



House of Representatives

General Assembly

File No. 458

February Session, 2010

Substitute House Bill No. 5510

House of Representatives, April 12, 2010

The Committee on Government Administration and Elections reported through REP. SPALLONE of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE DISPOSITION OF SURPLUS STATE PROPERTY.

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

1 Section 1. Section 4b-21 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2010*):

3 (a) When the General Assembly is not in session, the trustees of any
4 state institution, the State Board of Education or the Commissioner of
5 Correction may, subject to the provisions of section 4b-23, purchase or
6 acquire for the state, through the Commissioner of Public Works, any
7 land or interest therein if such action seems advisable to protect the
8 state's interest or to effect a needed economy, and may, subject to the
9 provisions of said section, contract through the Commissioner of
10 Public Works for the sale or exchange of any land or interest therein
11 belonging to the state except that The University of Connecticut may
12 purchase or acquire for the state and may dispose of or exchange any
13 land or interest therein directly. When the General Assembly is not in

14 session, the Commissioner of Public Works, with the approval of the
15 State Properties Review Board, may give or obtain an option upon any
16 land or interest therein which is not under the control of the trustees of
17 any state institution, the State Board of Education or the Commissioner
18 of Correction when such action seems advisable, and such option shall
19 remain in force until the fifteenth day of August following the next
20 session of the General Assembly.

21 (b) Any state agency, department or institution having custody and
22 control of land, an improvement to land or interest in land, belonging
23 to the state, shall inform the Secretary of the Office of Policy and
24 Management, in writing, six months prior to the date when it is
25 anticipated that such land, improvement or interest or any part thereof
26 is not needed by the agency, department or institution. Upon receipt of
27 such notification, the secretary shall arrange for such agency,
28 department or institution to forthwith transfer custody and control of
29 such land, improvement or interest to the Department of Public Works,
30 along with adequate funding for personnel and other operating
31 expenses required for the maintenance of such land, improvement or
32 interest, and shall notify all state agencies, departments, [and]
33 institutions and the regional planning organization, as defined in
34 section 4-124i, of the region where such land, improvement or interest
35 is located that such land, improvement or interest is available. Such
36 regional planning organization may make recommendations to the
37 secretary for the use of such land. Within ninety days of receipt of such
38 notification from the secretary, any state agency, department or
39 institution that is interested in utilizing the land, improvement or
40 interest shall submit a plan to the secretary that sets forth the proposed
41 use for the land, improvement or interest and a budget and timetable
42 for such use. If the Commissioner of Economic and Community
43 Development determines that such land, improvement or interest can
44 be utilized or adapted for economic development, use as an emergency
45 shelter or transitional living facility for homeless persons or can be
46 utilized or exchanged for property which can be utilized for economic
47 development or the construction, rehabilitation or renovation of
48 housing for persons and families of low and moderate income, said

49 commissioner may (1) within such ninety-day period, submit to the
50 secretary, in lieu of such plan, a preliminary plan indicating that the
51 land, improvement or interest can be utilized, adapted or exchanged
52 for such economic development or housing purposes and stating the
53 type of housing or economic development that is planned, and (2)
54 within six months after the end of such ninety-day period, submit a
55 comprehensive plan for the development of such land, improvement
56 or interest for economic development or housing to the secretary, in a
57 form prescribed by the secretary. If the Commissioner of Economic
58 and Community Development submits preliminary and
59 comprehensive plans to the secretary within such periods, the agency,
60 department or institution having custody and control of the land,
61 improvement or interest shall transfer custody and control to the
62 Commissioner of Economic and Community Development in
63 accordance with such procedures as the secretary may prescribe. If (A)
64 the Commissioner of Economic and Community Development does
65 not submit a preliminary plan to the secretary within such ninety-day
66 period or so submits a preliminary plan but does not submit a
67 comprehensive plan to the secretary within such six-month period,
68 and (B) one or more agencies, departments or institutions submit a
69 plan for such land, improvement or interest to the secretary within
70 such ninety-day period, the secretary shall analyze such agency,
71 department or institution plan or plans and determine whether (i)
72 custody and control of the land, improvement or interest shall be
73 transferred to one of such agencies, departments or institutions, in
74 which case the agency, department or institution having custody of the
75 land, improvement or interest shall make such transfer, or (ii) the land,
76 improvement or interest shall be treated as surplus.

77 (c) If the secretary determines that such land, improvement, interest
78 or part thereof may properly be treated as surplus, he shall notify the
79 Commissioner of Public Works. If the secretary also determines that
80 such land, improvement or interest or part thereof was purchased or
81 improved with proceeds of tax exempt obligations issued or to be
82 issued by the state, he shall also notify the Treasurer. Prior to making
83 any determination whether to retain, sell, exchange, lease or enter into

84 agreements concerning such land, improvement, interest or part
85 thereof, the Secretary of the Office of Policy and Management shall,
86 within available appropriations, obtain an economic cost-benefit
87 analysis that documents the direct and indirect costs, savings and
88 qualitative and quantitative benefits that will result from retaining,
89 selling, exchanging or leasing such land, improvement, interest or part
90 thereof. Such analysis shall, at a minimum, include an estimate of any
91 applicable costs associated with the environmental remediation, reuse
92 or mothballing of such property for future use. Upon its completion, a
93 copy of any cost-benefit analysis performed pursuant to this
94 subsection shall be provided to the joint standing committee of the
95 General Assembly having cognizance of matters relating to the
96 purchase and sale of state property and facilities. The Commissioner of
97 Public Works may sell, exchange or lease, or enter into agreements
98 concerning, such land, improvement, interest or part thereof, after (1)
99 notifying (A) the municipality or municipalities in which such land,
100 improvement or interest is located, (B) the members of the General
101 Assembly representing such municipality or municipalities, and (C)
102 any potential developer of an incentive housing development, as
103 defined in section 8-13m, who has registered with the Commissioner of
104 Economic and Community Development to be notified of any such
105 state surplus land, and (2) obtaining the approval of (A) the Secretary
106 of the Office of Policy and Management, (B) the State Properties
107 Review Board, and (C) the joint standing committees of the General
108 Assembly having cognizance of matters relating to (i) state revenue,
109 and (ii) the purchase and sale of state property and facilities, and (3) if
110 such land, improvement, interest or part thereof was purchased or
111 improved with proceeds of tax-exempt obligations issued or to be
112 issued by the state, obtaining the approval of the Treasurer. The
113 Treasurer may disapprove such a transaction only if the transaction
114 would affect the tax-exempt status of such obligations and could not
115 be modified to maintain such tax-exempt status. If a proposed
116 agreement for such a conveyance has not been submitted to the State
117 Properties Review Board within three years after the Commissioner of
118 Public Works provides such notice to such municipality and such

119 members of the General Assembly, or if the board does not approve
120 the proposed agreement within five years after such notice, the
121 Commissioner of Public Works may not convey such land,
122 improvement or interest without again so notifying such municipality
123 and such members of the General Assembly. In the case of a proposed
124 lease of land, an improvement to land or an interest in land, or any
125 part thereof, with a person, firm or corporation in the private sector,
126 for a term of six months or more, the Commissioner of Public Works
127 shall comply with such notice requirement by notifying in writing the
128 chief executive officer of the municipality in which the land,
129 improvement or interest is located and the members of the General
130 Assembly representing such municipality, not less than two weeks
131 before seeking the approval of said secretary, board and committees,
132 concerning the proposed lease and the manner in which the lessee
133 proposes to use the land, improvement or interest. Each agency,
134 department or institution which informs the secretary that any land,
135 improvement or interest in land is not needed shall retain
136 responsibility for its security and maintenance until the Commissioner
137 of Public Works receives custody and control of the property, if any.
138 The Treasurer shall execute and deliver any deed or instrument
139 necessary to convey the title to any property the sale or exchange of
140 which or a contract for the sale or exchange of which is authorized by
141 this section.

142 (d) Upon approval of the proposed action of the Commissioner of
143 Public Works by said secretary and board, said commissioner shall
144 request approval of such action by the joint standing committees of the
145 General Assembly having cognizance of matters relating to state
146 revenue and the purchase and sale of state property and facilities. Each
147 committee shall have thirty days from the date such request is received
148 to convene a meeting to vote to approve or disapprove such action.
149 Each committee may make recommendations to the Commissioner of
150 Public Works concerning such proposed action. If such request is
151 withdrawn, altered, amended or otherwise changed, said
152 commissioner shall resubmit such request, and each committee shall
153 have thirty days from the date of such resubmittal to convene a

154 meeting to vote to approve or disapprove such action. If a committee
155 does not act on a request or the resubmittal of a request, as the case
156 may be, within that time, the request shall be deemed to be approved
157 by the committee.

158 (e) No provision of this section shall be construed to limit,
159 supersede or repeal any other provision of law relating to the powers
160 or duties of any state agency.

161 (f) The requirements of subsections (b) to (d), inclusive, of this
162 section shall not apply to land which the Commissioner of
163 Environmental Protection has acquired pursuant to 42 USC 9601 et
164 seq., the federal Comprehensive Environmental Response,
165 Compensation and Liability Act of 1980, as amended, (CERCLA).

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2010	4b-21

Statement of Legislative Commissioners:

In subsection (b) of section 1 "regional planning organization" was substituted for "regional council of government" for accuracy and to reflect legislative intent.

GAE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill has no fiscal impact on the Department of Public Works, the Office of Policy and Management or the Department of Economic and Community Development.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis

sHB 5510

AN ACT CONCERNING THE DISPOSITION OF SURPLUS STATE PROPERTY.

SUMMARY:

This bill makes several changes to the state's surplus property disposition process. It requires state agencies to give the Office of Policy and Management (OPM) secretary written notice six months before they anticipate that they will no longer need property in their custody and control. It requires OPM to notify a regional planning organization of an available property in its region and allows that organization to make recommendations concerning the property's use. It authorizes the Department of Economic and Community Development (DECD) commissioner, in deciding whether to seek control and custody of an available property, to consider its potential economic development uses. It also requires OPM, before declaring a property as surplus, to obtain an economic cost-benefit analysis. Lastly, it allows the Finance and Government Administration and Elections (GAE) committees to make recommendations concerning the proposed uses of surplus property.

EFFECTIVE DATE: October 1, 2010

NOTICE OF AVAILABLE PROPERTY

The bill requires state agencies to give the OPM secretary written notice six months before they anticipate that they will no longer need property in their custody and control. Under current law, agencies do not notify OPM of available property until they determine the property is no longer needed.

By law, OPM must approve an agency's or department's determination that property is not needed and then notify all state

agencies of its availability. The bill requires the OPM secretary also to notify a regional planning organization of any available property in its region and allows the organization to make recommendations to OPM for the property's use. By law, regional planning organizations include regional councils of government, regional councils of elected officials, and regional planning agencies.

DECD Recommendations

The bill authorizes the DECD commissioner, in deciding whether to seek control and custody of an available property, to consider its potential economic development uses. By law, DECD has the right of first refusal for available state property and must be given custody and control of a property if it:

1. determines that the property can be used for an emergency shelter or a transitional living facility for homeless people, or can be used or exchanged for property that can be used for the construction, rehabilitation, or renovation of housing for low-or moderate-income individuals or families;
2. within 90 days of being notified of the property's availability, submits to OPM a preliminary plan for the property; and
3. within six months after the 90-day period ends, submits to OPM a comprehensive plan for the property.

SURPLUS PROPERTY

Cost-Benefit Analysis

By law, if no agency submits a proposal to use available property, OPM declares the property surplus and conveys it to the Department of Public Works (DPW), which is responsible for selling, leasing, exchanging, or entering into other agreements to dispose of it. Before determining whether to keep or dispose of a property, and within available appropriations, the bill requires the OPM secretary to obtain an economic cost-benefit analysis and provide that analysis to the GAE Committee. At a minimum, the analysis must include an estimate of applicable costs related to remediating reusing, or "mothballing" the

property for future use. The bill does not define “mothballing,” thus it is unclear what the cost-benefit analysis would need to include with respect to the future use of the property.

Recommendations by Finance and GAE Committees

The bill also authorizes the Finance and GAE committees to make recommendations to the DPW commissioner concerning proposed actions for surplus property. By law, the DPW commissioner must submit any plan for disposing of surplus property to the Finance and GAE committees, which may approve or disapprove it. Proposed actions include selling, leasing, exchanging, or entering into other agreements to dispose of the property.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 10 Nay 4 (03/24/2010)