



# House of Representatives

General Assembly

**File No. 247**

February Session, 2014

Substitute House Bill No. 5359

*House of Representatives, April 1, 2014*

The Committee on Government Administration and Elections reported through REP. JUTILA of the 37th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT ESTABLISHING THE PUBLIC-PRIVATE PARTNERSHIP COMMISSION.**

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

- 1 Section 1. (NEW) (*Effective from passage*) (a) There is established the  
2 Public-Private Partnership Commission within the Department of  
3 Administrative Services. The commission shall make  
4 recommendations to the Governor concerning projects submitted by  
5 state agencies to the Governor under subsection (a) of section 4-256 of  
6 the general statutes, as amended by this act.
- 7 (b) The commission shall consist of the following members:
- 8 (1) One appointed by the speaker of the House of Representatives;
- 9 (2) One appointed by the president pro tempore of the Senate;
- 10 (3) One appointed by the majority leader of the House of  
11 Representatives;

- 12 (4) One appointed by the majority leader of the Senate;
  - 13 (5) One appointed by the minority leader of the House of  
14 Representatives;
  - 15 (6) One appointed by the minority leader of the Senate;
  - 16 (7) Two appointed by the Governor; and
  - 17 (8) The Commissioner of Administrative Services, or a designee.
- 18 (c) All appointments to the commission shall be made not later than  
19 thirty days after the effective date of this section. Any vacancy shall be  
20 filled by the appointing authority. Members shall serve until January 1,  
21 2015, at which point the commission shall terminate. Members of the  
22 commission shall receive no compensation for their services but shall  
23 be reimbursed for necessary expenses incurred in the performance of  
24 their duties.
- 25 (d) The speaker of the House of Representatives and the president  
26 pro tempore of the Senate shall select the chairpersons of the  
27 commission from among the members of the commission. Such  
28 chairpersons shall schedule the first meeting of the commission, which  
29 shall be held not later than sixty days after the effective date of this  
30 section. A majority of the members of said commission shall  
31 constitute a quorum for the transaction of any business. Any action  
32 taken by said commission shall be by majority vote of those present.
- 33 (e) Not later than fifteen days after receipt of an agency submittal of  
34 a project under section 4-256 of the general statutes, as amended by  
35 this act, the commission shall meet to consider such project and make  
36 recommendations concerning such project. Not later than five days  
37 after any such meeting, the commission shall submit any  
38 recommendations concerning such project to the Governor.

39 Sec. 2. Section 4-256 of the 2014 supplement to the general statutes is  
40 repealed and the following is substituted in lieu thereof (*Effective from*  
41 *passage*):

42 (a) On and after October 27, 2011, and prior to January 1, 2015, the  
43 Governor shall approve not more than five projects to be implemented  
44 as public-private partnership projects. The Governor shall not approve  
45 any such project unless the Governor finds that the project will result  
46 in job creation and economic growth. Any agency seeking to establish  
47 a public-private partnership shall, after consultation with the  
48 Commissioners of Economic and Community Development,  
49 Administrative Services and Transportation, the State Treasurer and  
50 the Secretary of the Office of Policy and Management, submit one or  
51 more projects to the Governor for approval.

52 (b) In determining whether a project is suitable for a public-private  
53 partnership agreement, the agency shall conduct an analysis of the  
54 feasibility, desirability and the convenience to the public of the project  
55 and whether the project furthers the public policy goals of section 4-  
56 255, this section and sections 4-257 to 4-263, inclusive, taking into  
57 consideration the following, when applicable:

58 (1) The essential characteristics of the proposed facility;

59 (2) The projected demand for use of the facility and its economic  
60 and social impact on the community and the state;

61 (3) The technical function and feasibility of the project and its  
62 conformity with the state plan of conservation and development  
63 adopted under chapter 297;

64 (4) The benefit to clients of the agency and the public as a whole;

65 (5) An analysis of the value provided for the cost of the project, that  
66 at a minimum includes a cost-benefit analysis, an assessment of  
67 opportunity costs and any nonfinancial benefits of the project;

68 (6) Any operational or technological risk associated with the  
69 proposed project;

70 (7) The cost of the investment to be made and the economic and  
71 financial feasibility of the project;

72 (8) An analysis of public versus private financing on a present value  
73 basis, and the eligibility of the project for other public funds from local  
74 or federal government sources;

75 (9) The impact to the state's finances of undertaking the project by  
76 the agency; and

77 (10) The advantages and disadvantages of using a public-private  
78 partnership rather than having the state agency perform the function.

79 (c) An agency shall not include a project solely based upon the  
80 amount of potential revenue generated by such project.

81 (d) Any agency submitting a project in accordance with subsection  
82 (a) of this section shall at the same time transmit, in accordance with  
83 the provisions of section 11-4a, a copy of its submission to the Public-  
84 Private Partnership Commission established under section 1 of this act  
85 and to the joint standing committees of the General Assembly having  
86 cognizance of matters relating to finance, revenue and bonding and  
87 appropriations and the budgets of state agencies. Said committees  
88 shall hold public hearings on any such submission.

89 (e) The Governor shall notify the agency when a project has been  
90 approved as a public-private partnership project.

91 (f) On or before January 15, 2013, and annually thereafter, the  
92 Governor shall report, in accordance with the provisions of section 11-  
93 4a, to the General Assembly concerning the status of the public-private  
94 partnerships established under this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	4-256

**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:**

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Various State Agencies	GF - Potential Cost	Less than 1,000	None

**Municipal Impact:** None

**Explanation**

There may be a cost of less than \$1,000 in FY 15 to agencies participating in the Public-Private Partnership Commission to reimburse legislators and agency staff for mileage expenses.

**The Out Years**

There is no on-going fiscal impact as the commission terminates in FY 15.

**OLR Bill Analysis****sHB 5359*****AN ACT ESTABLISHING THE PUBLIC-PRIVATE PARTNERSHIP COMMISSION.*****SUMMARY:**

This bill creates a nine-member Public-Private Partnership (P3) Commission within the Department of Administrative Service (DAS) to review state agency proposals for implementing a proposed project as a partnership between the state and a private party. By law, the governor must approve no more than five projects structured in this manner.

Under the bill:

1. state agencies submitting P3 project proposals to the governor must also submit them to the commission;
2. the commission must meet within 15 days of receiving a proposal; and
3. within five days of a meeting, the commission must submit any recommendations about a P3 proposal to the governor.

The bill terminates the commission on January 1, 2015.

EFFECTIVE DATE: Upon passage

**COMMISSION MEMBERS**

Under the bill, the commission consists of:

1. one member appointed by each of the six legislative leaders,
2. two members appointed by the governor, and
3. the DAS commissioner or his designee.

The bill requires appointing authorities to (1) make their appointments within 30 days after the bill’s passage and (2) fill any vacancies. The House speaker and Senate president pro tempore select the commission’s chairpersons, who must schedule and hold the first meeting within 60 days after the bill’s passage. Members are reimbursed for necessary expenses in performing their duties but are not otherwise compensated.

The bill makes a majority of commission members a quorum to transact business and a majority of those present may vote to take action.

**BACKGROUND**

***P3 Project Approval Process***

The law establishes eligibility criteria for proposing P3 projects, requirements for their submission and approval, and required terms and conditions of the agreement between the agency and the private entity. Among other things, state and quasi-public agencies seeking to participate in a P3 project must analyze its feasibility, desirability, convenience to the public, and furtherance of public policy goals. Agencies must consult with various state officials and submit their proposed P3 projects to the governor and send copies to the Finance, Revenue and Bonding and Appropriations committees. The committees must hold a public hearing on any submissions they receive.

Between October 27, 2011 and January 1, 2015, the governor can approve up to five public P3 projects that he finds will create jobs and economic growth.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 14 Nay 0 (03/14/2014)