



# House of Representatives

General Assembly

**File No. 761**

*January Session, 2015*

House Bill No. 7036

*House of Representatives, May 5, 2015*

The Committee on Finance, Revenue and Bonding reported through REP. BERGER of the 73rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT CONCERNING BONDING FOR REGIONAL DOG POUNDS.***

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

1 Section 1. (NEW) (*Effective July 1, 2015*) For the fiscal years ending  
2 June 30, 2016, and June 30, 2017, the Commissioner of Agriculture shall  
3 administer a regional dog pound grant program to provide grants-in-  
4 aid to any city or town that participates in a regional dog pound  
5 established in accordance with section 7-148cc of the general statutes.  
6 Such grant-in-aid may be in an amount up to fifty per cent of the  
7 amount such city or town has contributed toward the provision,  
8 construction, maintenance or improvement of suitable buildings for  
9 the operation of the regional dog pound during the relevant fiscal year.  
10 Such city or town shall apply for such grant-in-aid at such time and in  
11 such manner as the commissioner may prescribe.

12 Sec. 2. (*Effective July 1, 2015*) (a) For the purposes described in  
13 subsection (b) of this section, the State Bond Commission shall have  
14 the power from time to time to authorize the issuance of bonds of the  
15 state in one or more series and in principal amounts not exceeding in

16 the aggregate twenty million dollars.

17 (b) The proceeds of the sale of such bonds, to the extent of the  
18 amount stated in subsection (a) of this section, shall be used by the  
19 Commissioner of Agriculture for the purpose of providing grants-in-  
20 aid pursuant to section 1 of this act.

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2015	New section
Sec. 2	July 1, 2015	New section

**FIN**      *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.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Treasurer, Debt Serv.	GF - Cost	None	\$2.0 million

Note: GF=General Fund

**Municipal Impact:**

Municipalities	Effect	FY 16 \$	FY 17 \$
Various Municipalities	Revenue Gain	Potential	Potential

**Explanation**

The bill authorizes \$20.0 million in General Obligation (GO) bonds for the provision of municipal grants-in-aid for the construction of a new regional dog pound, or to make improvements to an existing facility.

The debt service cost to the General Fund to issue this amount at a 5.0% interest rate for a 20-year term is \$30.5 million, including \$10.5 million in interest and \$20.0 million in principal. Assuming that the entire \$20.0 million is allocated through the State Bond Commission during FY 16 and the Office of the State Treasurer issues the bonds before the end of FY 16, the debt service cost in FY 17 would be \$2.0 million.

In addition, the bill is anticipated to result in a revenue gain to various municipalities beginning in FY 17, as the program would provide grants-in-aid to municipalities participating in a regional dog pound that is constructing a new facility or making improvements to their existing structure. The amount of revenue any municipality

receives would be up to 50% of eligible costs.<sup>1</sup>

The bill is not anticipated to result in a fiscal impact to the Department of Agriculture for program administration, as the agency currently employs staff for this purpose.

***The Out Years***

The General Fund debt service impact identified above would continue over the 20 year term of issuance for GO bonds.

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<sup>1</sup> The average cost of constructing a new dog pound is approximately \$800,000 - \$1.0 million. It is estimated that there are approximately 10-12 regional dog pound facilities statewide.

**OLR Bill Analysis****HB 7036*****AN ACT CONCERNING BONDING FOR REGIONAL DOG POUNDS*****SUMMARY:**

This bill authorizes grants in FYs 16 and 17 to cities and towns that jointly construct, maintain, or improve regional dog pounds. A municipality qualifies for a grant if it does these things together with other municipalities under an interlocal agreement, a document that two or more municipalities must execute before they can jointly perform any function they can perform separately (CGS § 7-148cc).

The grants cover up to 50% of the amount the municipalities contribute during the relevant fiscal year toward constructing, maintaining, or improving a building that is suitable for operating a dog pound during that fiscal year. The bill authorizes up to \$20 million in bonds for these grants, which the agriculture commissioner must administer. Municipalities must apply to the commissioner for the grants in the time and manner he prescribes.

EFFECTIVE DATE: July 1, 2015

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 42 Nay 4 (04/24/2015)