



# House of Representatives

General Assembly

**File No. 380**

February Session, 2004

Substitute House Bill No. 5624

*House of Representatives, March 31, 2004*

The Committee on Government Administration and Elections reported through REP. O'ROURKE of the 32nd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE CONNECTICUT RESOURCES RECOVERY AUTHORITY.**

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

1 Section 1. Section 22a-263 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 The directors of the authority shall meet [at least monthly] four  
4 times during the calendar year, at the call of the chairman, and may  
5 meet more frequently if necessary and desirable, at the call of the  
6 chairman or at the call of the majority of board directors, including ad  
7 hoc members. It shall maintain at all times minutes of its meetings  
8 including its considerations, deliberations, decisions and resolutions,  
9 which minutes shall be considered public records. It shall maintain all  
10 necessary records and data with respect to its operations and shall  
11 report quarterly to the Governor and annually to the General  
12 Assembly, upon its operations. Such reports shall include but not be

13 limited to a listing of the number and type of waste management  
14 service contracts entered into with local government units and  
15 persons, and the charges therefor; a listing of the contracts entered into  
16 for the services of private industry in the operation of systems and  
17 facilities; a map showing the location of all facilities owned or leased  
18 by the authority; a schedule of the amounts of waste received and  
19 processed in such facilities; a listing of the outstanding issues of notes  
20 and bonds of the authority and the payment status thereof; a budget  
21 showing the administrative expenses of the authority; a report of  
22 revenues of the authority from all sources and of the redistribution of  
23 any surplus revenues. The authority shall be subject to audit by the  
24 state Auditors of Public Accounts in accordance with normal audit  
25 practices prescribed for departments, boards, commissions and other  
26 agencies of the state.

27 Sec. 2. Section 1-125 of the general statutes is repealed and the  
28 following is substituted in lieu thereof (*Effective from passage*):

29 The directors, officers and employees of the Connecticut  
30 Development Authority, Connecticut Innovations, Incorporated,  
31 Connecticut Higher Education Supplemental Loan Authority,  
32 Connecticut Housing Finance Authority, Connecticut Housing  
33 Authority, Connecticut Resources Recovery Authority, including ad  
34 hoc members of the Connecticut Resources Recovery Authority,  
35 Connecticut Health and Educational Facilities Authority, Capital City  
36 Economic Development Authority, Connecticut Lottery Corporation  
37 and Connecticut Port Authority and any person executing the bonds or  
38 notes of the agency shall not be liable personally on such bonds or  
39 notes or be subject to any personal liability or accountability by reason  
40 of the issuance thereof, nor shall any director or employee of the  
41 agency, including ad hoc members of the Connecticut Resources  
42 Recovery Authority, be personally liable for damage or injury, not  
43 wanton, reckless, wilful or malicious, caused in the performance of his  
44 or her duties and within the scope of his or her employment or  
45 appointment as such director, officer or employee, including ad hoc  
46 members of the Connecticut Resources Recovery Authority. The

47 agency shall protect, save harmless and indemnify its directors,  
 48 officers or employees, including ad hoc members of the Connecticut  
 49 Resources Recovery Authority, from financial loss and expense,  
 50 including legal fees and costs, if any, arising out of any claim, demand,  
 51 suit or judgment by reason of alleged negligence or alleged  
 52 deprivation of any person's civil rights or any other act or omission  
 53 resulting in damage or injury, if the director, officer or employee,  
 54 including ad hoc members of the Connecticut Resources Recovery  
 55 Authority, is found to have been acting in the discharge of his or her  
 56 duties or within the scope of his or her employment and such act or  
 57 omission is found not to have been wanton, reckless, wilful or  
 58 malicious.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>

**GAE**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

**OFA Fiscal Note**

**State Impact:**

Agency Affected	FY 05 \$	FY 06 \$
CT Resources Recovery Authority (quasi-public)	Potential	Potential

**Municipal Impact:**

Municipalities	FY 05 \$	FY 06 \$
Various Municipalities	See Below	See Below

**Explanation**

To the extent that exempting Connecticut Resources Recovery Authority (CRRRA) ad hoc members from personal liability increases CRRRA’s liability, the state’s contingent liability could be increased, by potentially increasing the uses of CRRRA bond proceeds that could be secured with a Special Capital Reserve Fund (SCRFF). A SCRFF provides additional security for bonds issued by the entity and allows the entity to issue indebtedness backed by the General Fund resources of the state, since the state is obligated to restore a SCRFF to a minimum level. CRRRA bonds are generally secured by service agreements with participating municipalities under which the municipalities agree to deliver a minimum amount of waste to a specified facility each year or to pay the tipping fee for any amount that does not meet the minimum commitment. These service agreements are generally secured by the municipality’s full faith and credit. CRRRA bonds are generally additionally secured by revenues from the sale of energy generated by the facility and waste from non-municipal sources. By statute, CRRRA may not issue any bonds or notes or owe money unless it is approved by the State Treasurer or his deputy. Therefore, it is assumed that no General Fund resources will be needed.

CRRA's authorized SCRF or guaranteed debt as of 12/16/03 is \$725 million and their outstanding SCRF or guaranteed debt as of 12/16/03 is \$240.3 million.

The changes in the CRRA meeting requirements are anticipated to increase flexibility and efficiency and not have a fiscal impact.

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**OLR Bill Analysis**

sHB 5624

**AN ACT CONCERNING THE CONNECTICUT RESOURCES RECOVERY AUTHORITY**

**SUMMARY:**

This bill requires the Connecticut Resources Recovery Authority's (CRRA) directors to meet four times per year, instead of the current monthly meeting requirement. The law allows the directors to meet more frequently if necessary and desirable, which the bill specifies must be at the call of the chairman or a majority of the board of directors, including ad hoc members.

The bill exempts CRRA's ad hoc members from personal liability for bonds the agency issues or for damage or injury (as long as it is not wanton, reckless, willful, or malicious) caused in performing duties within the scope of their employment or appointment. It also requires CRRA to protect, save harmless, and indemnify its ad hoc members from financial loss and expense arising out of their alleged action or omission causing damage or injury (as long as it is not wanton, reckless, willful, or malicious) if they were discharging their duties or acting within the scope of their employment. The law provides the same protections for CRRA's directors, officers, and employees.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 17    Nay 0