



Senate

General Assembly

File No. 797

January Session, 2011

Substitute Senate Bill No. 1004

Senate, May 11, 2011

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 substitute bill ought to pass.

AN ACT CONCERNING THE AUTHORIZATION OF SPECIAL TAX OBLIGATION BONDS OF THE STATE FOR CERTAIN TRANSPORTATION PURPOSES.

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

1 Section 1. (*Effective July 1, 2011*) The State Bond Commission shall
2 have power, in accordance with the provisions of sections 1 to 6,
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 \$578,649,193.

6 Sec. 2. (*Effective July 1, 2011*) The proceeds of the sale of bonds
7 described in sections 1 to 6, inclusive, of this act, to the extent
8 hereinafter stated, shall be used for the purpose of payment of the
9 transportation costs, as defined in subdivision (6) of section 13b-75 of
10 the general statutes, with respect to the projects and uses hereinafter
11 described, which projects and uses are hereby found and determined
12 to be in furtherance of one or more of the authorized purposes for the

13 issuance of special tax obligation bonds set forth in section 13b-74 of
14 the general statutes.

15 For the Department of Transportation:

16 (a) For the Bureau of Engineering and Highway Operations:

17 (1) Interstate Highway Program, not exceeding \$13,000,000;

18 (2) Urban Systems Projects, not exceeding \$8,500,000;

19 (3) Intrastate Highway Program, not exceeding \$44,000,000;

20 (4) Environmental compliance, soil and groundwater remediation,
21 hazardous materials abatement, demolition, salt shed construction and
22 renovation, storage tank replacement, and environmental emergency
23 response at or in the vicinity of state-owned properties or related to
24 Department of Transportation operations, not exceeding \$13,000,000;

25 (5) State bridge improvement, rehabilitation and replacement
26 projects, not exceeding \$33,000,000;

27 (6) Capital resurfacing and related reconstruction, not exceeding
28 \$137,800,000;

29 (7) Fix-it-First program to repair the state's roads, not exceeding
30 \$39,146,000;

31 (8) Fix-it-First program to repair the state's bridges, not exceeding
32 \$66,150,000;

33 (9) Improvement and repair of rail freight bridge between Hartford
34 and East Hartford, not exceeding \$3,000,200.

35 (b) For the Bureau of Aviation and Ports:

36 (1) Reconstruction and improvements to the warehouse and State
37 Pier, New London, including site improvements and improvements to
38 ferry slips, not exceeding \$780,000;

39 (2) Development and improvement of general aviation airport
40 facilities including grants-in-aid to municipal airports, excluding
41 Bradley International Airport, not exceeding \$2,000,000.

42 (c) For the Bureau of Public Transportation:

43 (1) Bus and rail facilities and equipment, including rights-of-way,
44 other property acquisition and related projects, not exceeding
45 \$156,722,000;

46 (2) Demolition of one hundred seventy-five thousand square feet of
47 obsolete mill structures related to the Barnum train station project in
48 Bridgeport, not exceeding \$2,500,000;

49 (3) Construction of a catwalk over the railroad tracks separating the
50 Columbus Circle area and McAuliffe Park in East Hartford, not
51 exceeding \$230,000.

52 (d) For the Bureau of Administration:

53 (1) Department facilities, not exceeding \$37,520,993;

54 (2) Cost of issuance of special tax obligation bonds and debt service
55 reserve, not exceeding \$21,300,000.

56 Sec. 3. (*Effective July 1, 2011*) None of the bonds described in sections
57 1 to 6, inclusive, of this act shall be authorized except upon a finding
58 by the State Bond Commission that there has been filed with it (1) a
59 request for such authorization, which is signed by the Secretary of the
60 Office of Policy and Management or by or on behalf of such state
61 officer, department or agency and stating such terms and conditions as
62 said commission, in its discretion, may require, and (2) any capital
63 development impact statement and any human services facility
64 colocation statement required to be filed with the Secretary of the
65 Office of Policy and Management pursuant to section 4b-31 of the
66 general statutes, any advisory report regarding the state conservation
67 and development policies plan required pursuant to section 16a-31 of
68 the general statutes, and any statement regarding farm land required

69 pursuant to subsection (g) of section 3-20 of the general statutes and
70 section 22-6 of the general statutes, provided the State Bond
71 Commission may authorize said bonds without a finding that the
72 reports and statements required by subdivision (2) of this section have
73 been filed with it if said commission authorizes the secretary of said
74 commission to accept such reports and statements on its behalf. No
75 funds derived from the sale of bonds authorized by said commission
76 without a finding that the reports and statements required by
77 subdivision (2) of this section have been filed with it shall be allotted
78 by the Governor for any project until the reports and statements
79 required by subdivision (2) of this section, with respect to such project,
80 have been filed with the secretary of said commission.

81 Sec. 4. (*Effective July 1, 2011*) For the purposes of sections 1 to 6,
82 inclusive, of this act, each request filed, as provided in section 3 of this
83 act, for an authorization of bonds shall identify the project for which
84 the proceeds of the sale of such bonds are to be used and expended
85 and, in addition to any terms and conditions required pursuant to said
86 section 3, include the recommendation of the person signing such
87 request as to the extent to which federal, private or other moneys then
88 available or thereafter to be made available for costs in connection with
89 any such project should be added to the state moneys available or
90 becoming available from the proceeds of bonds and temporary notes
91 issued in anticipation of the receipt of the proceeds of bonds. If the
92 request includes a recommendation that some amount of such federal,
93 private or other moneys should be added to such state moneys, then, if
94 and to the extent directed by the State Bond Commission at the time of
95 authorization of such bonds, such amount of such federal, private or
96 other moneys then available or thereafter to be made available for
97 costs in connection with such project shall be added to such state
98 moneys.

99 Sec. 5. (*Effective July 1, 2011*) Any balance of proceeds of the sale of
100 bonds authorized for the projects or purposes of section 2 of this act, in
101 excess of the aggregate costs of all the projects so authorized, shall be
102 used in the manner set forth in sections 13b-74 to 13b-77, inclusive, of

103 the general statutes, and in the proceedings of the State Bond
104 Commission respecting the issuance and sale of said bonds.

105 Sec. 6. (*Effective July 1, 2011*) Bonds issued pursuant to sections 1 to
106 6, inclusive, of this act, shall be special obligations of the state and shall
107 not be payable from or charged upon any funds other than revenues of
108 the state pledged therefor in subsection (b) of section 13b-61 of the
109 general statutes and section 13b-61a of the general statutes, or such
110 other receipts, funds or moneys as may be pledged therefor. Said
111 bonds shall not be payable from or charged upon any funds other than
112 such pledged revenues or such other receipts, funds or moneys as may
113 be pledged therefor, nor shall the state or any political subdivision
114 thereof be subject to any liability thereon, except to the extent of such
115 pledged revenues or such other receipts, funds or moneys as may be
116 pledged therefor. Said bonds shall be issued under and in accordance
117 with the provisions of sections 13b-74 to 13b-77, inclusive, of the
118 general statutes.

119 Sec. 7. (*Effective July 1, 2012*) The State Bond Commission shall have
120 power, in accordance with the provisions of sections 7 to 12, inclusive,
121 of this act, from time to time to authorize the issuance of special tax
122 obligation bonds of the state in one or more series and in principal
123 amounts in the aggregate, not exceeding \$515,239,168.

124 Sec. 8. (*Effective July 1, 2012*) The proceeds of the sale of bonds
125 described in sections 7 to 12, inclusive, of this act, to the extent
126 hereinafter stated, shall be used for the purpose of payment of the
127 transportation costs, as defined in subdivision (6) of section 13b-75 of
128 the general statutes, with respect to the projects and uses hereinafter
129 described, which projects and uses are hereby found and determined
130 to be in furtherance of one or more of the authorized purposes for the
131 issuance of special tax obligation bonds set forth in section 13b-74 of
132 the general statutes.

133 For the Department of Transportation:

134 (a) For the Bureau of Engineering and Highway Operations:

- 135 (1) Interstate Highway Program, not exceeding \$14,950,000;
- 136 (2) Urban Systems Projects, not exceeding \$8,500,000;
- 137 (3) Intrastate Highway Program, not exceeding \$44,000,000;
- 138 (4) Environmental compliance, soil and groundwater remediation,
139 hazardous materials abatement, demolition, salt shed construction and
140 renovation, storage tank replacement, and environmental emergency
141 response at or in the vicinity of state-owned properties or related to
142 Department of Transportation operations, not exceeding \$11,205,000;
- 143 (5) State bridge improvement, rehabilitation and replacement
144 projects, not exceeding \$33,000,000;
- 145 (6) Capital resurfacing and related reconstruction projects, not
146 exceeding \$68,900,000;
- 147 (7) Fix-it-First program to repair the state's roads, not exceeding
148 \$57,600,000;
- 149 (8) Fix-it-First program to repair the state's bridges, not exceeding
150 \$64,129,000.
- 151 (b) For the Bureau of Aviation and Ports:
 - 152 (1) Reconstruction and improvements to the warehouse and State
153 Pier, New London, including site improvements and improvements to
154 ferry slips, not exceeding \$6,100,000;
 - 155 (2) Development and improvements of general aviation airport
156 facilities including grants-in-aid to municipal airports, excluding
157 Bradley International Airport, not exceeding \$2,000,000.
- 158 (c) For the Bureau of Public Transportation: Bus and rail facilities
159 and equipment, including rights-of-way, other property acquisition
160 and related projects, not exceeding \$167,000,000.
- 161 (d) For the Bureau of Administration:

162 (1) Department facilities, not exceeding \$16,555,168;

163 (2) Cost of issuance of special tax obligation bonds and debt service
164 reserve, not exceeding \$21,300,000.

165 Sec. 9. (*Effective July 1, 2012*) None of the bonds described in sections
166 7 to 12, inclusive, of this act shall be authorized except upon a finding
167 by the State Bond Commission that there has been filed with it (1) a
168 request for such authorization, which is signed by the Secretary of the
169 Office of Policy and Management or by or on behalf of such state
170 officer, department or agency and stating such terms and conditions as
171 said commission, in its discretion, may require, and (2) any capital
172 development impact statement and any human services facility
173 colocation statement required to be filed with the Secretary of the
174 Office of Policy and Management pursuant to section 4b-31 of the
175 general statutes, any advisory report regarding the state conservation
176 and development policies plan required pursuant to section 16a-31 of
177 the general statutes, and any statement regarding farm land required
178 pursuant to subsection (g) of section 3-20 of the general statutes, and
179 section 22-6 of the general statutes, provided the State Bond
180 Commission may authorize said bonds without a finding that the
181 reports and statements required by subdivision (2) of this section have
182 been filed with it if said commission authorizes the secretary of said
183 commission to accept such reports and statements on its behalf. No
184 funds derived from the sale of bonds authorized by said commission
185 without a finding that the reports and statements required by
186 subdivision (2) of this section have been filed with it shall be allotted
187 by the Governor for any project until the reports and statements
188 required by subdivision (2) of this section, with respect to such project,
189 have been filed with the secretary of said commission.

190 Sec. 10. (*Effective July 1, 2012*) For the purposes of sections 7 to 12,
191 inclusive, of this act, each request filed, as provided in section 9 of this
192 act, for an authorization of bonds shall identify the project for which
193 the proceeds of the sale of such bonds are to be used and expended
194 and, in addition to any terms and conditions required pursuant to said

195 section 9, include the recommendation of the person signing such
196 request as to the extent to which federal, private or other moneys then
197 available or thereafter to be made available for costs in connection with
198 any such project should be added to the state moneys available or
199 becoming available from the proceeds of bonds and temporary notes
200 issued in anticipation of the receipt of the proceeds of bonds. If the
201 request includes a recommendation that some amount of such federal,
202 private or other moneys should be added to such state moneys, then, if
203 and to the extent directed by the State Bond Commission at the time of
204 authorization of such bonds, such amount of such federal, private or
205 other moneys then available or thereafter to be made available for
206 costs in connection with such project shall be added to such state
207 moneys.

208 Sec. 11. (*Effective July 1, 2012*) Any balance of proceeds of the sale of
209 the bonds authorized for the projects or purposes of section 8 of this
210 act, in excess of the aggregate costs of all the projects so authorized,
211 shall be used in the manner set forth in sections 13b-74 to 13b-77,
212 inclusive, of the general statutes, and in the proceedings of the State
213 Bond Commission respecting the issuance and sale of said bonds.

214 Sec. 12. (*Effective July 1, 2012*) Bonds issued pursuant to sections 7 to
215 12, inclusive, of this act, shall be special obligations of the state and
216 shall not be payable from or charged upon any funds other than
217 revenues of the state pledged therefor in subsection (b) of section 13b-
218 61, and section 13b-61a of the general statutes, or such other receipts,
219 funds or moneys as may be pledged therefor. Said bonds shall not be
220 payable from or charged upon any funds other than such pledged
221 revenues or such other receipts, funds or moneys as may be pledged
222 therefor, nor shall the state or any political subdivision thereof be
223 subject to any liability thereon, except to the extent of such pledged
224 revenues or such other receipts, funds or moneys as may be pledged
225 therefor. Said bonds shall be issued under and in accordance with the
226 provisions of sections 13b-74 to 13b-77, inclusive, of the general
227 statutes.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2011</i>	New section
Sec. 2	<i>July 1, 2011</i>	New section
Sec. 3	<i>July 1, 2011</i>	New section
Sec. 4	<i>July 1, 2011</i>	New section
Sec. 5	<i>July 1, 2011</i>	New section
Sec. 6	<i>July 1, 2011</i>	New section
Sec. 7	<i>July 1, 2012</i>	New section
Sec. 8	<i>July 1, 2012</i>	New section
Sec. 9	<i>July 1, 2012</i>	New section
Sec. 10	<i>July 1, 2012</i>	New section
Sec. 11	<i>July 1, 2012</i>	New section
Sec. 12	<i>July 1, 2012</i>	New section

FIN *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Treasurer, Debt Serv.	TF - Cost	See Below	See Below

Note: TF=Transportation Fund

Municipal Impact: None

Explanation

The bill authorizes \$578.6 million in FY 12 and \$515.2 million in FY 13 in Special Tax Obligation (STO) bonds to the Department of Transportation for a variety of transportation-related projects. The total Transportation Fund debt service cost for principal and interest payments on: (a) \$578.6 million over 20 years, assuming a 5.5% interest rate, is \$968.4 million (comprised of \$389.8 million in interest and \$578.6 million in principal) and (b) \$515.2 million over 20 years, assuming a 5.5% interest rate, is \$862.3.5 million (comprised of \$347.1 million in interest and \$515.2 million in principal). 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.

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**sSB 1004****AN ACT CONCERNING THE AUTHORIZATION OF SPECIAL TAX OBLIGATION BONDS OF THE STATE FOR CERTAIN TRANSPORTATION PURPOSES.****SUMMARY:**

This bill authorizes up to \$578.6 million in special tax obligation (STO) bonds for FY 12 and up to \$515.2 million for FY 13 for transportation-related projects, including “Fix-It-First” state road and bridge repair programs; Department of Transportation (DOT) capital improvements and highway maintenance projects; and capital projects for ports and aviation and public transportation.

The bonds are payable from the Special Transportation Fund and are subject to the regular procedures for issuing such bonds.

EFFECTIVE DATE: July 1, 2011 for FY 12 authorizations and July 1, 2012 for FY 13 authorizations.

AUTHORIZATIONS

Table 1 lists the amounts and purposes of the bill’s STO bond authorizations.

Table 1: STO Bond Authorizations for DOT Projects

<i>AUTHORIZED PROGRAM AREAS</i>	<i>FY 12</i>	<i>FY 13</i>
<i>Bureau of Engineering and Highway Operations</i>		
Interstate highway program	\$13,000,000	\$14,950,000
Urban systems projects	8,500,000	8,500,000
Intrastate highway program	44,000,000	44,000,000
Environmental compliance, soil and groundwater remediation, hazardous materials abatement, demolition, salt shed construction and renovation, storage tank replacement, and environmental and emergency response at or near state-owned property or	13,000,000	11,205,000

related to DOT operations		
State bridge improvement, rehabilitation, and replacement	33,000,000	33,000,000
Capital resurfacing and related construction	137,800,000	68,900,000
Fix-It-First road repair program	39,146,000	57,600,000
Fix-It-First bridge repair program	66,150,000	64,129,000
Improvement and repair of a rail freight bridge between Hartford and East Hartford	3,000,200	0
<i>Bureau of Aviation and Ports</i>		
Reconstruction and improvements to the warehouse and State Pier in New London, including site and ferry slip improvements	\$780,000	\$6,100,000
Developing and improving general aviation airports, including grants to municipal airports excluding Bradley International Airport	2,000,000	2,000,000
<i>Bureau of Public Transportation</i>		
Bus and rail facilities and equipment, including rights-of-way, other property acquisition, and related projects	156,722,000	167,000,000
Demolition of 175,000 square feet of obsolete mill structures related to the Barnum train station project in Bridgeport	2,500,000	0
Construction of a catwalk over the railroad tracks separating the Columbus Circle area from McAuliffe Park in East Hartford	230,000	0
<i>Bureau of Administration</i>		
DOT facilities	\$37,520,993	\$16,555,168
STO bonds, cost of issuance and debt service reserve	21,300,000	21,300,000
TOTAL	\$578,649,193	\$515,239,168

BACKGROUND

Related Act

SA 11-1 already authorized up to \$68.9 million in STO bonds for use by DOT's Bureau of Engineering and Highway Operations for capital resurfacing and related road reconstruction projects. SA 11-1 took effect on March 21, 2011.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 52 Nay 0 (04/21/2011)