



General Assembly

January Session, 2017

Committee Bill No. 6684

LCO No. 5714



* 0 5 7 1 4 H B 0 6 6 8 4 P D *

Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

AN ACT CONCERNING THE MATURITY DATE FOR CERTAIN MUNICIPAL BONDS.

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

1 Section 1. Section 7-370c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2017*):

3 Any municipality, as defined in section 7-369, which has issued
4 bonds, notes or other obligations pursuant to any public or special act
5 may issue refunding bonds for the purpose of paying, funding or
6 refunding prior to maturity all or any part of such municipality's
7 bonds, notes or other obligations, the redemption premium, if any,
8 with respect thereto, the interest thereon, the costs with respect to the
9 issuance of such refunding bonds and the payment of such refunded
10 bonds, notes or other obligations. Such refunding bonds shall mature
11 not later than (1) in the case of a single series of bonds, notes or other
12 obligations being refunded, the final maturity date thereof; and (2) in
13 the case of multiple series of bonds, notes or other obligations being
14 refunded, the final maturity date of any such series last to occur.
15 Notwithstanding the provisions of subdivisions (1) and (2) of this
16 section, and contingent on the approval by a two-thirds vote of the

17 fiscal authority of the municipality, any such refunding bonds issued
18 prior to July 1, 2019, shall not mature prior to thirty years from the
19 date of the issuance of such refunding bonds. Notwithstanding the
20 provisions of the general statutes or any special act, local law or
21 charter governing the authorization and issuance of bonds, notes or
22 other obligations and the appropriation of the proceeds thereof, such
23 refunding bonds shall be authorized, and the proceeds appropriated
24 for the purposes permitted under this section, by resolution of the
25 legislative body of the municipality, and shall be subject to the same
26 limitations and requirements as bonds issued pursuant to this chapter,
27 provided the provisions of section 7-371, as amended by this act,
28 regarding limitations on the date of the first maturity, or on the
29 amount of any principal or on any principal and interest installments
30 on any bonds, shall not apply to refunding bonds issued (A) prior to
31 July 1, 2021, or (B) under this section [which shall] that achieve net
32 present value savings after comparing total debt service payable on the
33 refunding bonds to the total debt service payable on the refunded
34 bonds, after accounting for costs of issuance and underwriters'
35 discount. As used in this section, "legislative body" means [(A)] (i) the
36 board of selectmen in a town that does not have a charter, special act
37 or home rule ordinance relating to its government, [(B)] (ii) the council,
38 board of aldermen, representative town meeting, board of selectmen or
39 other elected legislative body described in a charter, special act or
40 home rule ordinance relating to government in a city, consolidated
41 town and city, consolidated town and borough or a town having a
42 charter, special act, consolidation ordinance or home rule ordinance
43 relating to its government, [(C)] (iii) the board of burgesses or other
44 elected legislative body in a borough, or [(D)] (iv) the district
45 committee or other elected legislative body in a district, metropolitan
46 district or other municipal corporation.

47 Sec. 2. Section 7-371 of the general statutes is repealed and the
48 following is substituted in lieu thereof (*Effective July 1, 2017*):

49 Unless otherwise provided by the general statutes or any special act,

50 bonds issued by any municipality, as defined in section 7-369, by
 51 authority of any provision of the general statutes or of any special act
 52 shall be serial bonds maturing in annual or semiannual installments of
 53 principal that shall substantially equalize the aggregate amount of
 54 principal and interest due in each annual period commencing with the
 55 first annual period in which an installment of principal is due, or
 56 maturing in annual or semiannual installments of principal no one of
 57 which shall exceed by more than fifty per cent the amount of any prior
 58 installment, or shall be term bonds with mandatory deposit of sinking
 59 fund payments into a sinking fund of amounts sufficient to redeem or
 60 amortize the principal of the bonds in annual or semiannual
 61 installments that shall substantially equalize the aggregate amount of
 62 principal redeemed or amortized and interest due in each annual
 63 period commencing with the first annual period in which a mandatory
 64 sinking fund payment becomes due, or sufficient to redeem or
 65 amortize the principal of the bonds in annual or semiannual
 66 installments no one of which shall exceed by more than fifty per cent
 67 the amount of any prior installment. The first installment of any series
 68 of bonds shall mature or the first sinking fund payment of any series of
 69 bonds shall be due not later than three years from the date of the issue
 70 of such series and the last installment of such series shall mature or the
 71 last sinking fund payment of such series shall be due not later than
 72 [~~twenty~~] thirty years therefrom.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<u>July 1, 2017</u>	7-370c
Sec. 2	<u>July 1, 2017</u>	7-371

Statement of Purpose:

To assist urban municipalities by allowing municipalities to issue refunding and new bonds for maximum terms of thirty years.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. ROJAS, 9th Dist.

H.B. 6684