



House Bill No. 5844

Public Act No. 06-136

AN ACT CONCERNING THE ROADMAP FOR CONNECTICUT'S ECONOMIC FUTURE.

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

Section 1. (NEW) (*Effective July 1, 2006*) As used in sections 1 to 9, inclusive, and section 24 of this act:

- (1) "Commissioner" means the Commissioner of Transportation;
- (2) "Department" means the Department of Transportation;
- (3) "Secretary" means the Secretary of the Office of Policy and Management;
- (4) "Treasurer" means the Treasurer of the state of Connecticut;
- (5) "Transportation Strategy Board" means the board created by section 13b-57e of the general statutes, as amended by this act;
- (6) "New Haven Line" means the rail passenger service operated between New Haven and intermediate points and Grand Central station, including the Danbury, Waterbury and New Canaan branch lines;
- (7) "Branch Lines" means the Danbury, Waterbury and New Canaan

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branches of the New Haven Line;

(8) "Shore Line East" means the rail service operating between New Haven and New London;

(9) "Transit-oriented development" means the development of residential, commercial and employment centers within walking distance to public transportation facilities and services in order to facilitate and encourage the use of those services; and

(10) "Transportation improvement project" means improvements to the state's transportation system, including, but not limited to, (A) projects included in the state-wide transportation improvement program, (B) projects included in regional transportation improvement plans, and (C) projects identified in section 13b-57h of the general statutes.

Sec. 2. (NEW) (*Effective July 1, 2006*) (a) The Commissioner of Transportation shall implement the following strategic transportation projects and initiatives:

(1) Restoring commuter rail service on the New Haven-Hartford-Springfield line, including providing shuttle bus service between the rail line and Bradley International Airport;

(2) Implementing the New Britain-Hartford busway, subject to the availability of federal funds;

(3) Rehabilitating rail passenger coaches for use on Shore Line East, the New Haven-Hartford-Springfield line and the Branch Lines;

(4) Developing a new commuter rail station between New Haven and Milford;

(5) Meeting the costs of capital improvements on the Branch Lines, not to exceed forty-five million dollars;

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(6) Meeting the capital costs of parking and rail station improvements on the New Haven Line, Shore Line East and the Branch Lines, not to exceed sixty million dollars;

(7) Funding the local share of the Southeast Area Transit federal pilot project;

(8) Completing the Norwich Intermodal Transit Hub Roadway improvements;

(9) Conducting environmental planning and assessment for the expansion of Interstate 95 between Branford and the Rhode Island border;

(10) Completing preliminary design and engineering for Interstate 84 widening between Waterbury and Danbury;

(11) Funding the Commercial Vehicle Information System Network;

(12) Funding the capital costs of the greater Hartford highway infrastructure improvements in support of economic development; and

(13) Completing a rail link to the port of New Haven.

(b) The commissioner shall evaluate and plan the implementation of the following projects:

(1) Improving Routes 2 and 2A in the towns of Preston, North Stonington and Montville;

(2) Upgrading the Pequot Bridge in Montville;

(3) Evaluating rail links to other ports;

(4) Supporting and encouraging the dredging of the state's commercial ports;

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(5) Developing a second rail passenger station between New Haven and Milford; and

(6) Expanding Route 9.

(c) The commissioner shall, in consultation with the board, recommend the implementation of additional transportation improvement projects. Upon the approval of the Governor and allocation by the State Bond Commission, the proceeds of bonds issued pursuant to sections 4 to 9, inclusive, of this act, may be used to support such projects.

(d) The commissioner shall identify obstacles to improved rail service on Shore Line East, including, but not limited to, increased frequency of service, reverse commute service and weekend service. The commissioner shall report his findings and recommendations to the General Assembly not later than January 1, 2007.

(e) The commissioner shall ensure that the state's transportation plans, including, but not limited to, the master transportation plan, are consistent with the strategy adopted pursuant to section 13b-57g of the general statutes, as amended by this act.

(f) The rail station and parking initiative identified in subsection (a) of this section shall include at least four Shore Line East stations east of New Haven.

(g) The commissioner is authorized to enter into grant and cost sharing agreements with local governments, transit districts, regional planning agencies and councils of governments in connection with the implementation of projects funded pursuant to subsections (a) and (c) of this section.

(h) If, within two years of the effective date of this section, the Department of Transportation is unable to implement the intermodal

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connection between port and rail facilities at the port of New Haven pursuant to subdivision (13) of subsection (a) of this section, the commissioner shall submit a report, pursuant to section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to transportation and finance, revenue and bonding. Such report shall describe (1) the reasons the connection cannot be completed, and (2) alternative ways to facilitate intermodal shipping at the port.

Sec. 3. (NEW) (*Effective July 1, 2006*) The Secretary of the Office of Policy and Management shall (1) in consultation with the Commissioners of Transportation, Economic and Community Development and Environmental Protection, ensure the coordination of state and regional transportation planning with other state planning efforts, including, but not limited to, economic development and housing plans; (2) coordinate interagency policy and initiatives concerning transportation; (3) in consultation with the Commissioner of Transportation, evaluate transportation initiatives and proposed expenditures; and (4) coordinate staff and consultant services for the Transportation Strategy Board.

Sec. 4. (NEW) (*Effective July 1, 2006*) The State Bond Commission shall have power, in accordance with the provisions of sections 4 to 9, inclusive, of this act, to authorize the issuance of special tax obligation bonds of the state in one or more series and in principal amounts in the aggregate, not exceeding one billion dollars. Each such authorization shall include the amount authorized and the project or projects for which the proceeds of the bonds will be used.

Sec. 5. (NEW) (*Effective July 1, 2006*) The proceeds of the sale of the bonds to the extent hereinafter stated shall be used for the purpose of payment of the transportation costs, as defined in subdivision (6) of section 13b-75 of the general statutes, with respect to (1) strategic transportation projects identified in subsection (a) of section 2 of this

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act; (2) transportation improvement projects approved pursuant to subsection (b) of section 2 of this act and sections 19, 24 and 25 of this act; and (3) project planning pursuant to sections 19, 24 and 25, of this act, which projects and uses are hereby found and determined to be in furtherance of one or more of the authorized purposes for the issuance of special tax obligation bonds set forth in section 13b-74 of the 2006 supplement to the general statutes.

Sec. 6. (NEW) (*Effective July 1, 2006*) None of the bonds issued pursuant to sections 4 to 9, inclusive, of this act, shall be authorized except upon a finding by the State Bond Commission that there has been filed with it (1) a request for such authorization, which is signed by the Secretary of the Office of Policy and Management or by or on behalf of such state officer, department or agency and stating such terms and conditions as said commission, in its discretion, may require, and (2) any capital development impact statement and any human services facility colocation statement required to be filed with the Secretary of the Office of Policy and Management pursuant to section 4b-23 of the 2006 supplement to the general statutes, any advisory report regarding the state conservation and development policies plan required pursuant to section 16a-31 of the general statutes, and any statement regarding farmland required pursuant to subsection (g) of section 3-20 of the 2006 supplement to the general statutes and section 22-6 of the general statutes, provided the State Bond Commission may authorize the bonds without a finding that the reports and statements required by subdivision (2) of this section have been filed with it if the commission authorizes the secretary of the commission to accept the reports and statements on its behalf. No funds derived from the sale of bonds authorized by the commission without a finding that the reports and statements required by subdivision (2) of this section have been filed with it shall be allotted by the Governor for any project until the reports and statements required by subdivision (2) of this section, with respect to the project,

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have been filed with the secretary of the commission.

Sec. 7. (NEW) (*Effective July 1, 2006*) For the purposes of sections 4 to 9, inclusive, of this act, each request filed as provided in section 6 of this act for an authorization of bonds shall identify the project for which the proceeds of the sale of the bonds are to be used and expended and, in addition to any terms and conditions required pursuant to section 6 of this act, include the recommendation of the person signing the request as to the extent to which federal, private or other moneys then available or thereafter to be made available for costs in connection with any such project should be added to the state moneys available or becoming available from the proceeds of bonds and temporary notes issued in anticipation of the receipt of the proceeds of bonds. If the request includes a recommendation that some amount of the federal, private or other moneys should be added to the state moneys, then, if and to the extent directed by the State Bond Commission at the time of authorization of the bonds, the amount of the federal, private or other moneys then available or thereafter to be made available for costs in connection with the project shall be added to the state moneys.

Sec. 8. (NEW) (*Effective July 1, 2006*) Any balance of proceeds of the sale of the bonds authorized for the projects or purposes of section 5 of this act in excess of the aggregate costs of all the projects so authorized shall be used in the manner set forth in sections 13b-74 to 13b-77, inclusive, of the 2006 supplement to the general statutes, and in the proceedings of the State Bond Commission respecting the issuance and sale of the bonds.

Sec. 9. (NEW) (*Effective July 1, 2006*) The bonds issued pursuant to sections 4 to 9, inclusive, of this act, shall be special obligations of the state and shall neither be payable from nor charged upon any funds other than revenues of the state pledged therefor in subsection (b) of section 13b-61 of the 2006 supplement to the general statutes, as

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amended by this act, and section 13b-69 of the general statutes, as amended by this act, or such other receipts, funds or moneys as may be pledged therefor. The bonds shall neither be payable from nor charged upon any funds other than the pledged revenues or such other receipts, funds or moneys as may be pledged therefor. The state or any political subdivision of the state shall not be subject to any liability thereon, except to the extent of the pledged revenues or such other receipts, funds or moneys as may be pledged therefor. The bonds shall be issued under and in accordance with the provisions of sections 13b-74 to 13b-77, inclusive, of the 2006 supplement to the general statutes.

Sec. 10. (NEW) (*Effective July 1, 2006*) (a) As used in this section:

(1) "Bonds" means bonds, bond anticipation notes, notes or other evidences of indebtedness issued pursuant to this section and, unless otherwise indicated, any bonds issued to refund such bonds pursuant to this section.

(2) "Debt service requirements" means, for any period, the sum of (A) the principal and interest accruing during such period with respect to bonds and, subject to the provisions of this section and the proceedings authorizing the issuance of such bonds, the unrefunded principal accruing during such period with respect to bond anticipation notes, (B) the purchase price of bonds which are subject to purchase or redemption at the option of the bondowner or noteowner, (C) the amounts, if any, required during such period to establish or maintain reserves, sinking funds or other funds or accounts at the respective levels required to be established or maintained therein, in accordance with the proceedings authorizing the issuance of bonds, (D) expenses of issuance and administration with respect to bonds, as determined by the Treasurer, (E) the amounts, if any, becoming due and payable under a reimbursement agreement or similar agreement entered into pursuant to authority granted under the proceedings

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authorizing the issuance of bonds, and (F) any other costs or expenses deemed by the Treasurer to be necessary or proper to be paid in connection with the bonds, including, without limitation, the cost of any credit facility, including but not limited to, a letter of credit or policy of bond insurance, issued by a financial institution pursuant to an agreement approved by the proceedings authorizing the issuance of bonds.

(3) "Department" means the Department of Transportation.

(4) "Federal transportation funds" means funds paid or reimbursed to the department by the United States Department of Transportation including, without limitation, future obligational authority, reimbursement funds and any other moneys payable under Title 23 or Title 49 of the United States Code, as amended from time to time.

(5) "Federal share of principal, interest and costs" means the portion of the principal of and interest on the bonds, and the costs associated with the issuance and administration of such bonds, that may be paid from federal transportation funds pursuant to federal law and any agreement between the United States Department of Transportation and the department.

(6) "Grant Anticipation Transportation Fund" means the fund established pursuant to subsection (b) of this section.

(7) "Pledged revenues" means, for any year, receipts of the state, including federal transportation funds, credited to the Grant Anticipation Transportation Fund during such year pursuant to the provisions of this section.

(8) "Proceedings" means the proceedings of the State Bond Commission authorizing or relating to the issuance of bonds pursuant to subsection (b) of this section, the provisions of any indenture of trust securing bonds, which provisions are incorporated into such

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proceedings, the provisions of any other documents or agreements which are incorporated into such proceedings and, to the extent applicable, a certificate of determination filed by the Treasurer in accordance with subdivision (3) of subsection (d) of this section.

(9) "Qualified federal-aid transportation project" means any transportation cost or transportation project that may be financed, in whole or in part, with federal transportation funds.

(10) "State Bond Commission" means the commission established under section 3-20 of the 2006 supplement to the general statutes.

(11) "State transportation costs" means (A) any and all capital costs incurred in furtherance of the purposes set forth in this section, including any costs, expenses and other amounts related to qualified federal aid transportation projects and state transportation projects, (B) payment of principal of and interest on bonds, (C) creation and maintenance of reserves for the payment of the principal of and interest on any such bonds, (D) payment of expenses of administration properly chargeable to the construction or acquisition of programs or projects included in subparagraph (A) of this subdivision, including, without limitation, legal, architectural and engineering expenses and fees and costs of audits, (E) payment of costs, fees and expenses which the Treasurer may deem necessary or advantageous in connection with the authorization, sale and issuance of bonds, including, but not limited to, underwriters' discount, and (F) payment of all other items of expense not elsewhere specified or incurred in connection with a project or program included in subparagraph (A) of this subdivision.

(12) "State transportation project" means any planning, capital or operating project with regard to transportation undertaken by the state.

(b) There is established a fund to be known as the "Grant

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Anticipation Transportation Fund". The fund may contain any moneys required or permitted by the proceedings to be deposited in the fund, and shall be held by the Treasurer, or the trustee under a trust indenture or trust agreement, separate and apart from all other moneys, funds and accounts. If held by the Treasurer, investment earnings credited to the assets of said fund shall become part of the assets of said fund, and any balance remaining in said fund at the end of any fiscal year shall be carried forward in said fund for the fiscal year next succeeding.

(c) (1) (A) Prior to consideration by the State Bond Commission to authorize bonds pursuant to this section, the Secretary of the Office of Policy and Management and the Treasurer shall make a written determination that the issuance of bonds pursuant to this section shall be in the best interests of the state. Once such written determination has been provided to the State Bond Commission, the State Bond Commission shall be authorized to issue bonds from time to time in one or more series and in principal amounts determined by the State Bond Commission, but not to exceed \$1,300,000,000 in the aggregate, for the purpose of financing any qualified federal aid transportation project or state transportation costs or state transportation projects secured by a pledge of and payable from any of the following: (i) Federal transportation funds that are appropriated on an annual basis for such purpose by the state; (ii) any proceeds of such bonds and any earnings from the investment of such bond proceeds pledged for such purpose; or (iii) other revenues, funds or other security, if any, pledged or appropriated for such purpose under state law.

(B) Upon authorization of bonds by the State Bond Commission pursuant to subparagraph (A) of this subdivision, the principal amount of the bonds authorized therein for transportation costs with respect to such projects and costs shall be deemed to be an appropriation and allocation of such amount for such projects or costs,

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respectively, and, subject to approval by the Governor of allotment thereof and to any authorization for such projects or costs that may otherwise be required, contracts may be awarded and obligations incurred with respect to any such projects or costs in amounts not in the aggregate exceeding the principal amount authorized therefor, notwithstanding that such contracts and obligations may at a particular time exceed the amount of the proceeds from the sale of such bonds theretofore received by the state.

(C) The proceeds of bonds, including any premium received on the sale of such bonds, shall be used to pay costs of any qualified federal aid transportation project or state transportation cost or project or any other transportation costs, plus an amount for issuance costs, capitalized interest, reserve funds, and other financing expenses, including, without limitation, any original issue discount. The proceeds of bonds may be used together with any federal, local, or private funds which may be made available for such purpose.

(2) (A) If federal transportation funds are not sufficient to pay the federal share of principal, interest and costs, as defined in subsection (a) of this section, when due, the state may temporarily pay the federal share of principal, interest and costs with state funds that the state has appropriated for this purpose.

(B) Notwithstanding the provisions of subparagraph (A) of this subdivision, any state funds paid under subparagraph (A) of this subdivision may, if required by the original state appropriation, be reimbursed from federal transportation funds that the state determines are not needed in the future to pay the federal share of principal, interest and costs.

(d) (1) Bonds issued pursuant to this section, are determined to be issued for valid public purposes in exercise of essential governmental functions. Such bonds shall be special obligations of the state and shall

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not be payable from or charged upon any funds other than the pledged revenues or other receipts, funds or moneys pledged therefor as provided in this section, nor shall the state or any political subdivision thereof be subject to any liability thereon, except to the extent of such pledged revenues or other receipts, funds or moneys pledged as provided in this section. As part of the contract of the state with the owners of said bonds, all amounts necessary for punctual payment of the debt service requirements with respect to such bonds shall be deemed to be appropriated, but only from the sources pledged therefore pursuant to this section, upon the authorization of issuance of such bonds by the State Bond Commission, or the filing of a certificate of determination by the Treasurer in accordance with the provisions of this section, and the Treasurer shall pay such principal and interest as the same shall accrue, but only from such sources. The issuance of bonds issued under this section shall not directly or indirectly or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation therefor, or to make any additional appropriation for their payment. Such bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the state or of any political subdivision thereof other than the pledged revenues or other receipts, funds or moneys pledged therefor as provided in this section, and the substance of such limitation shall be plainly stated on the face of each such bond and bond anticipation note. Bonds issued pursuant to this section shall not be subject to any statutory limitation on the indebtedness of the state, and, when issued, shall not be included in computing the aggregate indebtedness of the state in respect to and to the extent of any such limitation.

(2) Bonds issued pursuant to this section may be executed and delivered at such time or times and shall be dated, bear interest at such rate or rates, including variable rates to be determined in such manner as set forth in the proceedings authorizing the issuance of the bonds,

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provide for payment of interest on such dates, whether before or at maturity, be issued at, above or below par, mature at such time or times not exceeding thirty years from their date, have such rank or priority, be payable in such medium of payment, be issued in such form, including, without limitation, registered or book-entry form, carry such registration and transfer privileges and be made subject to purchase or redemption before maturity at such price or prices and under such terms and conditions, including the condition that such bonds be subject to purchase or redemption on the demand of the owner thereof, all as may be provided by the State Bond Commission. The State Bond Commission shall determine the form of the bonds, the manner of execution of the bonds, the denomination or denominations of the bonds and the manner of payment of principal and interest. Prior to the preparation of definitive bonds, the State Bond Commission may, under similar restrictions, authorize the issuance of interim receipts or temporary bonds, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. If any of the officers whose signatures appear on the bonds cease to be officers before the delivery of any such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officers had remained in office until delivery. Nothing in this subdivision shall prevent any series of bonds issued under the provisions of this section from being issued in coupon form, in which case references to the bonds in this subdivision also shall refer to the coupons attached thereto where appropriate, and references to owners of bonds shall include holders of such bonds where appropriate.

(3) Any bonds issued pursuant to this section may be sold at public sale on sealed proposals or by negotiation in such manner, at such price or prices, at such time or times and on such other terms and conditions of such bonds and the issuance and sale thereof as the State Bond Commission may determine to be in the best interests of the state, or the State Bond Commission may delegate to the Treasurer all

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or any part of the foregoing powers, in which event the Treasurer shall exercise such powers unless the State Bond Commission, by adoption of a resolution prior to the exercise of such powers by the Treasurer shall elect to reassume the same. Such powers shall be exercised from time to time in such manner as the Treasurer shall determine to be in the best interests of the state and he or she shall file a certificate of determination setting forth the details thereof with the secretary of the State Bond Commission on or before the date of delivery of such bonds, the details of which were determined by him or her in accordance with such delegation.

(4) The debt service requirements with respect to any bonds issued pursuant to this section shall be secured by (A) a first call upon the pledged revenues as they are received by the state and credited to the Grant Anticipation Transportation Fund established pursuant to subsection (b) of this section, and (B) a lien upon any and all amounts held to the credit of said Grant Anticipation Transportation Fund from time to time. Any obligation of the state secured by said lien to pay the unrefunded principal of bond anticipation notes, including for this purpose any obligation of the state under a reimbursement agreement entered into in connection with a credit facility providing for payment of the unrefunded principal of bond anticipation notes, shall be subordinate to any obligation of the state secured by said lien to pay (i) the debt service requirements with respect to bonds, excluding bond anticipation notes, or (ii) any debt service requirements with respect to bond anticipation notes other than debt service requirements relating to unrefunded principal of bond anticipation notes or to obligations under a credit facility for the payment of such unrefunded principal. The debt service requirements with respect to bonds also may be secured by a pledge of reserves, sinking funds and any other funds and accounts, including proceeds from investment of any of the foregoing, established pursuant to this section or the proceedings authorizing the issuance of such bonds, and by moneys paid under a

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credit facility, including, but not limited to, a letter of credit or policy of bond insurance issued by a financial institution pursuant to an agreement authorized by such proceedings.

(5) The proceedings under which bonds are authorized to be issued may, subject to the provisions of the general statutes, contain any or all of the following: (A) Provisions respecting custody of the proceeds from the sale of the bonds, including any requirements that such proceeds be held separate from or not be commingled with other funds of the state; (B) provisions for the investment and reinvestment of bond proceeds until used to pay transportation costs and for the disposition of any excess bond proceeds or investment earnings thereon; (C) provisions for the execution of reimbursement agreements or similar agreements in connection with credit facilities, including, but not limited to, letters of credit or policies of bond insurance, remarketing agreements and agreements for the purpose of moderating interest rate fluctuations, and of such other agreements entered into pursuant to section 3-20a of the general statutes, as amended by this act; (D) provisions for the collection, custody, investment, reinvestment and use of the pledged revenues or other receipts, funds or moneys pledged therefor, as provided in this section; (E) provisions regarding the establishment and maintenance of reserves, sinking funds and any other funds and accounts as shall be approved by the State Bond Commission, in such amounts as may be established by the State Bond Commission, and the regulation and disposition thereof, including requirements that any such funds and accounts be held separate from or not be commingled with other funds of the state; (F) covenants for the issuance of additional bonds or the establishment of pledged revenue coverage requirements for the bonds; (G) covenants for the establishment of maintenance requirements with respect to state transportation facilities and properties; (H) provisions for the issuance of additional bonds on a parity with bonds theretofore issued, including establishment of

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additional bonds and coverage requirements with respect thereto as provided in this subdivision; (I) provisions regarding the rights and remedies available in case of a default to the bondowners, noteowners or any trustee under any contract, loan agreement, document, instrument or trust indenture, including the right to appoint a trustee to represent their interests upon occurrence of an event of default, as defined in said proceedings, provided if any bonds shall be secured by a trust indenture, the respective owners of such bonds shall have no authority except as set forth in such trust indenture to appoint a separate trustee to represent them; and (J) provisions or covenants of like or different character from the foregoing which are consistent with this section, and which the State Bond Commission determines in such proceedings are necessary, convenient or desirable in order to better secure the bonds, or will tend to make the bonds more marketable, and which are in the best interests of the state. Any provision which may be included in proceedings authorizing the issuance of bonds hereunder may be included in an indenture of trust duly approved in accordance with subdivision (7) of this subsection which secures the bonds and any notes issued in anticipation thereof, and in such case the provisions of such indenture shall be deemed to be a part of such proceedings as though they were expressly included therein.

(6) Any pledge made by the state shall be valid and binding from the time when the pledge is made, and any revenues or other receipts, funds or moneys so pledged and thereafter received by the state shall be subject immediately to the lien of such pledge without any physical delivery thereof or further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the state, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

(7) In the discretion of the State Bond Commission, bonds issued

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pursuant to this section may be secured by a trust indenture by and between the state and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondowners and noteowners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the state in relation to the exercise of its powers pursuant to the provisions of this section and the custody, safeguarding and application of all moneys. The state may provide by such trust indenture for the payment of the pledged revenues or other receipts, funds or moneys to the trustee under such trust indenture or to any other depository, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust indenture may be treated as state transportation costs, as defined in subsection (a) of this section.

(8) The Treasurer shall have power to purchase bonds of the state issued pursuant to this section out of any funds available therefor. The Treasurer may hold, pledge, cancel or resell such bonds subject to and in accordance with agreements with bondowners or noteowners.

(9) Whether or not the bonds issued pursuant to this section are of such form and character as to be negotiable instruments under the terms of the Uniform Commercial Code, such bonds are hereby made negotiable instruments within the meaning of and for all purposes of the Uniform Commercial Code, subject only to the provisions of such bonds for registration.

(10) The proceeds of bonds issued pursuant to this section may be used to pay only state transportation costs. Costs incurred relating to any of the purposes for which bonds may be issued pursuant to the provisions of this section shall be deemed state transportation costs. Nothing in this subsection shall limit the issuance of refunding bonds

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pursuant to this section.

(11) Any moneys held by the Treasurer or by a trustee pursuant to a trust indenture with respect to bonds issued pursuant to this section, including pledged revenues, other pledged receipts, funds or moneys and proceeds from the sale of such bonds, may, pending the use or application of the proceeds thereof for an authorized purpose, be (A) invested and reinvested in such obligations, securities and investments as are set forth in subsection (f) of section 3-20 of the 2006 supplement to the general statutes, and in participation certificates in the Short Term Investment Fund created under section 3-27a of the general statutes, or (B) deposited or redeposited in such bank or banks as shall be provided in the resolution authorizing the issuance of such bonds, the certificate of determination authorizing issuance of bond anticipation notes, or in the indenture securing such bonds. Proceeds from investments authorized by this subparagraph, less amounts required under the proceedings authorizing the issuance of bonds for the payment of transportation costs relating to such bonds, shall be credited to the Grant Anticipation Transportation Fund created under subsection (b) of this section.

(12) Any bonds issued under the provisions of this section, and at any time outstanding may, at any time and from time to time, be refunded by the state by the issuance of its refunding bonds in such amounts as the State Bond Commission may deem necessary, but not to exceed an amount sufficient to (A) refund the principal of the bonds to be so refunded, (B) pay any unpaid interest on such bonds and any premiums and commissions necessary to be paid in connection with such bonds, and (C) pay costs and expenses which the Treasurer may deem necessary or advantageous in connection with the authorization, sale and issuance of refunding bonds. Any such refunding may be effected whether the bonds to be refunded shall have matured or shall thereafter mature. All refunding bonds issued under this subdivision

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shall be payable solely from the revenues or other receipts, funds or moneys out of which the bonds to be refunded thereby are payable, and shall be subject to and may be secured in accordance with the provisions of this section.

(13) Whenever the issuance of bonds has been authorized pursuant to this section, the Treasurer may, pending the issuance thereof, and, subject to any applicable terms or provisions of the proceedings authorizing such issuances, issue, in the name of the state, bond anticipation notes and any renewals thereof. Notes evidencing such borrowings shall be designated "bond anticipation notes" and shall be signed by the Treasurer or his or her deputy. The principal of and interest on any bond anticipation notes issued pursuant to this subdivision may be repaid from pledged revenues or other pledged receipts, funds or moneys, to the extent not paid from the proceeds of renewals thereof or of the bonds. Upon the sale of the bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and interest on any bond anticipation notes or shall be deposited in trust for such purpose. The date or dates of such bond anticipation notes, the maturities, denominations, form, details and other particulars of such bond anticipation notes, including the method, terms and conditions for the issue and sale thereof, shall be determined by the Treasurer in the best interest of the state. The Treasurer shall file with the secretary of the State Bond Commission on or before the date of delivery of such bond anticipation notes a certificate of determination setting forth the specific details and particulars of each issue of bond anticipation notes, including renewals thereof.

(14) The State Bond Commission may make representations and agreements for the benefit of the holders of bonds issued pursuant to this section which are necessary or appropriate to ensure the exemption of interest on such bonds from taxation under the Internal

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Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended including agreements to pay rebates to the federal government of investment earnings derived from the investment of the proceeds of bonds, or may delegate to the Treasurer the authority to make such representations and agreements on behalf of the state. Any such agreement may include (A) a covenant to pay rebates to the federal government of investment earnings derived from the investment of the proceeds of bonds, (B) a covenant that the state will not limit or alter its rebate obligations until its obligations to the holders or owners of such bonds are finally met and discharged, and (C) provisions to (i) establish trust and other accounts which may be appropriate to carry out such representations and agreements, (ii) retain fiscal agents as depositories for such funds and accounts, and (iii) provide that such fiscal agents may act as trustee of such funds and accounts. The State Bond Commission may also authorize, by a vote of a majority of the members of said commission, bonds issued pursuant to the provisions of this section in such form and manner that the interest on such bonds may be includable under the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, in the gross income of the holders or owners of such bonds upon the finding by said commission that the issuance of such taxable bonds is in the public interest.

(e) (1) The state covenants with the purchasers and all subsequent owners and transferees of bonds issued by the state pursuant to this section in consideration of the acceptance of and payment for the bonds, that the principal and interest of such bonds shall be free at all times from taxation, except for estate and gift taxes, imposed by the state or by any political subdivision thereof. The Treasurer is authorized to include this covenant of the state in any agreement with the owner of any such bonds.

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(2) Bonds issued pursuant to this section are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, credit unions, building and loan associations, investment companies, banking associations, trust companies, executors, administrators, trustees and other fiduciaries and pension, profit-sharing and retirement funds may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state is now or may hereafter be authorized by law.

(3) The state covenants with the purchasers and all subsequent owners and transferees of bonds issued by the state pursuant to this section, in consideration of the acceptance of the payment for the bonds, until such bonds, together with the interest thereon, with interest on any unpaid installment of interest and all costs and expenses in connection with any action or proceeding on behalf of such owners, are fully met and discharged, or unless expressly permitted or otherwise authorized by the terms of each contract and agreement made or entered into by or on behalf of the state with or for the benefit of such owners, that the state will collect and apply the pledged revenues and other receipts, funds or moneys pledged for the payment of debt service requirements as provided in this section, in such amounts as may be necessary to pay such debt service requirements in each year in which bonds are outstanding and further, that the state: (A) Will not limit or alter the duties imposed on the Treasurer and other officers of the state by the provisions of this section and by the proceedings authorizing the issuance of bonds with respect to application of pledged revenues or other receipts, funds or moneys pledged for the payment of debt service requirements as provided by the provisions of this section; (B) will not issue any bonds,

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notes or other evidences of indebtedness, other than the bonds, having any rights arising out of this section or secured by any pledge of or other lien or charge on the pledged revenues or other receipts, funds or moneys pledged for the payment of debt service requirements as provided in this section; (C) will not create or cause to be created any lien or charge on such pledged amounts, other than a lien or pledge created thereon pursuant to this section, provided nothing in this section shall prevent the state from issuing evidences of indebtedness (i) which are secured by a pledge or lien which is and shall on the face thereof be expressly subordinate and junior in all respects to every lien and pledge created by or pursuant to this section; (ii) for which the full faith and credit of the state is pledged and which are not expressly secured by any specific lien or charge on such pledged amounts; or (iii) which are secured by a pledge of or lien on moneys or funds derived on or after such date as every pledge or lien thereon created by or pursuant to this section shall be discharged and satisfied; (D) will carry out and perform, or cause to be carried out and performed, each and every promise, covenant, agreement or contract made or entered into by the state or on its behalf with the owners of any bonds; (E) will not in any way impair the rights, exemptions or remedies of such owners; and (F) will not limit, modify, rescind, repeal or otherwise alter the rights or obligations of the appropriate officers of the state to collect the receipts constituting the pledged revenues as may be necessary to produce sufficient revenues to fulfill the terms of the proceedings authorizing the issuance of the bonds. The State Bond Commission is authorized to include this covenant of the state in any agreement with the owner of any such bonds.

Sec. 11. Subsection (a) of section 3-20a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) Provisions of this section shall apply to general obligation bonds

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or notes issued pursuant to section 3-20, as amended, special tax obligation bonds or notes issued pursuant to sections 13b-74 to 13b-77, inclusive, as amended, abandoned property fund bonds issued pursuant to section 3-62h, Clean Water Fund bonds or notes issued pursuant to section 22a-483, as amended, Bradley International Airport bonds or notes issued pursuant to sections 15-101k to 15-101p, inclusive, unemployment compensation bonds or notes issued pursuant to sections 31-264a and 31-264b, UConn 2000 bonds or notes issued pursuant to sections 10a-109a to 10a-109y, inclusive, [and] Second Injury Fund bonds or notes issued pursuant to section 31-354b and sections 8 and 9 of public act 96-242*, and revenue anticipation bonds issued pursuant to section 10 of this act.

Sec. 12. Subsection (c) of section 4-66c of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(c) Any proceeds from the sale of bonds authorized pursuant to subsections (a) and (b) of this section or of temporary notes issued in anticipation of the moneys to be derived from the sale of such bonds may be used to fund grants-in-aid to municipalities or the grant-in-aid programs of said departments, including, but not limited to, financial assistance and expenses authorized under chapters 128, 129, 130, 133, 136 and 298, and section 16a-40a, provided any such program shall be implemented in an eligible municipality or is for projects in other municipalities which the State Bond Commission determines will help to meet the goals set forth in section 4-66b. For the purposes of this section, "eligible municipality" means a municipality which is economically distressed within the meaning of subsection (b) of section 32-9p, which is classified as an urban center in any plan adopted by the General Assembly pursuant to section 16a-30, as amended, which is classified as a public investment community within the meaning of subdivision (9) of subsection (a) of section 7-545, or in which the State

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Bond Commission determines that the project in question will help meet the goals set forth in section 4-66b. Notwithstanding the provisions of this subsection, proceeds from the sale of bonds pursuant to this section may, with the approval of the State Bond Commission, be used for transit-oriented development projects, as defined in section 1 of this act, in any municipality.

Sec. 13. Section 13b-57e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) There is established [,] the Connecticut Transportation Strategy Board, within the Office of Policy and Management for administrative purposes only, the members of which shall be appointed as follows:

(1) Five members from the private sector who have expertise in transportation, business, finance or law as follows: (A) The Governor shall appoint one member, who shall be the chairperson, and whose first term shall expire on June 30, 2005, (B) the president pro tempore of the Senate shall appoint one member whose first term shall expire on June 30, 2004, (C) the speaker of the House of Representatives shall appoint one member whose first term shall expire on June 30, 2003, (D) the minority leader of the Senate shall appoint one member whose first term shall expire on June 30, 2003, and (E) the minority leader of the House of Representatives shall appoint one member whose first term shall expire on June 30, 2002;

(2) One member from each TIA, for which position the chairpersons of the board of the local planning agencies in such TIA, after consulting with the participants in such TIA, shall nominate, for consideration by the appointing authority, three individuals who live in such TIA and who have significant experience in and knowledge of local, regional and state governmental processes, including at least one chief elected official in a town in such TIA. [, and who shall be appointed] If the chairpersons of the board of the local planning

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agencies in such TIA fail to nominate three qualifying individuals within one hundred eighty days of the expiration of the previous appointment term, the appointing authority may appoint an individual meeting the qualifications of this subdivision. Appointments shall be made as follows: (A) The chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to transportation shall appoint one member from the southeast corridor TIA, whose first term shall expire on June 30, 2002, (B) the president pro tempore of the Senate shall appoint one member from the I-91 corridor TIA, whose first term shall expire on June 30, 2003, provided, on and after the effective date of this section, subsequent appointment shall be from the I-84 corridor TIA, (C) the speaker of the House of Representatives shall appoint one member from the coastal corridor TIA, whose first term shall expire on June 30, 2004, (D) the majority leader of the Senate shall appoint one member from the I-395 corridor TIA, whose first term shall expire on June 30, 2005, and (E) the majority leader of the House of Representatives shall appoint one member from the I-84 corridor TIA, whose first term shall expire on June 30, 2005, provided, on and after the effective date of this section, subsequent appointments shall be from the I-91 corridor TIA; and

(3) The Commissioners of Transportation, Environmental Protection, Economic and Community Development and Public Safety, and the Secretary of the Office of Policy and Management, or their respective designees.

(b) Upon the expiration of the term of a member of the board who is appointed as provided in subdivision (1) or (2) of subsection (a) of this section, each subsequent appointee to the board shall serve for a term of four years. No person shall serve as a member of the board for more than two consecutive terms. A vacancy in the position of an appointed board member shall be filled by the appointing authority for the

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remainder of the term.

(c) The board may establish such subcommittees as it deems appropriate and appoint the members of such subcommittees from among its members. Ten members of the board shall be present to constitute a quorum.

(d) The members of the board shall not be compensated for their service as members of the board.

(e) The board may issue guidelines for coordination and organization to the TIAs. These guidelines shall not constitute regulations, as defined in subdivision (13) of section 4-166.

(f) [The Department of Transportation, the Office of Policy and Management and the Department of Economic and Community Development shall provide staff assistance to the board. Within available appropriations, the board may hire consultants with approval by the Secretary of the Office of Policy and Management and such consultants shall be procured through the Department of Transportation.] The Secretary of the Office of Policy and Management shall be responsible for staff support for the board. The secretary may utilize the staff of said office and, in consultation with the responsible agency head, the Department of Transportation, the Department of Economic and Community Development, or any other state agency for that purpose. Within available appropriations, the board may hire consultants with approval by the secretary, and such consultants shall be procured through the Office of Policy and Management or the Department of Transportation, as determined by the secretary.

(g) The Transportation Strategy Board is a public agency, as defined in section 1-200, for purposes of the Freedom of Information Act, and is a quasi-public agency, as defined in section 1-79, as amended, for purposes of chapter 10.

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Sec. 14. Section 13b-57g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) Not later than January 15, 2002, the board shall propose to the General Assembly an initial transportation strategy.

(b) In developing the strategy and the revisions, the board shall take into account: (1) The strategic concerns associated with the movement of people and goods; (2) the technological options and multimodal options, including, but not limited to, transportation by rail, road, air or water, available to address such concerns; (3) the relationship of such concerns and options to sustainable economic growth, environmental quality, urban development, open space, open space preservation, access to employment by residents of the state and public safety; (4) that transportation is a cornerstone of the state's economic vitality and overall quality of life and therefore inextricably linked to other key policies that deal with the state's future including, but not limited to, land use planning, environmental quality, urban vitality and access to quality jobs and services for the state's residents; (5) the connectivity of the state to the northeast, continental and international economies and that the mobility of people and goods within the state are critical to vibrant and sustainable economic growth; (6) that the benefits of leveraging existing transportation assets and infrastructure, especially in urban centers, and the reduction of automobile-oriented demands, are highly desirable; (7) managing demand for transportation assets, including using employer and employee-based initiatives as an integral part of the strategy; (8) the integration of brownfields remediation and affordable housing and access to employment that should occur as a result of implementing the strategy; (9) the need to engage local planning agencies and other relevant constituencies in developing the strategy; (10) the need to engage representatives of the state's major transportation assets and of the transportation industry in the strategy to help ensure that the

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strategy is multimodal and integrated; (11) the benefits of technology to expand capacity, enhance safety, provide information and access funding alternatives; (12) the need to reduce congestion by encouraging greenway initiatives, safe-routes-to-school programs and rideshare programs; (13) the need to fully explore the sources and methodologies for funding investments in transportation infrastructure, and for annual operating and maintenance costs and the regulations applicable to the expenditure of federal and state funds; [(13)] (14) that the development of appropriate metrics, methodologies and standards is essential for determining customer needs, for evaluating the return on transportation investments and for the prioritization of specific projects and the degree of success in meeting these needs; [(14)] (15) that the state needs to play a leadership role with the other northeastern states and the eastern Canadian provinces in developing and advocating a transportation strategy for the northeast region of the continent; [(15)] (16) that the analyses and decision-making related to transportation initiatives in the strategy needs to be done expeditiously within the existing statutory and regulatory framework and that any amendments to the general statutes or to the Regulations of Connecticut State Agencies that are needed to achieve such objectives should be identified; [(16)] (17) the development, renovation and expansion of Bradley International Airport; [(17)] (18) the state conservation and development plan, established pursuant to section 16a-24; and [(18)] (19) that the role, including the role of financial incentives, of private sector companies, public agencies and institutions needs to be clearly defined with respect to (A) encouraging and supporting employees to use public transportation, (B) providing employees with appropriate alternatives to the locations at which and during the times they perform their work, including, but not limited to, flexible working hours and telecommuting, (C) developing an effective means for delivering goods within and through the state, and (D) encouraging different sectors to participate with the state in specific initiatives. [On and after August

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20, 2003, in] In developing the strategy and the revisions pertaining to roads, the board shall establish as its priority for improving transportation on public highways the use of public transportation and other traffic mitigation methods not involving the improvement or expansion of public highways. The board shall propose improving public highway transportation by the improvement or expansion of public highways only after it has determined that no means of public transportation or other traffic mitigation method exists that will accomplish such improvement. The board shall include an explanation and documentation of such determination with any proposed improvement or expansion of any public highway.

(c) The board shall design the strategy and any revisions to it to achieve the following results:

(1) Public benefits that consist of (A) stimulating sustainable economic growth and enhancing the quality of life for the residents of the state, and (B) developing and continuously upgrading analytical tools to demonstrate the link between transportation and the public benefits;

(2) Ease of mobility of people and goods within the state and the TIAs, that consists of (A) reducing traffic congestion, (B) enabling inter-corridor movement within the state, and (C) enabling access to employment opportunities and essential services;

(3) Connectivity in access to the regional, national and global economies, that consists of (A) improving access (i) to surrounding states, consisting of the Interstate 95 corridor to New York, the Connecticut River Valley and Interstate 91 corridor to Springfield, Massachusetts and southeastern Connecticut to Massachusetts, New York and Rhode Island, and (ii) to the national and global economies; and (B) expanding modal choices for passenger and freight, consisting of (i) developing an airport system that stimulates growth, (ii) linking

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the state to international rail grids, (iii) developing water-borne alternatives, and (iv) assuring workable freight access to the ports of New York and New Jersey and the corridor related to the North American Free Trade Agreement;

(4) Safety and security that consists of (A) adequately maintaining infrastructure and equipment, and (B) enforcing safe operations and use of the transportation systems by customers and operators; and

(5) Expanded use of public transportation and other traffic mitigation methods to relieve congestion on public highways.

(d) In designing the strategy to achieve the results provided in subsection (c) of this section, the board shall evaluate specific tactics and approaches in the strategy by using the following criteria:

(1) Focusing on people who use transportation systems by (A) involving such people directly in planning and through ongoing market research, (B) creating a seamless interface with state, regional, national and global systems, and (C) developing transportation systems that operate as if they had intelligence, including, but not limited to, systems that provide real-time information to their users;

(2) Oriented to economic growth by (A) responsiveness to general business needs, (B) responsiveness to specific industry cluster needs, and (C) support for state urban development strategies;

(3) Being environmentally responsible by (A) improving air quality, (B) leveraging existing assets to minimize impact on wetlands and open space by directing development to the areas of the state that have the infrastructure to support the development, and (C) reducing energy consumption;

(4) Encouraging and enabling intermodal links and usage wherever possible, and managing the transportation systems from a multimodal

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perspective; and

(5) Involving the TIAs by (A) building upon natural economic and service areas, (B) enhancing connectivity of all population centers in the state, and (C) implementing strategic priorities through TIAs.

(e) The board shall include in the strategy and any revisions to it the criteria by which the board, the commissioner and the department will evaluate and prioritize existing and proposed transportation projects.

(f) The board shall identify in the strategy and any revisions to it the tools and measures by which it intends to assess transportation system performance and analyze the value of projects proposed to implement the strategy, including their overall value to the state as a public investment.

(g) The board shall include in the strategy and any revisions to it (1) a projection of the required capital investments and operating costs over the next succeeding ten years and the recommended sources of such funds, (2) a distinction between transportation costs for operations and maintenance and transportation investments which shall (A) be based on the strategy and evaluated against strategic goals, (B) provide additional benefits that are tangible and attainable, (C) include a range of transportation uses including, but not limited to, transit, airways, highways, waterways and freight, to gain public support, (D) reach as many people as possible throughout the entire community in each TIA, and (E) respond to widely perceived needs.

(h) The board shall review the TIA corridor plan prepared by each TIA, as provided in section 13b-57f, and may incorporate all or parts of such plans in the strategy and any revisions to it.

(i) In developing and revising the strategy, the board may: (1) Conduct public hearings; (2) consult and cooperate with officials and representatives of the federal government, neighboring states,

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interstate commissions and authorities, local agencies and authorities, interested corporations and other organizations concerning problems affecting transportation in the state; (3) request and receive from any agency or other unit of the government, of the state or of any political subdivision of the state, or from any public authority, such assistance and data as may be necessary to enable the board to carry out the board's responsibilities under this section; and (4) to the extent the board may deem appropriate, make use of, and incorporate in the strategy and any revisions to it, any existing long-range transportation plan, survey or report developed by any public or private agency or person.

(j) Not later than January 1, 2007, and biennially thereafter, the board shall review and, if necessary, revise the strategy adopted pursuant to subsection (a) of this section. A report describing any revisions and the reasons for them shall be submitted to the Governor and, pursuant to section 11-4a, the General Assembly. Such report shall include a prioritized list of projects which the board, in consultation with the commissioner, determines are necessary to implement the recommended strategy, including the estimated capital and operating costs and time frame of such projects. Not later than January 31, 2007, the joint standing committees of the General Assembly having cognizance of matters relating to transportation, finance, revenue and bonding and planning and development shall meet with the Commissioners of Transportation and Economic and Community Development, the Secretary of the Office of Policy and Management, the chairperson of the Transportation Strategy Board and such other persons as they deem appropriate to consider the report required by this subsection.

~~[(j)]~~ (k) Copies of the strategy and revisions to the strategy shall be kept on file as a public record in the department.

[(k)] The board shall submit the following reports, in accordance

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with section 11-4a, to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to transportation and finance, revenue and bonding: (1) Not later than January 15, 2002, an initial strategy and preliminary projections of the cost necessary to implement the strategy over the first ten years, which shall be subject to approval by the General Assembly; (2) on June 30, 2002, and each December thirty-first and June thirtieth thereafter, a status report on the implementation of and any needed revisions to the strategy and the quarterly report provided by the Department of Economic and Community Development, pursuant to subsection (b) of section 32-6k; and (3) on December 15, 2002, and every two years thereafter, an update or revision of the strategy, if necessary, which shall be subject to approval by the General Assembly, and a report on implementation of the strategy.]

Sec. 15. Section 13b-61a of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) Notwithstanding the provisions of section 13b-61, as amended: (1) For calendar quarters ending on or after September 30, 1998, and prior to September 30, 1999, the Commissioner of Revenue Services shall deposit into the Special Transportation Fund established under section 13b-68 five million dollars of the amount of funds received by the state from the tax imposed under section 12-587, as amended, on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; (2) for calendar quarters ending September 30, 1999, and prior to September 30, 2000, the commissioner shall deposit into the Special Transportation Fund nine million dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; (3) for calendar quarters ending September 30, 2000, and prior to September

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30, 2002, the commissioner shall deposit into the Special Transportation Fund eleven million five hundred thousand dollars of the amount of such funds received by the state from the tax imposed under said section 12-587, on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; (4) for the calendar quarters ending September 30, 2002, and prior to September 30, 2003, the commissioner shall deposit into the Special Transportation Fund, five million dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; (5) for the calendar quarter ending September 30, 2003, and [each calendar quarter thereafter] prior to September 30, 2005, the commissioner shall deposit into the Special Transportation Fund, five million two hundred fifty thousand dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; and (6) for the calendar quarters ending September 30, 2005, and prior to September 30, 2006, the commissioner shall deposit into the Special Transportation Fund ten million eight hundred and seventy-five thousand dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel.] (7) for the calendar quarters ending September 30, 2006, and prior to September 30, 2007, the commissioner shall deposit into the Special Transportation Fund fifteen million two hundred fifty thousand dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; (8) for the calendar quarters ending September 30, 2007, and prior to September 30, 2008, the commissioner shall deposit into the Special Transportation Fund twenty-one million dollars of the amount of such funds received by the state from the tax imposed

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under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; (9) for the calendar quarters ending September 30, 2008, and prior to September 30, 2013, the commissioner shall deposit into the Special Transportation Fund twenty-five million two hundred twenty-five thousand dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; and (10) for the calendar quarters ending on and after September 30, 2013, the commissioner shall deposit into the Special Transportation Fund twenty-nine million eight hundred fifty thousand dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel.]

(b) Notwithstanding the provisions of section 13b-61, as amended, for calendar quarters ending on or after September 30, 2006, the Comptroller shall deposit into the Special Transportation Fund an annual amount in accordance with the following schedule, from such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel. Such transfers shall be made in quarterly installments.

| <u>Fiscal Year</u> | <u>Annual Transfer</u> |
|----------------------------|------------------------|
| <u>2007</u> | <u>\$141,000,000</u> |
| <u>2008</u> | <u>\$164,000,000</u> |
| <u>2009</u> | <u>\$180,900,000</u> |
| <u>2010</u> | <u>\$180,900,000</u> |
| <u>2011</u> | <u>\$200,900,000</u> |
| <u>2012</u> | <u>\$200,900,000</u> |
| <u>2013</u> | <u>\$200,900,000</u> |
| <u>2014 and thereafter</u> | <u>\$219,400,000</u> |

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[(b)] (c) If in any calendar quarter ending on or after September 30, 2006, receipts from the tax imposed under section 12-587, as amended, are less than twenty-five per cent the total of (1) the amount required to be transferred pursuant to the Special Transportation Fund pursuant to subsection (a) of this section, and (2) any other transfers required by law, the [commissioner] Comptroller shall certify to the Treasurer the amount of such shortfall [. Upon receipt of such certification the Treasurer] and shall forthwith transfer an amount equal to such shortfall from the resources of the General Fund into the Special Transportation Fund.

Sec. 16. Subsection (a) of section 13b-78p of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) The State Bond Commission shall have power, in accordance with the provisions of this section, to authorize the issuance of special tax obligation bonds of the state in one or more series and in principal amounts in the aggregate, not exceeding \$485,650,000, provided [:(1)] \$26,450,000 shall be effective July 1, 2005. [, (2) \$32,800,000 shall be effective July 1, 2006, (3) \$49,400,000 shall be effective July 1, 2007, (4) \$55,000,000 shall be effective July 1, 2008, (5) \$55,000,000 shall be effective July 1, 2009, (6) \$54,000,000 shall be effective July 1, 2010, (7) \$54,000,000 shall be effective July 1, 2011, (8) \$54,000,000 shall be effective July 1, 2012, (9) \$54,000,000 shall be effective July 1, 2013, and (10) \$51,000,000 shall be effective July 1, 2014.]

Sec. 17. (NEW) (*Effective July 1, 2006*) The Department of Transportation may solicit bids or qualifications for equipment, materials or services for a project funded pursuant to this act at any time in the fiscal year, notwithstanding the fact that all required funds may not be available for the expenditure until later in the same or succeeding fiscal year.

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Sec. 18. (NEW) (*Effective July 1, 2006*) (a) The Commissioner of Transportation is authorized and directed, in consultation with the Secretary of the Office of Policy and Management and with the approval of the Governor, to enter into any agreements with the National Rail Passenger Corporation or its successor in interest that are necessary for the operation of rail passenger service on the New Haven-Hartford-Springfield rail line.

(b) The commissioner is authorized and directed, in consultation with the secretary and with approval of the Governor, to enter into any agreements with the commonwealth of Massachusetts or any entity authorized to act on its behalf that are necessary for the state's participation in the provision of rail passenger service on the New Haven-Hartford-Springfield rail line.

(c) The commissioner is authorized and directed, in consultation with the secretary and with the approval of the Governor, to select through a competitive process and contract with an operator or operators for rail service on the New Haven-Hartford-Springfield rail line.

Sec. 19. (*Effective July 1, 2006*) The Department of Transportation shall study the feasibility of building a fuel cell power station to generate power for the New Haven Line. Such study shall include, but need not be limited to, a plan for generating a large percentage of the line's peak power needs, as well as serving as a backup in times of emergencies. On or before January 1, 2008, the Department of Transportation shall report its findings and recommendations, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to transportation and the budgets of state agencies.

Sec. 20. (*Effective July 1, 2006*) The state of Connecticut, acting

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through the Governor or the Governor's designee, shall initiate ongoing formal discussions with the commonwealth of Massachusetts and the states of New York and Rhode Island regarding opportunities to enhance commuter and freight mobility throughout the region. On or before January 1, 2008, and biennially thereafter the Governor or the Governor's designee shall report to the General Assembly on such discussions and any actions taken or recommended as a result of such discussions.

Sec. 21. (NEW) (*Effective July 1, 2006*) Not later than the day on which the Governor's proposed biennial budget is required to be submitted to the General Assembly pursuant to section 4-71 of the general statutes, the Governor shall recommend to the General Assembly (1) any projects which the Governor believes are necessary to implement the recommended strategy; and (2) a financing plan for such projects.

Sec. 22. (NEW) (*Effective July 1, 2006*) The Commissioner of Economic and Community Development is authorized, in consultation with the Commissioner of Transportation, to use available funds, including bond funds made available pursuant to section 4-66c of the general statutes, as amended by this act, to make grants or loans to (1) support transit-oriented development projects, as defined in section 1 of this act, and encourage the location of residential, commercial and employment centers near public transportation services; and (2) encourage the development and use of port and rail freight facilities and services, including trackage and related infrastructure.

Sec. 23. (NEW) (*Effective July 1, 2006*) The Connecticut Development Authority is authorized to make loans, on such terms and subject to such conditions as it determines, to (1) support transit-oriented development projects, as defined in section 1 of this act; and (2) encourage the development and use of port and rail freight facilities and services, including trackage and related infrastructure.

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Sec. 24. (*Effective July 1, 2006*) The Department of Transportation shall study the transportation and mobility needs of residents and businesses in eastern Connecticut, including, but not limited to: (1) Transportation between residential and employment centers; (2) improved rail freight service; and (3) opportunities for improved public transportation services and facilities, including the feasibility of creating commuter rail lines from New London to Worcester, Massachusetts, and from Old Saybrook to Hartford. On or before January 1, 2008, the department shall report its findings and recommendations, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to transportation and planning and development.

Sec. 25. (*Effective July 1, 2006*) The Department of Transportation shall develop an assessment and plan for the implementation of commuter rail service between New London and Worcester, Massachusetts. Such study shall include, but need not be limited to, (1) operating schedules and costs, (2) ridership, (3) fare structure, (4) subsidies, (5) connections to other public transportation services, (6) required facilities and equipment, including trackage, sidings, signalization, stations and parking, (7) trackage rights issues and costs, if any, (8) coordination with the commonwealth of Massachusetts and any authorities, entities or local governments of the commonwealth of Massachusetts, and (9) the potential economic and environmental impact of such service. Not later than January 1, 2008, the department shall submit its findings and recommendations, pursuant to section 11-4a of the general statutes, to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to transportation; finance, revenue and bonding; planning and development and the budgets of state agencies.

Sec. 26. Section 32-6k of the general statutes is repealed and the

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following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) [On or after January 15, 2003, prior to the approval of funding from the Department of Economic and Community Development, the Connecticut Development Authority or Connecticut Innovations, Incorporated] Prior to entering into a grant, loan or assistance agreement for any project which is a major traffic generator within the meaning of section 14-311, the Commissioner of Economic and Community Development and the executive directors of the Connecticut Development Authority and Connecticut Innovations, Incorporated, as the case may be, shall submit an impact statement for each such project to the Connecticut Transportation Strategy Board, established pursuant to section 13b-57e, as amended by this act. Each impact statement shall (1) describe [how such project addresses the goals established by the board for developing the strategy the board submits to the General Assembly in accordance with section 13b-57g] the project and its expected impact on the transportation system, (2) summarize whether or not such project conforms to [such] the strategy adopted in accordance with section 13b-57g, as amended by this act, and (3) include any other information the board may require to discharge its responsibilities under this subsection including, but not limited to, (A) the size of any facility proposed in connection with the project, (B) the hours of operation of such facility, (C) a projection of whether or not an increase in daily vehicle trips including truck traffic is likely to occur as a result of such project, and (D) the availability of public transportation to and from such facility. The board shall evaluate each such impact statement to determine whether such project conforms to such strategy and shall submit to said commissioner and executive directors any findings and recommendations with respect to such project. Nothing in this subsection shall be construed as requiring any delay in the implementation of any such project.

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(b) The board shall, subject to the requirements of chapter 14, protect confidential information and trade secrets provided in connection with the review of any project pursuant to subsection (a) of this section.

[(c) On or before July 1, 2002, and quarterly thereafter, the Commissioner of Economic and Community Development shall update the board on all project activities occurring during such quarter.]

Sec. 27. (NEW) (*Effective July 1, 2006*) (a) On or before December 1, 2007, and annually thereafter, the Secretary of the Office of Policy and Management, after consultation with the Commissioner of Transportation and the board, shall submit a report to the Governor and to the General Assembly on the implementation status of the projects funded under this act or special act 05-4 of the June special session. Such report shall include the status, including the financial status, of each project, the project schedules and anticipated completion dates, an explanation of any obstacles to completing such projects and any planned revisions to such projects.

(b) During the month of December of each year, the joint standing committees of the General Assembly having cognizance of matters relating to transportation, finance, revenue and bonding and planning and development shall meet with the Commissioners of Transportation and Economic and Community Development and the Secretary of the Office of Policy and Management and such other persons as they deem appropriate to consider the report required by subsection (a) of this section.

Sec. 28. Subdivision (3) of section 13b-78k of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

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(3) "New Haven Line revitalization program" means the design, development, construction and acquisition of maintenance facilities, rail cars and related equipment for use on the New Haven Line, as specified in subdivisions (1) and (2) of section 13b-78l. [Projects undertaken as part of said program are not a "TSB project" for the purposes of section 13b-57i.]

Sec. 29. Subdivision (4) of subsection (a) of section 13b-57d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(4) "Strategy" means the transportation projects and supporting documentation contained in the report [dated January, 2003,] submitted by the board in accordance with [subdivision (3) of subsection (k) of] section 13b-57g, as amended by this act, and any updates or revisions to such transportation projects.

Sec. 30. Subsection (a) of section 13b-57j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) The board shall prepare an analysis, based on appropriate metrics, methodologies and standards, developed by the board or by any agency or other unit of government of the state, of the short-term and long-term effects of the initial strategy on: (1) The present and future transportation needs of the state for the movement of both people and goods; (2) economic development in the state; and (3) the environment, including air quality, wetlands, open space and energy consumption. Said analysis shall include the projected return on investment for each TSB project. The board shall submit such analysis, in accordance with section 11-4a, to the Governor and to the joint standing committees of the General Assembly having cognizance of matters relating to transportation and finance, revenue and bonding along with the report due [on December 15, 2004,] pursuant to

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[subdivision (3) of subsection (k) of] section 13b-57g, as amended by this act.

Sec. 31. Subsection (b) of section 13b-57l of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(b) The commissioner shall submit all updates or revisions of the strategy [recommended by the board and approved by the General Assembly] adopted, in accordance with [subdivision (3) of subsection (k) of] section 13b-57g, as amended by this act, to the appropriate state metropolitan planning organizations, as defined in 23 USC 134 and 49 USC 5303, for consideration as transportation improvement projects, in accordance with 23 USC 135 and 49 USC 5304, as soon as practicable following approval of such updates or revisions.

Sec. 32. Section 13b-78n of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

The Department of Transportation may solicit bids or qualifications for equipment, materials or services for a project funded pursuant to [sections 12-587, 13b-38bb, 13b-57i, 13b-57m, 13b-57q to 13b-57t, inclusive, and 13b-61a, subsection (b) of section 13b-74, subsection (j) of section 13b-76, sections 13b-78k to 13b-78q, inclusive, and sections 46 and 47 of public act 05-4 of the June special session*] section 5 of this act at any time in the fiscal year, notwithstanding the fact that all required funds may not be available for expenditure until later in the same or a succeeding fiscal year.

Sec. 33. (NEW) (*Effective July 1, 2006*) Not later than January 1, 2008, the Secretary of the Office of Policy and Management shall, pursuant to section 11-4a of the general statutes, report to the joint standing committee of the General Assembly having cognizance of matters

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relating to planning and development concerning the development of a pilot regional build-out analysis and provide recommendations as to the potential cost, schedule, methodology and plans for conducting a state-wide build-out analysis.

Sec. 34. (*Effective July 1, 2006*) The unexpended balance of the funds transferred to the Department of Transportation pursuant to section 2 of public act 04-177, and carried forward by section 46 of public act 05-4 of the June special session, shall not lapse on June 30, 2006, and such funds shall continue to be available during the fiscal year ending June 30, 2007, to support the implementation of the increased motorist assistance services recommended by the Transportation Strategy Board.

Sec. 35. Subsection (c) of section 13b-57h, section 13b-57i, subsection (b) of section 13b-57j and section 13b-57p of the general statutes are repealed. (*Effective July 1, 2006*)

Approved June 6, 2006