



House of Representatives

General Assembly

File No. 473

February Session, 2022

Substitute House Bill No. 5296

House of Representatives, April 13, 2022

The Committee on Environment reported through REP. GRESKO of the 121st Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE OPEN SPACE AND WATERSHED LAND ACQUISITION GRANT PROGRAM.

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

1 Section 1. (*Effective July 1, 2022*) (a) For the purposes described in
2 subsection (b) of this section, the State Bond Commission shall have the
3 power from time to time to authorize the issuance of bonds of the state
4 in one or more series and in principal amounts not exceeding in the
5 aggregate ten million dollars per annum.

6 (b) The proceeds of the sale of such bonds, to the extent of the amount
7 stated in subsection (a) of this section, shall be used by the Department
8 of Energy and Environmental Protection for the purpose of funding the
9 open space and watershed land acquisition grant program established
10 pursuant to section 7-131d of the general statutes.

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	New section

ENV Joint Favorable Subst.

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 23 \$	Out Years \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill authorizes \$10 million in General Obligation (GO) bonds each fiscal year starting in FY 23 for the municipal open space and watershed land acquisition grant program, to be administered by the Department of Energy and Environmental Protection. To the extent the new bonds authorized are fully allocated and expended, there would be an increase in annual General Fund debt service costs until such bonds are fully repaid. At current market rates, total repayment costs over 20 years for \$10 million of GO bond authorizations are estimated to be approximately \$14.3 million.

The bill creates an annual new GO bond authorization, which would continue to add \$10 million of new bond authorizations each year until changed or repealed. Additional years of authorization past the initial year would increase the potential costs proportionately – for example, 10 years of authorizations would be \$100 million of bond authorizations at a total estimated debt service cost of \$143 million.

However, when portions of an authorization are specified to become effective in future years, the full authorization amount is typically known at the time of adoption. If considered a valid authorization, the

total potential debt service cost is unknowable, given the lack of finite amount or time frame of the bond authorization.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the terms of any bonds issued.



OLR Bill Analysis

sHB 5296

***AN ACT CONCERNING THE OPEN SPACE AND WATERSHED
LAND ACQUISITION GRANT PROGRAM.***

SUMMARY

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 31 Nay 0 (03/29/2022)