



General Assembly

Amendment

February Session, 2010

LCO No. 3766

SB0044303766SR0

Offered by:

SEN. MCKINNEY, 28th Dist.

SEN. FASANO, 34th Dist.

To: Senate Bill No. **443**

File No. 519

Cal. No. 339

**"AN ACT CONCERNING THE CANCELLATION OF UNISSUED
BOND FUND AUTHORIZATIONS."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (*Effective from passage*) The Secretary of the Office of Policy
4 and Management, in consultation with the State Treasurer, shall, on or
5 before October 1, 2010, and annually thereafter, submit a report, in
6 accordance with section 11-4a of the general statutes, to the joint
7 standing committee of the General Assembly having cognizance of
8 matters relating to finance, revenue and bonding. Such report shall (1)
9 identify each item of authorization for general obligation bonds of the
10 state that was enacted prior to January first in the year five years prior
11 to the year of the report, and that has not appeared on an agenda of the
12 State Bond Commission, and (2) recommend cancellation of such
13 items, where prudent and appropriate. Prior to January 1, 2010, and
14 annually thereafter, said joint standing committee shall meet to
15 consider the recommendations included in such report.

16 Sec. 502. Section 3-16 of the general statutes is repealed and the
17 following is substituted in lieu thereof (*Effective October 1, 2010*):

18 The Treasurer is authorized, subject to the approval of the
19 Governor, to borrow such funds, from time to time, as may be
20 necessary, and to issue the obligations of the state therefor, signed by
21 him as Treasurer, which obligations shall be binding on the state and
22 shall be redeemed by the Treasurer whenever, in his opinion, there are
23 funds in the Treasury available for such purpose, provided the
24 authority vested with the Treasurer to borrow such funds shall be for a
25 period of time not to exceed one hundred eighty days from the date of
26 the Governor's approval. Prior to any such borrowing, (1) the joint
27 standing committee of the General Assembly having cognizance of
28 matters relating to finance, revenue and bonding shall hold a public
29 hearing on any proposed borrowing by the Treasurer not later than
30 thirty days after the date upon which the Treasurer notifies said
31 committee of the Treasurer's intention to borrow funds, and (2) the
32 Treasurer shall submit a detailed plan on such proposed borrowing to
33 the Governor and the majority and minority leaders of the House and
34 Senate that includes the amount of funds the Treasurer proposes to
35 borrow and the purposes of such borrowing. At the conclusion of the
36 authorized bonding period, the Treasurer shall report to the Governor
37 and the joint standing committee of the General Assembly having
38 cognizance of matters relating to finance, revenue and bonding, in
39 accordance with the provisions of section 11-4a, regarding the amount
40 borrowed during the authorized bonding period and the manner in
41 which such borrowed funds were spent.

42 Sec. 503. Section 3-16 of the general statutes is repealed and the
43 following is substituted in lieu thereof (*Effective October 1, 2010*):

44 The Treasurer is authorized, subject to the approval of the
45 Governor, to borrow such funds, from time to time, as may be
46 necessary, and to issue the obligations of the state therefor, signed by
47 him as Treasurer, which obligations shall be binding on the state and
48 shall be redeemed by the Treasurer whenever, in his opinion, there are

49 funds in the Treasury available for such purpose, provided the
50 authority vested with the Treasurer pursuant to this section shall be for
51 a period of time not to exceed ninety days from the date of the
52 Governor's approval.

53 Sec. 504. Subsection (d) of section 13b-76 of the 2010 supplement to
54 the general statutes is repealed and the following is substituted in lieu
55 thereof (*Effective October 1, 2010*):

56 (d) The debt service requirements with respect to any bonds and
57 bond anticipation notes issued pursuant to sections 13b-74 to 13b-77,
58 inclusive, shall be secured by (1) a first call upon the pledged revenues
59 as they are received by the state and credited to the Special
60 Transportation Fund established under section 13b-68, and (2) a lien
61 upon any and all amounts held to the credit of said Special
62 Transportation Fund from time to time, provided said lien shall not
63 extend to amounts held to the credit of such Special Transportation
64 Fund which represent [(A) amounts borrowed by the Treasurer in
65 anticipation of state revenues pursuant to section 3-16, or (B)]
66 transportation-related federal revenues of the state. Any obligation of
67 the state secured by said lien to pay the unrefunded principal of bond
68 anticipation notes, including for this purpose any obligation of the
69 state under a reimbursement agreement entered into in connection
70 with a credit facility providing for payment of the unrefunded
71 principal of bond anticipation notes, shall be subordinate to any
72 obligation of the state secured by said lien to pay [(i) (A) the debt
73 service requirements with respect to bonds, or [(ii) (B) any debt
74 service requirements with respect to bond anticipation notes other
75 than debt service requirements relating to unrefunded principal of
76 bond anticipation notes or to obligations under a credit facility for the
77 payment of such unrefunded principal. The debt service requirements
78 with respect to bonds and bond anticipation notes also may be secured
79 by a pledge of reserves, sinking funds and any other funds and
80 accounts, including proceeds from investment of any of the foregoing,
81 established pursuant to sections 3-21a, 3-27a, 3-27f, 12-458 and 12-458d,
82 subsection (c) of section 13a-80a, sections 13a-175p to 13a-175u,

83 inclusive, subsection (f) of section 13b-42, sections 13b-59, 13b-61, 13b-
84 69, 13b-71, 13b-74 to 13b-77, inclusive, and 13b-80, subsection (a) of
85 section 13b-97, subsection (a) of section 14-12, sections 14-15, 14-16a
86 and 14-21c, subsection (a) of section 14-25a, section 14-28, subsection
87 (b) of section 14-35, subsection (b) of section 14-41, section 14-41a,
88 subsection (a) of section 14-44, sections 14-47, 14-48b, 14-49 and 14-50,
89 subsection (a) of section 14-50a, sections 14-52 and 14-58, subsection (c)
90 of section 14-66, subsection (e) of section 14-67, sections 14-67a, 14-67d,
91 14-67l and 14-69, subsection (e) of section 14-73, subsection (c) of
92 section 14-96q, sections 14-103a and 14-160, subsection (a) of section
93 14-164a, subsection (a) of section 14-192, sections 14-319, 14-320 and 14-
94 381, subsection (b) of section 14-382 and sections 15-14 and 16-299 or
95 the proceedings authorizing the issuance of such bonds, and by
96 moneys paid under a credit facility, including, but not limited to, a
97 letter of credit or policy of bond insurance, issued by a financial
98 institution pursuant to an agreement authorized by such proceedings.

99 Sec. 505. Section 3-16 of the general statutes is repealed and the
100 following is substituted in lieu thereof (*Effective July 1, 2010*):

101 The Treasurer [is authorized] may, subject to the approval of the
102 Governor, [to] borrow such funds, from time to time, as may be
103 necessary, and [to] issue the obligations of the state therefor, signed by
104 [him as] the Treasurer, [which] provided any such obligation is limited
105 to a specific dollar amount as set forth in the obligation. Such
106 obligations shall be binding on the state and shall be redeemed by the
107 Treasurer whenever, in [his] the Treasurer's opinion, there are funds in
108 the Treasury available for such purpose, provided no such redemption
109 shall occur later than one year from the time of such approval by the
110 Governor."