



House of Representatives

General Assembly

File No. 588

January Session, 2013

Substitute House Bill No. 6602

House of Representatives, April 22, 2013

The Committee on Finance, Revenue and Bonding reported through REP. WIDLITZ of the 98th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING A RENEWAL PERIOD FOR CERTAIN TEMPORARY NOTES.

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

1 Section 1. (*Effective from passage*) Notwithstanding the provisions of
2 sections 7-378, 7-378a, 10-56 and 10-287f of the general statutes, and
3 any other public or special act or charter or bond ordinance or bond
4 resolution that limits the issuance or renewal of temporary notes
5 issued in anticipation of the receipt of state school building project
6 grants, temporary notes issued by the town of Seymour on November
7 15, 2012, may be renewed for a period extending past such temporary
8 notes' May 1, 2013, maturity, provided such temporary notes shall not
9 be renewed for a period extending past May 1, 2014.

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

Section 1	<i>from passage</i>	New section
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Statement of Legislative Commissioners:

Sections 10-56 and 10-278f of the general statutes were added to the "notwithstanding" phrase, for accuracy, and the phrase "for a period extending past" was added to clarify that the dates herein are the deadlines for maturity, rather than for renewal.

FIN *Joint Favorable Subst. -LCO*

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: None

Municipal Impact:

Municipalities	Effect	FY 13 \$	FY 14 \$
Seymour	Cash Flow Relief	552,070	None

Explanation

Allowing Seymour to renew \$1.3 million in temporary notes past the statutory limit will provide the town with cash-flow relief of \$552,070. The town is waiting for final payment from the state related to a middle school project, which will be used to pay off the notes. However, the town does not expect to receive the payment until after the May 1, 2013 maturity date of the notes.

Background

The temporary notes issued by Seymour for its middle school project have reached the statutory limit of 10 years from the initial issuance date. Due to project delays and litigation, the town did not submit its final paperwork for processing at the state Bureau of School Facilities until recently and it does not expect to receive the reimbursement needed to pay off the temporary notes until after their maturity date.

The Out Years

The bill has no out year impact.

OLR Bill Analysis

sHB 6602

***AN ACT CONCERNING A RENEWAL PERIOD FOR CERTAIN
TEMPORARY NOTES.***

SUMMARY:

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 51 Nay 0 (04/04/2013)