



# House of Representatives

General Assembly

**File No. 496**

*January Session, 2009*

Substitute House Bill No. 5212

*House of Representatives, April 6, 2009*

The Committee on Energy and Technology reported through REP. NARDELLO of the 89th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT CONCERNING FUEL CELLS.***

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

1 Section 1. (NEW) (*Effective July 1, 2009*) The Department of  
2 Transportation shall establish a fuel cell program. Such program shall  
3 include, but not be limited to, contracting with a Connecticut business  
4 to produce transit buses powered by fuel cells.

5 Sec. 2. (*Effective July 1, 2009*) (a) For the purposes described in  
6 subsection (b) of this section, the State Bond Commission shall have  
7 the power, from time to time, to authorize the issuance of bonds of the  
8 state in one or more series and in principal amounts not exceeding in  
9 the aggregate twenty million dollars each year for the next four years.

10 (b) The proceeds of the sale of said bonds, to the extent of the  
11 amount stated in subsection (a) of this section, shall be used by the  
12 Department of Transportation for the purpose of implementing the  
13 fuel cell program established pursuant to section 1 of this act.

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

38 Sec. 3. (*Effective July 1, 2009*) (a) For the purposes described in  
39 subsection (b) of this section, the State Bond Commission shall have  
40 the power, from time to time, to authorize the issuance of bonds of the  
41 state in one or more series and in principal amounts not exceeding in  
42 the aggregate five hundred thousand dollars.

43 (b) The proceeds of the sale of said bonds, to the extent of the  
44 amount stated in subsection (a) of this section, shall be used by the  
45 Office of Legislative Management for the purpose of performing an  
46 engineering study and developing plans to install fuel cells at the  
47 Capitol complex.

48 (c) All provisions of section 3-20 of the general statutes, or the  
 49 exercise of any right or power granted thereby, which are not  
 50 inconsistent with the provisions of this section are hereby adopted and  
 51 shall apply to all bonds authorized by the State Bond Commission  
 52 pursuant to this section, and temporary notes in anticipation of the  
 53 money to be derived from the sale of any such bonds so authorized  
 54 may be issued in accordance with said section 3-20 and from time to  
 55 time renewed. Such bonds shall mature at such time or times not  
 56 exceeding twenty years from their respective dates as may be provided  
 57 in or pursuant to the resolution or resolutions of the State Bond  
 58 Commission authorizing such bonds. None of said bonds shall be  
 59 authorized except upon a finding by the State Bond Commission that  
 60 there has been filed with it a request for such authorization which is  
 61 signed by or on behalf of the Secretary of the Office of Policy and  
 62 Management and states such terms and conditions as said commission,  
 63 in its discretion, may require. Said bonds issued pursuant to this  
 64 section shall be general obligations of the state and the full faith and  
 65 credit of the state of Connecticut are pledged for the payment of the  
 66 principal of and interest on said bonds as the same become due, and  
 67 accordingly and as part of the contract of the state with the holders of  
 68 said bonds, appropriation of all amounts necessary for punctual  
 69 payment of such principal and interest is hereby made, and the State  
 70 Treasurer shall pay such principal and interest as the same become  
 71 due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2009	New section
Sec. 2	July 1, 2009	New section
Sec. 3	July 1, 2009	New section

**ET** Joint Favorable Subst.

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

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill authorizes \$80.5 million in General Obligation (GO) bonds, including \$80 million for a program to purchase transit buses powered by fuel cells from Connecticut businesses and \$0.5 million for an engineering study and a plan to install fuel cells at the state capitol complex in Hartford. The total General Fund debt service cost for principal and interest payments on \$80.5 million over 20 years assuming a 5.0% interest rate, is \$122.8 million. The first year that the state will experience costs associated with the bonds depends on when they are allocated through the State Bond Commission and when the funds are expended.

It should be noted that there are currently no Connecticut businesses producing the type of buses specified in the bill.

The bill will not result in any fiscal impact for the Department of Transportation or the Office of Legislative Management.

**The Out Years**

The General Fund debt service costs noted above would continue for 20 years after the GO bonds are issued.

**OLR Bill Analysis**

**sHB 5212**

***AN ACT CONCERNING FUEL CELLS.***

**SUMMARY:**

This bill requires the Department of Transportation to establish a fuel cell program, which must at least include contracting with a Connecticut business to produce transit buses powered by fuel cells. It authorizes up to \$20 million in bonding for the program in each of the next four years.

The bill authorizes up to \$500,000 in bonding for the Office of Legislative Management to conduct an engineering study and develop plans to install fuel cells at the Capitol complex.

In both cases, the bonds are subject to standard statutory bond issuance procedures and repayment requirements.

EFFECTIVE DATE: July 1, 2009

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute

Yea 15 Nay 6 (03/19/2009)