



General Assembly

January Session, 2005

**Raised Bill No. 6778**

LCO No. 3763

\*03763\_\_\_\_\_ET\_\*

Referred to Committee on Energy and Technology

Introduced by:  
(ET)

***AN ACT CREATING THE CONNECTICUT POWER AUTHORITY.***

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

1 Section 1. Section 1-120 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2005*):

3 As used in sections 1-120 to 1-123, inclusive:

4 (1) "Quasi-public agency" means the Connecticut Development  
5 Authority, Connecticut Innovations, Incorporated, Connecticut Health  
6 and Educational Facilities Authority, Connecticut Higher Education  
7 Supplemental Loan Authority, Connecticut Housing Finance  
8 Authority, Connecticut Housing Authority, Connecticut Resources  
9 Recovery Authority, Connecticut Hazardous Waste Management  
10 Service, Capital City Economic Development Authority, the  
11 Connecticut Power Authority, established pursuant to section 4 of this  
12 act, and Connecticut Lottery Corporation.

13 (2) "Procedure" means each statement, by a quasi-public agency, of  
14 general applicability, without regard to its designation, that  
15 implements, interprets or prescribes law or policy, or describes the

16 organization or procedure of any such agency. The term includes the  
17 amendment or repeal of a prior regulation, but does not include,  
18 unless otherwise provided by any provision of the general statutes, (A)  
19 statements concerning only the internal management of any agency  
20 and not affecting procedures available to the public, and (B) intra-  
21 agency memoranda.

22 (3) "Proposed procedure" means a proposal by a quasi-public  
23 agency under the provisions of section 1-121 for a new procedure or  
24 for a change in, addition to or repeal of an existing procedure.

25 Sec. 2. Section 1-124 of the general statutes is repealed and the  
26 following is substituted in lieu thereof (*Effective October 1, 2005*):

27 (a) The Connecticut Development Authority, the Connecticut  
28 Health and Educational Facilities Authority, the Connecticut Higher  
29 Education Supplemental Loan Authority, the Connecticut Housing  
30 Finance Authority, the Connecticut Housing Authority, the  
31 Connecticut Resources Recovery Authority, the Connecticut Power  
32 Authority, established pursuant to section 4 of this act, and the Capital  
33 City Economic Development Authority shall not borrow any money or  
34 issue any bonds or notes which are guaranteed by the state of  
35 Connecticut or for which there is a capital reserve fund of any kind  
36 which is in any way contributed to or guaranteed by the state of  
37 Connecticut until and unless such borrowing or issuance is approved  
38 by the State Treasurer or the Deputy State Treasurer appointed  
39 pursuant to section 3-12. The approval of the State Treasurer or said  
40 deputy shall be based on documentation provided by the authority  
41 that it has sufficient revenues to (1) pay the principal of and interest on  
42 the bonds and notes issued, (2) establish, increase and maintain any  
43 reserves deemed by the authority to be advisable to secure the  
44 payment of the principal of and interest on such bonds and notes, (3)  
45 pay the cost of maintaining, servicing and properly insuring the  
46 purpose for which the proceeds of the bonds and notes have been  
47 issued, if applicable, and (4) pay such other costs as may be required.

48 (b) To the extent the Connecticut Development Authority,  
49 Connecticut Innovations, Incorporated, Connecticut Higher Education  
50 Supplemental Loan Authority, Connecticut Housing Finance  
51 Authority, Connecticut Housing Authority, Connecticut Resources  
52 Recovery Authority, Connecticut Health and Educational Facilities  
53 Authority, the Connecticut Power Authority or the Capital City  
54 Economic Development Authority is permitted by statute and  
55 determines to exercise any power to moderate interest rate fluctuations  
56 or enter into any investment or program of investment or contract  
57 respecting interest rates, currency, cash flow or other similar  
58 agreement, including, but not limited to, interest rate or currency swap  
59 agreements, the effect of which is to subject a capital reserve fund  
60 which is in any way contributed to or guaranteed by the state of  
61 Connecticut, to potential liability, such determination shall not be  
62 effective until and unless the State Treasurer or his or her deputy  
63 appointed pursuant to section 3-12 has approved such agreement or  
64 agreements. The approval of the State Treasurer or his or her deputy  
65 shall be based on documentation provided by the authority that it has  
66 sufficient revenues to meet the financial obligations associated with the  
67 agreement or agreements.

68 Sec. 3. Section 1-125 of the general statutes is repealed and the  
69 following is substituted in lieu thereof (*Effective October 1, 2005*):

70 The directors, officers and employees of the Connecticut  
71 Development Authority, Connecticut Innovations, Incorporated,  
72 Connecticut Higher Education Supplemental Loan Authority,  
73 Connecticut Housing Finance Authority, Connecticut Housing  
74 Authority, Connecticut Resources Recovery Authority, including ad  
75 hoc members of the Connecticut Resources Recovery Authority,  
76 Connecticut Health and Educational Facilities Authority, Capital City  
77 Economic Development Authority, the Connecticut Power Authority,  
78 established pursuant to section 4 of this act, and Connecticut Lottery  
79 Corporation and any person executing the bonds or notes of the  
80 agency shall not be liable personally on such bonds or notes or be

81 subject to any personal liability or accountability by reason of the  
82 issuance thereof, nor shall any director or employee of the agency,  
83 including ad hoc members of the Connecticut Resources Recovery  
84 Authority, be personally liable for damage or injury, not wanton,  
85 reckless, wilful or malicious, caused in the performance of his or her  
86 duties and within the scope of his or her employment or appointment  
87 as such director, officer or employee, including ad hoc members of the  
88 Connecticut Resources Recovery Authority. The agency shall protect,  
89 save harmless and indemnify its directors, officers or employees,  
90 including ad hoc members of the Connecticut Resources Recovery  
91 Authority, from financial loss and expense, including legal fees and  
92 costs, if any, arising out of any claim, demand, suit or judgment by  
93 reason of alleged negligence or alleged deprivation of any person's  
94 civil rights or any other act or omission resulting in damage or injury,  
95 if the director, officer or employee, including ad hoc members of the  
96 Connecticut Resources Recovery Authority, is found to have been  
97 acting in the discharge of his or her duties or within the scope of his or  
98 her employment and such act or omission is found not to have been  
99 wanton, reckless, wilful or malicious.

100 Sec. 4. (NEW) (*Effective October 1, 2005*) (a) There is hereby  
101 established and created a body politic and corporate, constituting a  
102 public instrumentality and political subdivision of the state of  
103 Connecticut established and created for the performance of an  
104 essential public and governmental function, to be known as the  
105 Connecticut Power Authority. The authority shall not be construed to  
106 be a department, institution or agency of the state, but shall be a quasi-  
107 public agency, as defined in section 1-120 of the general statutes, as  
108 amended by this act.

109 (b) The powers of the authority shall be vested in and exercised by a  
110 board of directors, which shall consist of six directors appointed as  
111 follows: Two by the Governor; one by the president pro tempore of the  
112 Senate; one by the speaker of the House of Representatives; one by the  
113 minority leader of the Senate and one by the minority leader of the

114 House of Representatives. Any such legislative appointee may not be a  
115 member of the General Assembly. The directors appointed under this  
116 subsection shall serve for a term of four years, from January first next  
117 succeeding their appointment. Any vacancy occurring under this  
118 subsection other than by expiration of term shall be filled in the same  
119 manner as the original appointment for the balance of the unexpired  
120 term. The chairperson of the board under this subsection shall be  
121 appointed by the Governor, with the advice and consent of both  
122 houses of the General Assembly and shall serve at the pleasure of the  
123 Governor.

124 (c) Any appointed director who fails to attend three consecutive  
125 meetings of the board or who fails to attend fifty per cent of all  
126 meetings of the board held during any calendar year shall be deemed  
127 to have resigned from the board.

128 (d) The chairperson, with the approval of the directors, shall  
129 appoint a president of the authority who shall be an employee of the  
130 authority and paid a salary prescribed by the directors. The president  
131 shall supervise the administrative affairs and technical activities of the  
132 authority in accordance with the directives of the board.

133 (e) Each director shall be entitled to reimbursement for said  
134 director's actual and necessary expenses incurred during the  
135 performance of said director's official duties.

136 (f) Directors may engage in private employment, or in a profession  
137 or business, subject to any applicable laws, rules and regulations of the  
138 state or federal government regarding official ethics or conflict of  
139 interest.

140 (g) Three directors of the authority shall constitute a quorum for the  
141 transaction of any business or the exercise of any power of the  
142 authority. For the transaction of any business or the exercise of any  
143 power of the authority, the authority shall have power to act by a  
144 majority of the directors present at any meeting at which a quorum is

145 in attendance.

146 (h) The appointing authority for any director may remove such  
147 director for inefficiency, neglect of duty or misconduct in office after  
148 giving the director a copy of the charges against the director and an  
149 opportunity to be heard, in person or by counsel, in the director's  
150 defense, upon not less than ten days' notice. If any director shall be so  
151 removed, the appointing authority for such director shall file in the  
152 office of the Secretary of the State a complete statement of charges  
153 made against such director and the appointing authority's findings on  
154 such statement of charges, together with a complete record of the  
155 proceedings.

156 (i) The authority shall continue as long as it has bonds or other  
157 obligations outstanding and until its existence is terminated by law.  
158 Upon the termination of the existence of the authority, all of its rights  
159 and properties shall pass to and be vested in the state of Connecticut.

160 (j) The directors, members and officers of the authority and any  
161 person executing the bonds or notes of the authority shall not be liable  
162 personally on such bonds or notes or be subject to any personal  
163 liability or accountability by reason of the issuance thereof, nor shall  
164 any director, member or officer of the authority be personally liable for  
165 damage or injury, not wanton or wilful, caused in the performance of  
166 such person's duties and within the scope of such person's  
167 employment or appointment as such director, member or officer.

168 (k) Notwithstanding the provisions of any other law, it shall not  
169 constitute a conflict of interest for a trustee, director, partner or officer  
170 of any person, firm or corporation, or any individual having a financial  
171 interest in a person, firm or corporation, to serve as a director of the  
172 authority, provided such trustee, director, partner, officer or individual  
173 shall abstain from deliberation, action or vote by the authority in  
174 specific respect to such person, firm or corporation.

175 Sec. 5. (NEW) (*Effective October 1, 2005*) The Connecticut Power

176 Authority shall have the specific power to acquire, construct, improve,  
177 rehabilitate, maintain and operate such electric power generating,  
178 transmission and related facilities and to generate, purchase, sell,  
179 transmit and provide such electric power as the authority considers  
180 necessary or desirable to supply electric power in the state.

181 Sec. 6. (NEW) (*Effective October 1, 2005*) The Connecticut Power  
182 Authority shall have power to:

183 (1) Employ a staff and to fix their duties, qualifications and  
184 compensation;

185 (2) Establish offices where necessary in the state of Connecticut;

186 (3) Make and enter into any contract or agreement necessary or  
187 incidental to the performance of its duties and execution of its powers;

188 (4) Sue and be sued;

189 (5) Have a seal and alter it at pleasure;

190 (6) Make and alter bylaws and rules and regulations with respect to  
191 the exercise of its own powers;

192 (7) Conduct such hearings, examinations and investigations as may  
193 be necessary and appropriate to the conduct of its operations and the  
194 fulfillment of its responsibilities;

195 (8) Obtain access to public records and apply for the process of  
196 subpoena, if necessary, to produce books, papers, records and other  
197 data;

198 (9) Charge reasonable fees and rates for the services it performs and  
199 products it produces;

200 (10) Purchase, lease, rent or sell such real and personal property as it  
201 may consider necessary, convenient or desirable;

202 (11) Otherwise, do all things necessary for the performance of its  
203 duties, the fulfillment of its obligations, the conduct of its operations,  
204 in accordance with the provisions of applicable statutes and  
205 regulations;

206 (13) Receive and accept, from any source, aid or contributions,  
207 including money, property, labor and other things of value;

208 (14) Invest any funds not needed for immediate use or disbursement  
209 in obligations issued or guaranteed by the United States of America or  
210 the state of Connecticut and in obligations that are legal investments  
211 for savings banks in this state;

212 (15) Adopt regular procedures for exercising its power under  
213 sections 4 to 12, inclusive, of this act not in conflict with other  
214 provisions of the general statutes;

215 (16) Determine the location of any project to be developed under the  
216 provisions of sections 4 to 12, inclusive, of this act;

217 (17) Purchase, receive by gift or otherwise, lease, exchange, or  
218 otherwise acquire and construct, reconstruct, improve, maintain, equip  
219 and furnish such facilities and projects as are necessary or desirable  
220 under the provisions of sections 4 to 12, inclusive, of this act;

221 (18) Acquire, by purchase, gift, transfer, or by condemnation for  
222 public purposes, pursuant to the provisions of section 48-12 of the  
223 general statutes, and manage and operate, hold and dispose of real  
224 property and, subject to agreements with lessors or lessees, develop or  
225 alter such property by making improvements and betterments with the  
226 purpose of enhancing the value and usefulness of such property;

227 (19) Own, operate and maintain real property and facilities and to  
228 sell or lease to any person, all or any portion of such property and  
229 facilities, and to mortgage or otherwise encumber all or any portion of  
230 such property and facilities and to grant options to purchase, or to  
231 renew a lease for, such real property and facilities, to further the power

232 and authority specified in section 5 of this act;

233 (20) Construct, erect, build, acquire, alter, reconstruct, improve,  
234 enlarge or extend facilities and to own operate and maintain facilities  
235 to further the power and authority specified in section 5 of this act;

236 (21) Contract with any public or private entity to carry out the  
237 powers and authority specified in section 5 of this act; and

238 (22) Receive funds from the sale of bonds or other obligations of  
239 municipal and regional authorities and from the sale of obligations of  
240 the authority and its real and personal properties, to receive funds or  
241 revenues, including, but not limited to, sales, fees, rents and charges  
242 from distribution of products, materials, fuels, and energy in any form  
243 derived from facilities and equipment under its jurisdiction.

244 Sec. 7. (NEW) (*Effective October 1, 2005*) (a) Subject to the approval of  
245 the State Treasurer, and any other limitations of sections 4 to 12,  
246 inclusive, of this act, the Connecticut Power Authority may borrow  
247 money and issue its bonds and notes from time to time and use the  
248 proceeds thereof for the purposes and powers of the authority and to  
249 accomplish the purposes of sections 4 to 12, inclusive, of this act and to  
250 pay all of the costs of the authority incident to and necessary in  
251 connection with the carrying out of such purposes, including  
252 providing funds to be paid into any fund or funds to secure such  
253 bonds or notes in such principal amount subject to the provisions of  
254 sections 4 to 12, inclusive, of this act as in the opinion of the authority,  
255 shall be necessary to provide sufficient funds for implementing such  
256 powers and achieving such purposes. The notes and bonds issued by  
257 the authority shall be general obligations of the authority payable out  
258 of any revenues or other receipts, funds or moneys of the authority,  
259 subject only to any agreements with the holders of particular notes or  
260 bonds pledging any particular revenues, receipts, funds or moneys  
261 except as otherwise expressly provided by resolution of the authority  
262 and in such event such bonds or notes shall be special obligations of  
263 the authority payable solely from any revenues or other receipts, funds

264 or moneys of the authority pledged therefor and subject only to any  
265 agreements with the holders of particular notes and bonds pledging  
266 any particular revenues, receipts, funds or moneys. Such bonds or  
267 notes may be executed and delivered in such manner and at such  
268 times, may be in such form and denominations and of such tenor and  
269 maturity or maturities, may be in bearer or registered form, as to  
270 principal and interest or as to principal alone, may be payable at such  
271 time or times in the case of any such note or renewals thereof not  
272 exceeding five years from the date of issue of such note and in the case  
273 of any such bond, not exceeding forty years from the date thereof, may  
274 be payable at such place or places whether within or without the state,  
275 may bear interest at such rate or rates payable at such time or times  
276 and at such place or places and evidenced in such manner, and may  
277 contain such provisions not inconsistent with sections 4 to 12,  
278 inclusive, of this act, as shall be provided in the resolution of the  
279 authority authorizing the issuance of the bonds or notes.

280 (b) Issuance by the authority of one or more series of bonds or notes  
281 for one or more purposes shall not preclude it from issuing other  
282 bonds or notes in connection with the same project or any other  
283 projects, but the proceeding wherein any subsequent bonds or notes  
284 may be issued shall recognize and protect any prior pledge made for  
285 any prior issue of bonds or notes unless in the resolution authorizing  
286 such prior issue the right is reserved to issue subsequent bonds on a  
287 parity with such prior issue.

288 (c) Subject to the approval of the State Treasurer, any bonds or notes  
289 of the authority may be sold at such price or prices, at public or private  
290 sale, in such manner and from time to time as may be determined by  
291 the authority, and the authority may pay all costs, expenses, premiums  
292 and commissions which it may deem necessary or advantageous in  
293 connection with the issuance and sale thereof; and any moneys of the  
294 authority, including proceeds from the sale of any bonds and notes,  
295 and revenues, receipts and income from any of its projects, may be  
296 invested and reinvested in such obligations, securities and other

297 investments or deposited or redeposited in such bank or banks as shall  
298 be provided in the resolution or resolutions of the authority  
299 authorizing the issuance of the bonds and notes.

300 (d) The Connecticut Power Authority is authorized to provide for  
301 the issuance of its bonds for the purpose of refunding any bonds of the  
302 authority then outstanding, including the payment of any redemption  
303 premium thereon and any interest accrued or to accrue to the earliest  
304 or subsequent date of redemption, purchase or maturity of such bonds  
305 and, if deemed advisable by the authority, for the additional purpose  
306 of paying all or any part of the cost of constructing and acquiring  
307 additions, improvements, extensions or enlargements of a project or  
308 any portion thereof. The proceeds of any such bonds issued for the  
309 purpose of refunding outstanding bonds may, in the discretion of the  
310 authority, be applied to the purchase or retirement at maturity or  
311 redemption of such outstanding bonds either on their earliest or any  
312 subsequent redemption date, and may, pending such application, be  
313 placed in escrow to be applied to such purchase or retirement at  
314 maturity or redemption on such date as may be determined by the  
315 authority.

316 (e) Whether or not the bonds or notes are of such form and character  
317 as to be negotiable instruments under article 8 of title 42a of the  
318 general statutes, the bonds or notes shall be and are hereby made  
319 negotiable instruments within the meaning of and for all the purposes  
320 of article 8 of said title 42a, subject only to the provisions of the bonds  
321 or notes for registration.

322 (f) The principal of and interest on bonds issued by the authority  
323 may be secured by a pledge of any revenues and receipts of the  
324 authority derived from any project and may be additionally secured by  
325 the assignment of a lease of any project for the construction and  
326 acquisition of which said bonds are issued and by an assignment of the  
327 revenues and receipts derived by the authority from any such lease.  
328 The payment of principal and interest on such bonds may be

329 additionally secured by a pledge of any other property, revenues,  
330 moneys or funds available to the authority for such purpose. The  
331 resolution authorizing the issuance of any such bonds or notes and any  
332 such lease may contain agreements and provisions respecting the  
333 establishment of reserves to secure such bonds or notes, the  
334 maintenance and insurance of the projects covered thereby, the fixing  
335 and collection of rents for any portion thereof leased by the authority  
336 to others, the creation and maintenance of special funds from such  
337 revenues and the rights and remedies available in the event of default,  
338 the vesting in a trustee or trustees of such property, rights, powers and  
339 duties in trust as the authority may determine, which may include any  
340 or all of the rights, powers and duties of any trustee appointed by the  
341 holders of any bonds and notes and limiting or abrogating the right of  
342 the holders of any bonds and notes of the authority to appoint a trustee  
343 under sections 4 to 12, inclusive, of this act or limiting the rights,  
344 powers and duties of such trustee; provision for a trust agreement by  
345 and between the authority and a corporate trust which may be any  
346 trust company or bank having the powers of a trust company within or  
347 without the state, which agreement may provide for the pledging or  
348 assigning of any assets or income from assets to which or in which the  
349 authority has any rights or interest, and may further provide for such  
350 other rights and remedies exercisable by the trustee as may be proper  
351 for the protection of the holders of any bonds or notes and not  
352 otherwise in violation of law, and such agreement may provide for the  
353 restriction of the rights of any individual holder of bonds or notes of  
354 the authority and may contain any further provisions which are  
355 reasonable to delineate further the respective rights, duties,  
356 safeguards, responsibilities and liabilities of the authority, persons and  
357 collective holders of bonds or notes of the authority and the trustee;  
358 and covenants to do or refrain from doing such acts and things as may  
359 be necessary or convenient or desirable in order to better secure any  
360 bonds or notes of the authority, or which, in the discretion of the  
361 authority, will tend to make any bonds or notes to be issued more  
362 marketable notwithstanding that such covenants, acts or things may

363 not be enumerated herein, and any other matters of like or different  
364 character, which in any way affect the security or protection of the  
365 bonds or notes, all as the authority shall deem advisable and not in  
366 conflict with the provisions of this subsection. Each pledge, agreement  
367 or assignment of lease made for the benefit or security of any of the  
368 bonds or notes of the authority shall be in effect until the principal of  
369 and interest on the bonds or notes for the benefit of which the same  
370 were made have been fully paid, or until provision has been made for  
371 the payment in the manner provided in the resolution or resolutions  
372 authorizing their issuance. Any pledge made in respect of such bonds  
373 or notes shall be valid and binding from the time when the pledge is  
374 made; moneys or rents so pledged and thereafter received by the  
375 authority shall immediately be subject to the lien of such pledge  
376 without any physical delivery thereof or further act; and the lien of any  
377 such pledge shall be valid and binding as against all parties having  
378 claims of any kind in tort, contract or otherwise against the authority,  
379 irrespective of whether such parties have notice thereof. Neither the  
380 resolution, trust indenture nor any other instrument by which a pledge  
381 is created need be recorded. The resolution authorizing the issuance of  
382 such bonds or notes may provide for the enforcement of any such  
383 pledge or security in any lawful manner.

384 (g) The authority may provide in any resolution authorizing the  
385 issuance of bonds or notes that any project or part thereof or any  
386 addition, improvement, extension or enlargement thereof, may be  
387 constructed by the authority or any designee of the authority, and may  
388 also provide in such proceedings for the time and manner of and  
389 requisites for disbursements to be made for the cost of such  
390 construction and disbursements as the authority shall deem necessary  
391 or appropriate.

392 Sec. 8. (NEW) (*Effective October 1, 2005*) Bonds issued by the  
393 Connecticut Power Authority under the provisions of sections 4 to 12,  
394 inclusive, of this act are hereby made securities in which all public  
395 officers and public bodies of the state and its political subdivisions, all

396 insurance companies, credit unions, building and loan associations,  
397 investment companies, banking associations, trust companies,  
398 executors, administrators, trustees and other fiduciaries and pension,  
399 profit-sharing and retirement funds may properly and legally invest  
400 funds, including capital in their control or belonging to them. Such  
401 bonds are hereby made securities which may properly and legally be  
402 deposited with and received by any state or municipal officer or any  
403 agency or political subdivision of the state for any purpose for which  
404 the deposit of bonds or obligations of the state is now or may hereafter,  
405 be authorized by law.

406       Sec. 9. (NEW) (*Effective October 1, 2005*) The state does hereby pledge  
407 to and agree with the holders of any bonds and notes issued under  
408 sections 4 to 12, inclusive, of this act and with those parties who may  
409 enter into contracts with the Connecticut Power Authority or its  
410 successor agency pursuant to the provisions of sections 4 to 12,  
411 inclusive, of this act that the state will not limit or alter the rights  
412 hereby vested in the authority until such obligations, together with the  
413 interest thereon, are fully met and discharged and such contracts are  
414 fully performed on the part of the authority, provided nothing  
415 contained in this section shall preclude such limitation or alteration if  
416 and when adequate provision shall be made by law for the protection  
417 of the holders of such bonds and notes of the authority or those  
418 entering into such contracts with the authority. The authority is  
419 authorized to include this pledge and undertaking for the state in such  
420 bonds and notes or contracts.

421       Sec. 10. (NEW) (*Effective October 1, 2005*) The exercise of the powers  
422 granted by sections 4 to 12, inclusive, of this act constitute the  
423 performance of an essential governmental function and the  
424 Connecticut Power Authority shall not be required to pay any taxes or  
425 assessments upon or in respect of a project, or any property or moneys  
426 of the authority, levied by any municipality or political subdivision or  
427 special district having taxing powers of the state, nor shall the  
428 authority be required to pay state taxes of any kind, and the authority,

429 its projects, property and money and any bonds and notes issued  
430 under the provisions of sections 4 to 12, inclusive, of this act, their  
431 transfer and the income therefrom, including revenues derived from  
432 the sale thereof, shall at all times be free from taxation of every kind by  
433 the state except for estate or succession taxes and by the municipalities  
434 and all other political subdivisions or special districts having taxing  
435 powers of the state; provided nothing in this section shall prevent the  
436 authority from entering into agreements to make payments in lieu of  
437 taxes with respect to property acquired by it or by any person leasing a  
438 project from the authority or operating or managing a project on behalf  
439 of the authority and neither the authority nor its projects, properties,  
440 money or bonds and notes shall be obligated, liable or subject to lien of  
441 any kind for the enforcement, collection or payment thereof. If and to  
442 the extent the proceedings under which the bonds authorized to be  
443 issued under the provisions of sections 4 to 12, inclusive, of this act so  
444 provide, the authority may agree to cooperate with the lessee or  
445 operator of a project in connection with any administrative or judicial  
446 proceedings for determining the validity or amount of such payment  
447 and may agree to appoint or designate and reserve the right in and for  
448 such lessees or operators to take all action which the authority may  
449 lawfully take in respect of such payments and all matters relating  
450 thereto, providing such lessee or operator shall bear and pay all costs  
451 and expenses of the authority thereby incurred at the request of such  
452 lessee or operator or by reason of any such action taken by such lessee  
453 or operator in behalf of the authority. Any lessee or operator of a  
454 project which has paid the amounts in lieu of taxes permitted by this  
455 section to be paid shall not be required to pay any such taxes in which  
456 a payment in lieu thereof has been made to the state or to any such  
457 municipality or other political subdivision or special district having  
458 taxing powers, any other statute notwithstanding.

459       Sec. 11. (NEW) (*Effective October 1, 2005*) (a) The directors of the  
460 Connecticut Power Authority may, by resolution, delegate to the  
461 president of the authority, as its chief executive officer, such powers of  
462 the authority as may appear, in the discretion of the directors, to be

463 necessary, advisable or desirable in order to permit the timely  
464 performance of the administrative functions of the authority and to  
465 carry out the plans, policies, procedures and decisions of the directors.

466 (b) It shall be the responsibility of the directors to delegate only  
467 those powers of the authority that may be generally appropriate for  
468 the exercise of executive and administrative functions and to reserve to  
469 themselves such powers and decisions as may be more properly  
470 exercised through the regular deliberative and decision-making  
471 processes of the directors.

472 (c) The president, with the approval of the directors, may assign or  
473 redelegate to officers and employees of the authority, any delegated  
474 powers that in the opinion of the president may be necessary, desirable  
475 or appropriate for the prompt and orderly transaction of the business  
476 of the authority.

477 Sec. 12. (NEW) (*Effective October 1, 2005*) Each director of the  
478 Connecticut Power Authority shall execute a surety bond in the sum of  
479 fifty thousand dollars or, in lieu thereof, the chairperson of the  
480 authority shall execute a blanket positive bond covering each director,  
481 executive and employee of the authority, each surety bond to be  
482 conditioned upon the faithful performance of the duties of the office or  
483 officers covered, to be executed by a surety company authorized to  
484 transact business in the state of Connecticut as surety and to be  
485 approved by the Attorney General and filed in the office of the  
486 Secretary of the State. The cost of each such bond shall be paid by the  
487 authority.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2005</i>	1-120
Sec. 2	<i>October 1, 2005</i>	1-124
Sec. 3	<i>October 1, 2005</i>	1-125
Sec. 4	<i>October 1, 2005</i>	New section
Sec. 5	<i>October 1, 2005</i>	New section

Sec. 6	<i>October 1, 2005</i>	New section
Sec. 7	<i>October 1, 2005</i>	New section
Sec. 8	<i>October 1, 2005</i>	New section
Sec. 9	<i>October 1, 2005</i>	New section
Sec. 10	<i>October 1, 2005</i>	New section
Sec. 11	<i>October 1, 2005</i>	New section
Sec. 12	<i>October 1, 2005</i>	New section

***Statement of Purpose:***

To establish a quasi-public authority to produce, acquire, distribute and sell electric power in the state.

*[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.]*