



# House of Representatives

General Assembly

**File No. 469**

February Session, 2014

Substitute House Bill No. 5467

*House of Representatives, April 9, 2014*

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 PROCEDURES FOR DEBT CERTIFICATIONS AND THE TAX EXPENDITURE REPORT.***

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

1 Section 1. Subsection (d) of section 3-21 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2014*):

4 (d) The General Assembly shall not approve any bill which  
5 authorizes the issuance of any bonds, notes or other evidences of  
6 indebtedness unless such bill has attached to it a certification by the  
7 Treasurer that the amount of authorizations within the bill will not  
8 cause the total amount of indebtedness calculated in accordance with  
9 this section to exceed the limit for indebtedness set forth in this section.  
10 The president pro tempore of the Senate or the speaker of the House of  
11 Representatives, or their designees, shall notify the Treasurer prior to  
12 consideration of such bill in the first chamber.

13 Sec. 2. Subsection (e) of section 12-7b of the general statutes is  
 14 repealed and the following is substituted in lieu thereof (*Effective*  
 15 *October 1, 2014*):

16 (e) On or before [January 1, 1995] February 1, 2016, and biennially  
 17 thereafter, the legislative Office of Fiscal Analysis shall, within  
 18 available appropriations, prepare and submit a tax expenditure report  
 19 to the joint standing committee of the General Assembly having  
 20 cognizance of all matters relating to finance, revenue and bonding. For  
 21 the purposes of this subsection, "tax expenditure" means a tax  
 22 exemption, exclusion, deduction or credit created under the general  
 23 statutes or a public act and resulting in less tax revenue to the state or  
 24 municipalities than they would otherwise receive. Each such report  
 25 shall provide the following information for each tax expenditure: (1) A  
 26 description of the tax expenditure; (2) the year in which the tax  
 27 expenditure was enacted, the purpose for its enactment and a  
 28 summary of any amendments to the tax expenditure since its  
 29 enactment; (3) the estimated state and municipal fiscal impact of the  
 30 tax expenditure during each fiscal year of the then current biennium,  
 31 and an estimate of the revenue that would result from repeal of the tax  
 32 expenditure; and (4) an estimate of the number of taxpayers receiving  
 33 benefit from the tax expenditure. Upon receipt of each tax expenditure  
 34 report the joint standing committee of the General Assembly having  
 35 cognizance of matters relating to finance, revenue and bonding shall  
 36 meet to receive and analyze the report.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	3-21(d)
Sec. 2	<i>October 1, 2014</i>	12-7b(e)

**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:** None**Municipal Impact:** None**Explanation**

The bill clarifies responsibility for requesting a debt certification from the Office of the State Treasurer prior to the approval of any bill which authorizes the issuance of General Obligation bonds, notes or other evidences of General Fund indebtedness. The bill also delays by one month publication of the biennial Tax Expenditure Report by the Office of Fiscal Analysis.<sup>1</sup> The bill moves the deadline for the publication from January 1 to February 1. These administrative changes have no fiscal impact.

**The Out Years****State Impact:** None**Municipal Impact:** None

---

<sup>1</sup> The most recent Tax Expenditure Report was completed on December 31, 2013 and published in January 2014. The impact of the bill would be to delay completion and publication of the next biennial Tax Expenditure Report from January 1, 2016 to February 1, 2016.

**OLR Bill Analysis****sHB 5467*****AN ACT CONCERNING PROCEDURES FOR DEBT CERTIFICATIONS AND THE TAX EXPENDITURE REPORT.*****SUMMARY:**

This bill requires the Senate president pro tempore and the House speaker or their designees to notify the treasurer before the first chamber considers any bill authorizing the issuance of bonds, notes, or debt instruments. Except in certain circumstances, the law already requires the treasurer to certify that the bills will not cause the state's debt to exceed the statutory limit before the legislature can approve them.

The bill delays, from January 1, 2015 to February 1, 2016, the deadline by which the Office of Fiscal Analysis must prepare and submit the next biennial tax expenditure report to the Finance, Revenue and Bonding Committee

EFFECTIVE DATE: October 1, 2014

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 47      Nay 3      (03/25/2014)