



Senate

General Assembly

File No. 373

February Session, 2012

Substitute Senate Bill No. 375

Senate, April 11, 2012

The Committee on Environment reported through SEN. MEYER of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING REIMBURSEMENT UNDER THE UNDERGROUND STORAGE TANK PETROLEUM CLEAN-UP PROGRAM.

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

1 Section 1. (NEW) (*Effective July 1, 2012*) (a) For the purposes
2 described in subsection (b) of this section, the State Bond Commission
3 shall have the power from time to time to authorize the issuance of
4 bonds of the state in one or more series and in principal amounts not
5 exceeding in the aggregate eight million dollars.

6 (b) The proceeds of the sale of said bonds, to the extent of the
7 amount stated in subsection (a) of this section, shall be used by the
8 Underground Storage Tank Petroleum Clean-Up Review Board,
9 established in section 22a-449d of the general statutes, for the purpose
10 of payment or reimbursement ordered pursuant to said section 22a-
11 449d.

12 (c) All provisions of section 3-20 of the general statutes, or the

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2012	New section

ENV *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 13 \$	FY 14 \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill authorizes \$8 million in General Obligation (GO) bonds for Underground Storage Tank Petroleum Clean-Up Program. The total General Fund debt service cost for principal and interest payments to bond this amount over 20 years at a 5.0% interest rate is \$12.2 million (comprised of \$4.2 million in interest and \$8 million in principal). The first year that the state will experience debt service 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 General Fund fiscal impact identified above would continue into the future for the term of issuance of the bonds.

OLR Bill Analysis

sSB 375

AN ACT CONCERNING REIMBURSEMENT UNDER THE UNDERGROUND STORAGE TANK PETROLEUM CLEAN-UP PROGRAM.

SUMMARY:

This bill authorizes up to \$8 million in state general obligation bonds and requires the Underground Storage Tank Petroleum Clean-Up Review Board to use the proceeds for payment or reimbursement of approved claims. The bonds are subject to standard statutory bond issuance procedures and repayment requirements.

EFFECTIVE DATE: July 1, 2012

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 21 Nay 8 (03/23/2012)