



House of Representatives

General Assembly

File No. 252

February Session, 2016

House Joint Resolution No. 1

House of Representatives, March 29, 2016

The Committee on Transportation reported through REP. GUERRERA of the 29th Dist., Chairperson of the Committee on the part of the House, that the joint resolution ought to be adopted.

***RESOLUTION PROPOSING A STATE CONSTITUTIONAL
AMENDMENT TO PROTECT THE RESOURCES OF THE SPECIAL
TRANSPORTATION FUND.***

Resolved by this Assembly:

1 Section 1. That the following be proposed as an amendment to the
2 Constitution of the State, which, when approved and adopted in the
3 manner provided by the Constitution, shall, to all intents and
4 purposes, become a part thereof:

5 Article third of the Constitution is amended by adding section 19 as
6 follows:

7 Sec. 19. The Special Transportation Fund shall remain a perpetual
8 fund. The general assembly shall direct the resources of said fund
9 solely for transportation purposes, including the payment of debt
10 service on obligations of the state incurred for transportation purposes.
11 Sources of funds, moneys and receipts of the state credited, deposited
12 or transferred to said fund by state law on or after the effective date of

13 this amendment shall be credited, deposited or transferred to the
14 Special Transportation Fund, so long as such sources are authorized by
15 statute to be collected or received by the state, or any officer thereof,
16 and the general assembly shall enact no law authorizing the resources
17 of said fund to be expended other than for transportation purposes
18 and the payment of debt service on obligations of the state incurred for
19 transportation purposes.

20 RESOLVED: That the foregoing proposed amendment to the
21 Constitution be continued to the next session of the General Assembly
22 elected at the general election to be held on November 8, 2016, and
23 published with the laws passed at the present session, or be presented
24 to the electors at the general election to be held on November 8, 2016,
25 whichever the case may be, according to article sixth of the
26 amendments to the Constitution. The designation of said proposed
27 amendment to be used on the ballots at such election shall be "Shall the
28 Constitution of the State be amended to ensure (1) that all moneys
29 contained in the Special Transportation Fund be used solely for
30 transportation purposes, including the payment of debts of the state
31 incurred for transportation purposes, and (2) that sources of funds
32 deposited in the Special Transportation Fund be deposited in said fund
33 so long as such sources are authorized by statute to be collected or
34 received by the state?"

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.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 17 \$ | FY 18 \$ |
|------------------------|-------------|----------|----------|
| Secretary of the State | GF - Cost | 5,000 | None |

Note: GF=General Fund

Municipal Impact: None

Explanation

This resolution proposes an amendment to the State Constitution to restrict the use of funds in the Special Transportation Fund for transportation purposes and requires continued deposits into said fund. The Secretary of the State is anticipated to incur a cost of \$5,000 in FY 17 (for the November 2016 election) for providing posters with the proposed constitutional amendment question and explanation to each polling place in every municipality. The FY 17 cost may be shifted into FY 19 pursuant to the requirements of the constitutional amendment process.

This cost will cover the printing and mailing of the posters. Since all materials required for placing a constitutional amendment on the ballot are supplied by the State, and the vote will occur in a regularly scheduled statewide election, no costs will be incurred by municipalities.

The Out Years

The cost identified above is one-time. However, the FY 17 cost may be shifted into FY 19 pursuant to the requirements of the constitutional amendment process, as noted above.

OLR Bill Analysis**HJ 1****RESOLUTION PROPOSING A STATE CONSTITUTIONAL AMENDMENT TO PROTECT THE RESOURCES OF THE SPECIAL TRANSPORTATION FUND.****SUMMARY:**

This resolution proposes a constitutional amendment that does the following:

1. maintains the Special Transportation Fund (STF) as a perpetual fund;
2. requires the legislature to use the STF solely for transportation purposes, including paying debt service on state obligations incurred for those purposes;
3. requires that STF funding sources (“sources of funds, money, and receipts”) that must be legally credited, deposited, or transferred to the STF on or after the amendment's effective date be credited, deposited, or transferred to the STF as long as state law authorizes the state, or any of its officers, to collect or receive those sources; and
4. prohibits the legislature from enacting a law authorizing the spending of STF funds for any purpose other than transportation and the payment of debt service on obligations incurred for transportation purposes.

The resolution does not define “sources of funds, money, and receipts,” or “transportation purposes.” By law, sources of revenue directed to the STF include the motor vehicle fuels tax, motor vehicle receipts and fees, and a portion of the sales and use tax. Existing law also specifies how STF funds must be spent (see BACKGROUND).

The ballot designation to be used when the amendment is presented at the general election is “Shall the Constitution of the State be amended to ensure (1) that all moneys contained in the Special Transportation Fund be used solely for transportation purposes, including the payment of debts of the state incurred for transportation purposes, and (2) that sources of funds deposited in the Special Transportation Fund be deposited in said fund so long as such sources are authorized by statute to be collected or received by the state?”

EFFECTIVE DATE: If the resolution passes by at least three-fourths of the membership of each house of the General Assembly, it will be placed on the 2016 general election ballot. If it passes by a majority of the members of each house but less than three-fourths, it will be referred to the 2017 session of the legislature. If it passes in that session by a majority of each house, it will appear on the 2018 general election ballot. If a majority of those voting in the general election approves the amendment, it will become part of the state constitution.

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 vehicle fuels tax, motor carrier road tax, petroleum products gross earnings tax, certain motor vehicle receipts and fees (e.g., driver's license fees), and motor vehicle-related fines and penalties (CGS § 13b-61 et seq.). In addition, PA 15-244; PA 15-5, June Special Session (JSS); and PA 15-1, December Special Session (DSS), require the revenue services commissioner to direct a portion of sales tax revenue to the STF beginning in FY 16.

By law, money in the STF must be used first for debt service on special tax obligation bonds and to pay for certain transportation projects. Remaining funds must be used to pay for (1) general obligation bonds issued for transportation projects, (2) budget appropriations for the departments of Transportation and Motor Vehicles, (3) Department of Energy and Environmental Protection

boating regulation and enforcement, and (4) the Department of Social Services' transportation for employment independence program (CGS § 13b-69, as amended by PA 15-5, JSS).

By law, the STF is a perpetual fund, the resources of which must be spent only for transportation purposes, including paying debt service on state transportation obligations. Existing law contains language similar to that in the proposed resolution, requiring that all sources of funds to the STF continue to be deposited in the STF as long as the state collects them, and prohibiting the legislature from enacting any law authorizing STF resources to be spent for any purpose other than transportation (CGS § 13b-68 (b)). Under the principle of “legislative entrenchment” it is unclear whether this statutory provision is enforceable on future legislatures. The Connecticut Supreme Court has held that a legislature cannot statutorily restrict a future legislature’s ability to enact legislation (*Patterson v. Dempsey*, 152 Conn. 431 (1965)).

Related Resolution

Resolution Act (RA) 15-1, DSS, contains language nearly identical to this resolution. RA 15-1, DSS, will be referred to the 2017 session of the legislature. If it passes in that session by a majority of each house, it will appear on the 2018 general election ballot. If a majority of those voting in the general election approve the amendment, it will become part of the state constitution.

COMMITTEE ACTION

Transportation Committee

Joint Favorable

Yea 22 Nay 11 (03/15/2016)