



# House of Representatives

General Assembly

**File No. 246**

February Session, 2006

House Bill No. 5578

*House of Representatives, March 30, 2006*

The Committee on Government Administration and Elections reported through REP. CARUSO of the 126th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT CONCERNING FREE TRADE AGREEMENTS AND STATE PROCUREMENT.***

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

1 Section 1. (NEW) (*Effective from passage*) (a) No state official,  
2 including, but not limited to, the Governor, may bind the state to the  
3 government procurement rules of an international trade agreement or  
4 give consent to the federal government to bind the state to the  
5 government procurement rules of an international trade agreement.  
6 For the purposes of this section "international trade agreement" means  
7 a trade agreement between the federal government and a foreign  
8 country to which the state, at the request of the federal government, is  
9 a party.

10 (b) Notwithstanding the provisions of subsection (a) of this section,  
11 the Governor may bind the state or give consent to the federal  
12 government to bind the state to the government procurement rules of  
13 an international trade agreement when the General Assembly has

14 enacted legislation that explicitly authorizes the Governor to bind the  
15 state or give consent to the federal government to bind the state to the  
16 government procurement rules of a specific international trade  
17 agreement.

18 (c) Any consent that the Governor or any other state official has  
19 provided for the state to be bound by the government procurement  
20 rules of any international trade agreement, on or before the effective  
21 date of this section, is invalid and the state shall not be bound by the  
22 government procurement rules of any such international trade  
23 agreement.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

**GAE**      *Joint Favorable*

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:

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**OFA Fiscal Note**

**State Impact:** See Below

**Municipal Impact:** None

**Explanation**

This bill, which is retroactive, prohibits state officials from binding the state to the government procurement rules of an international trade agreement unless the General Assembly passes legislation authorizing such action. The bill is limited to international trade agreements to which the state is a party, not to those to which the state has agreed to be a covered procuring entity.

The fiscal impact to the state is indeterminate as it is not known how invalidating past international trade agreements will impact state procurement policy.

It is anticipated that the General Assembly would authorize state officials to enter into future international trade agreements only to the extent that it is in the state's best interest.

**The Out Years**

The annualized ongoing fiscal impact is indeterminate.

**OLR Bill Analysis****HB 5578*****AN ACT CONCERNING FREE TRADE AGREEMENTS AND STATE PROCUREMENT.*****SUMMARY:**

With this one exception, this bill prohibits any state official from binding the state to the government procurement rules of an international trade agreement. It authorizes the governor to bind the state to such an agreement only when the General Assembly passes legislation explicitly authorizing her to do so. Under the bill, "international trade agreement" means a trade agreement between the federal government and a foreign country to which the state, at the request of the federal government, is a party. This definition limits the bill's application to include only those agreements to which Connecticut is a party, not those to which it has agreed to be a covered procuring entity. The bill is retroactive and invalidates any consent that a public official gave on or before its passage binding the state to comply with such an agreement.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****International Trade Agreements***

Under international trade agreements such as the Central America Free Trade Agreement and the World Trade Organization, state participation in the procurement policies is generally voluntary. The Office of the U.S. Trade Representative commonly allows governors to choose whether they will bind their state's procurement policy to comply with an agreement, i.e., a covered procuring entity.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea 11    Nay 8    (03/14/2006)