



General Assembly

February Session, 2010

Governor's Bill No. 27

LCO No. 316

*00316 _____ *

Referred to Committee on Finance, Revenue and Bonding

Introduced by:

SEN. MCKINNEY, 28th Dist.

REP. CAFERO, 142nd Dist.

AN ACT LIMITING STATE BOND AUTHORIZATIONS.

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

1 Section 1. (NEW) (*Effective July 1, 2010*) Notwithstanding any other
2 provision of law, any specific item of authorization for general
3 obligation bonds of the state shall expire five years after the effective
4 date of such authorization if no amount has been allocated by the State
5 Bond Commission from such specific item during such five-year
6 period. If the State Bond Commission has allocated any portion of
7 such item during such period, such authorization shall continue unless
8 otherwise terminated by law.

9 Sec. 2. Subsection (a) of section 3-21 of the 2010 supplement to the
10 general statutes is repealed and the following is substituted in lieu
11 thereof (*Effective July 1, 2010*):

12 (a) No bonds, notes or other evidences of indebtedness for
13 borrowed money payable from General Fund tax receipts of the state
14 shall be authorized by the General Assembly or issued except such as

15 shall not cause the aggregate amount of the total amount of bonds,
16 notes or other evidences of indebtedness payable from General Fund
17 tax receipts authorized by the General Assembly but which have not
18 been issued and the total amount of such indebtedness which has been
19 issued and remains outstanding to exceed one and six-tenths times the
20 total General Fund tax receipts of the state for the fiscal year in which
21 any such authorization will become effective or in which such
22 indebtedness is issued, as estimated for such fiscal year by the
23 Secretary of the Office of Policy and Management and the director of
24 the legislative Office of Fiscal Analysis, in accordance with the
25 provisions of section 2-36c, or by the joint standing committee of the
26 General Assembly having cognizance of finance, revenue and bonding
27 in accordance with section 2-35, whichever estimate is most recent. In
28 computing such aggregate amount of indebtedness at any time, there
29 shall be excluded or deducted, as the case may be, (1) the principal
30 amount of all such obligations as may be certified by the Treasurer (A)
31 as issued in anticipation of revenues to be received by the state during
32 the period of twelve calendar months next following their issuance and
33 to be paid by application of such revenue, [or] (B) as having been
34 refunded or replaced by other indebtedness the proceeds and
35 projected earnings on which or other funds are held in escrow to pay
36 and are sufficient to pay the principal, interest and any redemption
37 premium until maturity or earlier planned redemption of such
38 indebtedness, [or] (C) as issued and outstanding in anticipation of
39 particular bonds then unissued but fully authorized to be issued in the
40 manner provided by law for such authorization, provided, as long as
41 any of such obligations are outstanding, the entire principal amount of
42 such particular bonds thus authorized shall be deemed to be
43 outstanding and be included in such aggregate amount of
44 indebtedness, or (D) as payable solely from revenues of particular
45 public improvements, (2) the amount which may be certified by the
46 Treasurer as the aggregate value of cash and securities in debt
47 retirement funds of the state to be used to meet principal of
48 outstanding obligations included in such aggregate amount of

49 indebtedness, (3) every such amount as may be certified by the
 50 Secretary of the Office of Policy and Management as the estimated
 51 payments on account of the costs of any public work or improvement
 52 thereafter to be received by the state from the United States or agencies
 53 thereof and to be used, in conformity with applicable federal law, to
 54 meet principal of obligations included in such aggregate amount of
 55 indebtedness, (4) all authorized and issued indebtedness to fund any
 56 budget deficits of the state for any fiscal year ending on or before June
 57 30, 1991, (5) all authorized indebtedness to fund the program created
 58 pursuant to section 32-285, (6) all authorized and issued indebtedness
 59 to fund any budget deficits of the state for any fiscal year ending on or
 60 before June 30, 2002, (7) all indebtedness authorized and issued
 61 pursuant to section 1 of public act 03-1 of the September 8 special
 62 session*, (8) all authorized indebtedness issued pursuant to section 3-
 63 62h, (9) any indebtedness represented by any agreement entered into
 64 pursuant to subsection (b) or (c) of section 3-20a as certified by the
 65 Treasurer, provided the indebtedness in connection with which such
 66 agreements were entered into shall be included in such aggregate
 67 amount of indebtedness, and (10) all indebtedness authorized and
 68 issued pursuant to section 3-20g. In computing the amount of
 69 outstanding indebtedness, only the accreted value of any capital
 70 appreciation obligation or any zero coupon obligation which has
 71 accreted and been added to the stated initial value of such obligation
 72 as of the date of any computation shall be included.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	New section
Sec. 2	<i>July 1, 2010</i>	3-21(a)

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]