AN ACT CONCERNING BOND COVENANTS AND THE BOND ISSUANCE CAP.

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

Section 1. Subsection (aa) of section 3-20 of the 2018 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective May 15, 2018):

(aa) (1) For each fiscal year during which general obligation bonds or credit revenue bonds issued on and after May 15, 2018, and prior to July 1, 2020, shall be outstanding, the state of Connecticut shall comply with the provisions of (A) section 4-30a of the general statutes, revision of 1958, revised to January 1, 2017, as amended by section 704 of public act 17-2 of the June special session, and (B) section 2-33c in effect on October 31, 2017. (C) section 2-33a of the general statutes, revision of 1958, revised to January 1, 2017, as amended by section 709 of public act 17-2 of the June special session, (D) subsections (d) and (g) of this section, revision of 1958, revised to January 1, 2017, as amended by sections 710 and 711 of public act 17-2 of the June special session, and
(E) section 3-21 of the general statutes, revision of 1958, revised to January 1, 2017, as amended by section 712 of public act 17-2 of the June special session.] The state of Connecticut does hereby pledge to and agree with the holders of any bonds, notes and other obligations issued pursuant to subdivision (2) of this subsection that no public or special act of the General Assembly taking effect on or after May 15, 2018, and prior to July 1, 2028, shall alter the obligation to comply with the provisions of the sections [and subsections] set forth in subparagraphs (A) [to (E), inclusive,] and (B) of this subdivision, until such bonds, notes or other obligations, together with the interest thereon, are fully met and discharged, provided nothing in this subsection shall preclude such alteration (i) if and when adequate provision shall be made by law for the protection of the holders of such bonds, or (ii) (I) if and when the Governor declares an emergency or the existence of extraordinary circumstances, in which the provisions of section 4-85 are invoked, (II) at least three-fifths of the members of each chamber of the General Assembly vote to alter such required compliance during the fiscal year for which the emergency or existence of extraordinary circumstances are determined, and (III) any such alteration is for the fiscal year in progress only.

(2) The Treasurer shall include this pledge and undertaking in general obligation bonds and credit revenue bonds issued on or after May 15, 2018, and prior to July 1, 2020, provided such pledge and undertaking (A) shall be applicable for a period of ten years from the date of first issuance of such bonds, and (B) shall not apply to refunding bonds issued for bonds issued under this subdivision.

Sec. 2. Section 3-20 of the 2018 supplement to the general statutes is amended by adding subsection (bb) as follows (Effective July 1, 2019):

(NEW) (bb) (1) For each fiscal year during which general obligation bonds or credit revenue bonds issued on and after July 1, 2019, and prior to July 1, 2021, shall be outstanding, the state of Connecticut shall comply with the provisions of (A) section 2-33a of the general statutes,
revised of 1958, revised to January 1, 2017, as amended by section 709 of public act 17-2 of the June special session, (B) subsections (d) and (g) of this section, revision of 1958, revised to January 1, 2017, as amended by sections 710 and 711 of public act 17-2 of the June special session, and (C) section 3-21 of the general statutes, revision of 1958, revised to January 1, 2017, as amended by section 712 of public act 17-2 of the June special session and section 3 of this act. The state of Connecticut does hereby pledge to and agree with the holders of any bonds, notes and other obligations issued pursuant to subdivision (2) of this subsection that no public or special act of the General Assembly taking effect on or after July 1, 2019, and prior to July 1, 2029, shall alter the obligation to comply with the provisions of the sections and subsections set forth in subparagraphs (A) to (C), inclusive, of this subdivision, until such bonds, notes or other obligations, together with the interest thereon, are fully met and discharged, provided nothing in this subsection shall preclude such alteration (i) if and when adequate provision shall be made by law for the protection of the holders of such bonds, or (ii) (I) if and when the Governor declares an emergency or the existence of extraordinary circumstances, in which the provisions of section 4-85 are invoked, (II) at least three-fifths of the members of each chamber of the General Assembly vote to alter such required compliance during the fiscal year for which the emergency or existence of extraordinary circumstances are determined, and (III) any such alteration is for the fiscal year in progress only.

(2) The Treasurer shall include this pledge and undertaking in general obligation bonds and credit revenue bonds issued on or after July 1, 2019, and prior to July 1, 2021, provided such pledge and undertaking (A) shall be applicable for a period of ten years from the date of first issuance of such bonds, and (B) shall not apply to refunding bonds issued for bonds issued under this subdivision.

Sec. 3. Subsection (f) of section 3-21 of the 2018 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):
(f) (1) (A) On and after July 1, 2018, the Treasurer may not issue general obligation bonds or notes pursuant to section 3-20 or credit revenue bonds pursuant to section 3-20j that exceed in the aggregate one billion nine hundred million dollars in any fiscal year. Commencing July 1, 2019, and each fiscal year thereafter, the aggregate limit shall be adjusted in accordance with any change in the consumer price index for all urban consumers for the preceding calendar year, less food and energy, as published by the United States Department of Labor, Bureau of Labor Statistics.

(B) Any calculation made pursuant to subparagraph (A) of this subdivision shall not include (i) any general obligation bonds issued as part of CSCU 2020, as defined in subdivision (3) of section 10a-91c, or UConn 2000, as defined in subdivision (25) of section 10a-109c, (ii) any bonds, notes or other evidences of indebtedness for borrowed money which are issued for the purpose of refunding other bonds, notes or other evidences of indebtedness, or (iii) obligations in anticipation of revenues to be received by the state during the twelve calendar months next following their issuance.

(2) (A) Not later than January 1, 2018, and January first annually thereafter, the Treasurer shall provide the Governor with a list of allocated but unissued bonds. The Governor shall post such list on the Internet web site of the office of the Governor.

(B) Notwithstanding section 4-85, the Governor shall not approve allotment requisitions pursuant to said section that would result in the issuance of general obligation bonds or notes pursuant to section 3-20 or credit revenue bonds pursuant to section 3-20j that exceed in the aggregate one billion nine hundred million dollars in any fiscal year. Commencing July 1, 2019, and each fiscal year thereafter, the aggregate limit shall be adjusted in accordance with any change in the consumer price index for all urban consumers for the preceding calendar year, less food and energy, as published by the United States Department of Labor, Bureau of Labor Statistics. Not later than April 1, 2018, and
April first annually thereafter, the Governor shall provide the Treasurer with a list of general obligation bond and credit revenue bond expenditures that can be made July first commencing the next fiscal year totaling not more than one billion nine hundred million dollars. Commencing July 1, 2019, and each fiscal year thereafter, the aggregate limit shall be adjusted in accordance with any change in the consumer price index for all urban consumers for the preceding calendar year, less food and energy, as published by the United States Department of Labor, Bureau of Labor Statistics. The Governor shall post such list on the Internet web site of the office of the Governor.

(C) Any calculation made pursuant to subparagraph (B) of this subdivision shall not include (i) any general obligation bonds issued as part of CSCU 2020, as defined in subdivision (3) of section 10a-91c, or UConn 2000, as defined in subdivision (25) of section 10a-109c, (ii) any bonds, notes or other evidences of indebtedness for borrowed money which are issued for the purpose of refunding other bonds, notes or other evidences of indebtedness, or (iii) obligations in anticipation of revenues to be received by the state during the twelve calendar months next following their issuance.

This act shall take effect as follows and shall amend the following sections:

<table>
<thead>
<tr>
<th>Section</th>
<th>Effective Date</th>
<th>Section</th>
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<tbody>
<tr>
<td>1</td>
<td>May 15, 2018</td>
<td>3-20(aa)</td>
</tr>
<tr>
<td>2</td>
<td>July 1, 2019</td>
<td>3-20</td>
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<tr>
<td>3</td>
<td>from passage</td>
<td>3-21(f)</td>
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Statement of Purpose:
To delay the inclusion of certain bond covenants for bonds issued during certain time periods and exclude refunding bonds and temporary borrowings from the calculation of the bond issuance cap.

[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.]