



# Senate

General Assembly

**File No. 563**

*January Session, 2007*

Senate Bill No. 1134

*Senate, April 24, 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 bill ought to pass.

***AN ACT CONCERNING THE AUTHORIZATION OF BONDS OF THE STATE FOR CAPITAL RESURFACING AND RELATED PROJECTS.***

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

1       Section 1. (*Effective May 1, 2007*) The State Bond Commission shall  
2       have power, in accordance with the provisions of sections 1 to 5,  
3       inclusive, of this act, from time to time to authorize the issuance of  
4       special tax obligation bonds of the state in one or more series and in  
5       principal amounts in the aggregate not exceeding fifty-four million  
6       dollars for capital resurfacing and related reconstruction projects.

7       Sec. 2. (*Effective May 1, 2007*) The proceeds of the sale of said bonds  
8       to the extent hereinafter stated, shall be used for the purpose of  
9       payment of the transportation costs, as defined in subdivision (6) of  
10      section 13b-75 of the general statutes, with respect to the projects and  
11      uses hereinafter described, which projects and uses are hereby found  
12      and determined to be in furtherance of one or more of the authorized  
13      purposes for the issuance of special tax obligation bonds set forth in  
14      section 13b-74 of the general statutes. Any proceeds of the bonds shall  
15      be used by the Department of Transportation for the Bureau of

16 Engineering and Highway Operations for capital resurfacing and  
17 related reconstruction projects.

18       Sec. 3. (*Effective May 1, 2007*) None of said bonds shall be authorized  
19 except upon a finding by the State Bond Commission that there has  
20 been filed with it (1) a request for such authorization, which is signed  
21 by the Secretary of the Office of Policy and Management or by or on  
22 behalf of such state officer, department or agency and stating such  
23 terms and conditions as said commission, in its discretion, may  
24 require, and (2) any capital development impact statement and any  
25 human services facility collocation statement required to be filed with  
26 the Secretary of the Office of Policy and Management pursuant to  
27 section 4-26b of the general statutes, any advisory report regarding the  
28 state conservation and development policies plan required pursuant to  
29 section 16a-31 of the general statutes, and any statement regarding  
30 farm land required pursuant to subsection (g) of section 3-20 of the  
31 general statutes, and section 22-6 of the general statutes, provided the  
32 State Bond Commission may authorize said bonds without a finding  
33 that the reports and statements required by subdivision (2) of this  
34 section have been filed with it if said commission authorizes the  
35 secretary of said commission to accept such reports and statements on  
36 its behalf. No funds derived from the sale of bonds authorized by said  
37 commission without a finding that the reports and statements required  
38 by subdivision (2) of this section have been filed with it shall be  
39 allotted by the Governor for any project until the reports and  
40 statements required by subdivision (2) of this section with respect to  
41 such project have been filed with the secretary of said commission.

42       Sec. 4. (*Effective May 1, 2007*) For the purposes of sections 1 to 5,  
43 inclusive, of this act, each request filed as provided in section 3 of this  
44 act, for an authorization of bonds, shall identify the project for which  
45 the proceeds of the sale of such bonds are to be used and expended  
46 and, in addition to any terms and conditions required pursuant to said  
47 section 3, include the recommendation of the person signing such  
48 request as to the extent to which federal, private or other moneys then  
49 available for costs in connection with any such project should be

50 added to the state moneys available or becoming available from the  
 51 proceeds of bonds and temporary notes issued in anticipation of the  
 52 receipt of the proceeds of bonds. If the request includes a  
 53 recommendation that some amount of such federal, private or other  
 54 moneys should be added to such state moneys, then, if and to the  
 55 extent directed by the State Bond Commission at the time of  
 56 authorization of such bonds, said amount of such federal, private or  
 57 other moneys then available or thereafter to be made available, for  
 58 costs in connection with such project shall be added to such state  
 59 moneys.

60       Sec. 5. (*Effective May 1, 2007*) Said bonds issued pursuant to sections  
 61 1 to 5, inclusive, of this act, shall be special obligations of the state and  
 62 shall not be payable from nor charged upon any funds other than  
 63 revenues of the state pledged therefor in subsection (b) of section 13b-  
 64 61 of the general statutes and section 13b-69 of the general statutes, or  
 65 such other receipts, funds or moneys as may be pledged therefor. Said  
 66 bonds shall not be payable from nor charged upon any funds other  
 67 than such pledged revenues or such other receipts, funds or moneys as  
 68 may be pledged therefor, nor shall the state or any political  
 69 subdivision thereof be subject to any liability thereon, except to the  
 70 extent of such pledged revenues or such other receipts, funds or  
 71 moneys as may be pledged therefor. Said bonds shall be issued under  
 72 and in accordance with the provisions of section 13b-74 to 13b-77,  
 73 inclusive, of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>May 1, 2007</i>	New section
Sec. 2	<i>May 1, 2007</i>	New section
Sec. 3	<i>May 1, 2007</i>	New section
Sec. 4	<i>May 1, 2007</i>	New section
Sec. 5	<i>May 1, 2007</i>	New section

**FIN**           *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

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### **OFA Fiscal Note**

#### **State Impact:**

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

Note: TF=Transportation Fund

**Municipal Impact:** None

#### **Explanation**

The bill authorizes \$54 million in Special Tax Obligation (STO) bonds for capital resurfacing and related reconstruction projects. It is being considered separately from the main transportation bond bill, SB 1033 ("AAC the Authorization of Special Tax Obligation Bonds of the State for Certain Transportation Purposes") because it is anticipated that SB 1033 will not be voted on until June. The funds in SB 1134 are needed in May so that the highway resurfacing program can begin on schedule.

The interest cost to the Transportation Fund to bond \$54 million for twenty years at 5.5% is \$36.4 million. The \$54 million in STO bonds will be used to leverage \$24 million in federal highway funding.

#### **The Out Years**

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

**OLR Bill Analysis****SB 1134*****AN ACT CONCERNING THE AUTHORIZATION OF BONDS OF THE STATE FOR CAPITAL RESURFACING AND RELATED PROJECTS.*****SUMMARY:**

This bill authorizes up to \$54 million in special tax obligation (STO) bonds to the Department of Transportation's Bureau of Engineering and Highway Operations for capital resurfacing and related reconstruction projects. The State Bond Commission must authorize the bonds according to its standard procedures for issuing STO bonds. The bonds are backed by revenues allocated by law to the Special Transportation Fund.

EFFECTIVE DATE: May 1, 2007

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 48 Nay 3 (04/10/2007)