AN ACT CONCERNING BONDING AUTHORIZATIONS FOR CLEAN WATER FUND PROJECTS.

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

Section 1. Section 22a-483 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) For the purposes of sections 22a-475 to 22a-483, inclusive, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts, not exceeding in the aggregate one billion [seventy-hundred fifteen] eight hundred ninety-five million one hundred twenty-five thousand nine hundred seventy-six dollars, provided [eighty-five] ninety million dollars of said authorization shall be effective July 1, [2018] 2020.

(b) The proceeds of the sale of any bonds, state bond anticipation notes or state grant anticipation notes issued pursuant to sections 22a-475 to 22a-483, inclusive, shall be deposited in the Clean Water Fund and not less than [fifty] one hundred million dollars of such proceeds shall be deposited in the Long Island Sound clean-up account of said
Raised Bill No. 7348

fund, not less than five million dollars of such proceeds shall be made available for physical improvements to coves, embayments, coastal wetlands and salt marshes in physical proximity to Long Island Sound and not less than twenty million dollars of such proceeds shall be made available for the Commissioner of Energy and Environmental Protection to provide grants on a competitive basis for demonstration projects to reduce nonpoint source pollution of Long Island Sound, following establishment by the commissioner of criteria for the awarding of such grants.

(c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of sections 22a-475 to 22a-483, inclusive, are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to said sections, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to sections 22a-475 to 22a-483, inclusive, may be general obligations of the state and in such case the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due. Such general obligation bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such general obligation bonds. The state, acting by and through the State Bond Commission, is hereby
authorized to issue from time to time general obligation bonds in such
sums as is appropriate and necessary to meet the state's matching
requirement for eligibility pursuant to the federal Water Quality Act of
1987 or the federal Safe Drinking Water Act or other similar federal act,
provided such sums shall not exceed the aggregate principal amounts
of bonds authorized pursuant to subsection (a) of this section.
Whenever such bonds are so authorized, the state's obligations shall be
issued on such terms and conditions as shall be determined and
established by the Treasurer. Such bonds shall bear such rate of
interest as the treasurer shall determine, by reference to such open
market indices for obligations having similar terms and characteristics
as the Treasurer shall determine relevant, in order to arrive at a taxable
rate of interest on the obligations of the state issued and sold to the
Clean Water Fund. The Treasurer shall deliver such bonds to the Clean
Water Fund upon the receipt of evidence from the Environmental
Protection Agency evidencing satisfaction by the state of its federal
matching requirement pursuant to the federal Water Quality Act of
1987 or the federal Safe Drinking Water Act or other similar federal act.

(d) Notwithstanding the foregoing, nothing herein shall preclude
the State Bond Commission from authorizing the issuance of revenue
bonds, in principal amounts not exceeding in the aggregate [three]
four billion [eight] two hundred eighty-four million eighty thousand
dollars, provided three hundred fifty million three hundred thousand
dollars of said authorization shall be effective July 1, [2018] 2020, that
are not general obligations of the state of Connecticut to which the full
faith and credit of the state of Connecticut are pledged for the payment
of the principal and interest. Such revenue bonds shall mature at such
time or times not exceeding thirty years from their respective dates as
may be provided in or pursuant to the resolution or resolutions of the
State Bond Commission authorizing such revenue bonds. The revenue
bonds, revenue state bond anticipation notes and revenue state grant
anticipation notes authorized to be issued under sections 22a-475 to
22a-483, inclusive, shall be special obligations of the state and shall not
be payable from nor charged upon any funds other than the revenues
or other receipts, funds or moneys pledged therefor as provided in
said sections 22a-475 to 22a-483, inclusive, including the repayment of
municipal loan obligations; nor shall the state or any political
subdivision thereof be subject to any liability thereon except to the
extent of such pledged revenues or the receipts, funds or moneys
pledged therefor as provided in said sections 22a-475 to 22a-483,
inclusive. The issuance of revenue bonds, revenue state bond
anticipation notes and revenue state grant anticipation notes under the
provisions of said sections 22a-475 to 22a-483, inclusive, shall not
directly or indirectly or contingently obligate the state or any political
subdivision thereof to levy or to pledge any form of taxation whatever
therefor or to make any appropriation for their payment. The revenue
bonds, revenue state bond anticipation notes and revenue state grant
anticipation notes shall not constitute a charge, lien or encumbrance,
legal or equitable, upon any property of the state or of any political
subdivision thereof, except the property mortgaged or otherwise
encumbered under the provisions and for the purposes of said sections
22a-475 to 22a-483, inclusive. The substance of such limitation shall be
plainly stated on the face of each revenue bond, revenue state bond
anticipation note and revenue state grant anticipation note issued
pursuant to said sections 22a-475 to 22a-483, inclusive, shall not be
subject to any statutory limitation on the indebtedness of the state and
such revenue bonds, revenue state bond anticipation notes and
revenue state grant anticipation notes, when issued, shall not be
included in computing the aggregate indebtedness of the state in
respect to and to the extent of any such limitation. As part of the
contract of the state with the owners of such revenue bonds, revenue
state bond anticipation notes and revenue state grant anticipation
notes, all amounts necessary for the punctual payment of the debt
service requirements with respect to such revenue bonds, revenue
state bond anticipation notes and revenue state grant anticipation
notes shall be deemed appropriated, but only from the sources
pledged pursuant to said sections 22a-475 to 22a-483, inclusive. The
proceeds of such revenue bonds or notes may be deposited in the
Clean Water Fund for use in accordance with the permitted uses of
such fund. Any expense incurred in connection with the carrying out of the provisions of this section, including the costs of issuance of revenue bonds, revenue state bond anticipation notes and revenue state grant anticipation notes may be paid from the accrued interest and premiums or from any other proceeds of the sale of such revenue bonds, revenue state bond anticipation notes or revenue state grant anticipation notes and in the same manner as other obligations of the state. All provisions of subsections (g), (k), (l), (s) and (u) of section 3-20 or the exercise of any right or power granted thereby which are not inconsistent with the provisions of said sections 22a-475 to 22a-483, inclusive, are hereby adopted and shall apply to all revenue bonds, state revenue bond anticipation notes and state revenue grant anticipation notes authorized by the State Bond Commission pursuant to said sections 22a-475 to 22a-483, inclusive. For the purposes of subsection (o) of section 3-20, "bond act" shall be construed to include said sections 22a-475 to 22a-483, inclusive.

(e) Any pledge made by the state pursuant to sections 22a-475 to 22a-483, inclusive, is a statutory pledge and shall be valid and binding from the time when the pledge is made, and any revenues or other receipts, funds or moneys so pledged and thereafter received by the state shall be subject immediately to the lien of such pledge without any physical delivery thereof or further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the state, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded. Any pledge made by the state pursuant to sections 22a-475 to 22a-483, inclusive, to secure revenue bonds issued to finance eligible water quality projects shall secure only revenue bonds issued for such purpose and any such pledge made by the state to secure revenue bonds issued to finance eligible drinking water projects shall secure only revenue bonds issued for such purpose.

(f) Whenever the General Assembly has authorized the State Bond
Commission to authorize bonds of the state for clean water projects and uses and has found that such projects and uses are for any of the purposes set forth in sections 22a-475 to 22a-483, inclusive, and whenever the State Bond Commission finds that the authorization of such bonds will be in the best interests of the state, the State Bond Commission shall authorize the issuance of such bonds from time to time in one or more series and in principal amounts not exceeding the aggregate amount authorized by the General Assembly.

(g) Whenever the state has a written commitment to receive a grant-in-aid or similar form of assistance with respect to a project or program for which the issuance of bonds has been authorized pursuant to sections 22a-475 to 22a-483, inclusive, the Treasurer may issue state grant anticipation notes in anticipation of the issuance of such a grant-in-aid or other assistance provided (1) the total amount of such notes shall not exceed the amount of the grant commitment which has not been paid to the state and (2) all grant payments with respect to such project or program received by the state, to the extent required, shall be applied promptly toward repayment of such temporary notes as the same shall become due and payable, or shall be deposited in trust for such purpose. Notes evidencing such borrowings shall be signed by the manual or facsimile signature of the Treasurer or his deputy. The principal of and interest on any state grant anticipation notes issued pursuant to this subsection may be repaid from the proceeds of renewals thereof, from grants-in-aid or other assistance pledged for the payment thereof, or from the proceeds of a credit facility including, but not limited to, a letter of credit or policy of bond insurance.

(h) Bonds, state bond anticipation notes and state grant anticipation notes issued pursuant to sections 22a-475 to 22a-483, inclusive, are hereby made securities in which public officers and public bodies of the state and its political subdivisions, all insurance companies, credit unions, building and loan associations, investment companies, banking associations, trust companies, executors, administrators, trustees and other fiduciaries and pension, profit-sharing and
retirement funds may properly and legally invest funds, including capital in their control or belonging to them. Such bonds, state bond anticipation notes and state grant anticipation notes are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds, state bond anticipation notes, state grant anticipation notes or other obligations of the state is now or may hereafter be authorized by law.

(i) The proceedings under which bonds are authorized to be issued may, subject to the provisions of the general statutes, contain any or all of the following: (1) Provisions respecting custody of the proceeds from the sale of the bonds and any bond anticipation notes, including any requirements that such proceeds be held separate from or not be commingled with other funds of the state; (2) provisions for the investment and reinvestment of bond proceeds utilized to pay project costs and for the disposition of any excess bond proceeds or investment earnings thereon; (3) provisions for the execution of reimbursement agreements or similar agreements in connection with credit facilities, including, but not limited to, letters of credit or policies of bond insurance, remarketing agreements and agreements for the purpose of moderating interest rate fluctuations, and of such other agreements entered into pursuant to section 3-20a; (4) provisions for the collection, custody, investment, reinvestment and use of the pledged revenues or other receipts, funds or moneys pledged therefor as provided in sections 22a-475 to 22a-483, inclusive; (5) provisions regarding the establishment and maintenance of reserves, sinking funds and any other funds and accounts as shall be approved by the State Bond Commission in such amounts as may be established by the State Bond Commission, and the regulation and disposition thereof, or the establishment of a reserve fund of the state into which may be deposited any moneys appropriated and made available by the state for such fund, any proceeds of the sale of bonds or notes, to the extent provided in the resolution of the state authorizing the issuance thereof,
and any other moneys which may be made available to the state for
the purpose of such fund from any source whatever and, in lieu of the
deposit of any such moneys, evidence by the state of the satisfaction of
a federal matching requirement on the part of the state pursuant to the
federal Water Quality Act of 1987 or the federal Safe Drinking Water
Act or other related federal act, as applicable, including requirements
that any such funds and accounts be held separate from or not be
commingled with other funds of the state; (6) covenants for the
establishment of pledged revenue coverage requirements for the bonds
and state bond anticipation notes; (7) provisions for the issuance of
additional bonds on a parity with bonds theretofore issued, including
establishment of coverage requirements with respect thereto as herein
provided; (8) provisions regarding the rights and remedies available in
case of a default to bondowners, noteowners or any trustee under any
contract, loan agreement, document, instrument or trust indenture,
including the right to appoint a trustee to represent their interests
upon occurrence of an event of default, as defined in said proceedings,
provided that if any bonds or state bond anticipation notes shall be
secured by a trust indenture, the respective owners of such bonds or
notes shall have no authority except as set forth in such trust indenture
to appoint a separate trustee to represent them; (9) provisions for the
payment of rebate amounts; and (10) provisions or covenants of like or
different character from the foregoing which are consistent with
sections 22a-475 to 22a-483, inclusive, and which the State Bond
Commission determines in such proceedings are necessary, convenient
or desirable in order to better secure the bonds or state bond
anticipation notes, or will tend to make the bonds or state bond
anticipation notes more marketable, and which are in the best interests
of the state. Any provision which may be included in proceedings
authorizing the issuance of bonds hereunder may be included in an
indenture of trust duly approved in accordance with sections 22a-475
to 22a-483, inclusive, which secures the bonds and any notes issued in
anticipation thereof, and in such case the provisions of such indenture
shall be deemed to be a part of such proceedings as though they were
expressly included therein.
(j) Whether or not any bonds, state bond anticipation notes or state
grant anticipation notes issued pursuant to sections 22a-475 to 22a-483,
inclusive, are of such form and character as to be negotiable
instruments under the terms of title 42a, such bonds, state bond
anticipation notes and state grant anticipation notes are hereby made
negotiable instruments within the meaning of and for all purposes of
title 42a, subject only to the provisions of such bonds, state bond
anticipation notes and state grant anticipation notes for registration.

(k) The state covenants with the purchasers and all subsequent
owners and transferees of bonds, state bond anticipation notes and
state grant anticipation notes issued by the state pursuant to sections
22a-475 to 22a-483, inclusive, in consideration of the acceptance of and
payment for the bonds, state bond anticipation notes and state grant
anticipation notes, that such bonds, state bond anticipation notes and
state grant anticipation notes shall be free at all times from taxes levied
by any municipality or political subdivision or special district having
taxing powers of the state and the principal and interest of any bonds,
state bond anticipation notes and grant anticipation notes issued under
the provisions of sections 22a-475 to 22a-483, inclusive, their transfer
and the income therefrom, including revenues derived from the sale
thereof, shall at all times be free from taxation of every kind by the
state of Connecticut or under its authority, except for estate or
succession taxes. The Treasurer is authorized to include this covenant
of the state in any agreement with the owner of any such bonds, state
bond anticipation notes or state grant anticipation notes.

(l) Pending the use and application of any bond proceeds, such
proceeds may be invested by, or at the direction of the State Treasurer,
in obligations listed in section 3-20 or in investment agreements rated
within the top rating categories of any nationally recognized rating
service or in investment agreements secured by obligations, of or
guaranteed by, the United States or agencies or instrumentalities of the
United States.

(m) Any revenue bonds issued under the provisions of sections 22a-
475 to 22a-483, inclusive, and at any time outstanding may, at any time
and from time to time, be refunded by the state by the issuance of its
revenue refunding bonds in such amounts as the State Bond
Commission may deem necessary, but not to exceed an amount
sufficient to refund the principal of the revenue bonds to be so
refunded, to pay any unpaid interest thereon and any premiums and
commissions necessary to be paid in connection therewith and to pay
costs and expenses which the Treasurer may deem necessary or
advantageous in connection with the authorization, sale and issuance
of refunding bonds. Any such refunding may be effected whether the
revenue bonds to be refunded shall have matured or shall thereafter
mature. All revenue refunding bonds issued hereunder shall be
payable solely from the revenues or other receipts, funds or moneys
out of which the revenue bonds to be refunded thereby are payable
and shall be subject to and may be secured in accordance with the
provisions of this section.

(n) The Treasurer shall have power, out of any funds available
therefor, to purchase revenue bonds, state revenue bond anticipation
notes and state revenue grant anticipation notes of the state issued
pursuant to sections 22a-475 to 22a-483, inclusive. The Treasurer may
hold, pledge, cancel or resell such bonds or notes, subject to and in
accordance with agreements with bondholders or noteholders, as
applicable.

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

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<th>Section 1</th>
<th>from passage</th>
<th>22a-483</th>
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