



# House of Representatives

General Assembly

**File No. 373**

January Session, 2015

House Bill No. 6857

*House of Representatives, April 1, 2015*

The Committee on Transportation reported through REP. GUERRERA of the 29th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT PROTECTING TRANSPORTATION FUNDS.***

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

1 Section 1. Section 13b-68 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) There is established a fund to be known as the "Special  
4 Transportation Fund". The fund [may] shall contain any moneys  
5 required or permitted by law to be deposited in the fund and any  
6 moneys recovered by the state for overpayments, improper payments  
7 or duplicate payments made by the state relating to any transportation  
8 infrastructure improvements which have been financed by special tax  
9 obligation bonds issued pursuant to sections 13b-74 to 13b-77,  
10 inclusive, and shall be held by the [State] Treasurer separate and apart  
11 from all other moneys, funds and accounts. Investment earnings  
12 credited to the assets of said fund shall become part of the assets of  
13 said fund. Any balance remaining in said fund at the end of any fiscal  
14 year shall be carried forward in said fund for the fiscal year next  
15 succeeding.

16     (b) The Special Transportation Fund shall be a perpetual fund, the  
17 resources of which shall be used solely for transportation purposes.  
18 Such purposes include the payment of debt service on obligations of  
19 the state incurred for transportation purposes. All sources of moneys,  
20 funds and receipts of the state required to be credited, deposited or  
21 transferred to said fund by state law on or after the effective date of  
22 this section shall continue to be credited, deposited or transferred to  
23 said fund, so long as the sources of such moneys, funds and receipts  
24 are collected or received by the state or any officer thereof. No law  
25 shall be enacted authorizing the resources of said fund to be expended  
26 other than for transportation purposes.

27     ~~[(b)]~~ (c) There is established a fund to be known as the  
28 "Transportation Grants and Restricted Accounts Fund". Upon  
29 certification by the Comptroller and the Secretary of the Office of  
30 Policy and Management that the CORE-CT project for fiscal services is  
31 operational, the fund shall contain all transportation moneys that are  
32 restricted, not available for general use and previously accounted for  
33 in the Special Transportation Fund as "Federal and Other Grants". The  
34 Comptroller is authorized to make such transfers as are necessary to  
35 provide that, notwithstanding any provision of the general statutes, all  
36 transportation moneys that are restricted and not available for general  
37 use are in the Transportation Grants and Restricted Accounts Fund.

38     Sec. 2. Section 13b-61 of the general statutes is repealed and the  
39 following is substituted in lieu thereof (*Effective from passage*):

40     (a) On and after July 1, 1975, there shall be paid promptly to the  
41 [State] Treasurer and thereupon, unless required to be otherwise  
42 applied by the terms of any lien, pledge or obligation created by or  
43 pursuant to the 1954 declaration or part III (C) of chapter 240, credited  
44 to the General Fund:

45     (1) All moneys received or collected by the state or any officer  
46 thereof on account of, or derived from, motor fuel taxes; provided on  
47 and after July 1, 1983, one cent of the amount imposed per gallon  
48 before July 1, 1984, and received or collected from any rate of such tax

49 on motor fuels shall be credited by the [State] Treasurer to the Special  
50 Transportation Fund;

51 (2) All moneys received or collected by the state or any officer  
52 thereof on account of, or derived from, motor vehicle taxes;

53 (3) All moneys received or collected by the state or any officer  
54 thereof on account of, or derived from, expressway revenues;

55 (4) All moneys becoming payable, under the terms of the 1954  
56 declaration and part III (C) of chapter 240, into the Highway or  
57 Additional Expressway Construction Funds mentioned in said  
58 declaration;

59 (5) All moneys received or collected by the state or any officer  
60 thereof on account of, or derived from, highway tolls;

61 (6) All other moneys received or collected by the [commissioner or  
62 his department] Commissioner or Department of Transportation; and

63 (7) Any other receipts of the state required by law to be paid into the  
64 state Highway Fund or the Transportation Fund other than proceeds  
65 of bonds or other securities of the state or of federal grants under the  
66 provisions of federal law.

67 (b) Notwithstanding any provision of subsection (a) of this section,  
68 there shall be paid promptly to the [State] Treasurer and thereupon,  
69 unless required to be applied by the terms of any lien, pledge or  
70 obligation created by or pursuant to the 1954 declaration, part III (C) of  
71 chapter 240, credited to the Special Transportation Fund:

72 (1) On and after July 1, 1984, all moneys received or collected by the  
73 state or any officer thereof on account of, or derived from, sections 12-  
74 458 and 12-479, provided the State Comptroller is authorized to record  
75 as revenue to the General Fund for the fiscal year ending June 30, 1984,  
76 the amount of tax levied in accordance with said sections 12-458 and  
77 12-479, on all fuel sold or used prior to the end of said fiscal year and  
78 which tax is received no later than July 31, 1984;

79 (2) On and after July 1, 1984, all moneys received or collected by the  
80 state or any officer thereof on account of, or derived from, motor  
81 vehicle receipts;

82 (3) On and after July 1, 1984, all moneys received or collected by the  
83 state or any officer thereof on account of, or derived from, (A)  
84 subsection (a) of section 14-192, and (B) royalty payments for retail  
85 sales of gasoline pursuant to section 13a-80;

86 (4) On and after July 1, 1985, all moneys received or collected by the  
87 state or any officer thereof on account of, or derived from, license,  
88 permit and fee revenues as defined in section 13b-59, except as  
89 provided under subdivision (3) of this subsection;

90 (5) On or after July 1, 1989, all moneys received or collected by the  
91 state or any officer thereof on account of, or derived from, section 13b-  
92 70;

93 (6) On and after July 1, 1984, all transportation-related federal  
94 revenues of the state;

95 (7) On and after July 1, 1997, all moneys received or collected by the  
96 state or any officer thereof on account of, or derived from, fees for the  
97 relocation of a gasoline station under section 14-320;

98 (8) On and after July 1, 1997, all moneys received or collected by the  
99 state or any officer thereof on account of, or derived from, section 14-  
100 319;

101 (9) On and after July 1, 1997, all moneys received or collected by the  
102 state or any officer thereof on account of, or derived from, fees  
103 collected pursuant to section 14-327b for motor fuel quality registration  
104 of distributors;

105 (10) On and after July 1, 1997, all moneys received or collected by  
106 the state or any officer thereof on account of, or derived from, annual  
107 registration fees for motor fuel dispensers and weighing or measuring  
108 devices pursuant to section 43-3;

109 (11) On and after July 1, 1997, all moneys received or collected by  
110 the state or any officer thereof on account of, or derived from, fees for  
111 the issuance of identity cards pursuant to section 1-1h;

112 (12) On and after July 1, 1997, all moneys received or collected by  
113 the state or any officer thereof on account of, or derived from, safety  
114 fees pursuant to subsection (w) of section 14-49;

115 (13) On and after July 1, 1997, all moneys received or collected by  
116 the state or any officer thereof on account of, or derived from, late fees  
117 for the emissions inspection of motor vehicles pursuant to subsection  
118 (k) of section 14-164c;

119 (14) On and after July 1, 1997, all moneys received or collected by  
120 the state or any officer thereof on account of, or derived from, the sale  
121 of information by the Commissioner of Motor Vehicles pursuant to  
122 subsection (b) of section 14-50a;

123 (15) On and after October 1, 1998, all moneys received by the state  
124 or any officer thereof on account of, or derived from, section 14-212b;

125 (16) On and after July 1, 2009, all moneys received or collected by  
126 the state or any officer thereof on account of, or derived from, any  
127 direct federal subsidy pursuant to Section 6431 of the Internal Revenue  
128 Code of 1986, or any subsequent corresponding internal revenue code  
129 of the United States, as amended from time to time, and relating to  
130 bonds or bond anticipation notes issued by the state pursuant to  
131 sections 13b-74 to 13b-77, inclusive;

132 (17) On and after July 1, 2011, all moneys received or collected by  
133 the state or any officer thereof on account of, or derived from, sections  
134 13b-61a to 13b-61c, inclusive; [and]

135 (18) On and after July 1, 2011, any other funds, moneys and receipts  
136 of the state required by law to be deposited, transferred or paid into  
137 the Special Transportation Fund other than proceeds of bonds or other  
138 securities of the state or of federal grants under the provisions of  
139 federal law; [.] and

140     (19) On and after July 1, 2015, all moneys received or collected by  
 141     the state or any officer thereof on account of, or derived from, the use  
 142     of highways, expressways and ferries, except as necessary for the  
 143     direct payment of debt service on obligations of the state incurred for  
 144     transportation purposes.

145     Sec. 3. Section 76 of public act 13-277 is repealed. (*Effective from*  
 146     *passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	13b-68
Sec. 2	<i>from passage</i>	13b-61
Sec. 3	<i>from passage</i>	Repealer section

**TRA**     *Joint Favorable*

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.

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**OFA Fiscal Note**

**State Impact:** See Below

**Municipal Impact:** None

**Explanation**

The bill accelerates the current law prohibiting against transferring funds from the Special Transportation Fund (STF) to another fund. Under the bill, all funds required by law to be deposited in the STF must continue to be deposited into the STF as long as the state continues to collect the funds. Current law would prohibit such transfers as of July 1, 2015. The bill is effective upon passage.

**Background**

The bill repeals PA 13-277, a previously-authorized, but not yet effective, provision restricting the use of STF funds for only transportation purposes.

**The Out Years**

**State Impact:** See Above

**Municipal Impact:** None

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**OLR Bill Analysis****HB 6857*****AN ACT PROTECTING TRANSPORTATION FUNDS.*****SUMMARY:**

This bill makes the Special Transportation Fund (STF) a perpetual fund and restricts the use of STF funds to transportation purposes only, including paying debt service on state obligations incurred for transportation purposes. The bill prohibits the legislature from passing any law that would authorize the use of STF funds for anything other than transportation purposes.

Under the bill, all funds required by law to be deposited in the STF on or after the bill's effective date must continue to be deposited in the STF as long as the state continues to collect the funds.

Beginning July 1, 2015, the bill requires all funds collected by the state from the use of highways, expressways, and ferries to be deposited in the STF, except as necessary to make direct payments of debt service on state obligations incurred for transportation purposes.

Finally, the bill repeals a previously authorized, but not yet effective, provision restricting the use of STF funds to transportation purposes and makes technical changes (CGS § 13b-69 (d)).

It is unclear if the bill's provisions would be enforceable on future legislatures (see BACKGROUND -"Legislative Entrenchment").

EFFECTIVE DATE: Upon passage

**BACKGROUND*****Special Transportation Fund***

By law, the STF pays for state highway and public transportation projects. It is supported by a number of revenue streams, including the

motor fuels tax, motor carrier road tax, petroleum products gross earnings tax, certain motor vehicle receipts and fees, (e.g., driver’s license fees), and surcharges on motor vehicle related fines and penalties (CGS § 13-59 et seq.).

By law, money in the fund must be used first for debt service on special tax obligation bonds and to pay for certain transportation projects. Remaining funds must be spent to pay general obligation bonds issued for transportation projects and budget appropriations for the departments of transportation and motor vehicles (CGS § 13b-69).

***Legislative Entrenchment***

Legislative entrenchment refers to one legislature restricting a future legislature’s ability to enact legislation. For example, CGS § 2-35 previously prohibited appropriations bills from containing general legislation. (This provision has since been repealed.) In *Patterson v. Dempsey*, 152 Conn. 431 (1965), the Connecticut Supreme Court held that this provision of CGS § 2-35 was unenforceable, writing that “to hold otherwise would be to hold that one General Assembly could effectively control the enactment of legislation by a subsequent General Assembly. This is obviously not true, except where vested rights, protected by the constitution, have accrued under the earlier act.”

***Related Bills and Resolutions-***

HJ 62, HB 6857, and SB 937, all reported favorably by the Transportation Committee, contain similar provisions requiring all STF funds to be used only for transportation purposes.

**COMMITTEE ACTION**

Transportation Committee

Joint Favorable  
Yea 31 Nay 0 (03/18/2015)