded by bond proceeds, and the
62 Commissioner of Transportation shall direct the expenditure of such
63 bond proceeds. The proceeds of any special tax obligation bonds
64 issued to fund the projects and purposes described in section 3 of
65 public act 03-4 of the June 30 special session, as amended by this act, as
66 those projects and purposes may be modified, less costs of issuance
67 and the funding of required reserves, shall be deposited in a
68 subaccount of the Infrastructure Improvement Fund created by the
69 senior indenture for special tax obligation bonds and shall be available
70 to fund those projects and purposes identified in such annual
71 financing plan to be funded by the issuance of special tax obligation
72 bonds. Any such projects or purposes so financed are hereby found
73 and determined to be in furtherance of one or more of the authorized
74 purposes for the issuance of special tax obligation bonds set forth in
75 subdivision (6) of subsection (b) of section 13b-74, as amended. Said
76 special tax obligation bonds are hereby authorized to be issued in an
77 amount up to the authorized funding amount with respect to each
78 fiscal year for the projects and purposes set forth in section 3 of [this
79 act] public act 03-4 of the June 30 special session, as amended by this
80 act, and shall be special obligations of the state and shall not be
81 payable from nor charged upon any funds other than revenues of the
82 state pledged therefor in subsection (b) of section 13b-61, as amended

83 by this act, and section 13b-69, as amended by this act, or such other
84 receipts, funds or moneys as may be pledged therefor. Said bonds shall
85 not be payable from nor charged upon any funds other than such
86 pledged revenues or such other receipts, funds or moneys as may be
87 pledged therefor, nor shall the state or any political subdivision thereof
88 be subject to any liability thereon, except to the extent of such pledged
89 revenues or such other receipts, funds or moneys as may be pledged
90 therefor. Said bonds shall be issued under and in accordance with the
91 provisions of sections 13b-74 to 13b-77, inclusive, as amended, and
92 sections 13 to 17, inclusive of [this act] public act 03-4 of the June 30
93 special session.

94 Sec. 3. Subdivision (16) of subsection (b) of section 13b-61 of the
95 general statutes, as amended by section 20 of public act 03-4 of the June
96 30 special session, is repealed and the following is substituted in lieu
97 thereof (*Effective from passage*):

98 (16) On and after July 1, 2003, and up to and including June 30, 2036,
99 all moneys received or collected by the state or any officer thereof on
100 account of, or derived from, the incremental revenues generated
101 pursuant to sections 1-1h, as amended, 14-35, as amended, 14-44i, as
102 amended, 14-47, as amended, 14-48b, as amended, 14-49, as amended,
103 14-50, as amended, 14-66, as amended, 14-67, as amended, and 14-381,
104 as amended, and revenues specified in sections 113 and 114 of public
105 act 03-1 of the June 30 special session, as amended by this act, shall be
106 deposited into the Transportation Strategy Board projects account,
107 established under section 113 of public act 03-1 of the June 30 special
108 session, of the [Infrastructure Improvement] Special Transportation
109 Fund and shall be used to support the funding of the projects and
110 purposes described in section 3 of [this act] public act 03-4 of the June
111 30 special session, as amended by this act.

112 Sec. 4. Subsection (a) of section 13b-69 of the general statutes is
113 repealed and the following is substituted in lieu thereof (*Effective from*
114 *passage*):

115 (a) The Treasurer shall apply the resources in the Special

116 Transportation Fund, upon their receipt, first, to pay or provide for the
117 payment of debt service requirements, as defined in section 13b-75, at
118 such time or times, in such amount or amounts and in such manner, as
119 provided by the proceedings authorizing the issuance of special tax
120 obligation bonds pursuant to sections 13b-74 to 13b-77, inclusive, as
121 amended, and then to pay from the Transportation Strategy Board
122 projects account of the Special Transportation Fund, established under
123 section 113 of public act 03-1 of the June 30 special session, the
124 incremental revenues identified in approved annual financing plans
125 for cash funding in accordance with the provisions of section 17 of
126 public act 03-4 of the June 30 special session, as amended by this act.

127 Sec. 5. Section 114 of public act 03-1 of the June 30 special session is
128 repealed and the following is substituted in lieu thereof (*Effective from*
129 *passage*):

130 (a) Notwithstanding any provision of the general statutes, for the
131 fiscal year ending June 30, 2004, the sum of \$10,000,000 [shall be
132 transferred from the resources of] on deposit in the Special
133 Transportation Fund [and] shall be credited to [the resources of] the
134 Transportation Strategy Board projects account established under
135 section 113 of [this act] public act 03-1 of the June 30 special session.

136 (b) Notwithstanding any provision of the general statutes, for the
137 fiscal year ending June 30, 2005, the sum of \$5,000,000 [shall be
138 transferred from the resources of] on deposit in the Special
139 Transportation Fund [and] shall be credited to [the resources of] the
140 Transportation Strategy Board projects account established under
141 section 113 of [this act] public act 03-1 of the June 30 special session.

142 (c) Notwithstanding any provision of the general statutes, on July 1,
143 2005, the sum of \$5,000,000 [shall be transferred from the resources of]
144 on deposit in the Special Transportation Fund [and] shall be credited
145 to [the resources of] the Transportation Strategy Board projects account
146 established under section 113 of [this act] public act 03-1 of the June 30
147 special session.

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>

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 \$
Transportation, Dept.	TF - None	None	None

Note: TF=Transportation Fund

Municipal Impact: None

Explanation

The bill has no fiscal impact as it makes reference changes and minor modifications to the Transportation Strategy Board projects.

OLR BILL ANALYSIS

HB 5480

AN ACT CONCERNING FUNDING OF TRANSPORTATION STRATEGY PROJECTS**SUMMARY:**

This bill makes several minor and technical changes in the law governing financing for Transportation Strategy Board (TSB) projects. It:

1. allows TSB projects to be funded from other available TSB funds to the extent money is not available from either the Special Transportation Fund (STF) or the Infrastructure Improvement Fund, rather than just the latter;
2. permits the incremental revenues assigned to the TSB project account to be used to pay debt service on, and issuance expenses for, special tax obligation (STO) bonds to finance, as well to pay cash for, TSB projects;
3. makes payment of the incremental revenues for cash finding the second allocation priority for STF funds after STO bond debt service and before general obligation bond debt service and agency expenses;
4. requires the STO bond proceeds applied to fund TSB projects to be held in a subaccount of the Infrastructure Improvement Fund; and
5. places the TSB projects account within the STF rather than the Infrastructure Improvement Fund.

The bill also specifies that, though the second and subsequent annual TSB project financing plans are due by August 1, the first such plan was due by December 1, 2003. By law, the Department of Transportation, in consultation with the Office of Policy and Management secretary, the state treasurer, and the TSB, must prepare a financing plan for annual funding of TSB projects and purposes.

EFFECTIVE DATE: Upon passage

BACKGROUND

Related Bill

sHB 5031, reported favorably by the Transportation and Finance, Revenue and Bonding committees on March 8 and March 29, respectively, duplicates the provisions of this bill allowing (1) TSB projects to be funded from other available TSB funds if money is not available from either the STF or the Infrastructure Improvement Fund rather than just the latter and (2) making payment of incremental revenues the second priority for STF funds after STO bond debt service.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Report

Yea 44 Nay 0