



# Senate

General Assembly

**File No. 588**

February Session, 2004

Substitute Senate Bill No. 32

*Senate, April 15, 2004*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## **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. Subsections (a) and (b) of section 4-66c of the general  
2 statutes are repealed and the following is substituted in lieu thereof  
3 (*Effective July 1, 2004*):

4 (a) For the purposes of subsection (b) of this section, the State Bond  
5 Commission shall have power, from time to time to authorize the  
6 issuance of bonds of the state in one or more series and in principal  
7 amounts not exceeding in the aggregate [nine hundred six million nine  
8 hundred eighty-seven thousand five hundred forty-four] nine hundred  
9 eighty-one million nine hundred eighty-seven thousand five hundred  
10 forty-four dollars, provided [one hundred seven] seventy-five million  
11 dollars of said authorization shall be effective July 1, [2003] 2004. All  
12 provisions of section 3-20, as amended, or the exercise of any right or

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

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

48 consortium deployment center approved pursuant to section 32-411;  
49 [and provided seven million dollars of said authorization shall be  
50 effective July 1, 2003;] (2) for the Department of Transportation: Urban  
51 mass transit, not exceeding two million dollars; (3) for the Department  
52 of Environmental Protection: Recreation development and solid waste  
53 disposal projects, not exceeding one million nine hundred ninety-five  
54 thousand nine hundred two dollars; (4) for the Department of Social  
55 Services: Child day care projects, elderly centers, shelter facilities for  
56 victims of domestic violence, emergency shelters and related facilities  
57 for the homeless, multipurpose human resource centers and food  
58 distribution facilities, not exceeding thirty-nine million one hundred  
59 thousand dollars, provided four million dollars of said authorization  
60 shall be effective July 1, 1994; (5) for the Department of Economic and  
61 Community Development: Housing projects, not exceeding three  
62 million dollars; (6) for the Office of Policy and Management: (A)  
63 Grants-in-aid to municipalities for a pilot demonstration program to  
64 leverage private contributions for redevelopment of designated  
65 historic preservation areas, not exceeding one million dollars; (B)  
66 grants-in-aid for urban development projects including economic and  
67 community development, transportation, environmental protection,  
68 public safety, children and families and social services projects and  
69 programs, including, in the case of economic and community  
70 development projects administered on behalf of the Office of Policy  
71 and Management by the Department of Economic and Community  
72 Development, administrative costs incurred by the Department of  
73 Economic and Community Development, not exceeding [seven  
74 hundred eighty-five million three hundred thousand] eight hundred  
75 sixty-five million three hundred thousand dollars, provided [one  
76 hundred] eighty million dollars of said authorization shall be effective  
77 July 1, [2003] 2004. Five million dollars of the grants-in-aid authorized  
78 in subparagraph (B) of subdivision (6) of this subsection may be made  
79 available to private nonprofit organizations for the purposes described  
80 in said subparagraph (B). Five million dollars of the grants-in-aid  
81 authorized in subparagraph (B) of subdivision (6) of this subsection  
82 may be made available for necessary renovations and improvements of

83 libraries. Five million dollars of the grants-in-aid authorized in  
84 subparagraph (B) of subdivision (6) of this subsection shall be made  
85 available for small business gap financing. Ten million dollars of the  
86 grants-in-aid authorized in subparagraph (B) of subdivision (6) of this  
87 subsection may be made available for regional economic development  
88 revolving loan funds.

89 Sec. 2. Subsection (a) of section 4-66g of the general statutes is  
90 repealed and the following is substituted in lieu thereof (*Effective July*  
91 *1, 2004*):

92 (a) For the purposes described in subsection (b) of this section, the  
93 State Bond Commission shall have the power, from time to time, to  
94 authorize the issuance of bonds of the state in one or more series and  
95 in principal amounts not exceeding in the aggregate [forty] sixty  
96 million dollars, provided twenty million dollars of said authorization  
97 shall be effective July 1, [2001] 2004. [, and twenty million dollars of  
98 said authorization shall be effective July 1, 2002.]

99 Sec. 3. Subsection (a) of section 4a-10 of the general statutes is  
100 repealed and the following is substituted in lieu thereof (*Effective July*  
101 *1, 2004*):

102 (a) For the purposes described in subsection (b) of this section, the  
103 State Bond Commission shall have the power, from time to time to  
104 authorize the issuance of bonds of the state in one or more series and  
105 in principal amounts not exceeding in the aggregate two hundred  
106 [thirty] forty-eight million dollars, provided [nineteen] eighteen  
107 million [five hundred thousand] dollars of said authorization shall be  
108 effective July 1, [2002] 2004.

109 Sec. 4. Subsection (a) of section 7-538 of the general statutes is  
110 repealed and the following is substituted in lieu thereof (*Effective July*  
111 *1, 2004*):

112 (a) For the purposes described in subsection (b) of this section, the  
113 State Bond Commission shall have the power, from time to time, to

114 authorize the issuance of bonds of the state in one or more series and  
115 in principal amounts not exceeding in the aggregate [four hundred  
116 seventy million] four hundred sixty-eight million dollars. [, provided  
117 sixty-five million dollars of said authorization shall be effective July 1,  
118 2003.]

119 Sec. 5. (*Effective from passage*) Notwithstanding any reduction in  
120 funds available under sections 7-535 to 7-538, inclusive, of the general  
121 statutes, as amended by this act, for the fiscal years ending June 30,  
122 2004, and June 30, 2005, each municipality shall be entitled to the full  
123 amount of the credit to which it would have been entitled if thirty  
124 million dollars had been made available under said sections 7-535 to 7-  
125 538, inclusive, for each such year.

126 Sec. 6. Section 10-287d of the general statutes, as amended by  
127 section 20 of public act 03-2 of the September 8 special session, is  
128 repealed and the following is substituted in lieu thereof (*Effective July*  
129 *1, 2004*):

130 For the purposes of funding (1) grants to projects that have received  
131 approval of the State Board of Education pursuant to sections 10-287,  
132 as amended, and 10-287a, subsection (a) of section 10-65 and section  
133 10-76e, (2) grants to assist school building projects to remedy safety  
134 and health violations and damage from fire and catastrophe, and (3)  
135 regional vocational-technical school projects pursuant to section 10-  
136 283b, the State Treasurer is authorized and directed, subject to and in  
137 accordance with the provisions of section 3-20, as amended, to issue  
138 bonds of the state from time to time in one or more series in an  
139 aggregate amount not exceeding [three billion five hundred forty-six  
140 million three hundred sixty thousand] four billion one hundred thirty-  
141 six million three hundred sixty thousand dollars, provided [four  
142 hundred fifty-eight] five hundred ninety million dollars of said  
143 authorization shall be effective July 1, [2003] 2004. Bonds of each series  
144 shall bear such date or dates and mature at such time or times not  
145 exceeding thirty years from their respective dates and be subject to  
146 such redemption privileges, with or without premium, as may be fixed

147 by the State Bond Commission. They shall be sold at not less than par  
148 and accrued interest and the full faith and credit of the state is pledged  
149 for the payment of the interest thereon and the principal thereof as the  
150 same shall become due, and accordingly and as part of the contract of  
151 the state with the holders of said bonds, appropriation of all amounts  
152 necessary for punctual payment of such principal and interest is  
153 hereby made, and the State Treasurer shall pay such principal and  
154 interest as the same become due. The State Treasurer is authorized to  
155 invest temporarily in direct obligations of the United States, United  
156 States agency obligations, certificates of deposit, commercial paper or  
157 bank acceptances such portion of the proceeds of such bonds or of any  
158 notes issued in anticipation thereof as may be deemed available for  
159 such purpose.

160 Sec. 7. Section 10-292k of the general statutes, as amended by section  
161 21 of public act 03-2 of the September 8 special session, is repealed and  
162 the following is substituted in lieu thereof (*Effective July 1, 2004*):

163 For purposes of funding interest subsidy grants, except for interest  
164 subsidy grants made pursuant to subsection (b) of section 10-292m, the  
165 State Treasurer is authorized and directed, subject to and in  
166 accordance with the provisions of section 3-20, as amended, to issue  
167 bonds of the state from time to time in one or more series in an  
168 aggregate amount not exceeding [one hundred ninety-eight million  
169 one hundred thousand] two hundred thirty-one million one hundred  
170 thousand dollars, provided [twenty-seven] thirty-three million dollars  
171 of said authorization shall be effective July 1, [2003] 2004. Bonds of  
172 each series shall bear such date or dates and mature at such time or  
173 times not exceeding thirty years from their respective dates and be  
174 subject to such redemption privileges, with or without premium, as  
175 may be fixed by the State Bond Commission. They shall be sold at not  
176 less than par and accrued interest and the full faith and credit of the  
177 state is pledged for the payment of the interest thereon and the  
178 principal thereof as the same shall become due, and accordingly and as  
179 part of the contract of the state with the holders of said bonds,  
180 appropriation of all amounts necessary for punctual payment of such

181 principal and interest is hereby made, and the State Treasurer shall pay  
182 such principal and interest as the same become due. The State  
183 Treasurer is authorized to invest temporarily in direct obligations of  
184 the United States, United States agency obligations, certificates of  
185 deposit, commercial paper or bank acceptances, such portion of the  
186 proceeds of such bonds or of any notes issued in anticipation thereof as  
187 may be deemed available for such purpose.

188 Sec. 8. Subsection (a) of section 22a-483 of the general statutes is  
189 repealed and the following is substituted in lieu thereof (*Effective July*  
190 *1, 2004*):

191 (a) For the purposes of sections 22a-475 to 22a-483, inclusive, the  
192 State Bond Commission shall have the power, from time to time to  
193 authorize the issuance of bonds of the state in one or more series and  
194 in principal amounts, not exceeding in the aggregate [eight hundred  
195 one] seven hundred forty-one million thirty thousand dollars. [,  
196 provided sixty million dollars of said authorization shall be effective  
197 July 1, 2003.]

198 Sec. 9. Section 32-607 of the general statutes is amended by adding  
199 subsection (q) as follows (*Effective July 1, 2004*):

200 (NEW) (q) In connection with the issuance of bonds to finance the  
201 convention center project or to refund bonds previously issued by the  
202 authority to finance the convention center project, the authority may  
203 create and establish one or more reserve funds to be known as special  
204 capital reserve funds and may pay into such special capital reserve  
205 funds (1) any moneys appropriated and made available by the state for  
206 the purposes of such funds, (2) any proceeds of sale of notes or bonds  
207 for the convention center project, to the extent provided in the  
208 resolution of the authority authorizing the issuance thereof, and (3)  
209 any other moneys which may be made available to the authority for  
210 the purpose of such funds from any other source or sources. The  
211 moneys held in or credited to any special capital reserve fund  
212 established under this section, except as hereinafter provided, shall be  
213 used solely for the payment of the principal of and interest on, when

214 due, whether at maturity or by mandatory sinking fund installments,  
215 on bonds of the authority secured by such capital reserve fund as the  
216 same become due, the purchase of such bonds of the authority, the  
217 payment of any redemption premium required to be paid when such  
218 bonds are redeemed prior to maturity; provided the authority shall  
219 have power to provide that moneys in any such fund shall not be  
220 withdrawn therefrom at any time in such amount as would reduce the  
221 amount of such funds to less than the maximum amount of principal  
222 and interest becoming due by reasons of maturity or a required  
223 sinking fund installment in the then current or any succeeding  
224 calendar year on the bonds of the authority then outstanding or the  
225 maximum amount permitted to be deposited in such fund by the  
226 Internal Revenue Code of 1986, or any subsequent corresponding  
227 internal revenue code of the United States, as from time to time  
228 amended, to permit the interest on said bonds to be excluded from  
229 gross income for federal tax purposes and secured by such special  
230 capital reserve fund, such amount being herein referred to as the  
231 "required minimum capital reserve", except for the purpose of paying  
232 such principal of, redemption premium and interest on such bonds of  
233 the authority secured by such special capital reserve becoming due  
234 and for the payment of which other moneys of the authority are not  
235 available. The authority may provide that it shall not issue bonds  
236 secured by a special capital reserve fund at any time if the required  
237 minimum capital reserve on the bonds outstanding and the bonds then  
238 to be issued and secured by the same special capital reserve fund at the  
239 time of issuance, unless the authority, at the time of the issuance of  
240 such bonds, shall deposit in such special capital reserve fund from the  
241 proceeds of the bonds so to be issued, or otherwise, an amount which,  
242 together with the amount then in such special capital reserve fund, will  
243 be not less than the required minimum capital reserve. On or before  
244 December first, annually, there is deemed to be appropriated from the  
245 state General Fund such sums, if any, as shall be certified by the  
246 chairman or vice-chairman of the authority to the Secretary of the  
247 Office of Policy and Management and the Treasurer, as necessary to  
248 restore each such special capital reserve fund to the amount equal to

249 the required minimum capital reserve of such fund, and such amounts  
250 shall be allotted and paid to the authority. For the purpose of  
251 evaluation of any such special capital reserve fund, obligations  
252 acquired as an investment for any such fund shall be valued at market.  
253 Nothing contained in this section shall preclude the authority from  
254 establishing and creating other debt service reserve funds in  
255 connection with the issuance of bonds or notes of the authority which  
256 are not special capital reserve funds. Subject to any agreement or  
257 agreements with holders of outstanding notes and bonds of the  
258 authority, any amount or amounts allotted and paid to the authority  
259 pursuant to this section shall be repaid to the state from moneys of the  
260 authority at such time as such moneys are not required for any other of  
261 its corporate purposes and in any event shall be repaid to the state on  
262 the date one year after all bonds and notes of the authority theretofore  
263 issued on the date or dates such amount or amounts are allotted and  
264 paid to the authority or thereafter issued, together with interest on  
265 such bonds and notes, with interest on any unpaid installments of  
266 interest and all costs and expenses in connection with any action or  
267 proceeding by or on behalf of the holders thereof, are fully met and  
268 discharged. No bonds secured by a special capital reserve fund shall be  
269 issued to pay project costs unless the authority is of the opinion and  
270 determines that the revenues from the project shall be sufficient to (A)  
271 pay the principal of and interest on the bonds issued to finance the  
272 project, (B) establish, increase and maintain any reserves deemed by  
273 the authority to be advisable to secure the payment of the principal of  
274 and interest on such bonds, (C) pay the cost of maintaining the project  
275 in good repair and keeping it properly insured, and (D) pay such other  
276 costs of the project as may be required. No bonds secured by a special  
277 capital reserve fund shall be issued unless the issuance of such bonds  
278 is approved by the Treasurer.

279 Sec. 10. Subsection (a) of section 32-616 of the general statutes is  
280 repealed and the following is substituted in lieu thereof (*Effective July*  
281 *1, 2004*):

282 (a) For the purposes described in subsection (b) of this section the

283 State Bond Commission shall have power, from time to time but in no  
284 case later than June 30, [2005] 2009, to authorize the issuance of bonds  
285 of the state, in one or more series and in principal amounts and in the  
286 aggregate not exceeding one hundred fifteen million dollars and such  
287 additional amounts as may be required in connection with the costs of  
288 issuance of the bonds including bond anticipation, temporary and  
289 interim notes, the proceeds of which shall be used by the State  
290 Treasurer to pay the costs of issuance, provided in computing the total  
291 amount of bonds which may at any one time be outstanding, the  
292 principal amount of any refunding bonds issued to refund bonds shall  
293 be excluded.

294 Sec. 11. Subsection (a) of section 32-235 of the general statutes is  
295 repealed and the following is substituted in lieu thereof (*Effective July*  
296 *1, 2004*):

297 (a) For the purposes described in subsection (b) of this section, the  
298 State Bond Commission shall have the power, from time to time to  
299 authorize the issuance of bonds of the state in one or more series and  
300 in principal amounts not exceeding in the aggregate [five hundred five  
301 million three hundred thousand] four hundred ninety-one million  
302 eighty-two thousand six hundred ninety-four dollars. [, provided ten  
303 million dollars of said authorization shall be effective on July 1, 2003.]

304 Sec. 12. Subsection (b) of section 32-235 of the general statutes is  
305 repealed and the following is substituted in lieu thereof (*Effective July*  
306 *1, 2004*):

307 (b) The proceeds of the sale of said bonds, to the extent of the  
308 amount stated in subsection (a) of this section, shall be used by the  
309 Department of Economic and Community Development for the  
310 purposes of sections 32-220 to 32-234, inclusive, including economic  
311 cluster-related programs and activities, and for the Connecticut job  
312 training finance demonstration program pursuant to sections 32-23uu  
313 and 32-23vv provided, (1) three million dollars shall be used by said  
314 department solely for the purposes of section 32-23uu and not more  
315 than five million two hundred fifty thousand dollars of the amount

316 stated in said subsection (a) may be used by said department for the  
317 purposes of section 31-3u, (2) not less than one million dollars shall be  
318 used for an educational technology grant to the deployment center  
319 program and the nonprofit business consortium deployment center  
320 approved pursuant to section 32-411, [and] (3) not less than two million  
321 dollars shall be used by said department for the establishment of a  
322 pilot program to make grants to businesses in designated areas of the  
323 state for construction, renovation or improvement of small  
324 manufacturing facilities provided such grants are matched by the  
325 business, a municipality or another financing entity. The commissioner  
326 shall designate areas of the state where manufacturing is a substantial  
327 part of the local economy and shall make grants under such pilot  
328 program which are likely to produce a significant economic  
329 development benefit for the designated area, and (4) five million  
330 dollars may be used by said department for the manufacturing  
331 competitiveness grants program.

332 Sec. 13. (NEW) (*Effective July 1, 2004*) In accordance with the  
333 provisions of section 32-462 of the general statutes, during the period  
334 commencing July 1, 2001, and ending June 30, 2007, the Department of  
335 Economic and Community Development may provide financial  
336 assistance from existing programs to Downtown Torrington  
337 Redevelopment LLC for the purposes of restoration and improvements  
338 to property in the city of Torrington, in said time period, in an  
339 aggregate amount not to exceed thirty million dollars.

340 Sec. 14. Subsection (a) of section 32-262 of the general statutes is  
341 repealed and the following is substituted in lieu thereof (*Effective July*  
342 *1, 2004*):

343 (a) For the purposes described in subsection (b) of this section, the  
344 State Bond Commission shall have the power, from time to time, to  
345 authorize the issuance of bonds of the state in one or more series and  
346 in principal amounts not exceeding in the aggregate [thirty-nine] thirty  
347 million dollars.

348 Sec. 15. Subsection (a) of section 3 of public act 96-250 is amended to

349 read as follows (*Effective July 1, 2004*):

350 (a) For the purposes described in subsection (b) of this section, the  
351 State Bond Commission shall have the power, from time to time to  
352 authorize the issuance of bonds of the state in one or more series and in  
353 principal amounts not exceeding in the aggregate [~~five~~] four million  
354 dollars.

355 Sec. 16. Subsection (a) of section 17a-225 of the general statutes is  
356 repealed and the following is substituted in lieu thereof (*Effective July*  
357 *1, 2004*):

358 (a) The State Bond Commission shall have the power, from time to  
359 time to authorize the issuance of bonds of the state in one or more  
360 series and in principal amounts not exceeding in the aggregate [~~four~~]  
361 six million dollars.

362 Sec. 17. Subsection (a) of section 10a-186a of the general statutes is  
363 repealed and the following is substituted in lieu thereof (*Effective July*  
364 *1, 2004*):

365 (a) In connection with the issuance of bonds to finance a project at a  
366 participating nursing home or to refund bonds previously issued by  
367 the authority to finance a project at a participating nursing home, [~~or~~]  
368 to finance dormitories, residential facilities, student centers, food  
369 service facilities and other auxiliary service facilities and related  
370 buildings and improvements at a public institution of higher  
371 education, or to finance up to one hundred million dollars, in the  
372 aggregate, for equipment for participating health care institutions at  
373 the discretion of the Secretary of the Office of Policy and Management  
374 and the Treasurer, the authority may create and establish one or more  
375 reserve funds to be known as special capital reserve funds and may  
376 pay into such special capital reserve funds (1) any moneys  
377 appropriated and made available by the state for the purposes of such  
378 funds, (2) any proceeds of sale of notes or bonds for a project, to the  
379 extent provided in the resolution of the authority authorizing the  
380 issuance thereof, and (3) any other moneys which may be made

381 available to the authority for the purpose of such funds from any other  
382 source or sources. The moneys held in or credited to any special capital  
383 reserve fund established under this section, except as hereinafter  
384 provided, shall be used solely for the payment of the principal of and  
385 interest, when due, whether at maturity or by mandatory sinking fund  
386 installments, on bonds of the authority secured by such capital reserve  
387 fund as the same become due, the purchase of such bonds of the  
388 authority, the payment of any redemption premium required to be  
389 paid when such bonds are redeemed prior to maturity; provided the  
390 authority shall have power to provide that moneys in any such fund  
391 shall not be withdrawn therefrom at any time in such amount as  
392 would reduce the amount of such funds to less than the maximum  
393 amount of principal and interest becoming due by reasons of maturity  
394 or a required sinking fund installment in the then current or any  
395 succeeding calendar year on the bonds of the authority then  
396 outstanding or the maximum amount permitted to be deposited in  
397 such fund by the Internal Revenue Code of 1986, or any subsequent  
398 corresponding internal revenue code of the United States, as from time  
399 to time amended, to permit the interest on said bonds to be excluded  
400 from gross income for federal tax purposes and secured by such  
401 special capital reserve fund, such amount being herein referred to as  
402 the "required minimum capital reserve", except for the purpose of  
403 paying such principal of, redemption premium and interest on such  
404 bonds of the authority secured by such special capital reserve  
405 becoming due and for the payment of which other moneys of the  
406 authority are not available. The authority may provide that it shall not  
407 issue bonds secured by a special capital reserve fund at any time if the  
408 required minimum capital reserve on the bonds outstanding and the  
409 bonds then to be issued and secured by the same special capital  
410 reserve fund at the time of issuance, unless the authority, at the time of  
411 the issuance of such bonds, shall deposit in such special capital reserve  
412 fund from the proceeds of the bonds so to be issued, or otherwise, an  
413 amount which, together with the amount then in such special capital  
414 reserve fund, will be not less than the required minimum capital  
415 reserve. On or before December first, annually, there is deemed to be

416 appropriated from the state General Fund such sums, if any, as shall be  
417 certified by the chairman or vice-chairman of the authority to the  
418 Secretary of the Office of Policy and Management and the Treasurer of  
419 the state, as necessary to restore each such special capital reserve fund  
420 to the amount equal to the required minimum capital reserve of such  
421 fund, and such amounts shall be allotted and paid to the authority. For  
422 the purpose of evaluation of any such special capital reserve fund,  
423 obligations acquired as an investment for any such fund shall be  
424 valued at market. Nothing contained in this section shall preclude the  
425 authority from establishing and creating other debt service reserve  
426 funds in connection with the issuance of bonds or notes of the  
427 authority which are not special capital reserve funds. Subject to any  
428 agreement or agreements with holders of outstanding notes and bonds  
429 of the authority, any amount or amounts allotted and paid to the  
430 authority pursuant to this section shall be repaid to the state from  
431 moneys of the authority at such time as such moneys are not required  
432 for any other of its corporate purposes and in any event shall be repaid  
433 to the state on the date one year after all bonds and notes of the  
434 authority theretofore issued on the date or dates such amount or  
435 amounts are allotted and paid to the authority or thereafter issued,  
436 together with interest on such bonds and notes, with interest on any  
437 unpaid installments of interest and all costs and expenses in  
438 connection with any action or proceeding by or on behalf of the  
439 holders thereof, are fully met and discharged. No bonds secured by a  
440 special capital reserve fund shall be issued to pay project costs unless  
441 the authority is of the opinion and determines that the revenues from  
442 the project shall be sufficient (A) to pay the principal of and interest on  
443 the bonds issued to finance the project, (B) to establish, increase and  
444 maintain any reserves deemed by the authority to be advisable to  
445 secure the payment of the principal of and interest on such bonds, (C)  
446 to pay the cost of maintaining the project in good repair and keeping it  
447 properly insured, and (D) to pay such other costs of the project as may  
448 be required.

449 Sec. 18. (NEW) (*Effective from passage*) Notwithstanding the  
450 provisions of section 4a-9 of the general statutes, the Department of

451 Social Services may provide up to five hundred thousand dollars of the  
452 funds authorized under section 4a-10 of the general statutes to the  
453 United Way of Connecticut for the purchase of capital equipment for  
454 the 2-1-1 Infoline program.

455 Sec. 19. Section 22-26hh of the general statutes is repealed and the  
456 following is substituted in lieu thereof (*Effective July 1, 2004*):

457 The State Bond Commission shall have power, from time to time, to  
458 authorize the issuance of bonds of the state in one or more series and  
459 in principal amounts not exceeding in the aggregate [eighty-seven  
460 million seven hundred fifty thousand] eighty-nine million two  
461 hundred fifty thousand dollars, the proceeds of which shall be used for  
462 the purposes of section 22-26cc, as amended, provided not more than  
463 [two million] one million five hundred thousand dollars of said  
464 authorization shall be effective July 1, [2002] 2004, and further  
465 provided not more than two million dollars shall be used for the  
466 purposes of section 22-26jj, as amended. All provisions of section 3-20,  
467 as amended, or the exercise of any right or power granted thereby  
468 which are not inconsistent with the provisions of this section are  
469 hereby adopted and shall apply to all bonds authorized by the State  
470 Bond Commission pursuant to this section, and temporary notes in  
471 anticipation of the money to be derived from the sale of any such  
472 bonds so authorized may be issued in accordance with said section 3-  
473 20 and from time to time renewed. Such bonds shall mature at such  
474 time or times not exceeding twenty years from their respective dates as  
475 may be provided in or pursuant to the resolution or resolutions of the  
476 State Bond Commission authorizing such bonds. None of said bonds  
477 shall be authorized except upon a finding by the State Bond  
478 Commission that there has been filed with it a request for such  
479 authorization, which is signed by or on behalf of the Secretary of the  
480 Office of Policy and Management and states such terms and conditions  
481 as said commission, in its discretion, may require. Said bonds issued  
482 pursuant to this section shall be general obligations of the state and the  
483 full faith and credit of the state of Connecticut are pledged for the  
484 payment of the principal of and interest on said bonds as the same

485 become due, and accordingly and as part of the contract of the state  
486 with the holders of said bonds, appropriation of all amounts necessary  
487 for punctual payment of such principal and interest is hereby made,  
488 and the Treasurer shall pay such principal and interest as the same  
489 become due.

490 Sec. 20. Section 32-669 of the general statutes is repealed and the  
491 following is substituted in lieu thereof (*Effective July 1, 2004*):

492 (a) On or before February 1, 2003, and annually thereafter, until five  
493 years after the opening of the convention center, the Secretary of the  
494 Office of Policy and Management shall prepare a report regarding the  
495 status of the Adriaen's Landing project and The University of  
496 Connecticut football stadium project. Such report shall be made, in  
497 accordance with the provisions of section 11-4a, to the president pro  
498 tempore of the Senate, the speaker of the House of Representatives, the  
499 majority leader of the Senate, the majority leader of the House of  
500 Representatives, the minority leader of the Senate and the minority  
501 leader of the House of Representatives and to the joint standing  
502 committee of the General Assembly having cognizance of matters  
503 relating to finance, revenue and bonding. The report to said committee  
504 shall be presented at a meeting of said committee held during the  
505 regular session of the calendar year in which such report is due.

506 (b) Such report shall be separated into a section on the Adriaen's  
507 Landing project and a section on The University of Connecticut  
508 football stadium project and shall contain the following information:  
509 (1) A detailed estimated budget for the overall project; (2) the current  
510 timeline for the entire project, with significant milestone events, from  
511 inception to projected completion date; (3) for each project component,  
512 including, but not limited to, the science center, (A) a description of the  
513 component, (B) its current budget in detail, comparing it to the budget  
514 presented to the General Assembly prior to May 2, 2000, (C) projected  
515 completion date, (D) any change made in the course of planning and  
516 execution over the prior calendar year and reasons for such change,  
517 and (E) status at the end of such calendar year; (4) problems

518 encountered in the prior calendar year and potential problems in the  
519 future; (5) status of the project's compliance with the provisions of  
520 section 32-605, including, but not limited to, (A) a description of each  
521 contract entered into during the prior calendar year, (B) whether any  
522 contractor is a woman-owned business enterprise, a minority business  
523 enterprise or a small business enterprise, as those terms are defined in  
524 section 4a-60g, (C) the value of such contract, (D) any subcontractors  
525 under such contract, the value of the subcontract and whether any  
526 subcontractor is a woman-owned business enterprise, a minority  
527 business enterprise or a small business enterprise, as those terms are  
528 defined in section 4a-60g, (E) the number of jobs associated with such  
529 contract, including the number of jobs held by residents of Hartford  
530 and East Hartford and the number of jobs held by women and  
531 minorities, and (F) any steps being taken for affirmative action and  
532 corrective measures for any deficiencies; (6) a detailed projected  
533 annual operating budget for each facility, including information  
534 regarding how much funding the state will be required to provide and  
535 how much the municipality will be required to provide; [and] (7) a  
536 timeline showing when operating expenses may be incurred prior to  
537 the project's completion, including how much of such expenses will be  
538 provided by the state in each year and how much will be provided by  
539 the host municipality; (8) current estimates for funding from all state  
540 and private sources for each component of the project for each fiscal  
541 year in which the funding is made available; (9) a summary of the total  
542 funding for the project from each of the following sources: (A) General  
543 obligation bonds, (B) funding from the General Fund operating  
544 surplus, (C) revenue bonds issued by the Capital City Economic  
545 Development Authority, with the associated General Fund costs,  
546 including, but not limited to, General Fund debt service  
547 reimbursement for the parking garage and utility plant, (D) tax  
548 exemptions or credits granted to any part of the project, (E) payments  
549 in lieu of taxes made to any municipality for any component of the  
550 project, (F) the operating subsidy for the convention center and the  
551 science center, (G) private investments, and (H) any other sources; and  
552 (10) detailed financial information regarding the income and expenses

553 of any public entities operating at Adriaen's Landing.

554 Sec. 21. Section 1-124 of the general statutes is repealed and the  
555 following is substituted in lieu thereof (*Effective July 1, 2004*):

556 (a) The Connecticut Development Authority, the Connecticut  
557 Health and Educational Facilities Authority, the Connecticut Higher  
558 Education Supplemental Loan Authority, the Connecticut Housing  
559 Finance Authority, the Connecticut Housing Authority, [and] the  
560 Connecticut Resources Recovery Authority and the Capital City  
561 Economic Development Authority shall not borrow any money or  
562 issue any bonds or notes which are guaranteed by the state of  
563 Connecticut or for which there is a capital reserve fund of any kind  
564 which is in any way contributed to or guaranteed by the state of  
565 Connecticut until and unless such borrowing or issuance is approved  
566 by the State Treasurer or the Deputy State Treasurer appointed  
567 pursuant to section 3-12. The approval of the State Treasurer or said  
568 deputy shall be based on documentation provided by the authority  
569 that it has sufficient revenues to (1) pay the principal of and interest on  
570 the bonds and notes issued, (2) establish, increase and maintain any  
571 reserves deemed by the authority to be advisable to secure the  
572 payment of the principal of and interest on such bonds and notes, (3)  
573 pay the cost of maintaining, servicing and properly insuring the  
574 purpose for which the proceeds of the bonds and notes have been  
575 issued, if applicable, and (4) pay such other costs as may be required.

576 (b) To the extent the Connecticut Development Authority,  
577 Connecticut Innovations, Incorporated, Connecticut Higher Education  
578 Supplemental Loan Authority, Connecticut Housing Finance  
579 Authority, Connecticut Housing Authority, Connecticut Resources  
580 Recovery Authority, [or] Connecticut Health and Educational Facilities  
581 Authority or the Capital City Economic Development Authority is  
582 permitted by statute and determines to exercise any power to  
583 moderate interest rate fluctuations or enter into any investment or  
584 program of investment or contract respecting interest rates, currency,  
585 cash flow or other similar agreement, including, but not limited to,

586 interest rate or currency swap agreements, the effect of which is to  
 587 subject a capital reserve fund which is in any way contributed to or  
 588 guaranteed by the state of Connecticut, to potential liability, such  
 589 determination shall not be effective until and unless the [Treasurer of  
 590 the state] State Treasurer or his or her deputy appointed pursuant to  
 591 section 3-12 has approved such agreement or agreements. The  
 592 approval of the State Treasurer or his or her deputy shall be based on  
 593 documentation provided by the authority that it has sufficient  
 594 revenues to meet the financial obligations associated with the  
 595 agreement or agreements.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>July 1, 2004</i>
Sec. 3	<i>July 1, 2004</i>
Sec. 4	<i>July 1, 2004</i>
Sec. 5	<i>from passage</i>
Sec. 6	<i>July 1, 2004</i>
Sec. 7	<i>July 1, 2004</i>
Sec. 8	<i>July 1, 2004</i>
Sec. 9	<i>July 1, 2004</i>
Sec. 10	<i>July 1, 2004</i>
Sec. 11	<i>July 1, 2004</i>
Sec. 12	<i>July 1, 2004</i>
Sec. 13	<i>July 1, 2004</i>
Sec. 14	<i>July 1, 2004</i>
Sec. 15	<i>July 1, 2004</i>
Sec. 16	<i>July 1, 2004</i>
Sec. 17	<i>July 1, 2004</i>
Sec. 18	<i>from passage</i>
Sec. 19	<i>July 1, 2004</i>
Sec. 20	<i>July 1, 2004</i>
Sec. 21	<i>July 1, 2004</i>

**FIN**            *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-Effect	FY 05 \$	FY 06 \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:**

Municipalities	Effect	FY 05 \$	FY 06 \$
Various Municipalities	Revenue Gain	See Below	See Below

**Explanation**

The bill authorizes a total of \$653.3 million in General Obligation (GO) in FY 05. The interest cost to bond this amount over 20 years, assuming a 5.0% interest rate is \$343.0 million.

**Further Explanation**

The table below summarizes statutory changes to language and bond authorizations and current unallocated bond balances for sSB 32:

**sSB 32: Bond Authorizations and Unallocated Balances <sup>1</sup>**

Bill Section FY 05	New / Increased Authorizations Agency/Description	Unallocated Balance as of 4/14/04 (\$)	Change made by sSB 32 FY 05 (\$)
<b><u>Office of Policy and Management</u></b>			
Sec. 3	Capital Equipment Purchase Fund	9,000,000	18,000,000
Sec. 4	Local Capital Improvement Program (LoCIP)	72,500,000	(2,000,000)
Sec. 5	Local Capital Improvement Program (LoCIP) language change: Credit to town grant-in-aid accounts for FY 04 and FY 05 will be same as if \$30 million had been authorized in each year	-	-
Sec. 1(b)	Urban Action grants-in-aid	27,111,701	80,000,000
Sec. 1(b)	Urban Action grant-in-aid language change: Ten million dollars may be made available for regional	-	-

## sSB 32: Bond Authorizations and Unallocated Balances <sup>1</sup>

Bill Section	New / Increased Authorizations	Unallocated Balance as of 4/14/04	Change made by sSB 32 FY 05
FY 05	Agency/Description	(\$)	(\$)
	economic development revolving loan funds		
Sec. 2	Small Town Economic Assistance Plan (STEAP)	0	20,000,000
	Subtotal		116,000,000
<b><u>Department of Agriculture</u></b>			
Sec. 19	Farmland Preservation Program	3,457,335	1,500,000
<b><u>Department of Environmental Protection</u></b>			
Sec. 8	Clean Water Fund: Grants-in-aid financed from General Obligation Bonds.	104,494,458	(60,000,000)
Sec. 15	Special Contaminated Property Remediation and Insurance Fund established under PA 95-190. PA 96-250, Sec. 3(a)	3,000,000	(1,000,000)
	Subtotal Changes		(61,000,000)
<b><u>Dept. of Economic and Community Development</u></b>			
Sec. 13	Extend from 2003 to 2007 the sunset date for DECD to provide up to \$30 million from existing programs to Downtown Torrington Redevelopment LLC for restoration and improvements to downtown Torrington	-	0
Sec. 10	Language change: The sunset date for bond authorizations for projects in Hartford (Civic Center, riverfront infrastructure, housing, demolition and parking) is changed from 2005 to 2009	-	0
Sec. 1(b)	Urban Action grants-in-aid for economic and community development projects	7,000,000	(5,000,000)
Sec. 11	Manufacturing Assistance Act	62,867,306	(14,217,306)
Sec. 12	MAA bond funds may be used for economic cluster-related programs and activities; \$5 million may be used for the manufacturing competitiveness grants program	-	0
	Subtotal		(19,217,306)
<b><u>Connecticut Development Authority</u></b>			
Sec. 14	Guarantees of loans and the reinvestment program. PA 92-236, Sec. 3	9,000,000	(9,000,000)
<b><u>Department of Mental Retardation</u></b>			
Sec. 16	Community Residential Facility Revolving Loan Fund	0	2,000,000
<b><u>Department of Social Services</u></b>			
Sec. 18	New Language: DSS may provide up to \$500,000 to United Way of CT for the purchase of capital equipment for the 211 Infoline program	-	0
<b><u>Department of Education</u></b>			
Sec. 6	School construction grants-in-aid to towns - principal	134,700,000	590,000,000

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**sSB 32: Bond Authorizations and Unallocated Balances**<sup>1</sup>

Bill Section FY 05	New / Increased Authorizations Agency/Description	Unallocated Balance as of 4/14/04 (\$)	Change made by sSB 32 FY 05 (\$)
Sec. 7	School construction grants-in-aid to towns - interest	10,500,000	33,000,000
	Subtotal		623,000,000

**Net General Obligation Bond Increase                    653,282,694**

<sup>1</sup> The total available bond balance for FY 05 is the sum of the unallocated balance and the change made by sSB 32.

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### Office of Policy and Management

Capital Equipment Purchase Fund (CEPF): Section 3 authorizes \$18.0 million in FY 05 to the Office of Policy and Management (OPM) for CEPF. These funds would be allocated to executive branch agencies (excluding higher education) to purchase equipment that costs over \$1,000 per unit and has a useful life of over five years. Funding for this equipment has been removed from agency operating budgets. It should be noted that OPM is not obligated to provide these moneys to the agencies, since they would be provided through Bond Commission action, and the bond bill does not specify the distribution of funds by agency

Annual Status Report on Adriaen's Landing and UConn Football Stadium: Section 20 adds several new requirements to the annual status report that must be submitted by OPM to the Legislature by February of each year. It is anticipated that OPM will be able to handle these new reporting requirements within available resources.

### Department of Mental Retardation

Section 16 increases the authorization by \$2 million for the Department of Mental Retardation's Community Residential Facility Revolving Loan Fund. Loans are provided to non-profit organizations for construction or purchase and renovation of community residential facilities (licensed Community Living Arrangements - group homes) and for the rehabilitation of such facilities (capital repairs and improvements to existing residential facilities).

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## Department of Economic and Community Development

Manufacturing Competitiveness Grants Program: sSB 32 permits \$5 million of Manufacturing Assistance Act bond funds to be used for a program to enhance competitiveness in next generation manufacturing, which is established by sHB 5036 within the Department of Economic and Community Development.

### Special Capital Reserve Fund Provisions

The bill permits the issuance of bonds backed by special capital reserve funds (SCRFs) for: (1) Capital City Economic Development Authority (CCEDA), and (2) health care institutions. If such bonds were issued, the state would incur a contingent liability. The liability would only be realized in the event the SCRFs fell below the minimum required reserve (usually equal to one year's principal and interest payment on the bonds) and the state had to appropriate funds in order to maintain the SCRFs' minimum balance. If the state were required to appropriate funds to maintain the SCRF balance, there would be a negative effect on the state's cash flow and a loss of short-term interest on the appropriated funds.

### ***Municipal Impact:***

The bill changes GO bond authorizations for programs that may be used to finance grants-in-aid to municipalities, including the Small Town Economic Assistance Program (STEAP), Local Capital Improvement Program (LoCIP), school construction grants-in-aid to municipalities, the Urban Action Program and Clean Water Fund grants-in-aid.

**OLR BILL ANALYSIS**

sSB 32

**AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS****SUMMARY:**

This bill:

1. changes bond authorizations for various programs and purposes;
2. expands the purposes for which the bond proceeds under various authorizations must or may be spent;
3. establishes a total of \$30 million in annual municipal credits for FYs 2003-04 and 2004-05 under the Local Capital Improvement Program (LOCIP);
4. allows the Capital City Economic Development Authority to establish a special capital reserve fund for Hartford convention center bonds, with the state treasurer's approval and subject to certain conditions;
5. extends the deadline for allocating state bonding for various Hartford projects by four years;
6. approves up to \$30 million in economic development assistance for Torrington; and
7. requires the Office of Policy and Management (OPM) secretary to include additional information in his annual status reports on the Adriaen's Landing and UConn football stadium projects.

EFFECTIVE DATE: July 1, 2004, except for the provisions regarding (1) municipal credit for LOCIP funding in FYs 2003-04 and 2004-05 and (2) purchase of Infoline equipment, which are effective on passage.

**BOND AUTHORIZATION CHANGES**

The bill changes bond authorizations for various programs as shown in Table 1.

**TABLE 1: AUTHORIZATION CHANGES EFFECTIVE JULY 1, 2004**

§	<i>Agency</i>	<i>Program/Fund</i>	<i>Authorization Change (million)</i>

1	Economic & Community Development	Urban Act – economic and community development projects	(\$5.0)
	OPM	Urban Act – urban development projects	80.0
2	OPM	Small Town Economic Assistance Program	20.0
3	Various	Capital Equipment Purchase Fund	18.0
4	OPM	Local Capital Improvement Fund	(2.0)
6	Education	School construction grants (principal)	590.0
7	Education	School construction interest subsidy grants	33.0
8	Environmental Protection	Clean Water Fund	(60.0)
11	Economic & Community Development	Manufacturing Assistance Act	(14.217)
14	Ct. Development Authority	Investment and Loan Guaranty Fund	(9.0)
15	Environmental Protection	Special Contaminated Property Remediation and Insurance Fund	(1.0)
16	Mental Retardation	Community Residential Facility Revolving Loan Fund	2.0
19	Agriculture	Farmland Preservation Program	1.5

### **URBAN ACT (§ 1)**

The bill allows OPM to make \$10 million of its Urban Act authorization available for regional economic development revolving loan funds.

### **LOCAL CAPITAL IMPROVEMENT PROGRAM (LOCIP) (§ 5)**

Despite any reduction in LOCIP funding, for FYs 2003-04 and 2004-05, the bill allows municipalities to obtain the full credit they would have received if the state had authorized \$30 million in each of those years.

Under LOCIP, the OPM secretary allocates a share of available state funds to each municipality based on miles of road, population density, and population factors. The secretary credits the amount to each town's LOCIP account. The town may use its LOCIP credits to reimburse local spending for approved qualified projects.

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**SPECIAL CAPITAL RESERVE FUND FOR HARTFORD  
CONVENTION CENTER BONDS (§ 9)**

The bill allows the Capital City Economic Development Authority (CCEDA), with the state treasurer's approval, to establish one or more special capital reserve funds (SCRF) in connection with issuing or refinancing authority bonds for the Hartford convention center. It allows CCEDA to pay into the fund (1) any state appropriations for the convention center SCRF; (2) proceeds from the sale of convention center bonds, if the CCEDA resolution authorizing the bonds allows it; and (3) any other funds the authority receives for such a SCRF.

The bill requires the SCRF to be used only for (1) paying principal and interest on SCRF-backed bonds, (2) buying SCRF-backed CCEDA bonds, and (3) paying any premiums required to pay off the bonds before maturity. It allows CCEDA to limit SCRF withdrawals so the SCRF balance does not fall below the "required minimum capital reserve." That minimum is (1) the maximum principal and interest or required sinking fund installment due on CCEDA bonds maturing in the current or any future calendar year or (2) the maximum SCRF amount required to preserve the bonds' federal tax exemption. The bill permits CCEDA to let the SCRF balance fall below the minimum if no other funds are available to pay off SCRF-backed bonds.

The bill allows CCEDA to decide not to issue new SCRF-backed bonds unless it deposits enough funds into the SCRF to keep its balance at or above the minimum reserve. By December 1 annually, the bill automatically appropriates from the General Fund any amount needed to maintain the minimum reserve balance in the SCRF, as certified by CCEDA's chairman or vice-chairman to the OPM secretary and the state treasurer. Subject to its agreements with bondholders, CCEDA must repay the state from whatever funds are not needed for its other corporate purposes within one year after meeting all its obligations arising from bonds and notes outstanding on the date of the state allotment.

The bill bars CCEDA from issuing SCRF-backed bonds to pay project costs unless CCEDA determines that the project's revenues will be enough to (1) pay off the bonds used to finance it, (2) maintain any reserves CCEDA thinks advisable to secure their repayment, (3) cover the cost of maintaining and insuring the project, and (4) pay any other required project costs.

The bill requires that, when the fund is valued, SCRF investment assets be valued at market rates.

The bill does not preclude CCEDA from establishing other non-SCRF debt service reserve funds in connection with its bonds.

#### **CAPITAL CITY PROJECTS BOND ALLOCATION DEADLINE (§ 10)**

The bill extends the deadline for the State Bond Commission to allocate up to \$115 million in state bonds for various Hartford projects by four years, from June 30, 2005 to June 30, 2009. The authorization covers the Civic Center and coliseum complex reconstruction; riverfront infrastructure development; housing rehabilitation; new construction, demolition, and redevelopment projects; and parking.

#### **MANUFACTURING ASSISTANCE ACT (§ 12)**

The bill expands the uses for which the Department of Economic and Community Development must spend Manufacturing Assistance Act bond proceeds to include programs and activities related to economic clusters. It also allows DECD to use \$5 million for the manufacturing competitiveness grants program.

#### **FINANCIAL ASSISTANCE TO TORRINGTON (§ 13)**

Between July 1, 2001 and June 30, 2007, the bill allows DECD to provide bond-funded grants, loans, loan guarantees, insurance contracts, investment, or any combination of these forms of assistance totaling up to \$30 million to the Downtown Torrington Redevelopment LLC to restore and improve property in Torrington. By law, the General Assembly must approve state assistance to any applicant or business project that exceeds \$10 million in any two-year period.

#### **CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY (CHEFA) FUNDING FOR EQUIPMENT (§ 17)**

The bill allows CHEFA to use its bonding authority, at the discretion of the OPM secretary and the state treasurer, to finance up to an aggregate of \$100 million for equipment for participating health care institutions. By law, CHEFA may issue bonds to finance projects for qualified hospitals, health care centers, nursing homes, and other

health care institutions.

### **INFOLINE EQUIPMENT (§ 18)**

The bill allows the Department of Social Services to provide up to \$500,000 of the bond funds authorized for the state Capital Equipment Purchase Fund to the United Way of Connecticut to buy capital equipment for the 2-1-1 Infoline Program. Infoline is a single telephone source for information about community services, referrals to human services programs, and crisis intervention.

### **ANNUAL STATUS REPORT ON ADRIAEN'S LANDING AND UCONN FOOTBALL STADIUM (§ 20)**

The bill adds several new requirements to the annual status report on the Adriaen's Landing and UConn football stadium projects the OPM secretary must submit to the legislative leaders and the Finance, Revenue and Bonding Committee. It requires each report to include (1) current state and private funding estimates for each part of the project for each fiscal year the funding is available, (2) a summary of total project funding from various sources, and (3) detailed financial information on the income and expenses of any public entity operating at Adriaen's Landing.

The new funding summary must cover funding from:

1. general obligation bonds;
2. General Fund surpluses;
3. CCEDA revenue bonds and associated General Fund costs, including General Fund debt service reimbursements for the parking garage and utility plant;
4. tax exemptions and credits for any part of the project;
5. payments in lieu of taxes to any municipality for any project component;
6. convention and science center operating subsidies;
7. private investment; and
8. any other sources.

The bill also requires the report to include the following information on the science center, as it already does for other parts of the Adriaen's Landing project: (1) a description, (2) a detailed current budget with a comparison to the budget presented to the General Assembly before

May 2, 2000, (3) a projected completion date, (4) changes in planning or execution from the prior year and reasons for the changes, and (e) end-of-year status.

Finally, the bill requires the OPM secretary to submit the annual status reports only until five years after the convention center opens, instead of indefinitely as under current law.

### **APPROVAL FOR CERTAIN CCEDA BORROWING AND FINANCIAL ARRANGEMENTS (§ 21)**

The bill extends to CCEDA requirements already applicable to several other authorities. These are that it obtain the state treasurer's or deputy treasurer's approval before:

1. borrowing money or issuing bonds or notes backed by either a state guarantee or any kind of capital reserve fund that includes a state contribution or guarantee or
2. entering into any agreement or contract to moderate interest rate fluctuations or concerning interest rates, currency, cash flow, or similar issues that subjects any state-guaranteed or state-funded capital reserve fund to potential liability.

By law, the state treasurer's approval, in the first case, must be based on the authority's documenting that it has enough revenue to (1) pay off the bond or note principal and interest; (2) establish and maintain advisable reserves to secure the payment of principal and interest; (3) if applicable, pay the cost of maintaining, servicing, and insuring the purpose for which the bonds or notes are issued; and (4) pay other required costs. In the second case, the authority must demonstrate that its revenue is sufficient to meet the agreement's financial obligations.

Both of the borrowing and interest rate agreement approval requirements already apply to the Connecticut Development Authority, the Connecticut Health and Educational Facilities Authority, the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Housing Finance Authority, the Connecticut Housing Authority, and the Connecticut Resources Recovery Authority. Connecticut Innovations, Inc. is subject only to the agreement requirement.

### **COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute  
Yea 42 Nay 0