



House of Representatives

General Assembly

File No. 444

February Session, 2018

House Bill No. 5435

House of Representatives, April 12, 2018

The Committee on Planning and Development reported through REP. LEMAR of the 96th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT AUTHORIZING BONDS OF THE STATE FOR SEWER AND ROADWAY UPGRADES FOR ALLEN STREET IN NEW BRITAIN.

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

1 Section 1. (*Effective July 1, 2018*) (a) For the purposes described in
2 subsection (b) of this section, the State Bond Commission shall have
3 the power from time to time to authorize the issuance of bonds of the
4 state in one or more series and in principal amounts not exceeding in
5 the aggregate five million dollars.

6 (b) The proceeds of the sale of such bonds, to the extent of the
7 amount stated in subsection (a) of this section, shall be used by the
8 Department of Transportation for the purpose of providing a grant-in-
9 aid to the city of New Britain for phase two of the sewer and roadway
10 upgrade project for Allen Street in said city.

11 (c) All provisions of section 3-20 of the general statutes, or the
12 exercise of any right or power granted thereby, that are not
13 inconsistent with the provisions of this section are hereby adopted and

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2018	New section

PD *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 19 \$	FY 20 \$	Out Years \$
Treasurer, Debt Serv.	GF - Potential Cost	None	Up to 250,000	7.2 million total

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 19 \$	FY 20 \$
New Britain	Potential Revenue Gain	See Below	See Below

Explanation

The bill authorizes \$5 million in General Obligation bonding for specified municipal projects in New Britain, to be administered by the Department of Transportation. To the extent that the authorized bonds are allocated by the State Bond Commission, the state would need to repay the principal amount of the bond plus associated fees and interest. If bonds were approved for use and issued in FY 19, the state could begin repayment of up to \$250,000 in FY 20. A later issuance date would not result in repayment cost in the biennium.

New Britain would see a revenue gain if the bonds are allocated.

The Out Years

Under current market conditions, the state would repay a \$5 million bond over 20 years at approximate total cost of \$7.2 million (for principal and interest, including the initial \$250,000 payment described above), or approximately \$360,000 per year on average.

OLR Bill Analysis

HB 5435

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SUMMARY

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 21 Nay 1 (03/26/2018)