



Senate

General Assembly

File No. 600

January Session, 2009

Senate Bill No. 835

Senate, April 9, 2009

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 RECONSTRUCTION PROJECTS.

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

1 Section 1. (*Effective May 1, 2009*) 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 \$64,100,000 for
6 capital resurfacing and related reconstruction projects.

7 Sec. 2. (*Effective May 1, 2009*) The proceeds of the sale of bonds
8 described in sections 1 to 5, inclusive, of this act to the extent
9 hereinafter stated, shall be used for the purpose of payment of the
10 transportation costs, as defined in subdivision (6) of section 13b-75 of
11 the general statutes, with respect to the projects and uses hereinafter
12 described, which projects and uses are hereby found and determined
13 to be in furtherance of one or more of the authorized purposes for the

14 issuance of special tax obligation bonds set forth in section 13b-74 of
15 the general statutes. Any proceeds of the bonds shall be used by the
16 Department of Transportation for the Bureau of Engineering and
17 Highway Operations for capital resurfacing and related reconstruction
18 projects.

19 Sec. 3. (*Effective May 1, 2009*) None of the bonds described in
20 sections 1 to 5, inclusive, of this act shall be authorized except upon a
21 finding by the State Bond Commission that there has been filed with it
22 (1) a request for such authorization, which is signed by the Secretary of
23 the Office of Policy and Management or by or on behalf of such state
24 officer, department or agency and stating such terms and conditions as
25 said commission, in its discretion, may require, and (2) any capital
26 development impact statement and any human services facility
27 colocation statement required to be filed with the Secretary of the
28 Office of Policy and Management pursuant to section 4b-31 of the
29 general statutes, any advisory report regarding the state conservation
30 and development policies plan required pursuant to section 16a-31 of
31 the general statutes, and any statement regarding farmland required
32 pursuant to subsection (g) of section 3-20 of the general statutes, and
33 section 22-6 of the general statutes, provided the State Bond
34 Commission may authorize said bonds without a finding that the
35 reports and statements required by subdivision (2) of this section have
36 been filed with it if said commission authorizes the secretary of said
37 commission to accept such reports and statements on its behalf. No
38 funds derived from the sale of bonds authorized by said commission
39 without a finding that the reports and statements required by
40 subdivision (2) of this section have been filed with it shall be allotted
41 by the Governor for any project until the reports and statements
42 required by subdivision (2) of this section with respect to such project
43 have been filed with the secretary of said commission.

44 Sec. 4. (*Effective May 1, 2009*) For the purposes of sections 1 to 5,
45 inclusive, of this act, each request filed, as provided in section 3 of this
46 act, for an authorization of bonds shall identify the project for which
47 the proceeds of the sale of such bonds are to be used and expended

48 and, in addition to any terms and conditions required pursuant to said
 49 section 3, include the recommendation of the person signing such
 50 request as to the extent to which federal, private or other moneys then
 51 available for costs in connection with any such project should be
 52 added to the state moneys available or becoming available from the
 53 proceeds of bonds and temporary notes issued in anticipation of the
 54 receipt of the proceeds of bonds. If the request includes a
 55 recommendation that some amount of such federal, private or other
 56 moneys should be added to such state moneys, then, if and to the
 57 extent directed by the State Bond Commission at the time of
 58 authorization of such bonds, said amount of such federal, private or
 59 other moneys then available or thereafter to be made available, for
 60 costs in connection with such project shall be added to such state
 61 moneys.

62 Sec. 5. (*Effective May 1, 2009*) Bonds issued pursuant to sections 1 to
 63 5, inclusive, of this act, shall be special obligations of the state and shall
 64 not be payable from nor charged upon any funds other than revenues
 65 of the state pledged therefor in subsection (b) of section 13b-61 of the
 66 general statutes and section 13b-61a of the general statutes, or such
 67 other receipts, funds or moneys as may be pledged therefore. Said
 68 bonds shall not be payable from nor charged upon any funds other
 69 than such pledged revenues or such other receipts, funds or moneys as
 70 may be pledged therefor, nor shall the state or any political
 71 subdivision thereof be subject to any liability thereon, except to the
 72 extent of such pledged revenues or such other receipts, funds or
 73 moneys as may be pledged therefor. Said bonds shall be issued under
 74 and in accordance with the provisions of sections 13b-74s to 13b-77,
 75 inclusive, of the general statutes.

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|---|--------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>May 1, 2009</i> | New section |
| Sec. 2 | <i>May 1, 2009</i> | New section |
| Sec. 3 | <i>May 1, 2009</i> | New section |
| Sec. 4 | <i>May 1, 2009</i> | New section |

| | | |
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| Sec. 5 | May 1, 2009 | New section |
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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 House thereof for any purpose:

OFA Fiscal Note

State Impact:

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

Note: TF=Transportation Fund

Municipal Impact: None

Explanation

The interest cost to the Transportation Fund to bond \$64.1 million for twenty years at 5.5% is \$43.2 million. The \$64.1 million in Special Tax Obligation (STO) bonds will be used to leverage \$67.1 million in federal highway funding. The bill is being considered separately from the main transportation bond bill, SB 834 ("AAC the Authorization of Special Tax Obligation Bonds of the State for Certain Transportation Purposes") because it is anticipated that SB 834 will not be voted on until June. The funds in SB 835 are needed in May so that the highway resurfacing program can begin on schedule.

The Out Years

The fiscal impact identified above for the Transportation Fund would continue into the future for the term of issuance of the bonds.

OLR Bill Analysis**SB 835*****AN ACT CONCERNING THE AUTHORIZATION OF BONDS OF THE STATE FOR CAPITAL RESURFACING AND RELATED RECONSTRUCTION PROJECTS.*****SUMMARY:**

This bill authorizes up to \$64.1 million in special tax obligation bonds for use by the Department of Transportation's Bureau of Engineering and Highway Operations for capital resurfacing and related road reconstruction projects. The bonds are payable from the Special Transportation Fund and are subject to the regular issuance procedures for such bonds.

EFFECTIVE DATE: May 1, 2009

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 53 Nay 0 (03/24/2009)