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"AN ACT CONCERNING THE INTEGRATION OF CERTAIN COMPONENTS OF THE UNIVERSITY OF CONNECTICUT HEALTH CENTER WITH CERTAIN COMPONENTS OF HARTFORD HEALTH CARE CORPORATION AND AUTHORIZING BONDS OF THE STATE FOR A REPLACEMENT HOSPITAL IN FARMINGTON"

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

1 **Section 1.** It is hereby found and declared that the University of
2 Connecticut School of Medicine and School of Dental Medicine are
3 vital resources for the benefit of the people of the State of Connecticut.
4 It is further found and declared, as supported by the findings of the
5 Connecticut Academy of Science and Engineering in its February 2009
6 report to the Connecticut General Assembly, that in order to
7 sustain and strengthen the academic, clinical and research missions of
8 these University of Connecticut institutions, and more particularly in
9 order to assure that the School of Medicine will remain an institution
10 dedicated to excellence in higher education, as provided in section 2 of
11 article eight of the constitution of the state and applicable law, it is
12 imperative that certain components of the University of Connecticut
13 form an academic clinical and research integration with certain
14 components of Hartford Health Care Corporation, the parent of
15 Hartford Hospital, for the purpose of establishing a state-of-the art
16 academic medical center with campuses located in Farmington and

17 Hartford, Connecticut. It is further found and declared that this
18 academic, clinical and research integration between the University of
19 Connecticut and Hartford Health Care Corporation will ultimately
20 improve patient care services and standards of care in the region and
21 the State, while also effectively reducing the resource costs for John
22 Dempsey Hospital all to the public benefit and good and in
23 furtherance thereof. Hartford Health Care Corporation has agreed to
24 commit significant resources towards this integration for the purpose
25 of creating a state-of-the art academic medical center also with the goal
26 of furthering the academic mission of the University of Connecticut,
27 and improving care in the region, and the University of Connecticut
28 School of Medicine is expected to enter into academic affiliation
29 agreements with Bristol Hospital, the Connecticut Children's Medical
30 Center, the Hospital of Central Connecticut, the Hospital for Special
31 Care and St. Francis Hospital and Medical Center also for the purpose
32 of contributing to the academic mission of the University of
33 Connecticut School of Medicine. It is further found and declared that
34 because the existing John Dempsey Hospital is outdated and unable to
35 fulfill the academic, clinical and research needs of a school of medicine
36 dedicated to excellence in higher education, it is essential for the State
37 to fund the construction of a 250 bed replacement hospital facility in
38 Farmington on the University of Connecticut Health Center campus. It
39 is the purpose of this chapter and policy of the State to set forth the
40 elements of the specific financial assistance necessary to fund the
41 mission of the newly created academic medical center, including but
42 not limited to the construction of a new 250 bed state-of-the art
43 hospital facility on the University of Connecticut Health Center
44 campus, all to the public benefit and good, to the extent and manner
45 provided herein. It is further found and declared that the integration of
46 certain components of the University of Connecticut Health Center
47 with certain components of the Hartford Health Care Corporation
48 shall not be construed as altering the integrity of present state
49 employees' collective bargaining agreements.

50 Sec. 2. (a) In this act, the following words and terms shall have the

51 following meanings unless the context indicates another or different
52 meaning or intent:

53 (1) "Academic mission support" means financial support to be
54 provided by Hartford HealthCare, directly or through University
55 Hospital, to the School of Medicine to support the School of Medicine's
56 academic mission pursuant to the integration agreement as follows: (i)
57 for the first five fiscal years beginning October 1, 2009 and ending
58 September 30, 2014, an amount equal to seven million dollars per year,
59 for a total of thirty-five million dollars; and (ii) starting October 1, 2014,
60 an amount equal to twenty per cent of the consolidated operating
61 margin of University Hospital and its subsidiaries, including
62 University Hospital-HC, University Hospital-FC and University
63 Physicians, per fiscal year, up to a four percent consolidated operating
64 margin, but in no event less than three million dollars per year. The
65 minimum amount of three million dollars per year provided for in
66 clause (ii) will be increased as of October 1 of each fiscal year,
67 beginning October 1, 2015, by the percentage increase over the
68 preceding fiscal year equal to an inflation factor defined in the
69 integration agreement. For purposes of calculating the consolidated
70 operating margin of University Hospital and its subsidiaries as
71 provided above, the amount payable by University Hospital to the
72 School of Medicine as academic mission support shall not be included
73 in the operating expenses of University Hospital, and except as set
74 forth above, such consolidated operating margin shall be determined
75 using generally acceptable accounting principles consistently applied
76 normalized for the effect of unusual receipt of one time items. As of
77 October 1, 2014, academic mission support also includes two million
78 dollars per year of financial support made available by Hartford
79 HealthCare, directly or through University Hospital, to University
80 Physicians for medical directorships as more particularly described in
81 the integration agreement.

82 (2) "CHERC" means the Connecticut Health Education and Research
83 Collaborative which is intended to serve as a mechanism to integrate
84 and support teaching and research at all collaborating hospitals.

85 (3) "Closing date" means that date, which shall coincide with or
86 follow the effective date of this act, established by the integration
87 agreement as the date on which the transactions implementing the
88 integration are consummated.

89 (4) "Collaborating hospitals" means Bristol Hospital, Connecticut
90 Children's Medical Center, the Hospital of Central Connecticut, the
91 Hospital of Special Care, Saint Francis Hospital and Medical Center
92 University Hospital-HC, University Hospital-FC and such other
93 hospitals as may become participants in CHERC.

94 (5) "Costs of issuance" means all costs related to the proceedings
95 under which bonds are issued pursuant to section 8 of this act,
96 including, but not limited to, fees and expenses or other similar
97 charges incurred in connection with the execution of reimbursement
98 agreements, remarketing agreements, standby bond purchase
99 agreements, agreements in connection with obtaining any liquidity
100 facility or credit facility with respect to such bonds, trust agreements
101 respecting disbursement of bond proceeds and any other necessary or
102 appropriate agreements related to the marketing and issuance of such
103 bonds and the disbursement of the bond proceeds, auditing and legal
104 expenses and fees, expenses incurred for professional consultants,
105 financial advisors and fiduciaries, fees and expenses of remarketing
106 agents and dealers, fees and expenses of the underwriters to the extent
107 not paid from a discount on the purchase price of such bonds, and fees
108 and expenses of rating agencies, transfer or information agents, and
109 including costs of the publication of advertisements and notices,
110 printers' fees or charges incurred by the state to comply with
111 applicable federal and state securities or tax laws and any other similar
112 costs of issuance.

113 (6) "DPH" means the Connecticut Department of Public Health, or
114 its successor agency.

115 (7) "DSS" means the Connecticut Department of Social Services, or
116 its successor agency.

117 (8) "GMP" means guaranteed maximum price.

118 (9) "Hartford Hospital" means the Connecticut non-stock, nonprofit
119 corporation that owns and operates an 867-bed tertiary care hospital in
120 Hartford, or, as the context requires, means such hospital.

121 (10) "Hartford HealthCare" means Hartford Health Care
122 Corporation, a Connecticut non-stock, nonprofit corporation, which, as
123 of the closing date, shall act as the parent organization of an integrated
124 health care delivery system based in Hartford that includes, among
125 other components, University Hospital, and which shall be constituted
126 and governed under an amended and restated certificate of
127 incorporation and amended bylaws adopted pursuant to the
128 applicable provisions of the integration agreement, including the
129 Hartford HealthCare governance provisions.

130 (11) "Hartford HealthCare governance provisions" means provisions
131 in the amended and restated certificate of incorporation and amended
132 bylaws of Hartford HealthCare that provide for the addition of two
133 new voting members to the board of directors of Hartford HealthCare
134 to be filled *ex officio* by the University President and another designee
135 of the university reasonably acceptable to Hartford HealthCare,
136 provided that for the first three years after the closing date, the Dean of
137 the School of Medicine shall serve as the university's other designee.

138 (12) "Hartford HealthCare president" means the President of
139 Hartford HealthCare then appointed and serving pursuant to the
140 Bylaws of Hartford HealthCare.

141 (13) "Implementing agreements" means the integration agreement
142 and each other contract, agreement and instrument to be executed and
143 delivered by the university or one or more system participants in order
144 to consummate, implement, perform and carry out the integration
145 pursuant to the integration agreement, and includes any amendment
146 to any such other contract, agreement or instrument approved by the
147 parties and consistent with this act and the integration agreement. The
148 implementing agreements include but are not limited to the following,

149 each to become effective as of the closing date:

150 (i) a master lease agreement by which the university will lease the
151 JDH leased facilities to University Hospital-FC pending the completion
152 of the replacement hospital;

153 (ii) a bill of sale and assignment and assumption agreement from
154 the university to University Hospital-FC transferring ownership of, or
155 assigning rights with respect to the JDH assets to University Hospital-
156 FC;

157 (iii) a bill of sale and assignment and assumption agreement from
158 the university to University Physicians transferring ownership of, or
159 assigning rights with respect to the UMG assets to University
160 Physicians;

161 (iv) a bill of sale and assignment and assumption agreement from
162 Hartford Hospital to University Physicians transferring ownership of,
163 or assigning rights with respect to certain identified contracts and
164 leases to University Physicians;

165 (v) support staff services agreements among the university and
166 University Hospital-FC, and the university and University Physicians,
167 for the purchase by University Hospital-FC and University Physicians,
168 respectively, of support services currently provided by certain state
169 employees at UCHC, pursuant to which such employees shall have the
170 right to remain employees of the state entitled to the benefits under
171 applicable collective bargaining agreements but will be made available
172 by the university to University Hospital-FC and University Physicians,
173 as the case may be, at a charge excluding the state benefits differential,
174 which differential shall be the responsibility of the state pursuant to
175 the state funding and support agreement;

176 (vi) a clinical teaching agreement among the system participants
177 setting forth the terms relating to the graduate medical education of
178 interns and residents, in accordance with the requirements of the
179 medicare program;

180 (vii) a clinical research affiliation agreement among the system
181 participants providing for collaboration in the area of clinical research;

182 (viii) a faculty physician services agreement with University
183 Hospital providing for the purchase by University Physicians of the
184 services of School of Medicine employed faculty who elect not to
185 become employed clinical faculty of University Physicians;

186 (ix) the state funding and support agreement;

187 (x) the project funding and development agreement; and

188 (xii) the replacement facility master lease.

189 (14) "Infrastructure improvements" means necessary or desirable
190 infrastructure improvements relating to the replacement hospital,
191 including, but not limited to, structures over roads and highways,
192 roadway improvements, pedestrian improvements, landscaped plazas,
193 foundations and other structural work on the site of the replacement
194 hospital or off-site as determined to be necessary or desirable in
195 connection with the development of the replacement hospital, and
196 whether undertaken by the state, the university or any other agency,
197 department or public instrumentality of the state.

198 (15) "Integration" means the events, actions and transactions more
199 fully described and provided for in the implementing agreements
200 necessary for the creation and operation of an integrated academic
201 medical center with campuses in Hartford and Farmington as part of a
202 larger healthcare delivery system operated by Hartford HealthCare
203 and as essential to maintaining the School of Medicine as an institution
204 dedicated to excellence in higher education as referenced in section 1
205 hereof, including the following principal elements:

206 (i) the formation by Hartford HealthCare of University Hospital;

207 (ii) the formation by University Hospital of University Hospital-FC;

208 (iii) amendments to Hartford HealthCare governance documents

209 providing for the addition of the University President and another
210 designee of the university reasonably acceptable to Hartford
211 HealthCare; provided, however, that for the first three years after the
212 closing, the Dean of the School of Medicine shall serve as the
213 university's other designee, and amendment to the Hartford Hospital
214 certificate of incorporation constituting University Hospital as the sole
215 member of University Hospital-HC;

216 (iv) the formation of University Physicians with University Hospital
217 and the School of Medicine as its two members to integrate the
218 employed clinical faculty of Hartford Hospital and the School of
219 Medicine and to act as the faculty practice plan supporting the
220 operation of University Hospital-HC and University Hospital-FC, and
221 its academic mission support;

222 (v) the sale of personal property and the lease of real property
223 associated with the operation of the John Dempsey Hospital, UMG and
224 related clinical functions by the university to University Hospital-FC;

225 (vi) provision for the continued employment by the state of
226 individuals currently employed as managers, staff supervisors,
227 professional employees, medical support employees and staff support
228 employees at John Dempsey Hospital, UMG and related clinical
229 functions at the UCHC, and for the provision by the state of the
230 continued services of such employees at University Hospital-FC and
231 University Physicians, at a charge exclusive of the state benefits
232 differential, which differential shall be the responsibility of the state
233 pursuant to the state funding and support agreement;

234 (vii) the University Hospital funding and support, including but not
235 limited to the formation, funding and operation of UHSOM Ventures;
236 and

237 (vii) the funding by the state of the replacement hospital, and the
238 master lease thereof by the state to University Hospital-FC for a
239 minimum term of ninety-nine years.

240 (16) "Integration agreement" means the integration agreement
241 between Hartford HealthCare and the university as filed on
242 _____, 2009, with the joint committees of the general
243 assembly having cognizance over matters relating to finance, revenue
244 and bonding and higher education. The integration agreement shall,
245 by its express terms, become effective between the parties only upon
246 execution by its parties and passage of this act. The integration
247 agreement may be amended by the parties, provided that, any
248 amendment to the integration agreement shall not become effective
249 until the university has filed such amendment with the joint standing
250 committees of the general assembly having cognizance over matters
251 relating to finance, revenue and bonding and higher education and the
252 applicable committees have either approved the amendment or failed
253 to reject such amendment within thirty days of the filing thereof. The
254 integration agreement shall also set forth the terms and conditions for
255 termination, including the terms relating to separation by the parties.

256 (17) "JDH assets" means certain tangible and intangible personal
257 property used in the operation of JDH leased facilities, medical offices
258 and other improvements used for or supporting clinical services
259 provided by UCHC in Farmington, more particularly identified in the
260 implementing agreements.

261 (18) "JDH leased facilities" includes John Dempsey Hospital and the
262 associated ambulatory surgery center, medical facilities, medical
263 offices, and other improvements used for or supporting clinical
264 services provided by UCHC in Farmington more particularly
265 identified and subject to the exceptions provided for in the
266 implementing agreements.

267 (19) "John Dempsey Hospital" or "JDH" means the existing 204-
268 licensed bed, 20-licensed bassinette general acute care hospital located
269 in Farmington and owned and operated by the university as a
270 component of UCHC.

271 (20) "Preliminary costs" means the costs of the state or the

272 university, as the case may be, relating to planning, preliminary
273 design, feasibility and permitting of the replacement hospital
274 including, but not limited to, costs of plans, budgeting, borings,
275 surveys, maps, title examinations, environmental testing,
276 environmental impact evaluations, appraisals, documentation of
277 estimates of costs and revenue increments to the state or the university
278 in connection with the replacement hospital project and the permitting
279 thereof, including feasibility studies, market and impact analysis,
280 preliminary design costs and costs incidental to investigations,
281 preparation and processing of permit applications and preparation
282 and analysis of any proposed agreement, lease or memorandum of
283 understanding with respect to the replacement hospital project,
284 including, but not limited to, the fees and expenses of professional,
285 management and technical consultants, and financial and legal
286 advisors, and the reimbursement to any state agency or department,
287 public authority, political subdivision or other system participant
288 which has advanced or advances funds for the payment of any such
289 preliminary costs, provided that in the case of any such advancement
290 it was or is at the request of or with the approval of the state and
291 would qualify as a preliminary cost if incurred directly by the state.

292 (21) "Prime construction contractor" means each general contractor,
293 construction manager or other construction professional with primary
294 responsibility for construction activities with respect to the
295 replacement hospital project.

296 (22) "Project costs" means and includes all hard and soft costs
297 relating to the replacement hospital project, or, in context, any aspect
298 thereof, including, but not limited to, preliminary costs, costs of site
299 acquisition, site preparation and infrastructure improvements,
300 relocation costs, including costs related to interim parking
301 arrangements, costs of issuance, costs of labor and materials employed
302 in the work, costs of purchase and installation of furniture, fixtures
303 and equipment necessary for the operation of the replacement hospital,
304 fees for project and construction management services, including
305 incentive payments related to timely completion of improvements at

306 or under budget, costs of insurance, including title insurance, the
307 establishment of appropriate reserve funds in connection with the
308 financing of any aspect of the overall project, and costs of accounting,
309 legal, architectural, environmental, permitting, engineering,
310 management, financial and other professional and technical services.

311 (23) "Project funding and development agreement" means an
312 agreement among University Hospital, University Hospital-FC, the
313 university and the state, acting through the Secretary, in which the
314 parties set forth their understandings and undertakings with respect to
315 the replacement hospital project, including without limitation: (i) a
316 budget for the replacement hospital project and provisions for the
317 approval of budget variances and modifications; (ii) a schedule for the
318 replacement hospital project and provisions for the approval of
319 schedule changes; (iii) provisions with respect to sources and uses of
320 funds, including the irrevocable commitment of the state to pay project
321 costs from the proceeds of bonds issued pursuant to section 8 of this
322 act; (iv) provisions with respect to the selection and engagement of the
323 architect, project manager, the prime construction contractor, and
324 other design professionals, engineers, attorneys, contractors, suppliers
325 and others providing goods or services for purposes of the
326 replacement hospital project; (v) provisions with respect to the
327 establishment and operation of a project team with authority to direct,
328 manage and supervise the replacement hospital project, including
329 without limitation, the final approval of the architect and the engineer,
330 the project manager and the prime construction contractor, any GMP
331 contract, the project budget and the project schedule and material
332 changes thereto, and the project design and plans and specifications
333 and material changes thereto. The project team shall consist of three
334 designees of the President of Hartford HealthCare, one designee of the
335 University President, one designee of the Dean of the School of
336 Medicine, and one designee of the Secretary. The project team shall act
337 by majority vote of all of its members. In the event of a tie vote, the
338 President of Hartford HealthCare shall have ultimate authority to
339 determine the selection of the architect and project manager, and to

340 approve the project final design, plans and specifications, with all
341 other matters being resolved pursuant to the dispute resolution
342 provisions of the integration agreement.

343 (24) "Project manager" means the development professional selected
344 by the project team to manage, supervise and coordinate on its behalf
345 the replacement hospital project.

346 (25) "Project team" means the project team provided for in the
347 project funding and development agreement.

348 (26) "Real property" means land and buildings and all estate,
349 interest or right in land or buildings, including land or buildings
350 owned by any person, the state or any political subdivision of the state
351 or instrumentality thereof and including any and all easements, rights
352 of way, air rights and every estate, right or interest therein.

353 (27) "Replacement facility master lease" means the lease by the
354 university to University Hospital-FC of the replacement hospital, to be
355 effective upon the completion and placing in service of the
356 replacement hospital, for a minimum term of ninety-nine years, the
357 effective date of which shall be no later than December 31, 2014, or
358 such later date agreed upon by project team.

359 (28) "Replacement hospital" means a new 250-bed general acute care
360 hospital, and related clinical and administrative, support and parking
361 facilities and infrastructure improvements to be located in Farmington
362 to be constructed, completed, furnished and equipped at total project
363 costs to the state not to exceed four hundred and seventy-five million
364 dollars, all as to be more particularly described and provided for in the
365 project funding and development agreement, and as essential to
366 maintaining the School of Medicine as an institution dedicated to
367 excellence in higher education as referenced in section 1 hereof.

368 (29) "Replacement hospital project" means the planning, design,
369 development, financing, construction, finishing, furnishing and
370 equipping of the replacement hospital, and related site acquisition and

371 site preparation.

372 (30) "School of Dental Medicine" means the University of
373 Connecticut School of Dental Medicine existing within the university
374 for purposes of dental education, training and research.

375 (31) "School of Medicine" means the University of Connecticut
376 School of Medicine existing within the university for purposes of
377 medical education, training and research, and with reference to any act
378 or agreement of the School of Medicine means the university, acting on
379 behalf of or by and through the School of Medicine.

380 (32) "Secretary" means the Secretary of the Office of Policy and
381 Management.

382 (33) "Site acquisition" means the acquisition of real property for
383 purposes of the replacement hospital project, by purchase, lease, lease-
384 purchase, exchange or otherwise, and includes the acquisition of other
385 real property determined by the secretary to be necessary for off-site
386 infrastructure improvements related to the development or operation
387 of the replacement hospital, or for temporary use for construction
388 staging or replacement parking during the period of construction, and
389 the exchange or lease, as lessor or lessee, by the state or any other
390 agency, department or public instrumentality of the state, of off-site
391 real property to the extent determined to be necessary for purposes of
392 the replacement hospital project.

393 (34) "Site preparation" means the removal and relocation of utilities,
394 including electricity, gas, steam, water and sewer, the installation and
395 connection of additional required utilities, the construction of
396 necessary drainage facilities, the demolition of existing improvements
397 and the removal, containment or other remediation of any hazardous
398 materials and the restoration and compacting of soil, whether
399 undertaken by the state or any other agency, department or public
400 instrumentality of the state.

401 (35) "State benefits differential" means the differential, calculated as

402 provided in the state funding and support agreement, between the
403 benefit costs attributable to state employees working at University
404 Hospital-FC and University Physicians pursuant to the staff support
405 services agreements and market rate benefit costs in the private sector
406 for similar positions.

407 (36) "State funding and support agreement" means an agreement
408 among the State, the university, University Hospital, University
409 Physicians and University Hospital-FC whereby (i) the state agrees to
410 pay the state benefits differential; and (ii) the state agrees to continue
411 to grant funds to support the operations of the School of Medicine at a
412 level sufficient to cover its operating costs commensurate with its size
413 and scope of operations at levels no less than the funding amount
414 provided for the fiscal year ending June 30, 2009, adjusted each fiscal
415 year thereafter by an inflationary factor to be set forth in the state
416 funding and support agreements, consistent with the requirements
417 that the state maintain a system of higher education dedicated to
418 excellence in higher education as provided in section 2 of article eighth
419 of the constitution of the state and applicable law.

420 (37) "System participants" means Hartford HealthCare, the
421 university participants, University Hospital, University Hospital-HC,
422 University Hospital-FC and University Physicians.

423 (38) "UCHC" means the University of Connecticut Health Center,
424 which exists within the university and is governed by the university's
425 Board of Trustees in conjunction with the Board of Directors of the
426 University of Connecticut Health Center. The principal components of
427 UCHC are the John Dempsey Hospital, the School of Medicine and the
428 School of Dental Medicine.

429 (39) "UH governance provisions" means provisions in the certificate
430 of incorporation and bylaws of University Hospital that provide for
431 Hartford HealthCare to be its sole member and for a board of directors
432 comprised of the President of Hartford HealthCare, a designee of the
433 Hartford HealthCare board of directors, the President of the University

434 and the Dean of the School of Medicine, each serving *ex officio* with a
435 vote, and physicians and other individuals from the community.

436 (40) "UHSOM Ventures" means a joint venture entity to be
437 established by University Hospital and the School of Medicine for the
438 purpose of transferring technology arising from certain School of
439 Medicine research activities into commercially viable products and
440 businesses.

441 (41) "UMG" means the UConn Medical Group, which currently
442 operates as a faculty practice plan within the School of Medicine, and
443 with reference to any act or agreement of UMG means the university,
444 acting on behalf of or by and through UMG.

445 (42) "UMG assets" means substantially all tangible and intangible
446 personal property, owned or leased by the university or the state and
447 used in the operation of UMG, as more particularly identified, and
448 subject to the exceptions provided for, in the implementing
449 agreements.

450 (43) "University" means the University of Connecticut, a constituent
451 unit of the state system of higher education, and includes the
452 university when acting on behalf of or by and through the School of
453 Medicine, or any other university participant.

454 (44) "University Hospital" means a new Connecticut non-stock non-
455 profit corporation to be formed by Hartford HealthCare as its sole
456 member and constituted and governed in accordance with a certificate
457 of incorporation and bylaws as provided in the integration agreement,
458 including the UH governance provisions, which will operate, though
459 its subsidiaries University Hospital-HC and University Hospital-FC,
460 an integrated academic medical center with campuses in Hartford and
461 Farmington, Connecticut.

462 (45) "University Hospital-FC" means a new Connecticut non-stock
463 non-profit corporation to be formed by University Hospital as its sole
464 member and constituted and governed in accordance with a certificate

465 of incorporation and bylaws as provided in the integration agreement,
466 licensed in Connecticut as an acute short term general hospital, that
467 will lease the JDH leased facilities and upon its completion, the
468 replacement hospital from the university, and that will be a
469 technologically advanced acute care hospital.

470 (46) "University Hospital funding and support" means funding
471 made available by Hartford HealthCare through University Hospital
472 to further the objectives of the integration, including an initial
473 commitment of one hundred million dollars, of which twenty-five
474 million dollars would be set aside and contributed as needed to fund
475 UHSOM Ventures, thirty-five million dollars would be provided for
476 academic mission support to the School of Medicine as described
477 herein, twenty-five to forty million dollars would be provided as
478 needed for operating capital for University Hospital, University
479 Hospital-FC, University Hospital-HC and University Physicians.

480 (47) "University Hospital-HC" means the Connecticut non-stock
481 non-profit corporation currently known as Hartford Hospital, which as
482 of the closing date will be renamed and be constituted and governed in
483 accordance with an amended and restated certificate of incorporation
484 and amended bylaws as provided in the integration agreement, which
485 will own and operate the facility formerly known as Hartford Hospital
486 and its related clinical facilities under its Connecticut hospital license
487 as an acute short term general hospital.

488 (48) "University participants" means the university, UCHC, the
489 School of Medicine, the School of Dental Medicine, JDH and UMG.

490 (49) "University Physicians" means a Connecticut non-stock
491 corporation, the two members of which shall be University Hospital
492 and the School of Medicine, and which shall be organized for the
493 purpose of acting as a faculty practice plan for employed physicians
494 providing clinical services at University Hospital-HC and University
495 Hospital-FC and which shall be constituted and be governed under a
496 certificate of incorporation and bylaws adopted pursuant to the

497 applicable provisions of the integration agreement, including the UP
498 governance provisions.

499 (50) "University President" means the President of the university
500 then appointed and serving pursuant to section 10a-108.

501 (51) "UP governance provisions" means provisions in the certificate
502 of incorporation and bylaws of University Physicians that provide for
503 University Hospital and the School of Medicine to be its members and
504 for a board of directors of four members consisting of the President of
505 the University Hospital and the Dean of the School of Medicine, each
506 serving *ex officio* with vote, one person appointed by the President of
507 University Hospital and one person appointed by the Dean of the
508 School of Medicine.

509 (b) Neither Hartford HealthCare, University Hospital, University
510 Hospital-FC, University Hospital-HC, nor University Physicians shall
511 constitute or be deemed, by virtue of this act or otherwise, an office,
512 agency, department, institution, or political subdivision of state
513 government, or a functional equivalent thereof.

514 **Sec. 3.** In furtherance of the purposes of this act, independent of
515 and in addition to any other powers provided by law and
516 notwithstanding any other provisions of the general statutes to the
517 contrary, the university is empowered and authorized:

518 (a) to enter into, execute and deliver the integration agreement and
519 each other implementing agreement to which the university or any
520 university participant is a party;

521 (b) to carry out the duties and responsibilities under and perform in
522 accordance with the provisions of the integration agreement and each
523 other implementing agreement to which the university or a university
524 participant is a party;

525 (c) to lease or transfer ownership of real and personal property in
526 accordance with the provisions of the implementing agreements;

527 (d) to adopt bylaws for UCHC, form and participate in University
528 Physicians, UHSOM Ventures and CHERC, appoint or have it officials
529 serve as board members of any of the system participants; and

530 (e) to enter into such other contracts, agreements and instruments,
531 make such applications or filings, take such other actions and do such
532 other things as the University President determines to be necessary or
533 desirable to effect the integration consistent with the integration
534 agreement and this act.

535 **Sec. 4.** The state of Connecticut does hereby pledge to and agree
536 with those parties, including any system participant other than the
537 university, who may enter into contracts or agreements with the
538 university authorized by this act, that the state will not alter or limit
539 the rights vested in the university by this act unless adequate provision
540 shall be made by law for the protection of such parties.

541 **Sec. 5.** The provisions of the implementing agreements with respect
542 to indemnification, consequential damages and binding arbitration are
543 hereby expressly authorized. Any person with a claim founded on
544 express contract arising under any of the implementing agreements,
545 including any indemnity provision thereof, against the university, a
546 university participant or the state may bring a civil action to recover
547 thereon, or in the case of a claim required by such implementing
548 agreement to be submitted to arbitration, may institute such
549 arbitration and may bring judgment on any arbitration award, before
550 the superior court for the judicial district of Hartford. The jurisdiction
551 conferred upon the superior court or in any such arbitration
552 proceeding by this section includes any set-off, claim or demand
553 whatever on the part of the university, and university participant, or
554 the state against any plaintiff commencing an action or arbitration
555 proceeding under this section. Any such action hereunder shall be
556 tried to the court without a jury. All legal defenses except
557 governmental immunity shall be reserved to the university, any
558 university participant and the state in any such action or arbitration
559 proceeding. Any action brought under this section shall be privileged

560 in respect to assignment for trial upon motion of either party.

561 **Sec. 6.** (a) Except as specifically provided for herein, neither the
562 integration, the implementing agreements nor any transaction
563 provided for therein shall require the consent or approval of any other
564 state department, office or agency, except that the integration, and the
565 replacement hospital shall be subject to otherwise applicable
566 requirements with respect to any certificate of need, approval or
567 license required to be obtained from OCHA or DPH with respect
568 thereto, provided that the process shall be subject only to an expedited
569 review, such that the letter of intent requirements of section 19a-368
570 and 19a-369 shall be waived, no third party shall be entitled to
571 participate in the deliberations or proceedings of the OHCA
572 Commissioner, and action on any such application shall be taken no
573 later than ninety days after submission of a completed application
574 without a hearing. OHCA and DPH shall take the findings of this Act
575 into consideration in their review and approval processes.

576 (b) DSS shall determine, apply and pay *per diem* and outpatient
577 medicaid rates to University Hospital-FC that are no less favorable
578 than the medicaid rates paid to John Dempsey Hospital immediately
579 prior to the closing date, subject to any generally applicable reductions
580 in federal reimbursement rates that may impact all providers
581 proportionally.

582 (c) In authorizing the integration for the benefit of the people of the
583 state, and in full recognition of the implications thereof and the
584 findings contained in this act, it is declared to be the intent of this act
585 that the integration be exempt and immune from the application of all
586 federal and state competition laws and the integration shall be so
587 exempt and immune.

588 (d) No provisions of the general statutes relating to the disposition
589 of surplus property of the university or the state shall be applicable to
590 the transfer of any real or personal property pursuant to the
591 implementing agreements.

592 (e) The provisions of section 1-84b shall not apply with respect to
593 employment with any system participant of, or the representation of
594 any system participant by, any public official or state employee who
595 would otherwise be subject to section 1-84b by virtue of their personal
596 participation or involvement in the integration.

597 (f) Notwithstanding any other provision of the general statutes to
598 the contrary, state employees who are providing services pursuant to
599 the support staff agreements shall continue to negotiate over their
600 wages, hours and other conditions of employment through their
601 respective bargaining agents under Chapter 68 of the general statutes.
602 With respect to such employees who are in statewide bargaining units,
603 negotiations over all issues other than insurance benefits, retirement
604 benefits, wage rates, overtime and other premium pay rates, shift and
605 other wage differentials, paid time off allowances, and other economic
606 terms and conditions of employment, shall be conducted with the
607 university board of trustees or its designated representatives. With
608 respect to such employees who are in bargaining units limited to
609 UCHC, negotiations over wages, hours and other conditions of
610 employment shall be conducted with the university board of trustees
611 or its designated representatives separately from negotiations covering
612 employees of UCHC who are not providing services pursuant to the
613 support staff agreement.

614

615 **Sec. 7. (a)** No officer or employee of any system participant or the
616 state executing any implementing agreement in their capacity as such
617 officer or employee shall be liable personally or be subject to any
618 personal liability or accountability under such agreements.

619 (b) The provisions of sections 4-165, 5-141d and 10-235 shall apply to
620 any employee or official of the state, the university, any university
621 participant or any other state agency who is discharging his duties or
622 acting within the scope of his employment in furtherance of the
623 integration or the replacement hospital project.

624 **Sec. 8. (a) (i)** Upon passage of this act, the State Bond Commission

625 shall have power to authorize the issuance of bonds of the state by the
626 Treasurer, pursuant to and in accordance with this section, in one or
627 more series and in principal amounts not exceeding in the aggregate
628 four hundred seventy-five million dollars plus additional amounts for
629 costs of issuance to the extent that premium and accrued interest on
630 such bonds are not available to pay such costs of issuance as
631 determined by the Treasurer at the time of issuance, provided that, no
632 bonds authorized pursuant to this section shall be issued prior to July
633 1, 2009, no more than fourteen million dollars in total principal amount
634 of such bonds shall be issued and outstanding prior to July 1, 2010, and
635 no more twenty-eight million dollars in total principal amount of such
636 bonds shall be issued and outstanding prior to July 1, 2011, and further
637 provided, in computing the total amount of such bonds which may at
638 any one time be outstanding, the principal amount of any refunding
639 bonds issued to refund such bonds shall be excluded. After
640 authorization or such bonds by the State Bond Commission, the
641 authorizing resolution shall be immediately submitted to the governor,
642 together with a summary report from the university of the estimated
643 total completion costs for the replacement hospital project, which
644 demonstrates that the replacement hospital project can be completed
645 within the amount of bonds authorized. The governor may, not later
646 than thirty days after such submission, disapprove such resolution by
647 notifying the university and the State Bond Commission in writing of
648 her disapproval and the reasons for it. If the governor does not act
649 within such thirty day period, the resolution shall be deemed
650 approved. The approval of any such resolution by the governor shall
651 be deemed approval by the governor of the allotment of the principal
652 amount of said bonds for purposes of section 3-20 and of capital
653 outlays for project costs of the replacement hospital project for
654 purposes and within the meaning of section 4-85 of the general
655 statutes, and the university may award a contract or contracts and
656 incur an obligation or obligations with respect to the replacement
657 hospital project within the amount authorized in such resolution
658 notwithstanding that such contract or obligation may, at any particular
659 time, exceed the amount of the proceeds from the sale of bonds

660 theretofore received by the state, and the parties to the integration
661 agreement and the implementing agreements, including the project
662 funding and development agreement, may rely on such authorization
663 and allotment process as a binding commitment of the state to issue
664 the bonds provided for in this section and allot the proceeds thereof for
665 purposes of this section.

666 (ii) The proceeds of such bonds and each series thereof shall be used
667 by or at the direction of the university for the purposes of financing
668 project costs of the replacement hospital project as set forth in a
669 certificate of determination filed by the university with the Treasurer
670 and the secretary of the State Bond Commission in respect of such
671 project costs as detailed in said certificate. Each such bond shall bear
672 such title or other designation as may be fixed by the Treasurer prior to
673 issuance. This section shall constitute a bond act within the meaning of
674 section 3-20.

675 (b) The bonds authorized pursuant to this section shall mature at
676 such time or times not exceeding thirty years from their respective
677 dates. None of said bonds shall be authorized except upon a finding by
678 the State Bond Commission that there has been filed with it a request
679 for such authorization, which is signed by the university stating such
680 terms and conditions as said commission, in its discretion, may
681 require. Such bonds shall be general obligations of the state and the
682 full faith and credit of the state of Connecticut are pledged for the
683 payment of the principal of and interest on such bonds, including
684 temporary or interim notes, as the same become due, and, accordingly,
685 as part of the contract of the state with the holders of such bonds,
686 appropriation of all amounts necessary for punctual payment of such
687 principal and interest is hereby made including with respect to interest
688 on temporary or interim notes and principal thereof to the extent not
689 funded with renewals thereof or bonds, and the Treasurer shall pay
690 such principal and interest as the same become due.

691 (c) All provisions of section 3-20 and the exercise of any right or
692 power granted thereby which is not inconsistent with the provisions of

693 this section, are hereby adopted and shall apply to all bonds
694 authorized pursuant to this section, and temporary or interim notes in
695 anticipation of the money to be derived from the sale of any such
696 bonds so authorized may be issued in accordance with said section 3-
697 20 and from time to time renewed provided no filings required by
698 subparagraphs (A) and (B) of subdivision (1) of subsection (g) of said
699 section 3-20 shall be required.

700 (d) Any balance of proceeds of the sale of such bonds authorized by
701 this section in excess of aggregate project costs shall be used to meet
702 interest and principal amounts as the same become due on such bonds
703 or to defease or redeem such bonds as may be outstanding, or shall be
704 deposited to the General Fund as the Treasurer shall determine.

705 (e) Net earnings on investment of proceeds, accrued interest and
706 premiums on the issuance of any of such bonds authorized by this
707 section after payment of expenses incurred by the Treasurer in
708 connection with their issuance, if any, and after compliance with
709 applicable federal tax requirements, shall be used to meet interest and
710 principal amounts as the same become due on said authorized bonds.

711 (f) After authorization by the State Bond Commission, all securities
712 of the state issued pursuant to this section shall be conclusively
713 presumed to be fully and duly authorized and issued under the laws
714 of the state. Any person or governmental entity shall be estopped from
715 questioning their authorization, sale, issuance, execution or delivery by
716 the state.

717 (g) For the purposes of this section "state moneys" means the
718 proceeds of the sale of the bonds authorized pursuant to this section or
719 of temporary or interim notes issued in anticipation of the moneys to
720 be derived from the sale of such bonds. Any federal, private or other
721 moneys then available or thereafter to be made available for project
722 costs as identified by the secretary may be added to any state moneys
723 available or becoming available hereunder for such project costs and
724 be used for the replacement hospital project as if constituting such

725 state moneys, and any other federal, private or other moneys then
726 available or thereafter to be made available for such project costs, if
727 and to the extent from time to time directed by the Treasurer, upon
728 receipt shall, in conformity with applicable federal and state law, be
729 used for the purposes for which such other moneys are received, and
730 otherwise by the Treasurer to meet the principal of outstanding bonds
731 issued pursuant to this section or to meet the principal of temporary or
732 interim notes issued in anticipation of the money to be derived from
733 the sale of such bonds authorized pursuant to this section, for the
734 purpose of financing such project costs, either by purchase or
735 redemption and cancellation of such bonds or notes or by payment
736 thereof at maturity. Whenever any of the federal, private or other
737 moneys so received with respect to the replacement hospital project
738 are used to meet principal of such temporary or interim notes or
739 whenever principal on any such temporary or interim notes is retired
740 by application of revenue receipts of the state, the amount of such
741 bonds authorized in anticipation of which such temporary or interim
742 notes were issued, and the aggregate amount of such bonds which
743 may be authorized pursuant to this section shall each be reduced by
744 the amount of the principal so met or retired. Pending use of the
745 federal, private or other moneys so received to meet the principal as
746 directed in this subsection, the amount thereof may be invested by, or
747 at the direction of, the Treasurer in bonds or obligations of, or
748 guaranteed by, the state or the United States or agencies or
749 instrumentalities of the United States, or in accordance with the
750 provisions of said section 3-20, and shall be deemed to be part of the
751 debt retirement funds of the state, and net earnings on such
752 investments shall be used in the same manner as said moneys so
753 invested.

754 **Sec. 9.** (a) Except as otherwise limited by this act, with respect to
755 and for purposes of the replacement hospital project, the university
756 shall have the following powers, which powers shall be independent
757 of and in addition to any other powers of the university under state
758 law:

759 (1) To acquire, by gift, purchase, lease, lease-purchase, exchange or
760 otherwise, the real property that will comprise the site for the
761 replacement hospital and such other real property determined to be
762 necessary by the project team for off-site infrastructure improvements
763 related to the development of the replacement hospital, or for
764 temporary use for construction staging or replacement parking during
765 the period of construction of the replacement hospital, including the
766 exchange of real property acquired by the project team under authority
767 of this act for other real property in circumstances where the project
768 team determines that such exchange will better conform site
769 boundaries to final plans or otherwise facilitate the layout,
770 development or financing of the improvements contemplated for the
771 replacement hospital.

772 (2) To select, engage and compensate surveyors, appraisers,
773 engineers, architects and other providers of professional, management,
774 financial or technical services and undertake or arrange for
775 engineering, architectural, environmental, legal, fiscal and economic
776 investigations and studies, surveys, designs, plans, working drawings,
777 specifications, procedures and other activities incidental thereto as the
778 project team determines to be necessary and on terms approved by the
779 project team;

780 (3) To lease or sublease, as lessor or lessee or sublessor or sublessee,
781 convey, and grant temporary or permanent easements and rights-of-
782 way and enter into access, support, common area maintenance and
783 similar agreements with respect to, any real property in connection
784 with the replacement hospital project, including leases or subleases, as
785 lessor or lessee or sublessor or sublessee, of off-site real property in
786 connection with site acquisition arrangements, on terms to be
787 approved by the project team;

788 (4) To enter into agreements, in each case on terms approved by the
789 project team, pursuant to which the university may be obligated,
790 among other things, to (A) acquire or provide the replacement hospital
791 site, or all or any portion of the replacement hospital, (B) provide bond

792 proceeds or other state moneys with which to pay the project costs,
793 and (C) plan, undertake, perform or otherwise provide for the site
794 preparation, the implementation of the infrastructure improvements
795 and the development of the replacement hospital project;

796 (5) To plan, design, develop, construct, finish, furnish and equip the
797 replacement hospital project and engage in other activities incidental
798 thereto, including the coordination of parking facilities, and, subject to
799 the provisions of this act, enter into such construction, development,
800 project management, construction management, design-build or other
801 types of contracts or arrangements with respect to the replacement
802 hospital project, including provisions with respect to incentive fees for
803 timely completion of improvements at or under budget and such
804 requirements with respect to GMP, adherence to the project schedule,
805 assumption of force majeure and completion risk, surety and
806 performance bonding, insurance, letters of credit and financial
807 guarantees and other assurances of performance and completion, in
808 each instance, as the project team determines to be appropriate and on
809 terms approved by the project team in order to assure adherence to the
810 project budget or may otherwise deem prudent, expedient and in the
811 best interests of the replacement hospital project, provided that the
812 project management agreement with the project manager shall require
813 that construction contracts for all major elements of the replacement
814 hospital project for which the project manager is responsible be
815 awarded on a GMP basis at prices consistent with the project budget
816 unless the project team determines that a waiver of the GMP
817 requirement is in the best interest of the replacement hospital project;

818 (6) To coordinate the replacement hospital project with other
819 departments or agencies of the state, any municipality, political
820 subdivision, quasi-public agency, public authority or other public
821 body including, but not limited to, the university, each of which,
822 notwithstanding any provision of the general statutes, may enter into a
823 written agreement with the university and, if necessary, any private
824 party respecting the coordination, funding, performance and
825 completion of such work and activities, the terms of which shall be

826 subject to project team approval;

827 (7) To make and execute any other contracts and all other
828 instruments necessary or convenient or desirable for the exercise of the
829 powers and functions of the state and coordinate, delegate, implement
830 and complete any or all of the replacement hospital project, the terms
831 of which shall be subject to project team approval;

832 (8) To delegate or assign to any other agency, department or public
833 instrumentality of the state, including any quasi-public agency, such
834 rights, interests, activities, responsibilities and obligations of the
835 secretary as, in the opinion of the secretary, are appropriate, necessary
836 or desirable in order to effectuate the replacement hospital project, the
837 terms of which shall be subject to project team approval;

838 (9) To accept gifts, grants of funds, property or services for the
839 replacement hospital project or any aspect thereof from any source,
840 public or private, and comply, subject to the provisions of this act, with
841 the terms and conditions of such gift or grant and subject to project
842 team approval;

843 (10) To pay or reimburse the Office of Policy and Management, the
844 university and other affected state agencies and political subdivisions
845 of the state and any third parties incurring such costs at the request or
846 with the approval of the state as certified by the university, for project
847 costs including, without limitation, preliminary costs, subject to project
848 team approval; and

849 (11) To do any and all other things necessary or convenient to carry
850 out the purposes of and exercise the powers expressly granted
851 pursuant to the university under this act.

852 Sec. 10. (a) The university shall take reasonable steps designed to
853 ensure that the expenditure of public funds for the project costs is
854 subject to adequate financial controls and that construction of the
855 replacement hospital project conforms to applicable construction
856 standards and approved plans and specifications. Such steps shall

857 include, but are not limited to, the following:

858 (1) (A) The university shall designate a project comptroller from its
859 senior staff. The project comptroller shall review, certify and authorize
860 any amount due for payment by the Treasurer on warrants issued by
861 the State Comptroller and otherwise oversee the expenditure of all
862 state funds made available for purposes of the replacement hospital
863 project, and shall be responsible for monitoring the project budget,
864 including cost estimates for site preparation, infrastructure,
865 improvements and project construction, the review of all invoices for
866 project costs for conformance to contracts and budgets, and the receipt
867 and review of all reports from the independent auditing firm selected
868 by the project team, and the State Building Inspector, the State Fire
869 Marshal, the architects and environmental consultants as provided for
870 in this section. The project comptroller shall be responsible for
871 obtaining all necessary information and shall monitor all aspects of the
872 planning and implementation of the replacement hospital project,
873 including on-site inspections. The project comptroller shall prepare
874 and submit to the secretary and the Auditors of Public Accounts as of
875 the end of each quarter during the period of project development a
876 summary of the reports received by the project comptroller during
877 such quarter and a summary, by major category, of all expenditures of
878 state funds for project costs during such quarter, noting any significant
879 variances against budget.

880 (B) In order to assure accountability regarding the construction
881 aspects of the replacement hospital project by the project manager and
882 other contractors and professionals retained directly or indirectly by
883 the state, the university shall obtain the services of a person or persons
884 experienced in construction oversight. The university shall obtain such
885 services (i) by agreement with the Department of Public Works or the
886 Department of Transportation; (ii) by direct hire; (iii) by contract; or
887 (iv) by any combination of (i), (ii) or (iii) of this subparagraph, the
888 terms of which shall be subject to project team approval.

889 (2) The university, subject to project team approval, shall select an

890 independent auditing firm in accordance with applicable procurement
891 procedures to review all invoices, expenditures, cost allocations and
892 other appropriate documentation related to all elements of the
893 improvements managed by the project manager in order to reconcile
894 all project costs and verify conformance with the project budget, cost
895 allocation agreements and applicable contracts. The independent
896 auditing firm shall file a written report quarterly with the secretary,
897 and the project comptroller and the project team reporting the results
898 of such review and shall assist in the reconciliation of any
899 discrepancies between the records of the project manager and the
900 records of the project comptroller.

901 (3) All contracts entered into by the university related to the
902 construction of the replacement hospital project, including contracts
903 with the project manager and each construction manager, shall require
904 the maintenance of complete accounting records relating to all
905 expenditures of state funds, including detailed support for all cost
906 allocations, on an open book basis providing for access to such records,
907 including records in electronic form, by the university, the project
908 team, the independent auditing firm selected by the university and the
909 Auditors of Public Accounts.

910 (4) All construction plans and specifications shall be subject to the
911 review and approval of the State Building Inspector and the State Fire
912 Marshal. The State Building Inspector and the State Fire Marshal shall
913 conduct periodic inspections of the replacement hospital project as
914 construction proceeds and shall immediately notify the secretary and
915 the project comptroller of any material variance between approved
916 plans and specifications and actual construction. The State Building
917 Inspector and the State Fire Marshal shall provide quarterly reports to
918 the secretary, the project team and the project comptroller regarding
919 conformance of actual construction to approved plans and
920 specifications.

921 (5) Each contract for architectural services entered into by the
922 university with respect to the replacement hospital project shall

923 include a requirement that the architect monitor conformance of actual
924 construction with the plans and specifications approved by the State
925 Building Inspector and the State Fire Marshal and promptly report any
926 material variance to the university, the project team and the project
927 comptroller, with copies to the State Building Inspector and the State
928 Fire Marshal.

929 (6) An environmental consultant or consultants shall be selected by
930 the university in accordance with applicable procurement procedures
931 to monitor conformance of any environmental remediation of the
932 replacement hospital site with any approved remediation plans and
933 promptly report any material variance to the secretary, the project
934 team and the project comptroller.

935 **Sec. 11.** (a) In the exercise of the powers and authority of the
936 university pursuant to this act, the university may utilize private
937 parties, by contract, to carry out the replacement hospital project and
938 otherwise to effectuate the purposes of this act. The terms and
939 conditions of such contracts shall be approved by the project team,
940 unless it shall otherwise so determine, as shall the fees or other similar
941 compensation to be paid to such private parties. The university shall
942 require, in connection with the development by or pursuant to
943 agreement with the university of any aspect of the replacement
944 hospital project, that each prime construction contractor shall either
945 comply with the prevailing wage laws or enter into a project labor
946 agreement. Contracts entered into by the university with respect to the
947 replacement hospital project or otherwise pursuant to the powers and
948 authority of the university under this act shall not be subject to the
949 approval of any other state department, office or agency except as
950 otherwise provided in this act. Copies of all such contracts shall be
951 maintained by the university as public records, subject to the
952 proprietary rights of any party to the contract. Nothing in this section
953 shall be deemed to restrict the discretion of the university to use the
954 staff and work force of the university or of other available state
955 departments, offices or agencies for the performance of any of the
956 university's responsibilities and functions whenever it is necessary or

957 convenient to do so. Notwithstanding any provision of this subsection,
958 the state or a public instrumentality thereof, in the exercise of a
959 governmental function, shall be and remain the owner of the
960 replacement hospital project and all property purchased as an integral
961 part thereof with the proceeds of bonds, other state moneys or moneys,
962 including having title to such real property in the name of the state or a
963 public instrumentality thereof, except that the title to, and ownership
964 of, all furniture, fixtures, equipment and other personal property
965 purchased as part of the replacement hospital project shall be
966 transferred to University Hospital-FC, subject to the terms and
967 conditions of the integration agreement and the replacement hospital
968 master lease, pursuant to which title to, and the ownership of, such
969 property shall be transferred back to the state or public instrumentality
970 thereof in the event of the termination of the replacement hospital
971 master lease, subject to the terms and conditions of the integration
972 agreement.

973 (b) The provisions of sections 4-212 to 4-219, inclusive, regarding the
974 award of personal service agreements through competitive negotiation
975 shall be applicable to all contracts and agreements for professional,
976 technical, consulting, financial or management services entered into by
977 the university in connection with the replacement hospital project,
978 including contracts with the design professional and any other
979 contracts and agreements entered into by the university with respect to
980 the planning, design, feasibility or permitting of any aspect of the
981 replacement hospital project or the management of site acquisition or
982 site preparation. For purposes of this section, all such contracts and
983 agreements shall be deemed to be personal service agreements for
984 purposes of sections 4-212 to 4-219, inclusive, without regard to
985 whether or not such contracts and agreements relate to contractual
986 services, as defined in section 4a-50.

987 (c) Notwithstanding any provision of the general statutes applicable
988 to a state facility or public works project to the contrary, the project
989 team may select any prime construction contractor on a negotiated
990 basis, provided that the university shall invite not less than three

991 qualified general contractors or construction managers with current
992 construction experience with major projects of comparable scope to
993 submit proposals to act as a prime construction contractor, which
994 invitation may include minimum requirements established by the
995 project team pursuant to this act.

996 (d) Notwithstanding any provision of the general statutes applicable
997 to a state facility or public works project to the contrary, except as
998 otherwise provided in this act, all construction contracts entered into
999 by the university with respect to the replacement hospital project shall
1000 be entered into on an open-bid or negotiated basis upon approval of
1001 the project term, except that in the discretion of the project team, where
1002 the estimated expense of any such construction contract is more than
1003 one hundred thousand dollars, the project team may determine that
1004 selection of a contractor for a particular construction contract through
1005 the prequalification and public letting process provided for in this
1006 section is warranted, is expected to be cost effective and is in the public
1007 interest of the state.

1008 (e) (1) With respect to any construction contract that is to be publicly
1009 let pursuant to subsection (d) of this section, the project team or the
1010 project manager acting on its behalf shall identify a list of potentially
1011 responsible qualified bidders for the particular contract, to which list
1012 the project team may add additional names. Thereafter, the university
1013 or the project manager acting on its behalf shall give notice to those on
1014 the list of the work required and of the invitation to prequalify. The
1015 invitation to prequalify shall contain such information as the project
1016 team shall deem appropriate and a statement of the time and place
1017 where the responses shall be received. Upon receipt of such responses,
1018 the project team shall select each bidder which has shown itself able to
1019 post surety bonds required by such contract and has demonstrated
1020 that it possesses the financial, managerial and technical ability and the
1021 integrity necessary and without conflict of interest for faithful and
1022 efficient performance of the work provided for therein. The project
1023 team shall evaluate whether a bidder is responsible and qualified
1024 based on the recommendation of the project manager, the university's

1025 and the project team's experience with projects similar to that for
1026 which the bid is to be submitted, and based on objective written
1027 criteria which shall be approved by the project team and included in
1028 the request for prequalification with respect to such contract. In lieu of
1029 such prequalification process, the project team may deem to be
1030 prequalified those bidders listed on any list of qualified bidders which
1031 is then prequalified with the Department of Administrative Services
1032 under section 4a-100 or listed on any list of qualified bidders
1033 maintained by the Department of Transportation if the project team
1034 determines that such list is appropriate in light of the scope and type of
1035 contract to be let.

1036 (2) The university or the project manager acting on its behalf shall
1037 thereafter give notice to those so prequalified of the time and place
1038 where the public letting shall occur and shall include in such notice
1039 such information of the work required as appropriate. At the time and
1040 place as set forth in the notice, the university shall publicly open and
1041 read the bids. The university shall not award any construction contract
1042 after public letting except to the responsible qualified bidder
1043 submitting the lowest bid and in compliance with the bid requirements
1044 and with the project team's approval. The university with the approval
1045 of the project team, may, however, waive any informality in a bid, and
1046 may either reject all bids and again advertise for bids, or, enter into
1047 such construction contract on a negotiated basis.

1048 (3) The invitation to bid and the construction contract awarded shall
1049 contain such other terms and conditions, and such provisions for
1050 penalties, as the project team may deem appropriate.

1051 (f) Any other agency or department of the state undertaking work
1052 related to the replacement hospital project may select and engage
1053 professionals, consultants and contractors in the same manner as
1054 provided in this section in the case of the university, notwithstanding
1055 any provision of the general statutes.

1056 (g) The university, with the approval of the project team, shall select

1057 and appoint an independent construction contract compliance officer
1058 or agent, which may be an officer or agency of a political subdivision
1059 of the state, or a private consultant experienced in similar public
1060 contract compliance matters, to monitor compliance by the university,
1061 the project manager and each prime construction contractor with the
1062 provisions of applicable state law. Such independent contract
1063 compliance officer or agent shall file a written report of his or her
1064 findings and recommendations with the secretary each quarter during
1065 the period of project development.

1066 (h) Notwithstanding the provisions of section 3-125, the university,
1067 in consultation with the Attorney General and with the approval of the
1068 project team, may select and engage any private attorney to provide
1069 legal services in connection with the replacement hospital project.

1070 **Sec. 12.** Notwithstanding any provisions of any statute, special act,
1071 charter or ordinance, no referendum or town meeting or similar vote
1072 shall be required in connection with the expenditure of public moneys
1073 by any city, town, district, metropolitan district, metropolitan district
1074 commission, borough, public community, ecclesiastical society,
1075 municipal corporation or municipal or political subdivision in
1076 connection with the replacement hospital project to the extent the
1077 university has entered into an agreement providing for the payment or
1078 reimbursement of such expenditures.

1079 **Sec. 13.** (a) Notwithstanding any provision of the general statutes
1080 and unless otherwise provided for in this act, any permit or approval
1081 required or permitted to be issued and any administrative action
1082 required or permitted to be taken pursuant to the general statutes in
1083 connection with any work supervised by a department, board or
1084 agency of the state for the replacement hospital project shall be in
1085 accordance with the procedure set forth in this section to the extent not
1086 inconsistent with the state's delegated authority under federal law.
1087 Whenever the university enters into a written agreement with any
1088 public entity for work in respect of any aspect of the replacement
1089 hospital project including without limitation, permit, license,

1090 governmental approval, acquisition of real property, construction of
1091 sewer, water, steam or other utility connections or the like, any
1092 administrative action to be taken by such public entity shall also be in
1093 accordance with the procedure set forth in this section unless
1094 inconsistent with such entity's delegated authority under federal law
1095 or in conflict with any contract by which such entity is bound,
1096 provided the procedure for review of environmental impact
1097 evaluations and statements required by sections 22a-1a to 22q-1c,
1098 inclusive, and for licenses, permits, approvals and administrative
1099 actions by the Commissioner of Environmental Protection shall be in
1100 accordance with the procedures set forth in this act. As used in this
1101 section, the term "commissioner" shall mean "commissioners", if more
1102 than one commissioner has jurisdiction over the subject matter and
1103 their designees, if any.

1104 (b) Each license, permit and approval required or permitted to be
1105 issued and each administrative action required or permitted to be
1106 taken pursuant to the general statutes in connection with the
1107 replacement hospital project shall be issued or taken upon application
1108 to the particular commissioner or commissioners having the
1109 jurisdiction over such license, permit, approval or other administrative
1110 action or such other state official as such commissioner shall designate.
1111 No agency, commission, council, committee, panel or other body
1112 whatsoever other than such commissioner shall have jurisdiction over
1113 or cognizance of any licenses, permits, approvals or administrative
1114 actions concerning the replacement hospital project. No notice of any
1115 tentative determination or any final determination regarding any such
1116 license, permit, approval or administrative action and no notice of any
1117 such license, permit, approval or administrative action shall be
1118 required except as expressly provided in this section. No ordinance,
1119 law or regulation adopted by, or authority granted to, any
1120 municipality or any other political subdivision of the state shall apply
1121 to the replacement hospital project.

1122 (c) All applications, supporting documentation and other records
1123 submitted to the commissioner and pertaining to any application for

1124 any license, permit, approval or other administrative action, together
1125 with all records of the proceedings of the commissioner relating to any
1126 license, permit, approval or administrative action, shall be a public
1127 record and shall be made, maintained and disclosed in accordance
1128 with the Freedom of Information Act, as defined in section 1-200.

1129 (d) All applications for licenses, permits, approvals and other
1130 administrative action required by any applicable provision of the
1131 general statutes shall be submitted to the commissioner as provided in
1132 subsection (b) of this section. The commissioner shall adopt a master
1133 process to consider multiple licenses, permits, approvals and
1134 administrative actions to the extent practicable. Each license or permit
1135 shall be issued, approval shall be granted and administrative action
1136 shall be taken not later than ten business days after the date of
1137 submission of any application for such license, permit, approval or
1138 administrative action to the commissioner. Each application for a
1139 license or permit shall be deemed to have been issued, approval shall
1140 be deemed to have been granted and administrative action shall be
1141 deemed to have been taken as requested unless such application has
1142 been denied or conditionally issued prior to the close of business on
1143 the tenth business day after either the date of submission of such
1144 application, or a hearing is held on such application pursuant to this
1145 section.

1146 (e) Any hearing regarding all or any part of the replacement
1147 hospital project provided for by this section shall be conducted by the
1148 particular commissioner having jurisdiction over the applicable
1149 license, permit, approval or other administrative action. Legal notice of
1150 such hearing shall be published in a newspaper having a general
1151 circulation in the town of Farmington not more than ten nor less than
1152 five days in advance of such hearing.

1153 (f) In rendering any decision in connection with the replacement
1154 hospital project, the commissioner shall weigh all competent material
1155 and substantial evidence presented by the applicant and the public in
1156 accordance with the applicable statute. The commissioner shall issue

1157 written findings and determinations upon which the decision is based.
1158 Such findings and determinations shall consist of evidence presented,
1159 including such matters as the commissioner deems appropriate,
1160 provided such matters, to the extent applicable to the particular
1161 permit, shall consider the nature of any major adverse health or
1162 environmental impact of the replacement hospital project. The
1163 commissioner may reverse or modify any order or action at any time
1164 on the commissioner's own motion. The procedure for such reversal or
1165 modification shall be the same as the procedure for the original
1166 proceeding.

1167 (g) Any administrative action taken by any commissioner in
1168 connection with the replacement hospital project may be appealed by
1169 an aggrieved party to the superior court for the judicial district of
1170 Hartford in accordance with the provisions of section 4-183. Such
1171 appeal shall be brought within ten days of the date of mailing to the
1172 parties to the proceeding of a notice of such order, decision or action
1173 by certified mail, return receipt requested. The appellant shall serve a
1174 copy of the appeal on each party listed in the final decision at the
1175 address shown in such decision. Failure to make such service within
1176 the ten days on parties other than the commissioner who rendered the
1177 final decision may not, in the discretion of the court, deprive the court
1178 of jurisdiction over the appeal. Not later than ten days following the
1179 service of such appeal, or within such further time as may be allowed
1180 by the court, the commissioner who rendered such decision shall cause
1181 any portion of the record that had not been transcribed to be
1182 transcribed and shall cause either the original or a certified copy of the
1183 entire record of the proceeding appealed from to be transmitted to the
1184 reviewing court. The record shall include the commissioner's findings
1185 of fact and conclusions of law, separately stated. If more than one
1186 commissioner has jurisdiction over the matter, such commissioners
1187 shall issue joint findings of fact and conclusions of law. The appeal
1188 shall state the reasons upon which it is predicated and,
1189 notwithstanding any provisions of the general statutes, shall not stay
1190 the development of the replacement hospital project. The

1191 commissioner who rendered the decision shall appear as the
1192 respondent. Appeals to the Superior Court shall each be privileged
1193 matters and shall be heard as soon after the return date as practicable.
1194 A court shall render its decision not later than twenty-one days after
1195 the date that the entire record with the transcript is filed with the court
1196 by the commissioner who rendered the decision.

1197 (h) The court shall not substitute its judgment for that of the
1198 commissioner as to the weight of the evidence presented on a question
1199 of fact. The court shall affirm the decision of the commissioner unless
1200 the court finds that substantial rights of the party appealing the
1201 decision have been materially prejudiced because the administrative
1202 findings, inferences, conclusions or decisions of the commissioner are:
1203 (1) In violation of constitutional or statutory provisions; (2) in excess of
1204 the statutory authority of the commissioner; (3) made upon unlawful
1205 procedure; (4) affected by an error of law; (5) clearly erroneous in view
1206 of the reliable, probative and substantial evidence on the whole record;
1207 or (6) arbitrary, capricious or characterized by abuse of discretion or
1208 clearly unwarranted exercise of discretion.

1209 (i) If the court finds material prejudice, it may sustain the appeal,
1210 and upon sustaining an appeal may render a judgment which modifies
1211 the decision of the commissioner, orders particular action of the
1212 commissioner or orders the commissioner to take such action as may
1213 be necessary to effect a particular action. The commissioner may issue
1214 a permit consistent with such judgment. An applicant may file an
1215 amended application and the commissioner may consider an amended
1216 application for an order, permit or other administrative action
1217 following court action.

1218 (j) The Office of Policy and Management shall be considered the
1219 state agency responsible for preparing any written evaluation of the
1220 impact of the replacement hospital project on the environment, if and
1221 to the extent required by section 22a-1b and the regulations adopted
1222 thereunder. The scope of each such written evaluation shall include
1223 each related activity, facility or project which the Office of Policy and

1224 Management determines should be considered part of the same
1225 sequence of planned activities for the replacement hospital project, for
1226 purposes of section 22a-1c. The Office of Policy and Management is
1227 authorized to assist the town of Farmington in the preparation and
1228 processing of any environmental impact statement with respect to such
1229 sequence of planned activities or any part thereof required to be
1230 undertaken by the town of Farmington on behalf of any federal agency
1231 under the National Environmental Policy Act. Such assistance may
1232 include the expansion of the scope of the environmental evaluation
1233 undertaken by the Office of Policy and Management to the extent
1234 necessary to satisfy the requirements of the National Environmental
1235 Policy Act and assistance with such additional procedural
1236 requirements as may pertain thereto. The Office of Policy and
1237 Management and the town of Farmington may enter into memoranda
1238 of understanding with respect to such assistance, which may include
1239 provisions for an appropriate allocation of any additional costs
1240 incurred by town of Farmington or the Office of Policy and
1241 Management, respectively, in connection therewith. To the extent that
1242 any activity, facility or project of any other public or private entity is
1243 included in any environmental evaluation undertaken by the town of
1244 Farmington or the Office of Policy and Management, the town of
1245 Farmington or the Office of Policy and Management shall be entitled to
1246 receive payment or reimbursement of such entity's allocable share of
1247 the costs incurred by the town of Farmington or the Office of Policy
1248 and Management, respectively, in connection therewith. Each such
1249 evaluation shall include a description of the permits, licenses or other
1250 approvals required from the Commissioner of Environmental
1251 Protection for the replacement hospital project. The Office of Policy
1252 and Management shall submit its evaluations and a summary thereof,
1253 including any negative findings to the Commissioner of
1254 Environmental Protection and the secretary and shall make the
1255 evaluations and summaries available to the public for inspection and
1256 comment at the same time. Notwithstanding the regulations adopted
1257 pursuant to section 22a-1a, the Office of Policy and Management shall
1258 hold a public hearing on its evaluation and shall publish notice of the

1259 availability of its evaluation and summary in a newspaper of general
1260 circulation in the town of Farmington not less than fourteen calendar
1261 days before the date of such hearing. Any person may comment at the
1262 public hearing or in writing not later than the second day following the
1263 close of the public hearing. All public comments received by the Office
1264 of Policy and Management shall be promptly forwarded to the
1265 Commissioner of Environmental Protection and the secretary and shall
1266 be made available for public inspection. Nothing in subsection (b) of
1267 section 22a-1 shall be deemed to require that any such written
1268 evaluation of environmental impact be completed prior to the award
1269 of contracts, the incurrence of obligations or the expenditure of funds
1270 in connection with the planning and engineering studies for site
1271 preparation or preliminary site preparation work not requiring permits
1272 or approvals not yet obtained. Nothing in this section shall be deemed
1273 to require that applications for licenses, permits, approvals or other
1274 administrative action in connection with all aspects of the replacement
1275 hospital project be submitted or acted upon at the same time if not
1276 otherwise required by law.

1277 (k) The secretary shall review the evaluations, together with the
1278 comments thereon, and shall make a written determination as to
1279 whether such evaluations satisfy the requirements of sections 22a-1a to
1280 22a-1c, inclusive, which determination shall be made public no later
1281 than ten days after the close of the hearing. The secretary may require
1282 the revision of either evaluation if the secretary finds that the
1283 evaluation is inadequate. In making a determination, the secretary
1284 shall take into account all public and agency comments.

1285 (l) In exercising jurisdiction over any license, permit or approval
1286 required in connection with the replacement hospital project, the
1287 Commissioner of Environmental Protection shall take into
1288 consideration all public comments received in connection with the
1289 evaluations submitted by the Office of Policy and Management
1290 pursuant to subsection (j) of this section if and to the extent available at
1291 such time and shall make written findings with respect to any such
1292 comments which are relevant to the issuance or denial of any such

1293 license or permit or the grant or denial of any such approval. For
1294 applications to the Commissioner of Environmental Protection
1295 requiring a public hearing and to the extent practicable in light of the
1296 development schedule for the replacement hospital project, there shall
1297 be a single submission date. The Commissioner of Environmental
1298 Protection shall adopt a master administrative process for any licenses,
1299 permits or approvals or administrative actions which would otherwise
1300 have required a public hearing pursuant to statute or regulation,
1301 which, to the extent practicable in light of the development schedule
1302 for the replacement hospital project, shall include a single public
1303 hearing for the replacement hospital project. Any such public hearing
1304 shall be limited to considering issues or factors not included in the
1305 related environmental evaluation. The provisions of subsection (d) of
1306 this section regarding deadlines for administrative action shall not
1307 apply to any license or permit issued or any approval granted by the
1308 Commissioner of Environmental Protection. The Commissioner of
1309 Environmental Protection shall issue a notice of sufficiency concerning
1310 the completeness of any application within fourteen days of receipt.
1311 The master process shall provide for department review, public
1312 comment and the holding of a public hearing within thirty days of the
1313 notice of sufficiency. The Commissioner of Environmental Protection
1314 shall have thirty days from the close of a public hearing to issue a
1315 decision. For licenses, permits, approvals and administrative actions
1316 not requiring a public hearing, the Commissioner of Environmental
1317 Protection may issue a decision or take administrative action at any
1318 time as may otherwise be permitted by applicable laws and
1319 regulations, but in no event later than thirty days following the
1320 completion of any public hearing relating to the same aspect of the
1321 project.

1322 **Sec. 14.** Except as otherwise provided in this act, the following
1323 provisions of the general statutes, including regulations adopted
1324 thereunder, shall not apply to the replacement hospital project:
1325 subdivisions (12), (13) and (14) of sections 4-166, sections 4-167 to 4-
1326 174, inclusive, 4-181a, 4a-1 to 4a-59a, inclusive, 4a-63 to 4a-76,

1327 inclusive, title 4b, section 16a-31, chapters 97a, 124 and 126, sections 14-
1328 311 to 14-314c, inclusive, 19a-37, 22a-16 and subsection (a) of section
1329 22a-19. For the purposes of section 22a-12, construction plans relating
1330 to the replacement hospital project shall not be considered construction
1331 plans required to be submitted by state agencies to the Council on
1332 Environmental Quality. Notwithstanding any provision of any special
1333 act, charter, ordinance, home rule ordinance or chapter 98 no provision
1334 of any such act, charter or ordinance or said chapter 98, concerning
1335 licenses, permits or approvals by a political subdivision of the state
1336 pertaining to building demolition or construction shall apply to the
1337 replacement hospital project and, notwithstanding any provision of the
1338 general statutes, the State Building Inspector and the State Fire
1339 Marshal shall have original jurisdiction with respect to the
1340 administration and enforcement of the State Building Code and the
1341 State Fire Safety Code, respectively, with respect to all aspects of the
1342 replacement hospital project, including, without limitation, the
1343 conduct of necessary reviews and inspections and the issuance of any
1344 building permit, certificate of occupancy or other necessary permits or
1345 certificates related to building construction, occupancy or fire safety.
1346 For the purposes of part III of chapter 557, the replacement hospital
1347 project shall be deemed to be a public works project and consist of
1348 public buildings except that the provisions relating to payment of
1349 prevailing wages to workers in connection with a public works project
1350 including, but not limited to, section 31-53 shall not apply to the
1351 project if the project manager or the prime construction contractor has
1352 negotiated other wage terms pursuant to a project labor agreement.
1353 The provisions of section 2-32c and subsection (c) of section 2-79a shall
1354 not apply to the replacement hospital project. Any building permit
1355 application with respect to the replacement hospital project shall be
1356 exempt from the assessment of an education fee under subsection (b)
1357 of section 29-252a.

1358 **Sec. 15.** (a) The state, acting by and through the Secretary of the
1359 Office of Policy and Management and the State Treasurer, shall enter
1360 into the state funding and support agreement and the project funding

1361 and development agreement. The amounts due from the state under
1362 the state funding and support agreement and the project funding and
1363 development agreement shall be deemed appropriated and allocated
1364 by the state and the State Treasurer shall pay such amounts as the
1365 same shall become due.

1366 (b) Each agreement entered into by the university pursuant to this
1367 act shall be a contract with the state acting through the university.

1368 **Sec. 16.** (a) On or before February 1, 2010, and annually thereafter
1369 until five years after the replacement hospital is placed in operation,
1370 the university and Hartford HealthCare shall jointly prepare a report
1371 with respect to the status and progress of the integration and the
1372 replacement hospital project. Such report shall be submitted to the
1373 governor, the secretary and to the house and senate clerks, for
1374 transmittal to the joint standing committees of the general assembly
1375 having cognizance over matters of finance, revenue and bonding and
1376 higher education. The report to each such committee shall be
1377 presented at a meeting of such committee held during the regular
1378 session of the calendar year in which such report is due. Such report
1379 shall be separated into a section relating to the integration and a
1380 section relating to the replacement hospital project.

1381 (b) The section of such report relating to the integration shall
1382 include: (1) a general description of the status and progress of the
1383 integration in relation to the findings and purposes and the act; (2)
1384 information with respect to the amount and uses of funds made
1385 available pursuant to this act to support the purposes of the integration
1386 and the academic, clinical and research missions of the system
1387 participants, including the academic mission support, the University
1388 Hospital funding and support, and the support provided pursuant to
1389 the university funding and support agreement and the state funding
1390 and support agreement; (3) the current operating budget for
1391 University Hospital (including University Hospital-HC and University
1392 Hospital-FC) and University Physicians; (4) the status, activities and
1393 funding of UHSOM Ventures; (5) the status of regulatory approvals

1394 required in connection with the integration, including applications and
1395 approvals from OCHA and DPH; and (6) information with respect to
1396 the recruitment and retention of School of Medicine employed faculty
1397 and student application and enrollment rates at the School of
1398 Medicine.

1399 (c) The section of such report relating to the replacement hospital
1400 project shall include (1) the budget for the replacement hospital
1401 project, including expenditures to date against budget and any
1402 material budget variances; (2) the current schedule for the replacement
1403 hospital project, including information with respect to any significant
1404 delays; (3) a description of all material contracts with respect to the
1405 replacement hospital project since the last report; (4) status of the
1406 compliance of the replacement hospital project with applicable
1407 statutory requirements relating to non-discrimination and affirmative
1408 action and the award of contracts to minority business enterprise, as
1409 that term is defined in section 4a-60g; (5) a current statement of sources
1410 and uses of funds expended or available for the replacement hospital
1411 project; (6) information with respect to compliance with prevailing
1412 wage requirements or the terms of any project labor agreement; and (7)
1413 copies of the reports filed in the preceding calendar year by the
1414 independent auditing firm, the party providing construction oversight
1415 the State Building Inspection and the State Fire Marshall the
1416 environmental consultant and the contract compliance officer pursuant
1417 to sections 10 and 11 of this act.

1418 **Sec. 17.** This act, being necessary for the welfare of the State and its
1419 inhabitants, shall be liberally construed so as to effect its purposes.

1420 **Sec. 18.** This act shall be effective from its passage.

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