



Senate

General Assembly

File No. 684

January Session, 2007

Substitute Senate Bill No. 1117

Senate, May 2, 2007

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2 statutes are repealed and the following is substituted in lieu thereof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, 2007*):

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 [one billion one hundred
8 thirty-two million four hundred eighty-seven thousand five hundred
9 forty-four] one billion one hundred twelve million four hundred
10 eighty-seven thousand five hundred forty-four dollars, provided sixty-
11 five million dollars of said authorization shall be effective July 1, 2006.
12 All provisions of section 3-20, or the exercise of any right or power
13 granted thereby, which are not inconsistent with the provisions of this

14 section, are hereby adopted and shall apply to all bonds authorized by
15 the State Bond Commission pursuant to this section, and temporary
16 notes in anticipation of the money to be derived from the sale of any
17 such bonds so authorized may be issued in accordance with said
18 section 3-20 and from time to time renewed. Such bonds shall mature
19 at such time or times not exceeding twenty years from their respective
20 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) (1) The proceeds of the sale of said bonds, to the extent
36 hereinafter stated, shall be used, subject to the provisions of
37 subsections (c) and (d) of this section, for the purpose of redirecting,
38 improving and expanding state activities which promote community
39 conservation and development and improve the quality of life for
40 urban residents of the state as hereinafter stated: (A) For the
41 Department of Economic and Community Development: Economic
42 and community development projects, including administrative costs
43 incurred by the Department of Economic and Community
44 Development, not exceeding sixty-seven million five hundred ninety-
45 one thousand six hundred forty-two dollars, one million dollars of
46 which shall be used for a grant to the development center program and
47 the nonprofit business consortium deployment center approved
48 pursuant to section 32-411; (B) for the Department of Transportation:

49 Urban mass transit, not exceeding two million dollars; (C) for the
50 Department of Environmental Protection: Recreation development and
51 solid waste disposal projects, not exceeding one million nine hundred
52 ninety-five thousand nine hundred two dollars; (D) for the Department
53 of Social Services: Child day care projects, elderly centers, shelter
54 facilities for victims of domestic violence, emergency shelters and
55 related facilities for the homeless, multipurpose human resource
56 centers and food distribution facilities, not exceeding thirty-nine
57 million one hundred thousand dollars, provided four million dollars of
58 said authorization shall be effective July 1, 1994; (E) for the Department
59 of Economic and Community Development: Housing projects, not
60 exceeding three million dollars; (F) for the Office of Policy and
61 Management: (i) Grants-in-aid to municipalities for a pilot
62 demonstration program to leverage private contributions for
63 redevelopment of designated historic preservation areas, not
64 exceeding one million dollars; (ii) grants-in-aid for urban development
65 projects including economic and community development,
66 transportation, environmental protection, public safety, children and
67 families and social services projects and programs, including, in the
68 case of economic and community development projects administered
69 on behalf of the Office of Policy and Management by the Department
70 of Economic and Community Development, administrative costs
71 incurred by the Department of Economic and Community
72 Development, not exceeding [one billion seventeen million eight
73 hundred thousand] nine hundred ninety-seven million eight hundred
74 thousand dollars, provided sixty-five million dollars of said
75 authorization shall be effective July 1, 2006.

76 (2) (A) Five million dollars of the grants-in-aid authorized in
77 subparagraph (F)(ii) of subdivision (1) of this subsection may be made
78 available to private nonprofit organizations for the purposes described
79 in said subparagraph (F)(ii). (B) Twelve million dollars of the grants-in-
80 aid authorized in subparagraph (F)(ii) of subdivision (1) of this
81 subsection may be made available for necessary renovations and
82 improvements of libraries. (C) Five million dollars of the grants-in-aid
83 authorized in subparagraph (F)(ii) of subdivision (1) of this subsection

84 shall be made available for small business gap financing. (D) Ten
85 million dollars of the grants-in-aid authorized in subparagraph (F)(ii)
86 of subdivision (1) of this subsection may be made available for regional
87 economic development revolving loan funds. (E) One million four
88 hundred thousand dollars of the grants-in-aid authorized in
89 subparagraph (F)(ii) of subdivision (1) of this subsection shall be made
90 available for rehabilitation and renovation of the Black Rock Library in
91 Bridgeport. (F) Two million five hundred thousand dollars of the
92 grants-in-aid authorized in subparagraph (F)(ii) of subdivision (1) of
93 this subsection shall be made available for site acquisition, renovation
94 and rehabilitation for the Institute for the Hispanic Family in Hartford.

95 Sec. 2. Subsection (a) of section 4-66g of the general statutes is
96 repealed and the following is substituted in lieu thereof (*Effective July*
97 *1, 2007*):

98 (a) For the purposes described in subsection (b) of this section, the
99 State Bond Commission shall have the power, from time to time, to
100 authorize the issuance of bonds of the state in one or more series and
101 in principal amounts not exceeding in the aggregate [one hundred
102 million] one hundred forty million dollars, provided twenty million
103 dollars of said authorization shall be effective July 1, [2006] 2008.

104 Sec. 3. Subsection (a) of section 4a-10 of the general statutes is
105 repealed and the following is substituted in lieu thereof (*Effective July*
106 *1, 2007*):

107 (a) For the purposes described in subsection (b) of this section, the
108 State Bond Commission shall have the power, from time to time to
109 authorize the issuance of bonds of the state in one or more series and
110 in principal amounts not exceeding in the aggregate [three hundred
111 million five hundred fifty thousand] three hundred sixty-two million
112 fifty thousand dollars, provided [twenty-five million fifty thousand]
113 twenty-eight million dollars of said authorization shall be effective July
114 1, [2006] 2008.

115 Sec. 4. Subsection (a) of section 7-538 of the general statutes is

116 repealed and the following is substituted in lieu thereof (*Effective July*
117 *1, 2007*):

118 (a) For the purposes described in subsection (b) of this section, the
119 State Bond Commission shall have the power, from time to time, to
120 authorize the issuance of bonds of the state in one or more series and
121 in principal amounts not exceeding in the aggregate [five hundred
122 twenty-five million] five hundred eighty-five million dollars, provided
123 thirty million dollars of said authorization shall be effective July 1,
124 [2006] 2008.

125 Sec. 5. Subsection (a) of section 8-336n of the general statutes is
126 repealed and the following is substituted in lieu thereof (*Effective July*
127 *1, 2007*):

128 (a) For the purpose of capitalizing the Housing Trust Fund created
129 by section 8-336o, the State Bond Commission shall have power, in
130 accordance with the provisions of this section, from time to time to
131 authorize the issuance of bonds of the state in one or more series and
132 in principal amounts in the aggregate, not exceeding one hundred
133 twenty million dollars, provided (1) twenty million dollars shall be
134 effective July 1, 2005, (2) twenty million dollars shall be effective July 1,
135 2006, (3) twenty million dollars shall be effective July 1, 2007, (4)
136 [twenty] thirty million dollars shall be effective July 1, 2008, and (5)
137 [twenty] thirty million dollars shall be effective July 1, 2009. The
138 proceeds of the sale of bonds pursuant to this section shall be
139 deposited in the Housing Trust Fund.

140 Sec. 6. Section 10-66hh of the general statutes is repealed and the
141 following is substituted in lieu thereof (*Effective July 1, 2007*):

142 For the fiscal years ending June 30, [2006] 2008, and June 30, [2007]
143 2009, the Commissioner of Education shall establish, within available
144 bond authorizations, a grant program to assist state charter schools in
145 financing (1) school building projects, as defined in section 10-282, (2)
146 general improvements to school buildings, as defined in subsection (a)
147 of section 10-265h, and (3) repayment of debt incurred prior to July 1,

148 2005, for school building projects. The governing authorities of such
149 state charter schools may apply for such grants to the Department of
150 Education at such time and in such manner as the commissioner
151 prescribes. The commissioner shall give preference to applications that
152 provide for matching funds from nonstate sources.

153 Sec. 7. Subsection (a) of section 10-66jj of the general statutes is
154 repealed and the following is substituted in lieu thereof (*Effective July*
155 *1, 2007*):

156 (a) For the purposes described in subsection (b) of this section, the
157 State Bond Commission shall have the power, from time to time, to
158 authorize the issuance of bonds of the state in one or more series and
159 in principal amounts not exceeding in the aggregate [ten] twenty
160 million dollars, provided five million dollars of said authorization
161 shall be effective July 1, [2006] 2008.

162 Sec. 8. Section 10-287d of the general statutes is repealed and the
163 following is substituted in lieu thereof (*Effective July 1, 2007*):

164 For the purposes of funding (1) grants to projects that have received
165 approval of the State Board of Education pursuant to sections 10-287
166 and 10-287a, subsection (a) of section 10-65 and section 10-76e, (2)
167 grants to assist school building projects to remedy safety and health
168 violations and damage from fire and catastrophe, and (3) regional
169 vocational-technical school projects pursuant to section 10-283b, the
170 State Treasurer is authorized and directed, subject to and in
171 accordance with the provisions of section 3-20, to issue bonds of the
172 state from time to time in one or more series in an aggregate amount
173 not exceeding [five billion four hundred one million eight hundred
174 sixty thousand] six billion seven hundred nine million eight hundred
175 sixty thousand dollars, provided [six hundred fifty] six hundred fifty-
176 three million dollars of said authorization shall be effective July 1,
177 [2006] 2008. Bonds of each series shall bear such date or dates and
178 mature at such time or times not exceeding thirty years from their
179 respective dates and be subject to such redemption privileges, with or
180 without premium, as may be fixed by the State Bond Commission.

181 They shall be sold at not less than par and accrued interest and the full
182 faith and credit of the state is pledged for the payment of the interest
183 thereon and the principal thereof as the same shall become due, and
184 accordingly and as part of the contract of the state with the holders of
185 said bonds, appropriation of all amounts necessary for punctual
186 payment of such principal and interest is hereby made, and the State
187 Treasurer shall pay such principal and interest as the same become
188 due. The State Treasurer is authorized to invest temporarily in direct
189 obligations of the United States, United States agency obligations,
190 certificates of deposit, commercial paper or bank acceptances such
191 portion of the proceeds of such bonds or of any notes issued in
192 anticipation thereof as may be deemed available for such purpose.

193 Sec. 9. Section 10-292k of the general statutes is repealed and the
194 following is substituted in lieu thereof (*Effective July 1, 2007*):

195 For purposes of funding interest subsidy grants, except for interest
196 subsidy grants made pursuant to subsection (b) of section 10-292m, the
197 State Treasurer is authorized and directed, subject to and in
198 accordance with the provisions of section 3-20, to issue bonds of the
199 state from time to time in one or more series in an aggregate amount
200 not exceeding [two hundred eighty-one million one hundred
201 thousand] three hundred eleven million nine hundred thousand
202 dollars, provided [twenty-five million] sixteen million four hundred
203 thousand dollars of said authorization shall be effective July 1, [2006]
204 2008. Bonds of each series shall bear such date or dates and mature at
205 such time or times not exceeding thirty years from their respective
206 dates and be subject to such redemption privileges, with or without
207 premium, as may be fixed by the State Bond Commission. They shall
208 be sold at not less than par and accrued interest and the full faith and
209 credit of the state is pledged for the payment of the interest thereon
210 and the principal thereof as the same shall become due, and
211 accordingly and as part of the contract of the state with the holders of
212 said bonds, appropriation of all amounts necessary for punctual
213 payment of such principal and interest is hereby made, and the State
214 Treasurer shall pay such principal and interest as the same become

215 due. The State Treasurer is authorized to invest temporarily in direct
216 obligations of the United States, United States agency obligations,
217 certificates of deposit, commercial paper or bank acceptances, such
218 portion of the proceeds of such bonds or of any notes issued in
219 anticipation thereof as may be deemed available for such purpose.

220 Sec. 10. Section 22-26hh of the general statutes is repealed and the
221 following is substituted in lieu thereof (*Effective July 1, 2007*):

222 The State Bond Commission shall have power, from time to time, to
223 authorize the issuance of bonds of the state in one or more series and
224 in principal amounts not exceeding in the aggregate [one hundred
225 seven million seven hundred fifty thousand] one hundred seventeen
226 million seven hundred fifty thousand dollars, the proceeds of which
227 shall be used for the purposes of section 22-26cc, provided not more
228 than [ten] five million dollars of said authorization shall be effective
229 July 1, [2006] 2008, and further provided not more than two million
230 dollars shall be used for the purposes of section 22-26jj. All provisions
231 of section 3-20, or the exercise of any right or power granted thereby
232 which are not inconsistent with the provisions of this section are
233 hereby adopted and shall apply to all bonds authorized by the State
234 Bond Commission pursuant to this section, and temporary notes in
235 anticipation of the money to be derived from the sale of any such
236 bonds so authorized may be issued in accordance with said section 3-
237 20 and from time to time renewed. Such bonds shall mature at such
238 time or times not exceeding twenty years from their respective dates as
239 may be provided in or pursuant to the resolution or resolutions of the
240 State Bond Commission authorizing such bonds. None of said bonds
241 shall be authorized except upon a finding by the State Bond
242 Commission that there has been filed with it a request for such
243 authorization, which is signed by or on behalf of the Secretary of the
244 Office of Policy and Management and states such terms and conditions
245 as said commission, in its discretion, may require. Said bonds issued
246 pursuant to this section shall be general obligations of the state and the
247 full faith and credit of the state of Connecticut are pledged for the
248 payment of the principal of and interest on said bonds as the same

249 become due, and accordingly and as part of the contract of the state
250 with the holders of said bonds, appropriation of all amounts necessary
251 for punctual payment of such principal and interest is hereby made,
252 and the Treasurer shall pay such principal and interest as the same
253 become due.

254 Sec. 11. Subsection (a) of section 22a-483 of the general statutes is
255 repealed and the following is substituted in lieu thereof (*Effective July*
256 *1, 2007*):

257 (a) For the purposes of sections 22a-475 to 22a-483, inclusive, as
258 amended by this act, the State Bond Commission shall have the power,
259 from time to time to authorize the issuance of bonds of the state in one
260 or more series and in principal amounts, not exceeding in the
261 aggregate [seven hundred eighty-one million thirty thousand] one
262 billion one million thirty thousand dollars, provided [twenty] one
263 hundred ten million dollars of said authorization shall be effective July
264 1, [2006] 2008.

265 Sec. 12. Subsection (d) of section 22a-483 of the general statutes is
266 repealed and the following is substituted in lieu thereof (*Effective July*
267 *1, 2007*):

268 (d) Notwithstanding the foregoing, nothing herein shall preclude
269 the State Bond Commission from authorizing the issuance of revenue
270 bonds, in principal amounts not exceeding in the aggregate [one billion
271 three hundred thirty-eight million four hundred thousand] one billion
272 eight hundred eighty-eight million four hundred thousand dollars,
273 provided [one hundred] two hundred seventy-five million dollars of
274 said authorization shall be effective July 1, [2006] 2008, that are not
275 general obligations of the state of Connecticut to which the full faith
276 and credit of the state of Connecticut are pledged for the payment of
277 the principal and interest. Such revenue bonds shall mature at such
278 time or times not exceeding thirty years from their respective dates as
279 may be provided in or pursuant to the resolution or resolutions of the
280 State Bond Commission authorizing such revenue bonds. The revenue
281 bonds, revenue state bond anticipation notes and revenue state grant

282 anticipation notes authorized to be issued under sections 22a-475 to
283 22a-483, inclusive, as amended by this act, shall be special obligations
284 of the state and shall not be payable from nor charged upon any funds
285 other than the revenues or other receipts, funds or moneys pledged
286 therefor as provided in said sections 22a-475 to 22a-483, inclusive,
287 including the repayment of municipal loan obligations; nor shall the
288 state or any political subdivision thereof be subject to any liability
289 thereon except to the extent of such pledged revenues or the receipts,
290 funds or moneys pledged therefor as provided in said sections 22a-475
291 to 22a-483, inclusive. The issuance of revenue bonds, revenue state
292 bond anticipation notes and revenue state grant anticipation notes
293 under the provisions of said sections 22a-475 to 22a-483, inclusive,
294 shall not directly or indirectly or contingently obligate the state or any
295 political subdivision thereof to levy or to pledge any form of taxation
296 whatever therefor or to make any appropriation for their payment. The
297 revenue bonds, revenue state bond anticipation notes and revenue
298 state grant anticipation notes shall not constitute a charge, lien or
299 encumbrance, legal or equitable, upon any property of the state or of
300 any political subdivision thereof, except the property mortgaged or
301 otherwise encumbered under the provisions and for the purposes of
302 said sections 22a-475 to 22a-483, inclusive. The substance of such
303 limitation shall be plainly stated on the face of each revenue bond,
304 revenue state bond anticipation note and revenue state grant
305 anticipation note issued pursuant to said sections 22a-475 to 22a-483,
306 inclusive, shall not be subject to any statutory limitation on the
307 indebtedness of the state and such revenue bonds, revenue state bond
308 anticipation notes and revenue state grant anticipation notes, when
309 issued, shall not be included in computing the aggregate indebtedness
310 of the state in respect to and to the extent of any such limitation. As
311 part of the contract of the state with the owners of such revenue bonds,
312 revenue state bond anticipation notes and revenue state grant
313 anticipation notes, all amounts necessary for the punctual payment of
314 the debt service requirements with respect to such revenue bonds,
315 revenue state bond anticipation notes and revenue state grant
316 anticipation notes shall be deemed appropriated, but only from the

317 sources pledged pursuant to said sections 22a-475 to 22a-483, inclusive.
318 The proceeds of such revenue bonds or notes may be deposited in the
319 Clean Water Fund for use in accordance with the permitted uses of
320 such fund. Any expense incurred in connection with the carrying out
321 of the provisions of this section, including the costs of issuance of
322 revenue bonds, revenue state bond anticipation notes and revenue
323 state grant anticipation notes may be paid from the accrued interest
324 and premiums or from any other proceeds of the sale of such revenue
325 bonds, revenue state bond anticipation notes or revenue state grant
326 anticipation notes and in the same manner as other obligations of the
327 state. All provisions of subsections (g), (k), (l), (s) and (u) of section
328 3-20 or the exercise of any right or power granted thereby which are
329 not inconsistent with the provisions of said sections 22a-475 to 22a-483,
330 inclusive, are hereby adopted and shall apply to all revenue bonds,
331 state revenue bond anticipation notes and state revenue grant
332 anticipation notes authorized by the State Bond Commission pursuant
333 to said sections 22a-475 to 22a-483, inclusive. For the purposes of
334 subsection (o) of section 3-20, "bond act" shall be construed to include
335 said sections 22a-475 to 22a-483, inclusive.

336 Sec. 13. Section 32-235 of the general statutes is repealed and the
337 following is substituted in lieu thereof (*Effective July 1, 2007*):

338 (a) For the purposes described in subsection (b) of this section, the
339 State Bond Commission shall have the power, from time to time to
340 authorize the issuance of bonds of the state in one or more series and
341 in principal amounts not exceeding in the aggregate [five hundred five
342 million three hundred thousand] five hundred fifty-five million three
343 hundred thousand dollars, provided [five] twenty-five million dollars
344 of said authorization shall be effective July 1, [2006] 2008.

345 (b) The proceeds of the sale of said bonds, to the extent of the
346 amount stated in subsection (a) of this section, shall be used by the
347 Department of Economic and Community Development for the
348 purposes of sections 32-220 to 32-234, inclusive, including economic
349 cluster-related programs and activities, and for the Connecticut job

350 training finance demonstration program pursuant to sections 32-23uu
351 and 32-23vv provided, (1) three million dollars shall be used by said
352 department solely for the purposes of section 32-23uu and not more
353 than five million two hundred fifty thousand dollars of the amount
354 stated in said subsection (a) may be used by said department for the
355 purposes of section 31-3u, (2) not less than one million dollars shall be
356 used for an educational technology grant to the deployment center
357 program and the nonprofit business consortium deployment center
358 approved pursuant to section 32-41l, (3) not less than two million
359 dollars shall be used by said department for the establishment of a
360 pilot program to make grants to businesses in designated areas of the
361 state for construction, renovation or improvement of small
362 manufacturing facilities provided such grants are matched by the
363 business, a municipality or another financing entity. The commissioner
364 shall designate areas of the state where manufacturing is a substantial
365 part of the local economy and shall make grants under such pilot
366 program which are likely to produce a significant economic
367 development benefit for the designated area, (4) five million dollars
368 may be used by said department for the manufacturing
369 competitiveness grants program, (5) one million dollars shall be used
370 by said department for the purpose of a grant to the Connecticut
371 Center for Advanced Technology, for the purposes of section 32-237,
372 [and] (6) ten million dollars shall be used by said department for the
373 purpose of grants to the United States Navy or eligible applicants for
374 projects related to the enhancement of infrastructure for long-term, on-
375 going naval operations at the United States Naval Submarine Base-
376 New London, located in Groton, which will increase the military value
377 of said base, and (7) two million dollars shall be used by said
378 department for the purpose of a grant to the Connecticut Center for
379 Advanced Technology, Inc., for manufacturing initiatives, including
380 aerospace and defense.

381 (c) All provisions of section 3-20, or the exercise of any right or
382 power granted thereby which are not inconsistent with the provisions
383 of this section are hereby adopted and shall apply to all bonds
384 authorized by the State Bond Commission pursuant to this section, and

385 temporary notes in anticipation of the money to be derived from the
386 sale of any such bonds so authorized may be issued in accordance with
387 said section 3-20 and from time to time renewed. Such bonds shall
388 mature at such time or times not exceeding twenty years from their
389 respective dates as may be provided in or pursuant to the resolution or
390 resolutions of the State Bond Commission authorizing such bonds.
391 None of said bonds shall be authorized except upon a finding by the
392 State Bond Commission that there has been filed with it a request for
393 such authorization, which is signed by or on behalf of the Secretary of
394 the Office of Policy and Management and states such terms and
395 conditions as said commission, in its discretion, may require. Said
396 bonds issued pursuant to this section shall be general obligations of the
397 state and the full faith and credit of the state of Connecticut are
398 pledged for the payment of the principal of and interest on said bonds
399 as the same become due, and accordingly and as part of the contract of
400 the state with the holders of said bonds, appropriation of all amounts
401 necessary for punctual payment of such principal and interest is
402 hereby made, and the Treasurer shall pay such principal and interest
403 as the same become due.

404 Sec. 14. Subsection (a) of section 3 of public act 96-250, as amended
405 by section 15 of public act 04-1 of the May special session and section
406 13 of public act 05-5 of the June special session, is repealed and the
407 following is substituted in lieu thereof (*Effective July 1, 2007*):

408 (a) For the purposes described in subsection (b) of this section, the
409 State Bond Commission shall have the power, from time to time to
410 authorize the issuance of bonds of the state in one or more series and in
411 principal amounts not exceeding in the aggregate [four] six million
412 dollars, provided one million dollars of said authorization shall be
413 effective July 1, [2006] 2008.

414 Sec. 15. Subsection (a) of section 10a-109g of the general statutes is
415 repealed and the following is substituted in lieu thereof (*Effective July*
416 *1, 2007*):

417 (a) (1) The university is authorized to provide by resolution, at one

418 time or from time to time, for the issuance and sale of securities, in its
 419 own name on behalf of the state, pursuant to section 10a-109f. The
 420 board of trustees of the university is hereby authorized by such
 421 resolution to delegate to its finance committee such matters as it may
 422 determine appropriate other than the authorization and maximum
 423 amount of the securities to be issued, the nature of the obligation of the
 424 securities as established pursuant to subsection (c) of this section and
 425 the projects for which the proceeds are to be used. The finance
 426 committee may act on such matters unless and until the board of
 427 trustees elects to reassume the same. The amount of securities the
 428 special debt service requirements which are secured by the state debt
 429 service commitment that the board of trustees is authorized to provide
 430 for the issuance and sale in accordance with this subsection shall be
 431 capped in each fiscal year in the following amounts provided, to the
 432 extent the board of trustees does not provide for the issuance of all or a
 433 portion of such amount in a fiscal year, all or such portion, as the case
 434 may be, may be carried forward to any succeeding fiscal year and
 435 provided further, the actual amount for funding, paying or providing
 436 for the items described in subparagraph (C) of subdivision (10) of
 437 subsection (a) of section 10a-109d may be added to the capped amount
 438 in each fiscal year:

T1	Fiscal Year	Amount
T2	1996	\$112,542,000
T3	1997	112,001,000
T4	1998	93,146,000
T5	1999	64,311,000
T6	2000	130,000,000
T7	2001	100,000,000
T8	2002	100,000,000
T9	2003	100,000,000
T10	2004	100,000,000
T11	2005	100,000,000
T12	2006	79,000,000

T13	2007	89,000,000
T14	2008	[120,000,000] <u>115,000,000</u>
T15	2009	[155,000,000] <u>140,000,000</u>
T16	2010	[160,500,000] <u>140,500,000</u>
T17	2011	[161,500,000] <u>146,500,000</u>
T18	2012	[138,100,000] <u>123,100,000</u>
T19	2013	[129,500,000] <u>114,500,000</u>
T20	2014	[126,500,000] <u>111,500,000</u>
T21	2015	[90,900,000] <u>100,000,000</u>
T22	<u>2016</u>	<u>90,900,000</u>

439 (2) Subject to amount limitations of such capping provisions in
440 subdivision (1) of this subsection and following approval of such
441 resolution as provided in subsection (b) of section 10a-109f, the
442 principal amount of the securities authorized therein for such project
443 or projects shall be deemed to be an appropriation and allocation of
444 such amount for such project or projects, respectively, and such
445 approval by the Governor of such resolution shall be deemed the
446 allotment by the Governor of such capital outlays within the meaning
447 of section 4-85 and the university (A) may award a contract or
448 contracts and incur an obligation or obligations with respect to each
449 such project or projects authorized pursuant to and within the amount
450 authorized in such resolution, notwithstanding that such contract or
451 obligation may at any particular time exceed the amount of the
452 proceeds from the sale of securities theretofore received by the
453 university, and (B) may issue and sell securities respecting such
454 contracts or obligations referred to in subparagraph (A) only at such
455 time or times as shall be needed to have the proceeds thereof available
456 to pay requisitions expected thereunder within the year following
457 issuance of such securities and to provide for costs of UConn 2000 of
458 not more than twenty per cent in excess and regardless of such
459 anticipated cash expenditure requirements but subject to section 10a-
460 109q, provided the amount needed for funding, paying or providing
461 for the items described in subparagraph (B) of subdivision (10) of
462 subsection (a) of section 10a-109d may be added to the amount of

463 securities so issued.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	4-66c(a) and (b)
Sec. 2	<i>July 1, 2007</i>	4-66g(a)
Sec. 3	<i>July 1, 2007</i>	4a-10(a)
Sec. 4	<i>July 1, 2007</i>	7-538(a)
Sec. 5	<i>July 1, 2007</i>	8-336n(a)
Sec. 6	<i>July 1, 2007</i>	10-66hh
Sec. 7	<i>July 1, 2007</i>	10-66jj(a)
Sec. 8	<i>July 1, 2007</i>	10-287d
Sec. 9	<i>July 1, 2007</i>	10-292k
Sec. 10	<i>July 1, 2007</i>	22-26hh
Sec. 11	<i>July 1, 2007</i>	22a-483(a)
Sec. 12	<i>July 1, 2007</i>	22a-483(d)
Sec. 13	<i>July 1, 2007</i>	32-235
Sec. 14	<i>July 1, 2007</i>	PA 96-250, Sec. 3(a)
Sec. 15	<i>July 1, 2007</i>	10a-109g(a)

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill: (1) authorizes \$908.9 million in new General Obligation (GO) bonds and cancels \$20 million in GO bonds in FY 08 (a net increase of \$888.9 million) and (2) authorizes \$903.4 million in GO bonds in FY 09. The interest cost to bond \$908.9 million over 20 years assuming a 5.0% interest rate is \$1.4 billion. The interest cost to bond \$903.4 million over 20 years assuming a 5.0% interest rate is \$1.4 billion.

The bill changes the timing of bond authorizations for the UConn 21st Century infrastructure renewal program but does not increase the total amount authorized. This will not result in additional General Fund debt service costs for the program but it will change the costs in the following fiscal years: (1) the debt service costs between FY 08 and FY 14 will be reduced, and (2) the debt service costs for FY 15 and FY 16 will be increased.

The bill also authorizes \$275 million in Clean Water Fund revenue bonds in each of FY 08 and FY 09. The interest cost in each fiscal year to bond \$275 million over a 20 year term, assuming a 5% interest rate, is \$419.4 million. The debt service cost of Clean Water Fund revenue bonds is partially offset by revenue from: (1) investment earnings on the bond reserve fund required by statute, and (2) loan payments from towns who receive Clean Water Fund low-interest loans. This reduces

the total debt service cost for the General Fund to approximately \$74.4 million (i.e., roughly \$3.7 million per year).

Further Explanation

The table below summarizes statutory changes to language and bond authorizations for sSB 1117:

sSB 1117: Statutory Changes to Language and Bond Authorizations			
Section	Agency/Description	FY 08	FY 09
<u>Office of Policy and Management</u>			
3	Capital Equipment Purchase Fund (CEPF)	\$33,500,000	\$28,000,000
4	Local Capital Improvement Program (LoCIP)	30,000,000	30,000,000
1b	Urban Action grants-in-aid	(20,000,000)	0
2	Small Town Economic Assistance Plan (STEAP)	20,000,000	20,000,000
<u>Department of Agriculture</u>			
9	Farmland Preservation Program	5,000,000	5,000,000
<u>Department of Environmental Protection</u>			
10	Clean Water Fund: Grants-in-aid financed from General Obligation bonds	110,000,000	110,000,000
11	Clean Water Fund: Loans financed from revenue bonds	275,000,000	275,000,000
13	Special Contaminated Property Remediation and Insurance Fund	1,000,000	1,000,000
<u>Dept. of Economic and Community Development</u>			
12	Manufacturing Assistance Act (MAA)	25,000,000	25,000,000
12	Earmark \$2 million in MAA funds for manufacturing initiatives, including aerospace and defense, to the Connecticut Center for Advanced Technology, Inc	0	0
5	Housing Trust Fund: Increase FY 08 and FY 09 authorizations from \$20 million to \$30 million	10,000,000	10,000,000
<u>Department of Education</u>			

sSB 1117: Statutory Changes to Language and Bond Authorizations			
Section	Agency/Description	FY 08	FY 09
7	School construction grants-in-aid - progress payments	655,000,000	653,000,000
8	School construction grants-in-aid – interest	14,400,000	16,400,000
6	Grants to assist charter schools with capital expenses	5,000,000	5,000,000
<u>University of Connecticut</u>			
14	Extend UConn 21st Century bond authorizations by one year	0	0
	New General Obligation (GO) Bonds	\$908,900,000	\$903,400,000
	GO Bond Cancellations	<u>(\$20,000,000)</u>	<u>0</u>
	Net GO Bond Increase	\$888,900,000	\$903,400,000
	Clean Water Fund Revenue Bonds	\$275,000,000	\$275,000,000

Office of Policy and Management

Capital Equipment Purchase Fund (CEPF): Section 3 authorizes \$33.5 million in FY 08 and \$28.0 million in FY 09 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 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.

Municipal

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 and loans.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 1117****AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS.****SUMMARY:**

For the FY 08-09 biennium, this bill authorizes \$1,773.3 million in state general obligation (GO) bonds for various programs and purposes. They include \$40 million for local development projects under the Small Town Economic Assistance Program (STEAP), \$60 million for local capital improvement projects for cities and towns, \$10 million for farmland preservation, \$1,308 million for school construction projects, \$220 million for clean water project grants, and \$50 million for the Manufacturing Assistance Act. The bill also authorizes \$550 million in revenue bonds for clean water project loans.

The bill reduces the total GO bond authorization for urban development project grants under the Urban Act by \$20 million.

The bill extends a grant program to help charter schools with capital expenses for two years and authorizes \$5 million per year in bonding for the grants. It increases bond authorizations for capitalizing the Housing Trust Fund by \$10 million per year for FY 09 and FY 10.

Finally, the bill stretches out financing for the University of Connecticut's capital improvement program, known as "21st Century UConn," for an additional year, through 2016.

EFFECTIVE DATE: July 1, 2007

BOND AUTHORIZATIONS

The bill authorizes bonds for FYs 08 and 09 in the amounts and for the purposes shown in Table 1. Unless otherwise stated, all

authorizations are for GO bonds.

TABLE 1: BOND AUTHORIZATIONS FOR FY 08 & FY 09

§	Agency	Purpose/Fund	Total Authorization (millions)	FY 08 Authorization (millions)	FY 09 Authorization (millions)
1	Office of Policy & Management	Urban development projects (Urban Act)	(\$20.0)	\$0	\$0
2	Office of Policy & Management	Small Town Economic Assistance Program (STEAP)	40.0	20.0	20.0
3	Treasurer	Capital Equipment Purchase Fund	62.5	34.5	28.0
4	Office of Policy & Management	Local Capital Improvement Program (LOCIP)	60.0	30.0	30.0
7	Education	Charter school capital expenses	10.0	5.0	5.0
8	Education	School construction projects	1,308.0	655.0	653.0
9	Education	School construction interest subsidy grants	30.8	14.4	16.4
10	Agriculture	Farmland preservation	10.0	5.0	5.0
11	Environmental Protection	Clean Water Fund grants	220.0	110.0	110.0
12	Environmental Protection	Clean Water Fund loans (revenue bonds)	550.0	275.0	275.0
13	Economic and Community Development	Manufacturing Assistance Act	50.0	25.0	25.0
14	Environmental Protection	Special Contaminated Property Remediation and Insurance	2.0	1.0	1.0

		Fund			
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§ 5 — HOUSING TRUST FUND

The law allows the State Bond Commission to authorize up to \$20 million per year over five years (FY 06 to FY 10) to capitalize the Housing Trust Fund. The bill increases the fund’s total maximum capitalization by \$20 million, from \$100 million to \$120 million. It increases the maximum GO bond authorization for the fund for FY 09 and FY 10 from \$20 million to \$30 million per year.

The Housing Trust Fund is established to expand affordable housing opportunities for low- and moderate-income homeowners.

§§ 6 & 7 — CHARTER SCHOOL FACILITY GRANTS

The bill authorizes a total of \$10 million in bonding, \$5 million each year for FYs 08 and 09, to fund grants to state charter schools to assist them with capital costs. It also extends, for FYs 08 and 09, the State Department of Education’s authority to provide grants, within available bond authorizations, to help charter schools:

1. renovate, build, buy, extend, replace, or carry out major alterations in their facilities;
2. (a) replace windows, doors, boilers and other heating and ventilation system components, internal communication systems, lockers, and ceilings; (b) upgrade restrooms; (c) replace and upgrade lighting; or (d) install security equipment; or
3. repay debt incurred before July 1, 2005 for school building projects.

By law, the education commissioner, in selecting schools to receive grants, must give preference to those that provide matching funds from nonstate sources.

§ 13 — MANUFACTURING ASSISTANCE ACT

Of the \$50 million authorized for the Manufacturing Assistance Act, the bill requires the Department of Economic and Community

Development to reserve \$2 million for a grant to the Connecticut Center for Advanced Technology for manufacturing initiatives, including aerospace and defense.

§ 15 — 21ST CENTURY UCONN

The bill extends UConn's capital improvement campaign, known as 21st Century UConn, by one year. It reduces the annual caps on the amount of state-backed bonds the UConn board of trustees can issue in FY 08 through FY 14, increases the cap for FY 15, and extends the program through 2016 as shown below in Table 2.

Under current law and the bill, any difference between the amount actually issued in any year and the cap can be carried forward to any succeeding fiscal year. Financing transaction costs can be added to the caps.

TABLE 2: ANNUAL BOND LIMITS FOR 21ST CENTURY UCONN

<i>FY</i>	<i>Current Limit (in millions)</i>	<i>Proposed Limit (in millions)</i>
2008	\$120.0	\$115.0
2009	155.0	140.0
2010	160.5	140.5
2011	161.5	146.5
2012	138.1	123.1
2013	129.5	114.5
2014	126.5	111.5
2015	90.9	100.0
2016	N.A.	90.9

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 53 Nay 0 (04/17/2007)