



General Assembly

February Session, 2020

Raised Bill No. 271

LCO No. 1265



Referred to Committee on TRANSPORTATION

Introduced by:
(TRA)

***AN ACT CONCERNING THE FISCAL ACCOUNTABILITY AND
SUSTAINABLE TRANSPORTATION REFORM PLAN.***

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

1 Section 1. (NEW) (*Effective July 1, 2020*) (a) There is established a
2 Transportation Strategy and Advisory Board, which shall be within the
3 Office of Policy and Management for administrative purposes only.

4 (b) The board shall consist of the following members:

5 (1) One appointed by the president pro tempore of the Senate, who is
6 a member of the International Union of Operating Engineers;

7 (2) One appointed by the majority leader of the Senate, who is a
8 representative of large businesses;

9 (3) One appointed by the minority leader of the Senate, who is a
10 retired employee of the Department of Transportation;

11 (4) Two appointed by the speaker of the House of Representatives,
12 one of whom is a representative of the Connecticut Conference of
13 Municipalities and one of whom is a representative of the Connecticut

14 Council of Small Towns;

15 (5) One appointed by the majority leader of the House of
16 Representatives, who has expertise in transportation for persons with
17 mobility impairments;

18 (6) One appointed by the minority leader of the House of
19 Representatives, who is a representative of a small business;

20 (7) One appointed by the Governor, who is a representative of a
21 commuter advocacy organization;

22 (8) The executive director of the Connecticut Port Authority,
23 established under section 15-31a of the general statutes, or the executive
24 director's designee;

25 (9) The executive director of the Connecticut Airport Authority,
26 established under section 15-120bb of the general statutes, or the
27 executive director's designee;

28 (10) The Commissioner of Transportation, or the commissioner's
29 designee;

30 (11) The Secretary of the Office of Policy and Management, or the
31 secretary's designee; and

32 (12) The Treasurer, or the Treasurer's designee.

33 (c) All initial appointments to the board shall be made not later than
34 September 1, 2020, and shall terminate on July 1, 2022, July 1, 2023, or
35 July 1, 2024, as applicable, regardless of when the initial appointment
36 was made. Appointed members of the board shall serve for four-year
37 terms, which shall commence on the date of appointment, except that
38 members first appointed shall have the following terms: (1) Members
39 appointed by the president pro tempore of the Senate, the minority
40 leader of the House of Representatives and the Governor shall initially
41 serve a term of four years; (2) members appointed by the majority leader
42 of the House of Representatives and the majority leader of the Senate

43 shall initially serve a term of three years; and (3) members appointed by
44 the speaker of the House of Representatives and the minority leader of
45 the Senate shall initially serve a term of two years. Members shall
46 continue to serve until their successors are appointed and any member
47 may serve more than one term.

48 (d) The Governor shall select the chairperson of the board from
49 among the members of the board. Such chairperson shall schedule the
50 first meeting of the board, which shall be held not later than November
51 1, 2020.

52 (e) Any vacancy shall be filled by the appointing authority. Any
53 vacancy occurring other than by expiration of term shall be filled for the
54 balance of the unexpired term.

55 (f) A majority of the board shall constitute a quorum for the
56 transaction of any business.

57 (g) The members of the board shall serve without compensation and
58 shall not be reimbursed for expenses incurred in the performance of
59 their duties.

60 (h) The board shall have the following powers and duties:

61 (1) To conduct at least one public hearing per calendar year to receive
62 comments on the current state of transportation infrastructure and other
63 transportation matters;

64 (2) To review and recommend transportation projects identified in
65 the project priority report submitted by the Commissioner of
66 Transportation pursuant to section 2 of this act. Not later than thirty
67 days after the receipt of such project priority report, the board shall
68 submit its recommendations concerning such transportation projects, if
69 any, with the reasons for the recommendations, to the General
70 Assembly, in accordance with section 11-4a of the general statutes, and
71 to the Commissioner of Transportation;

72 (3) To obtain from any executive department, board, commission or

73 other agency of the state such assistance and data as necessary and
74 available to carry out the purposes of this section;

75 (4) To establish bylaws to govern its procedures; and

76 (5) To perform such other acts as may be necessary and appropriate
77 to carry out the duties described in this section.

78 (i) Not later than December 1, 2021, and annually thereafter, the
79 board shall submit a report, in accordance with section 11-4a of the
80 general statutes, to the Governor and the joint standing committees of
81 the General Assembly having cognizance of matters relating to
82 transportation, finance, revenue and bonding and appropriations and
83 the budgets of state agencies, concerning the fiscal health of the Special
84 Transportation Fund established pursuant to section 13b-68 of the
85 general statutes. Such report shall include, but need not be limited to:
86 (1) A fiscal analysis of the current sustainability of the Special
87 Transportation Fund based on current revenue and long-term
88 projections of expenses; (2) recommendations regarding possible
89 changes to taxes, fees and other sources of revenue to increase the
90 sustainability of the Special Transportation Fund; (3) recommendations
91 to achieve savings and efficiencies regarding transportation costs; (4) a
92 list of recommended priorities for transportation projects that will
93 require bond authorizations or loan agreements or other credit
94 agreements with the United States Department of Transportation; (5)
95 recommendations for legislation to meet the transportation needs of the
96 state; and (6) recommendations for legislation regarding the
97 Connecticut Port Authority and the Connecticut Airport Authority.

98 (j) Not later than January 1, 2022, and annually thereafter, the board
99 shall submit a transportation strategy, in accordance with the provisions
100 of section 11-4a of the general statutes, to the General Assembly. In
101 developing such transportation strategy, the board shall take into
102 account: (1) The strategic concerns associated with the movement of
103 people and goods; (2) the technological and multimodal transportation
104 options, including, but not limited to, transportation by road, air or

105 water, available to address such concerns; (3) the relationship of such
106 concerns and options to sustainable economic growth, environmental
107 quality, urban development, open space, open space preservation,
108 access to employment by residents of the state and public safety; (4) the
109 connectivity of the state to the northeast, continental and international
110 economies and that the mobility of people and goods within the state
111 are critical to vibrant and sustainable economic growth; (5) the
112 integration of brownfields remediation, affordable housing and access
113 to employment that should occur as a result of implementing the
114 strategy; (6) the need to engage local and regional planning agencies and
115 other relevant constituencies in developing the strategy; (7) the need to
116 engage representatives of the state's major transportation assets and of
117 the transportation industry in the strategy to help ensure that the
118 strategy is multimodal and integrated; (8) the benefits of technology to
119 expand capacity, enhance safety, provide information and access
120 funding alternatives; (9) the need to fully explore the sources and
121 methodologies for funding investments in transportation infrastructure
122 and for annual operating and maintenance costs and the regulations
123 applicable to the expenditure of federal and state funds; (10) the
124 development, renovation and expansion of Bradley International
125 Airport; (11) the state plan of conservation and development established
126 pursuant to section 16a-24 of the general statutes; (12) that
127 transportation is a cornerstone of the state's economic vitality and
128 overall quality of life and is therefore inextricably linked to other key
129 policies that deal with the state's future, including, but not limited to,
130 land use planning, environmental quality, urban vitality and access to
131 quality jobs and services for the state's residents; (13) that the benefits of
132 leveraging existing transportation assets and infrastructure, especially
133 in urban centers, and the reduction of automobile-oriented demands,
134 are highly desirable; (14) that the development of appropriate metrics,
135 methodologies and standards is essential for determining customer
136 needs, evaluating the return on transportation investments and the
137 prioritization of specific projects; (15) that the analyses and decision-
138 making related to transportation initiatives in the strategy needs to be
139 done expeditiously within the existing statutory and regulatory

140 framework and that any amendments to the general statutes or the
141 regulations of Connecticut state agencies that are needed to achieve
142 such objectives should be identified; and (16) that the role, including the
143 role of financial incentives, of private sector companies, public agencies
144 and institutions needs to be clearly defined with respect to: (A)
145 Encouraging and supporting employees to use public transportation,
146 (B) providing employees with appropriate alternatives to the locations
147 at which and during the times they perform their work, including, but
148 not limited to, flexible working hours and telecommuting, (C)
149 developing an effective means for delivering goods within and through
150 the state, and (D) encouraging different sectors to participate with the
151 state in specific initiatives.

152 Sec. 2. (NEW) (*Effective July 1, 2020*) (a) Not later than October 1, 2020,
153 and biannually thereafter, the Commissioner of Transportation shall
154 provide to the Transportation Strategy and Advisory Board, established
155 under section 1 of this act, a project priority report that identifies:

156 (1) All transportation projects that are in the planning, design or
157 construction phases and are a priority for the Department of
158 Transportation, and include for each such project (A) whether the
159 project is scheduled to be substantially completed by the originally
160 expected completion date, (B) whether the project is under budget or on
161 budget and, if not, the amount over the budgeted amount and the
162 reasons for such overage, and (C) whether the project is subject to a
163 change order and the amount of and reason for the change order;

164 (2) All transportation projects that are at the stage that construction
165 can begin but for which no funding has been provided;

166 (3) All transportation projects for which the State Bond Commission
167 has authorized bond issuances but construction has not begun, and
168 identify for each such project (A) the date such bond issuances were
169 authorized by the State Bond Commission, (B) the reasons construction
170 has not begun, and (C) the date the department expects construction to
171 begin;

172 (4) All transportation projects that the department expects to become
173 a priority within the next ten years, based on use, the demands of traffic
174 and the integrity of the mode of transportation; and

175 (5) All maintenance or rehabilitation projects involving roads and
176 bridges that the department plans to undertake in the next three years.

177 (b) On or before January 1, 2021, and quarterly thereafter, the
178 Commissioner of Transportation shall provide a report to the
179 Transportation Strategy and Advisory Board on the status of
180 maintenance or rehabilitation projects and short-term and long-term
181 transportation projects, and any problems concerning such projects.

182 Sec. 3. (NEW) (*Effective July 1, 2020*) (a) There is established a
183 Connecticut and New York Railroad Strategy Board, which shall be
184 within the Office of Policy and Management for administrative
185 purposes only.

186 (b) The board shall consist of the following members:

187 (1) One appointed by the president pro tempore of the Senate, who is
188 a member of the Metropolitan Transportation Authority;

189 (2) One appointed by the majority leader of the Senate, who is a
190 member of the Metropolitan Transportation Authority;

191 (3) One appointed by the minority leader of the Senate, who is a
192 member of the Connecticut Commuter Rail Council, established under
193 section 13b-212b of the general statutes;

194 (4) One appointed by the speaker of the House of Representatives,
195 who is a member of the Connecticut Commuter Rail Council,
196 established under section 13b-212b of the general statutes;

197 (5) One appointed by the majority leader of the House of
198 Representatives, who is an employee of the office within the
199 Department of Transportation that oversees rail;

200 (6) One appointed by the minority leader of the House of
201 Representatives, who is a representative of a municipality served by a
202 commuter rail line;

203 (7) Two appointed by the Governor, both of whom are
204 representatives of a municipality served by a commuter rail line; and

205 (8) The Commissioner of Transportation, or the commissioner's
206 designee.

207 (c) All initial appointments to the board shall be made not later than
208 September 1, 2020, and shall terminate on July 1, 2022, July 1, 2023, or
209 July 1, 2024, as applicable, regardless of when the initial appointment
210 was made. Appointed members of the board shall serve for four-year
211 terms, which shall commence on the date of appointment, except that
212 members first appointed shall have the following terms: (1) Members
213 appointed by the president pro tempore of the Senate, the minority
214 leader of the House of Representatives and the Governor shall initially
215 serve a term of four years; (2) members appointed by the majority leader
216 of the House of Representatives and the majority leader of the Senate
217 shall initially serve a term of three years; and (3) members appointed by
218 the speaker of the House of Representatives and the minority leader of
219 the Senate shall initially serve a term of two years. Members shall
220 continue to serve until their successors are appointed and any member
221 may serve more than one term.

222 (d) The Governor shall select the chairperson of the board from
223 among the members of the board. Such chairperson shall schedule the
224 first meeting of the board, which shall be held not later than November
225 1, 2020.

226 (e) Any vacancy shall be filled by the appointing authority. Any
227 vacancy occurring other than by expiration of term shall be filled for the
228 balance of the unexpired term.

229 (f) A majority of the board shall constitute a quorum for the
230 transaction of any business.

231 (g) The members of the board shall serve without compensation and
232 shall not be reimbursed for expenses incurred in the performance of
233 their duties.

234 (h) The board shall have the following powers and duties:

235 (1) To conduct an annual public hearing to receive comments on the
236 current state of mass transit;

237 (2) To review and recommend rail projects identified in the rail
238 project priority report submitted by the Commissioner of
239 Transportation pursuant to section 4 of this act. Not later than thirty
240 days after the receipt of such rail project priority report, the board shall
241 submit its recommendations concerning such rail projects, if any, with
242 the reasons for the recommendations, to the General Assembly, in
243 accordance with section 11-4a of the general statutes;

244 (3) To obtain from any executive department, board, commission or
245 other agency of the state such assistance and data as necessary and
246 available to carry out the purposes of this section;

247 (4) To establish bylaws to govern its procedures; and

248 (5) To perform such other acts as may be necessary and appropriate
249 to carry out the duties described in this section.

250 Sec. 4. (NEW) (*Effective July 1, 2020*) Not later than October 1, 2020,
251 and biannually thereafter, the Commissioner of Transportation shall
252 provide to the Connecticut and New York Railroad Strategy Board,
253 established under section 3 of this act, a rail project priority report that
254 identifies:

255 (1) All rail projects that are in the planning, design or construction
256 phases and are a priority for the Department of Transportation, and
257 include for each such project (A) whether the project is scheduled to be
258 substantially completed by the originally expected completion date, (B)
259 whether the project is under budget or on budget and, if not, the amount
260 over the budgeted amount and the reasons for such overage, and (C)

261 whether the project is subject to a change order and the amount of and
262 reason for the change order;

263 (2) All rail projects that are at the stage that construction can begin
264 but for which no funding has been provided;

265 (3) All rail projects for which the State Bond Commission has
266 authorized bond issuances but construction has not begun, and identify
267 for each such project (A) the date such bond issuances were authorized
268 by the State Bond Commission, (B) the reasons construction has not
269 begun, and (C) the date the department expects construction to begin;

270 (4) All rail projects that the department expects to become a priority
271 within the next ten years, based on use and the integrity of the mode of
272 transportation; and

273 (5) All maintenance or rehabilitation projects involving rail that the
274 department plans to undertake in the next three years.

275 Sec. 5. Section 13b-78 of the general statutes is repealed and the
276 following is substituted in lieu thereof (*Effective July 1, 2020*):

277 (a) As used in this section, unless the context clearly indicates a
278 different meaning or intent:

279 (1) "Debt service requirements" has the same meaning as provided in
280 section 13b-75;

281 (2) "Federal transportation bonds" means one or more special tax
282 obligation bonds authorized to be issued pursuant to subsection (c) of
283 this section;

284 (3) "Pledged revenues" has the same meaning as provided in section
285 13b-75;

286 (4) "RRIF" means the Railroad Rehabilitation and Improvement
287 Financing program established by the Transportation Equity Act for the
288 21st Century, P.L. 105-178, as amended from time to time;

289 (5) "RRIF loan agreement" means a loan agreement or other credit
290 agreement by and between the state as the borrower and the United
291 States Department of Transportation as the lender, pursuant to which a
292 loan or other form of financial assistance is made by said department to
293 the state in accordance with RRIF;

294 (6) "Special Transportation Fund" means the Special Transportation
295 Fund established pursuant to section 13b-68;

296 (7) "State officials" means the Treasurer, the Commissioner of
297 Transportation and the Secretary of the Office of Policy and
298 Management;

299 (8) "TIFIA" means the Transportation Infrastructure Finance and
300 Innovation Act, P.L. 105-178, as amended from time to time; and

301 (9) "TIFIA loan agreement" means a loan agreement or other credit
302 agreement by and between the state as the borrower and the United
303 States Department of Transportation as the lender, pursuant to which a
304 loan or other form of financial assistance is made by said department to
305 the state in accordance with TIFIA.

306 (b) The state, acting through the state officials, ~~[may]~~ shall apply to
307 enter into loan agreements or other credit agreements, including, but
308 not limited to, RRIF loan agreements and TIFIA loan agreements, with
309 the United States Department of Transportation. The state officials (1)
310 may execute and deliver any documents, certificates and instruments
311 related to such agreements and the obligations issued thereunder, (2)
312 shall determine the terms, conditions, covenants and other provisions
313 of such agreements in the best interest of the state, and (3) may take all
314 other actions, including, but not limited to, the preparation, execution
315 and submission of loan applications, necessary to enter into such
316 agreements or receive loans or other financial assistance from said
317 department under any federal program.

318 (c) Special tax obligation bonds may be issued pursuant to sections
319 13b-74 to 13b-77, inclusive, to evidence and secure loans or other forms

320 of financial assistance made by the United States Department of
321 Transportation to the state under one or more federal programs,
322 including, but not limited to, RRIF or programs established under
323 TIFIA. Such bonds may be secured by a trust indenture by and between
324 the state and a corporate trustee in accordance with the provisions of
325 subsection (g) of section 13b-76.

326 (d) The debt service requirements and any other obligations with
327 respect to any federal transportation bonds shall be secured by a lien on
328 the pledged revenues as they are received by the state and credited to
329 the Special Transportation Fund. Such lien shall be subordinate and
330 junior in all respects to every lien on pledged revenues securing any
331 special tax obligation bonds issued pursuant to sections 13b-74 to 13b-
332 77, inclusive, that are not federal transportation bonds.

333 (e) Whenever the General Assembly authorizes special tax obligation
334 bonds pursuant to any bond act taking effect before, on or after [the
335 effective date of this section] October 31, 2017, such authorization shall
336 be deemed to authorize the issuance of federal transportation bonds.
337 Such federal transportation bonds shall be subject to the requirements,
338 covenants and conditions applicable to special tax obligation bonds as
339 set forth in sections 13b-74 to 13b-77, inclusive, except as otherwise
340 provided in this section.

341 (f) Notwithstanding the provisions of subsection (o) of section 13b-
342 76, federal transportation bonds may be issued as taxable bonds,
343 whereby the interest on such bonds may be includable in the gross
344 income of the holders or owners of such bonds under the Internal
345 Revenue Code of 1986, or any subsequent corresponding internal
346 revenue code of the United States, as amended from time to time.

347 (g) (1) For the period commencing on July 1, 2022, and ending on
348 December 31, 2030, the aggregate amount of TIFIA loan agreements
349 authorized by this section for such period shall not exceed one billion
350 five hundred million dollars.

351 (2) For the period commencing on July 1, 2022, and ending on

352 December 31, 2030, the aggregate amount of RRIF loan agreements
353 authorized by this section for such period shall not exceed three billion
354 two hundred forty million dollars.

355 Sec. 6. (NEW) (*Effective from passage*) (a) For the fiscal year ending June
356 30, 2021, the sum of one billion five hundred million dollars shall be
357 transferred from the Budget Reserve Fund to the State Employees
358 Retirement Fund for the purpose of paying unfunded past service
359 liability. Such payment shall be in addition to any other contributions or
360 payments required pursuant to section 5-156a of the general statutes.
361 The State Employees Retirement Commission shall require an actuarial
362 valuation to assess the impact of such payment on the payments
363 required pursuant to section 5-156a of the general statutes.

364 (b) For the fiscal year ending June 30, 2022, and each fiscal year
365 thereafter, the amount by which the portion of the actuarially
366 determined employer contribution representing the unfunded liability
367 for that fiscal year for the State Employees Retirement System that is
368 allocated to the General Fund is reduced as a result of the transfer
369 described in subsection (a) of this section shall be deemed appropriated
370 from the General Fund to the payment of fringe benefits expenses
371 allocated to the Special Transportation Fund.

372 Sec. 7. (*Effective from passage*) (a) Not later than January 1, 2021, the
373 Auditors of Public Accounts, or any entity with which the auditors
374 contract for the purpose of conducting an audit, shall conduct the
375 following audits of the Department of Transportation: (1) A financial
376 audit, (2) a performance audit that includes, but is not limited to, the U-
377 Pass CT program and public transportation subsidies broken down by
378 individual rail and bus line, (3) a single audit conducted in accordance
379 with the federal Single Audit Act of 1984, as amended from time to time,
380 and (4) a process audit measuring the processes and engineering
381 practices utilized by the Department of Transportation against best
382 practices and the good practices of private corporations performing
383 similar work.

384 (b) Not later than March 1, 2021, the Auditors of Public Accounts shall
 385 submit a report containing the results of each audit described in
 386 subsection (a) of this section, in accordance with section 11-4a of the
 387 general statutes, to the joint standing committee of the General
 388 Assembly having cognizance of matters relating to appropriations and
 389 the budgets of state agencies, finance, revenue and bonding and
 390 transportation, and to the Transportation Strategy and Advisory Board
 391 established pursuant to section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2020</i>	New section
Sec. 2	<i>July 1, 2020</i>	New section
Sec. 3	<i>July 1, 2020</i>	New section
Sec. 4	<i>July 1, 2020</i>	New section
Sec. 5	<i>July 1, 2020</i>	13b-78
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	New section

Statement of Purpose:

To (1) establish a Transportation Strategy and Advisory Board, and a Connecticut and New York Railroad Strategy Board; (2) require the Commissioner of Transportation to provide certain information to the Transportation Strategy and Advisory Board and the Connecticut and New York Railroad Strategy Board; (3) limit the aggregate maximum amount of TIFIA and RRIF loan agreements the state can enter into for the period commencing on July 1, 2022, and ending on December 31, 2030; (4) transfer the sum of one billion five hundred million dollars from the Budget Reserve Fund to the State Employees Retirement Fund for the purpose of paying unfunded past service liability; and (5) require the Auditors of Public Accounts to conduct certain audits of the Department of Transportation.

[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.]