



General Assembly

January Session, 2025

Raised Bill No. 1461

LCO No. 4925



Referred to Committee on FINANCE, REVENUE AND
BONDING

Introduced by:
(FIN)

**AN ACT CONCERNING THE TREASURER'S RECOMMENDATION
FOR THE PAYDOWN OF SPECIAL TAX OBLIGATION
INDEBTEDNESS.**

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

1 Section 1. Section 13b-68 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) There is established a fund to be known as the "Special
4 Transportation Fund". The fund may contain any moneys required or
5 permitted by law to be deposited in the fund and any moneys recovered
6 by the state for overpayments, improper payments or duplicate
7 payments made by the state relating to any transportation infrastructure
8 improvements [which] that have been financed by special tax obligation
9 bonds issued pursuant to sections 13b-74 to 13b-77, inclusive, and shall
10 be held by the Treasurer separate and apart from all other moneys,
11 funds and accounts. Investment earnings credited to the assets of said
12 fund shall become part of the assets of said fund. Any balance remaining
13 in said fund at the end of any fiscal year shall be carried forward in said
14 fund for the fiscal year next succeeding.

15 (b) The Special Transportation Fund shall be a perpetual fund, the
16 resources of which shall be expended solely for transportation purposes.
17 Such purposes include the payment of debt service on obligations of the
18 state incurred for transportation purposes. All sources of moneys, funds
19 and receipts of the state required to be credited, deposited or transferred
20 to said fund by state law on or after June 30, 2015, shall continue to be
21 credited, deposited or transferred to said fund, so long as the sources of
22 such moneys, funds and receipts are collected or received by the state or
23 any officer thereof. No law shall be enacted authorizing the resources of
24 said fund to be expended other than for transportation purposes.

25 (c) There is established a fund to be known as the "Transportation
26 Grants and Restricted Accounts Fund". Upon certification by the
27 Comptroller and the Secretary of the Office of Policy and Management
28 that the CORE-CT project for fiscal services is operational, the fund shall
29 contain all transportation moneys that are restricted, not available for
30 general use and previously accounted for in the Special Transportation
31 Fund as "Federal and Other Grants". The Comptroller is authorized to
32 make such transfers as are necessary to provide that, notwithstanding
33 any provision of the general statutes, all transportation moneys that are
34 restricted and not available for general use are in the Transportation
35 Grants and Restricted Accounts Fund.

36 (d) (1) For the fiscal year ending June 30, 2025, and each fiscal year
37 thereafter, after the accounts for the Special Transportation Fund have
38 been closed for each fiscal year and the Comptroller has determined the
39 balance remaining in said fund, after any amounts required by
40 provision of law to be transferred for other purposes have been
41 deducted, if the balance remaining exceeds eighteen per cent of the net
42 Special Transportation Fund appropriations for the current fiscal year,
43 the portion of the balance exceeding said eighteen per cent shall be
44 deemed to be appropriated for the following, as selected by the
45 Treasurer:

46 (A) Redeeming prior to maturity any outstanding special tax
47 obligation indebtedness of the state selected by the Treasurer in the best

48 interests of the state;

49 (B) Purchasing outstanding special tax obligation indebtedness of the
50 state in the open market at such prices and on such terms and conditions
51 as the Treasurer determines to be in the best interests of the state for the
52 purpose of extinguishing or defeasing such debt;

53 (C) Providing for the defeasance of any outstanding special tax
54 obligation indebtedness of the state selected by the Treasurer in the best
55 interests of the state by irrevocably placing with an escrow agent in trust
56 an amount used solely for, and sufficient to satisfy, scheduled payments
57 of both interest and principal on such indebtedness; or

58 (D) Any combination of these methods.

59 (2) For any method or combination of methods selected by the
60 Treasurer pursuant to subdivision (1) of this subsection, (A) such
61 method or combination of methods shall provide a reduction in
62 projected debt service for the current fiscal year and each of the nine
63 subsequent fiscal years, and (B) for the second fiscal year after the fiscal
64 year in which the balance was used in accordance with the provisions
65 of this subsection and each of the seven subsequent fiscal years, the
66 amount of the reduction in projected debt service shall not vary by more
67 than (i) one million dollars, or (ii) ten per cent of the least amount by
68 which projected debt service is reduced for the seven subsequent fiscal
69 years, whichever is greater.

70 (3) The Treasurer shall include in the annual report required under
71 section 3-37, as amended by this act, information concerning the use of
72 a portion of the balance of the Special Transportation Fund pursuant to
73 this subsection.

74 Sec. 2. Section 3-37 of the general statutes is repealed and the
75 following is substituted in lieu thereof (*Effective from passage*):

76 (a) The Treasurer shall, annually, on or before December thirty-first,
77 submit a final audited report to the Governor and a copy of such report

78 to the Investment Advisory Council, which shall include the following
79 information concerning the activities of the office of the State Treasurer
80 for the immediately preceding fiscal year ending June thirtieth:

81 (1) Complete financial statements and accompanying footnotes for
82 the combined investment funds prepared in accordance with generally
83 accepted accounting principles, which financial statements shall be
84 audited in accordance with generally accepted auditing standards and
85 supplementary schedules depicting the interests of the component
86 retirement plans and trust funds;

87 (2) [complete] Complete financial statements and accompanying
88 footnotes for the Short Term Investment Fund prepared in accordance
89 with generally accepted accounting principles and supplementary
90 schedules listing all assets held by the Short Term Investment Fund;

91 (3) [a] A discussion and review of the performance of the combined
92 investment funds and Short Term Investment Fund for such fiscal year
93 in accordance with recognized and appropriate performance
94 presentation and disclosure, including an analysis of the return earned
95 by the portfolio and each combined investment fund as well as the risk
96 profile of the portfolio and each combined investment fund according
97 to investment industry standards;

98 (4) [the] The activities and transactions in such reasonable detail as is
99 appropriate of the cash management division including information on
100 the state's cash receipts and disbursements for the fiscal year, and the
101 debt management division;

102 (5) [financial] Financial statements and accompanying footnotes as
103 well as a summary of operating results for the Second Injury Fund for
104 such fiscal year;

105 (6) [a] A financial summary and report on the activities of the state's
106 unclaimed property program for such fiscal year;

107 (7) [a] For a fiscal year in which the Treasurer used a portion of the

108 remaining balance of the Special Transportation Fund in accordance
109 with the provisions of subsection (d) of section 13b-68, as amended by
110 this act, a report on the amount used and the method or methods
111 selected pursuant to said subsection and the amount of the reduction in
112 projected debt service for the specified fiscal years and including a
113 statement that such reduction does not vary by more than the allowable
114 amount set forth in said subsection;

115 (8) A listing of the companies from which state funds were divested
116 based upon such companies' business in Sudan, pursuant to the
117 provisions of section 3-21e, and any companies identified by the
118 Treasurer as companies from which investment of state funds has been
119 declared impermissible by the Treasurer, pursuant to the provisions of
120 section 3-21e; and [(8) such]

121 (9) Such other information as the Treasurer deems of interest to the
122 public.

123 (b) Commencing October 1, 2010, and monthly thereafter, the
124 Treasurer shall submit a report to the chairpersons and ranking
125 members of the joint standing committees of the General Assembly
126 having cognizance of matters relating to finance, revenue and bonding
127 and appropriations and the budgets of state agencies, and to the
128 legislative Office of Fiscal Analysis. Such report shall include the
129 following information for the month two months prior to the month in
130 which the report is submitted: (1) A weekly list of the cash balance, with
131 amount and percentage of sources, such as the common cash pool, bond
132 fund investments and Special Transportation Fund investments, with
133 accompanying footnotes; (2) a year-to-date total, on an ongoing basis, of
134 authorized but unissued bonds, including assumptions in bond
135 issuance, and any changes from month to month in such assumptions;
136 (3) any other debt instruments or commercial paper issued, the types
137 and amounts, with accompanying footnotes; and (4) the amounts in the
138 common cash fund, with all components, such as bank and different
139 investment accounts, and the amounts thereof separately listed.

140 (c) The reports required pursuant to this section shall be made
141 available to the public in hard copy and accessible electronically by
142 means of the Internet or other media or systems available to the public.

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| This act shall take effect as follows and shall amend the following sections: | | |
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| Section 1 | <i>from passage</i> | 13b-68 |
| Sec. 2 | <i>from passage</i> | 3-37 |

FIN *Joint Favorable*