



# Senate

General Assembly

**File No. 354**

February Session, 2008

Substitute Senate Bill No. 26

*Senate, April 1, 2008*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING CERTAIN PROGRAMS ADMINISTERED BY THE OFFICE OF POLICY AND MANAGEMENT.***

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

1 Section 1. Subsection (e) of section 20-280 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2008*):

4 (e) The board, subject to the provisions of chapter 67, may employ  
5 an executive director and such other personnel as may be necessary to  
6 carry out the provisions of sections 20-279b to 20-281m, inclusive. The  
7 board may enter into such contractual agreements as may be necessary  
8 for the discharge of its duties, within the limit of its appropriated  
9 funds and in accordance with established procedures, as it deems  
10 necessary in its administration and enforcement of said sections. It  
11 may appoint committees or persons to advise or assist the board in  
12 such administration and enforcement as it may see fit. [Said board  
13 shall be within the Office of Policy and Management for administrative

14 purposes only.]

15 Sec. 2. Subsection (g) of section 32-657 of the general statutes is  
16 repealed and the following is substituted in lieu thereof (*Effective from*  
17 *passage*):

18 (g) The Stadium Facility Enterprise Fund, the revenue account, the  
19 operating expense account and any other account holding state  
20 moneys associated with the stadium facility shall be subject to the  
21 provisions of sections 3-112, 3-114, 4-32 and 4-33, except to the extent  
22 inconsistent with express provisions of this section, and shall be  
23 audited on a comprehensive annual basis by [an independent auditing  
24 firm in accordance with generally accepted auditing standards,  
25 selected by the secretary from a list of at least four firms supplied by  
26 the Comptroller. The cost of such audit shall be treated as an expense  
27 of stadium facility operations. In addition, between August 8, 2003,  
28 and November 30, 2003, the Auditors of Public Accounts shall conduct  
29 an audit of internal controls of stadium facility operations] the  
30 Auditors of Public Accounts. Such [audit] audits shall be conducted at  
31 the sole expense of the Auditors of Public Accounts and with advance  
32 notice to the secretary.

33 Sec. 3. Subsection (f) of section 32-606 of the general statutes is  
34 repealed and the following is substituted in lieu thereof (*Effective from*  
35 *passage*):

36 (f) The powers and duties granted to the authority pursuant to this  
37 section shall terminate July 1, [2008] 2013.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	20-280(e)
Sec. 2	<i>from passage</i>	32-657(g)
Sec. 3	<i>from passage</i>	32-606(f)

**FIN** 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 chamber thereof for any purpose:

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### **OFA Fiscal Note**

#### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 09 \$</b>	<b>FY 10 \$</b>
Policy & Mgmt., Off.	EF - Cost Avoidance	16,500	16,500
Dept. of Administrative Services	GF - None	None	None
Auditors	GF - None	None	None
Accountancy, Bd. of	GF - None	None	None

Note: EF=Enterprise Fund; GF=General Fund

#### **Municipal Impact:** None

#### **Explanation**

Section 1 transfers the Board of Accountancy (BOA) from the Office of Policy and Management (OPM), where it currently is for administrative purposes only. BOA would then be part of the SMART unit of the Department of Administrative Services (DAS). There is no fiscal impact associated with this change.

Section 2 results in an estimated cost savings of \$16,500 to the Stadium Enterprise Fund. It is anticipated that the Auditors of Public Accounts can perform the required audits within the normal budgetary resources of the agency.

Section 3 extends the powers and duties of the Capital City Economic Development Authority (CCEDA) from July 1, 2008 until July 1, 2013. The biennial budget provides \$7.9 million in each year of the budget through OPM for CCEDA related costs. The Appropriations Committee budget, sHB 5021 as favorably reported on March 26, 2008, contains \$7.9 million for CCEDA in FY 09.

#### **The Out Years**

The annualized ongoing fiscal impact identified above would

continue into the future subject to inflation.

**OLR Bill Analysis****sSB 26*****AN ACT CONCERNING CERTAIN PROGRAMS ADMINISTERED BY THE OFFICE OF POLICY AND MANAGEMENT.*****SUMMARY:**

This bill extends the Capital City Economic Development Authority's (CCEDA) powers relating to certain Hartford economic development projects for an additional five years, until July 1, 2013. The authority's powers are currently scheduled to expire on July 1, 2008. The projects are (1) a convention center, (2) a downtown higher education center, (3) up to 1,000 newly constructed or rehabilitated housing units, (4) the Civic Center (XL Center) and coliseum renovations, (5) expanded downtown parking, and (6) riverfront infrastructure and improvements.

The bill requires the Auditors of Public Accounts to perform and pay for the required annual comprehensive audit of accounts associated with Rentschler Field that contain state funds. Under current law, audits must be conducted by an independent accounting firm chosen by the Office of Policy and Management (OPM) secretary from a list of at least four such firms provided by the state comptroller. The cost of the independent audit is currently treated as a stadium operating expense. The audit requirement applies to the Stadium Facility Enterprise Fund, the revenue account, the operating expense fund, and any other account containing state money associated with the stadium.

The bill also eliminates an obsolete requirement that the Auditors of Public Accounts conduct an audit of the stadium facility operation's internal controls between August 8 and November 30, 2003.

Finally, the bill eliminates a requirement that the Board of

Accountancy be within OPM for administrative purposes.

EFFECTIVE DATE: Upon passage for the extension of CCEDA’s authority and the stadium audit provisions; July 1, 2008 for the provision concerning the Board of Accountancy.

**CCEDA’S AUTHORITY OVER HARTFORD PROJECTS**

Under the bill, CCEDA exercises the following authority for an additional five years with regard to the Hartford projects.

An applicant requesting state funds for a project must submit a copy of its application, along with supporting documents, to OPM and CCEDA. CCEDA has 90 days to give the funding agency its written recommendations, which may include contractual performance standards and project timelines. The agency cannot spend funds until it receives these recommendations or until the 90 days expire, whichever is sooner. It does not have to implement CCEDA’s recommendations, but must give CCEDA a written explanation about any spending decision that is inconsistent with them.

CCEDA cannot issue any funding recommendations until Hartford has created a municipal parking authority and transferred or scheduled the transfer (in a legally binding way) of its authority over all municipally owned or operated parking facilities to the new authority. CCEDA must coordinate all state and municipal planning and financial resources for projects and all state and municipal agencies must cooperate with the authority in its efforts.

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute  
Yea 50 Nay 0 (03/14/2008)