

**TESTIMONY PRESENTED TO THE FINANCE, REVENUE AND BONDING
COMMITTEE
March 18, 2013**

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Testimony in Opposition to House Bill No.6627

**AN ACT CONCERNING REVIEW OF ANY PROPOSED STATE PROJECT COSTING IN EXCESS OF FIFTY
MILLION DOLLARS**

Senator Fonfara, Representative Widlitz and distinguished members of the Finance, Revenue and Bonding Committee, thank you for the opportunity to offer testimony in opposition to House Bill No. 6627, An Act Concerning Review of Any Proposed State Project Costing in Excess of Fifty Million Dollars.

This bill would require that my office contract for and submit to various legislative committees an independent analysis of any project by a nonpublic entity to be funded with state funds of more than \$50 million.

We believe that sufficient analysis and review are already provided for in statute and in the policies of the Department of Economic and Community Development, which is the agency most likely to have such projects, and that this bill would create unnecessary duplication and expense.

Section 32-462 of the general statutes provides that certain projects of the type addressed in this bill may not receive more than \$10 million of state funds over two years, unless specifically authorized by the general assembly. The threshold for biotechnology business projects is \$20 million. The successful First Five Program exempted certain qualifying projects from this review over the last two years. With the expiration of the First Five Program, this provision will again apply. I would note that the administration has proposed to increase these thresholds to \$20 million and \$40 million in Senate Bill 942, which is currently before the Commerce Committee.

Additionally, section 32-9t of the general statutes requires that any single investment of state tax credits in excess of \$20 million must be submitted to the Finance, Revenue and Bonding Committee for approval. This provision was also suspended for the First Five Program. Senate Bill 942 proposes to raise the threshold to \$40 million.

I would also note that the following four components of the report required by this bill are already addressed by the General Obligation Procedures Act:

- Capital development impact statement (if needed to evaluate the proposed project);
- Estimated full cost of the capital project when completed;

- Estimated annual operating costs for the capital project when completed (if the State is funding the operating costs); and
- A statement from the Commissioner of Agriculture for projects that would convert twenty-five or more acres of prime farmland to a nonagricultural use.

The component not covered by the act, an estimate of additional revenue projected to be generated by the capital project, is part of the analysis conducted by DECD in making an investment decision.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request that the committee not support this bill.