

*TESTIMONY SUBMITTED TO THE FINANCE, REVENUE AND BONDING COMMITTEE*

*March 12, 2012*

*Catherine Smith, Commissioner  
Department of Economic and Community Development*

*House Bill No. 5423*

*AN ACT CONCERNING OVERSIGHT OF LARGE CAPITAL PROJECTS*

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The Department of Economic and Community Development (DECD) offers the following comments in opposition of HB 5423, An Act Concerning Oversight of Large Capital Projects.

HB 5423 seeks legislative oversight of capital projects that exceed \$50 million and receive any portion of funding through state bonds. It will require the agency with oversight of a project to develop a comprehensive plan detailing estimated capital outlays, future annual operating expenses, and estimates of additional state revenues generated by the project. It also mandates the agency contract with an outside entity for an independent project analysis that includes alternatives to the project.

If adopted, this proposal will significantly damage the growing, but very fragile confidence that business owners are building about the state's commitment to providing a business-friendly environment in which they can work. Since coming into office, Governor Malloy has met with hundreds of business owners helping to convince them that this administration and the General Assembly are serious about restoring Connecticut's primacy as a place to do business. In the Governor's words "Connecticut is open for business."

However, HB 5423 would slam the door shut.

As Connecticut climbs out of the recession, it is important that companies considering such large-scale projects have confidence that the state will support them. Rather than impede projects with unnecessary, time-consuming and burdensome oversight, as contemplated in the bill, the state should be streamlining processes where possible and eliminating roadblocks to job creation.

This bill contains a clause that has the potential to needlessly delay projects by up to a year waiting for legislative approval. This does not send the message that Connecticut is open for business. What it does is hinder the state's economic development efforts. It plants seeds of doubt in the minds of business owners here and out of state about the state's commitment to improving the business climate.

Thank you for considering the department's comments.