



General Assembly

Substitute Bill No. 1044

January Session, 2013



AN ACT CONCERNING THE CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY.

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

1 Section 1. Subsection (a) of section 10a-186a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2013*):

4 (a) In connection with the issuance of bonds to finance a project at a
5 participating nursing home or to refund bonds previously issued by
6 the authority to finance a project at a participating nursing home, or in
7 connection with the issuance of bonds to effect a refinancing or other
8 restructuring with respect to one or more participating nursing homes
9 as permitted by subsection (b) of this section, to finance dormitories,
10 residential facilities, student centers, food service facilities and other
11 auxiliary service facilities and related buildings and improvements at a
12 public educational institution, to finance The University of Connecticut
13 Health Center clinical services projects, as defined in subsection (g) of
14 section 10a-114a, or to finance up to one hundred million dollars, in the
15 aggregate, for a project, as defined in subsection (b) of section 10a-178,
16 or equipment, including installation and any necessary building
17 renovations or alterations for the installation and operation of such
18 project or equipment, for participating health care institutions at the
19 discretion of the Secretary of the Office of Policy and Management and

20 the Treasurer, the authority may create and establish one or more
21 reserve funds to be known as special capital reserve funds and may
22 pay into such special capital reserve funds (1) any moneys
23 appropriated and made available by the state for the purposes of such
24 funds, (2) any proceeds of the sale of notes or bonds for a project, to the
25 extent provided in the resolution of the authority authorizing the
26 issuance thereof, and (3) any other moneys which may be made
27 available to the authority for the purpose of such funds from any other
28 source or sources. The moneys held in or credited to any special capital
29 reserve fund established under this section, except as hereinafter
30 provided, shall be used solely for the payment of the principal of and
31 interest, when due, whether at maturity or by mandatory sinking fund
32 installments, on bonds of the authority secured by such capital reserve
33 fund as the same become due, the purchase of such bonds of the
34 authority, the payment of any redemption premium required to be
35 paid when such bonds are redeemed prior to maturity, including in
36 any such case by way of reimbursement of a provider of bond
37 insurance or of a credit or liquidity facility that has paid such amounts;
38 provided the authority shall have power to provide that moneys in
39 any such fund shall not be withdrawn therefrom at any time in such
40 amount as would reduce the amount of such funds to less than the
41 maximum amount of principal and interest becoming due by reasons
42 of maturity or a required sinking fund installment in the then current
43 or any succeeding calendar year on the bonds of the authority then
44 outstanding or the maximum amount permitted to be deposited in
45 such fund by the Internal Revenue Code of 1986, or any subsequent
46 corresponding internal revenue code of the United States, as from time
47 to time amended, to permit the interest on such bonds to be excluded
48 from gross income for federal tax purposes and secured by such
49 special capital reserve fund, such amount being herein referred to as
50 the "required minimum capital reserve", except for the purpose of
51 paying such principal of, redemption premium and interest on such
52 bonds of the authority secured by such special capital reserve
53 becoming due and for the payment of which other moneys of the
54 authority are not available. The authority may provide that it shall not

55 issue bonds secured by a special capital reserve fund at any time if the
56 required minimum capital reserve on the bonds outstanding and the
57 bonds then to be issued and secured by the same special capital
58 reserve fund at the time of issuance, unless the authority, at the time of
59 the issuance of such bonds, shall deposit in such special capital reserve
60 fund from the proceeds of the bonds so to be issued, or otherwise, an
61 amount which, together with the amount then in such special capital
62 reserve fund, will be not less than the required minimum capital
63 reserve. On or before December first, annually, there is deemed to be
64 appropriated from the state General Fund such sums, if any, as shall be
65 certified by the chairman or vice-chairman of the authority to the
66 Secretary of the Office of Policy and Management and the Treasurer of
67 the state, as necessary to restore each such special capital reserve fund
68 to the amount equal to the required minimum capital reserve of such
69 fund, and such amounts shall be allotted and paid to the authority. For
70 the purpose of evaluation of any such special capital reserve fund,
71 obligations acquired as an investment for any such fund shall be
72 valued at market. Nothing contained in this section shall preclude the
73 authority from establishing and creating other debt service reserve
74 funds in connection with the issuance of bonds or notes of the
75 authority which are not special capital reserve funds. Subject to any
76 agreement or agreements with holders of outstanding notes and bonds
77 of the authority, any amount or amounts allotted and paid to the
78 authority pursuant to this section shall be repaid to the state from
79 moneys of the authority at such time as such moneys are not required
80 for any other of its corporate purposes and in any event shall be repaid
81 to the state on the date one year after all bonds and notes of the
82 authority theretofore issued on the date or dates such amount or
83 amounts are allotted and paid to the authority or thereafter issued,
84 together with interest on such bonds and notes, with interest on any
85 unpaid installments of interest and all costs and expenses in
86 connection with any action or proceeding by or on behalf of the
87 holders thereof, are fully met and discharged. No bonds secured by a
88 special capital reserve fund shall be issued to pay project costs unless
89 the authority is of the opinion and determines that the revenues from

90 the project shall be sufficient (A) to pay the principal of and interest on
91 the bonds issued to finance the project, (B) to establish, increase and
92 maintain any reserves deemed by the authority to be advisable to
93 secure the payment of the principal of and interest on such bonds, (C)
94 to pay the cost of maintaining the project in good repair and keeping it
95 properly insured, and (D) to pay such other costs of the project as may
96 be required.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	10a-186a(a)

HED *Joint Favorable Subst.*