



General Assembly

February Session, 2014

**Raised Bill No. 5575**

LCO No. 2542



Referred to Committee on COMMERCE

Introduced by:  
(CE)

**AN ACT CONCERNING PROMOTION OF THE COMMERCIAL USE OF  
THE STATE'S DEEP WATER PORTS.**

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

1 Section 1. (NEW) (*Effective July 1, 2016*) (a) There is hereby  
2 established and created a body politic and corporate, constituting a  
3 public instrumentality and political subdivision of the state of  
4 Connecticut established and created for the performance of an  
5 essential public and governmental function, to be known as the  
6 Connecticut Port Authority. The authority shall not be construed to be  
7 a department, institution or agency of the state.

8 (b) The powers of the authority shall be vested in and exercised by a  
9 board of directors, which shall consist of seven voting members,  
10 appointed by the Governor with the advice and consent of both houses  
11 of the General Assembly. The Governor shall appoint the initial  
12 members to the board as follows: (1) Three members for two years; and  
13 (2) four members for four years. Thereafter, the Governor shall appoint  
14 members of the board to succeed such appointees whose terms expire  
15 and each member so appointed shall hold office for a period of four

16 years from July first in the year of his or her appointment. The  
17 Commissioner of Energy and Environmental Protection, the  
18 Commissioner of Transportation and the Commissioner of Economic  
19 and Community Development shall each serve as nonvoting, ex-officio  
20 members of the board. Appointed members shall have business and  
21 management experience and shall include individuals who have  
22 experience and expertise in one or more of the following areas: (A)  
23 International trade, (B) marine transportation, (C) finance, and (D)  
24 economic development.

25 (c) Appointed members of the board of directors may not designate  
26 a representative to perform in their absence their respective duties  
27 under this section. Any appointed member who fails to attend three  
28 consecutive meetings of the board or who fails to attend fifty per cent  
29 of all meetings of the board held during any calendar year shall be  
30 deemed to have resigned from the board. Any vacancy occurring other  
31 than by expiration of term shall be filled in the same manner as the  
32 original appointment for the balance of the unexpired term.

33 (d) Each member of the board of directors shall be entitled to  
34 reimbursement for such director's actual and necessary expenses  
35 incurred during the performance of such member's official duties.

36 (e) Members may engage in private employment, or in a profession  
37 or business, subject to any applicable laws, rules and regulations of the  
38 state or federal government regarding official ethics or conflict of  
39 interest.

40 (f) Four members of the board of directors shall constitute a quorum  
41 for the transaction of any business or the exercise of any power of the  
42 authority. For the transaction of any business or the exercise of any  
43 power of the authority, and, except as otherwise provided in this  
44 section, the authority may act by a majority of the members present at  
45 any meeting at which a quorum is in attendance.

46 (g) The board may delegate to four or more members such board

47 powers and duties as it may deem necessary and proper in conformity  
48 with the provisions of this section and its bylaws.

49 (h) The appointing authority for any member of the board of  
50 directors may remove such director for inefficiency, neglect of duty or  
51 misconduct in office after giving the member a copy of the charges  
52 against the member and an opportunity to be heard, in person or by  
53 counsel, in the member's defense, upon not less than ten days' notice. If  
54 any member shall be so removed, the appointing authority for such  
55 member shall file in the office of the Secretary of the State a complete  
56 statement of charges made against such member and the appointing  
57 authority's findings on such statement of charges, together with a  
58 complete record of the proceedings.

59 (i) The authority shall continue as long as it has bonds or other  
60 obligations outstanding and until its existence is terminated by law.  
61 Upon the termination of the existence of the authority, all its rights and  
62 properties shall pass to and be vested in the state of Connecticut.

63 (j) Notwithstanding any provision of the general statutes, it shall not  
64 constitute a conflict of interest for a trustee, director, partner or officer  
65 of any person, firm or corporation, or any individual having a financial  
66 interest in a person, firm or corporation, to serve as a director of the  
67 authority, provided such director shall abstain from deliberation,  
68 action or vote by the board in specific respect to such person, firm or  
69 corporation.

70 (k) The Governor shall appoint the chairperson of the board, who  
71 shall serve for a term of four years. The board shall elect from its  
72 members a vice-chairperson and such other officers as it deems  
73 necessary. Vacancies among any officers shall be filled not later than  
74 thirty days following the occurrence of such vacancy in the same  
75 manner as the original selection. Said board shall establish bylaws to  
76 govern its procedures and shall appoint such committees and advisory  
77 boards as may be convenient or necessary in the transaction of its

78 business.

79 (l) The initial members of the board may begin service immediately  
80 upon appointment, but shall not serve past the sixth Wednesday of the  
81 next regular session of the General Assembly unless qualified in the  
82 manner provided in section 4-7 of the general statutes. Thereafter, all  
83 appointments shall be made with the advice and consent of both  
84 houses of the General Assembly, in the manner provided in section 4-  
85 19 of the general statutes.

86 (m) The board of directors of the authority shall appoint an  
87 executive director who shall not be a member of the board and who  
88 shall serve at the pleasure of the board and receive such compensation  
89 as shall be fixed by the board. The executive director shall have  
90 extensive experience in the development and management of multi-  
91 use port operations. The executive director shall be the chief  
92 administrative officer of the authority and shall direct and supervise  
93 administrative affairs and technical activities in accordance with the  
94 directives of the board. The executive director shall approve all  
95 accounts for salaries, allowable expenses of the authority or of any  
96 employee or consultant thereof, and expenses incidental to the  
97 operation of the authority. The executive director shall perform such  
98 other duties as may be directed by the board in carrying out the  
99 purposes of sections 1 to 4, inclusive, of this act. The executive director  
100 shall be exempt from the classified service. The executive director shall  
101 attend all meetings of the board, keep a record of the proceedings of  
102 the authority and shall maintain and be custodian of all books,  
103 documents and papers filed with the authority and of the minute book  
104 or journal of the authority and of its official seal. The executive director  
105 may cause copies to be made of all minutes and other records and  
106 documents of the authority and may give certificates under the official  
107 seal of the authority to the effect that such copies are true copies, and  
108 all persons dealing with the authority may rely upon such certificates.

109 Sec. 2. (*Effective July 1, 2016*) (a) The purposes of the Connecticut

110 Port Authority shall be to coordinate port development, with a focus  
111 on private and public investments, pursue federal and state funds for  
112 dredging and other infrastructure improvements to increase cargo  
113 movement through Connecticut ports, market the advantages of such  
114 ports to the domestic and international shipping industry, coordinate  
115 the planning and funding of capital projects promoting the  
116 development of such ports and develop strategic entrepreneurial  
117 initiatives that may be available to the state, and for such purposes the  
118 authority is authorized and empowered to:

119 (1) Have perpetual succession as a body politic and corporate and to  
120 adopt bylaws for the regulation of its affairs and the conduct of its  
121 business;

122 (2) Adopt an official seal and alter the same at pleasure;

123 (3) Receive and accept aid or contributions from any source of  
124 money, property, labor or other things of value, to be held, used and  
125 applied to carry out the purposes of sections 1 to 4, inclusive, of this  
126 act, subject to such conditions upon which such grants and  
127 contributions may be made, including, but not limited to, gifts or  
128 grants from any department, agency or instrumentality of the United  
129 States or this state for any purpose consistent with sections 1 to 4,  
130 inclusive, of this act;

131 (4) Enter into agreements with any department, agency, office or  
132 instrumentality of the United States or this state, including the office of  
133 the State Treasurer, to carry out the purposes of sections 1 to 4,  
134 inclusive, of this act;

135 (5) Borrow money or secure credit on a temporary, short-term,  
136 interim or long-term basis to the extent permitted under sections 1 to 4,  
137 inclusive, of this act;

138 (6) Issue bonds, bond anticipation notes and other obligations of the  
139 authority to the extent permitted under sections 1 to 4, inclusive, of

140 this act, to fund and refund the same and provide for the rights of the  
141 holders thereof, and to secure the same by pledge of revenues, notes  
142 and mortgages of others;

143 (7) Invest in, acquire, lease, purchase, own, manage, hold and  
144 dispose of real property, including, but not limited to, any state pier  
145 real property under its control, and lease, convey or deal in or enter  
146 into agreements with respect to such property on any terms necessary  
147 or incidental to carrying out the purposes of sections 1 to 4, inclusive,  
148 of this act, provided such transactions shall not be subject to approval,  
149 review or regulation by any state agency pursuant to title 4b of the  
150 general statutes or any other provision of the general statutes.  
151 Notwithstanding this subdivision, the authority shall not convey fee  
152 simple ownership in any land under its jurisdiction and control  
153 without the approval of the State Properties Review Board and the  
154 Attorney General;

155 (8) Employ such assistants, agents and other employees, including a  
156 marketing manager with experience (A) in port market development  
157 and promotion, and (B) working with vessel operators, railroads, the  
158 shipping industry and the trucking industry;

159 (9) Engage consultants and such other independent professionals as  
160 may be necessary or desirable to carry out its purposes in accordance  
161 with sections 1 to 4, inclusive, of this act and, except for such  
162 employees who are covered by collective bargaining agreements, to fix  
163 their compensation, and to provide technical assistance, as provided in  
164 sections 1 to 4, inclusive, of this act;

165 (10) To maintain an office at such place or places as it may  
166 designate;

167 (11) To sue and be sued in its own name, and plead and be  
168 impleaded;

169 (12) To mortgage any property of the authority for the benefit of the

170 holders of obligations issued by the authority;

171 (13) Make and enter into all contracts and agreements necessary or  
172 incidental to the performance of its duties and the execution of its  
173 powers under sections 1 to 4, inclusive, of this act, including, but not  
174 limited to, the granting of leasehold interests, concession, access and  
175 development rights and privileges, supplier, vendor, contractor and  
176 consultant contracts;

177 (14) Procure insurance against any liability or loss in connection  
178 with its property and other assets, in such amounts and from such  
179 insurers as it deems desirable and to procure insurance for employees;

180 (15) Account for and audit funds of the authority and funds of any  
181 recipients of funds from the authority; and

182 (16) Do all acts and things necessary or convenient to carry out the  
183 purposes of sections 1 to 4, inclusive, of this act and chapter 242 of the  
184 general statutes and the powers expressly granted by sections 1 to 4,  
185 inclusive, of this act.

186 (b) To serve its purposes, the authority shall:

187 (1) Develop an organizational and management structure that will  
188 best accomplish the goals of the authority concerning Connecticut  
189 ports;

190 (2) Create a code of conduct for the board of directors of the  
191 authority consistent with part I of chapter 10 of the general statutes;

192 (3) On or before December fifteenth, annually, report, in accordance  
193 with the provisions of section 11-4a of the general statutes, to the  
194 Governor and the joint standing committees of the General Assembly  
195 having cognizance of matters relating to transportation, commerce and  
196 the environment, summarizing the authority's activities, disclosing  
197 operating and financial statements and recommending legislation to  
198 promote the authority's purposes;

199 (4) Adopt rules for the conduct of its business which shall not be  
200 considered regulations, as defined in subdivision (13) of section 4-166  
201 of the general statutes.

202 Sec. 3. (NEW) (*Effective July 1, 2016*) The board of directors of the  
203 Connecticut Port Authority shall adopt written procedures, in  
204 accordance with the provisions of section 1-121 of the general statutes,  
205 for: (1) Adopting an annual budget and plan of operations, including a  
206 requirement of board approval before the budget or plan may take  
207 effect; (2) hiring, dismissing, promoting and compensating employees  
208 of the authority, including an affirmative action policy and a  
209 requirement of board approval before a position may be created or a  
210 vacancy filled; (3) acquiring real and personal property and personal  
211 services, including a requirement of board approval for any  
212 nonbudgeted expenditure in excess of five thousand dollars; (4)  
213 contracting for financial, legal and other professional services,  
214 including a requirement that the authority solicit proposals at least  
215 once every three years for each such service which it uses; (5)  
216 awarding loans, grants and other financial assistance, including  
217 eligibility criteria, the application process and the role played by the  
218 authority's staff and board of directors; and (6) the use of surplus  
219 funds to the extent authorized under sections 1 to 4, inclusive, of this  
220 act or other provision of the general statutes.

221 Sec. 4. (NEW) (*Effective July 1, 2016*) The board of directors of the  
222 Connecticut Port Authority shall submit, in accordance with section  
223 11-4a of the general statutes, to the joint standing committees of the  
224 General Assembly having cognizance of matters relating to  
225 appropriations, commerce, the environment and transportation a copy  
226 of each audit of the authority conducted by an independent auditing  
227 firm, not later than seven days after the audit is received by said board  
228 of directors.

229 Sec. 5. Subdivision (12) of section 1-79 of the 2014 supplement to the  
230 general statutes is repealed and the following is substituted in lieu

231 thereof (*Effective July 1, 2016*):

232 (12) "Quasi-public agency" means Connecticut Innovations,  
233 Incorporated, and the Connecticut Health and Education Facilities  
234 Authority, Connecticut Higher Education Supplemental Loan  
235 Authority, Connecticut Housing Finance Authority, State Housing  
236 Authority, Connecticut Resources Recovery Authority, Capital Region  
237 Development Authority, Connecticut Lottery Corporation, Connecticut  
238 Airport Authority, Health Information Technology Exchange of  
239 Connecticut, Connecticut Health Insurance Exchange, [and] Clean  
240 Energy Finance and Investment Authority and Connecticut Port  
241 Authority.

242 Sec. 6. Subdivision (1) of section 1-120 of the general statutes is  
243 repealed and the following is substituted in lieu thereof (*Effective July*  
244 *1, 2016*):

245 (1) "Quasi-public agency" means Connecticut Innovations,  
246 Incorporated, and the Connecticut Health and Educational Facilities  
247 Authority, Connecticut Higher Education Supplemental Loan  
248 Authority, Connecticut Housing Finance Authority, Connecticut  
249 Housing Authority, Connecticut Resources Recovery Authority,  
250 Capital Region Development Authority, Connecticut Lottery  
251 Corporation, Connecticut Airport Authority, Health Information  
252 Technology Exchange of Connecticut, Connecticut Health Insurance  
253 Exchange, [and] Clean Energy Finance and Investment Authority and  
254 Connecticut Port Authority.

255 Sec. 7. Section 1-124 of the general statutes is repealed and the  
256 following is substituted in lieu thereof (*Effective July 1, 2016*):

257 (a) Connecticut Innovations, Incorporated, the Connecticut Health  
258 and Educational Facilities Authority, the Connecticut Higher  
259 Education Supplemental Loan Authority, the Connecticut Housing  
260 Finance Authority, the Connecticut Housing Authority, the  
261 Connecticut Resources Recovery Authority, the Health Information

262 Technology Exchange of Connecticut, the Connecticut Airport  
263 Authority, the Capital Region Development Authority, the  
264 Connecticut Health Insurance Exchange, [and] the Clean Energy  
265 Finance and Investment Authority and the Connecticut Port Authority  
266 shall not borrow any money or issue any bonds or notes which are  
267 guaranteed by the state of Connecticut or for which there is a capital  
268 reserve fund of any kind which is in any way contributed to or  
269 guaranteed by the state of Connecticut until and unless such  
270 borrowing or issuance is approved by the State Treasurer or the  
271 Deputy State Treasurer appointed pursuant to section 3-12. The  
272 approval of the State Treasurer or said deputy shall be based on  
273 documentation provided by the authority that it has sufficient  
274 revenues to (1) pay the principal of and interest on the bonds and notes  
275 issued, (2) establish, increase and maintain any reserves deemed by the  
276 authority to be advisable to secure the payment of the principal of and  
277 interest on such bonds and notes, (3) pay the cost of maintaining,  
278 servicing and properly insuring the purpose for which the proceeds of  
279 the bonds and notes have been issued, if applicable, and (4) pay such  
280 other costs as may be required.

281 (b) To the extent Connecticut Innovations, Incorporated, and the  
282 Connecticut Higher Education Supplemental Loan Authority,  
283 Connecticut Housing Finance Authority, Connecticut Housing  
284 Authority, Connecticut Resources Recovery Authority, Connecticut  
285 Health and Educational Facilities Authority, the Health Information  
286 Technology Exchange of Connecticut, the Connecticut Airport  
287 Authority, the Capital Region Development Authority, the  
288 Connecticut Health Insurance Exchange, [or] the Clean Energy Finance  
289 and Investment Authority or Connecticut Port Authority is permitted  
290 by statute and determines to exercise any power to moderate interest  
291 rate fluctuations or enter into any investment or program of  
292 investment or contract respecting interest rates, currency, cash flow or  
293 other similar agreement, including, but not limited to, interest rate or  
294 currency swap agreements, the effect of which is to subject a capital

295 reserve fund which is in any way contributed to or guaranteed by the  
296 state of Connecticut, to potential liability, such determination shall not  
297 be effective until and unless the State Treasurer or his or her deputy  
298 appointed pursuant to section 3-12 has approved such agreement or  
299 agreements. The approval of the State Treasurer or his or her deputy  
300 shall be based on documentation provided by the authority that it has  
301 sufficient revenues to meet the financial obligations associated with the  
302 agreement or agreements.

303 Sec. 8. Section 1-125 of the general statutes is repealed and the  
304 following is substituted in lieu thereof (*Effective July 1, 2016*):

305 The directors, officers and employees of Connecticut Innovations,  
306 Incorporated, and the Connecticut Higher Education Supplemental  
307 Loan Authority, Connecticut Housing Finance Authority, Connecticut  
308 Housing Authority, Connecticut Resources Recovery Authority,  
309 including ad hoc members of the Connecticut Resources Recovery  
310 Authority, Connecticut Health and Educational Facilities Authority,  
311 Capital Region Development Authority, the Health Information  
312 Technology Exchange of Connecticut, Connecticut Airport Authority,  
313 Connecticut Lottery Corporation, Connecticut Health Insurance  
314 Exchange, [and] the Clean Energy Finance and Investment Authority  
315 and Connecticut Port Authority and any person executing the bonds or  
316 notes of the agency shall not be liable personally on such bonds or  
317 notes or be subject to any personal liability or accountability by reason  
318 of the issuance thereof, nor shall any director or employee of the  
319 agency, including ad hoc members of the Connecticut Resources  
320 Recovery Authority, be personally liable for damage or injury, not  
321 wanton, reckless, wilful or malicious, caused in the performance of his  
322 or her duties and within the scope of his or her employment or  
323 appointment as such director, officer or employee, including ad hoc  
324 members of the Connecticut Resources Recovery Authority. The  
325 agency shall protect, save harmless and indemnify its directors,  
326 officers or employees, including ad hoc members of the Connecticut  
327 Resources Recovery Authority, from financial loss and expense,

328 including legal fees and costs, if any, arising out of any claim, demand,  
329 suit or judgment by reason of alleged negligence or alleged  
330 deprivation of any person's civil rights or any other act or omission  
331 resulting in damage or injury, if the director, officer or employee,  
332 including ad hoc members of the Connecticut Resources Recovery  
333 Authority, is found to have been acting in the discharge of his or her  
334 duties or within the scope of his or her employment and such act or  
335 omission is found not to have been wanton, reckless, wilful or  
336 malicious.

337 Sec. 9. Section 13b-51b of the general statutes is repealed and the  
338 following is substituted in lieu thereof (*Effective July 1, 2016*):

339 There shall be, within the Department of Transportation, a State  
340 Maritime Office which shall: (1) Be responsible for maritime  
341 operations, including the State Pier in New London, the Connecticut  
342 River ferries and such other operational responsibilities as shall be  
343 assigned to it; (2) serve as the Governor's principal maritime policy  
344 advisor; (3) serve as the liaison between the state and federal, local and  
345 private entities involved in maritime policy activities; (4) coordinate  
346 the state's maritime policy activities; (5) encourage year-round use of  
347 water-related industries; (6) work with the Department of Economic  
348 and Community Development and other state, local and private  
349 entities to maximize the economic potential of Connecticut's ports and  
350 other maritime resources; (7) conduct necessary research and planning  
351 activities; (8) assess potential state investments in ports and other  
352 maritime facilities; [(9) provide staff support to the Connecticut  
353 Maritime Commission, created in section 13b-51a; (10)] (9) provide  
354 staff support to the Connecticut Pilot Commission created by section  
355 15-13c; and [(11)] (10) undertake such other responsibilities as may be  
356 assigned to it by the commissioner or the Governor.

357 Sec. 10. Section 13b-55a of the general statutes is repealed and the  
358 following is substituted in lieu thereof (*Effective July 1, 2016*):

359 (a) In addition to municipal requests for a grant-in-aid pursuant to  
360 section 13b-57, harbor improvement projects may be initiated by the  
361 Commissioner of Transportation on behalf of the state or for the state  
362 on behalf of the federal government. Recommendations on the  
363 prioritization or inclusion of projects shall be submitted to the  
364 commissioner by the Connecticut [Maritime Commission] Port  
365 Authority. The department shall contract for the provision of goods  
366 and services to harbors and waterways for such improvements, and  
367 shall provide the funding required under such contracts, except that  
368 the commissioner may enter into agreements with other state agencies  
369 or municipalities for such agencies or municipalities to provide the  
370 funding for any of such contracts. The department shall administer all  
371 contracts entered into under this section.

372 (b) All contracts are subject to final negotiation of the scope and  
373 budget for a given project. Contracting periods may vary depending  
374 on each project. Payments shall be made on a reimbursement basis for  
375 deliverables completed no later than the dates of service of an executed  
376 contract. Appropriate back-up information shall be included with each  
377 payment request indicating that services have been rendered. The  
378 department may elect to provide part or all of the funds necessary as  
379 an upfront payment, provided funds are held in a separate, noninterest  
380 bearing account and are expended not later than sixty days after such  
381 funds are provided.

382 (c) Harbor improvement projects include the preparation of plans,  
383 studies and construction for the alteration and improvement of various  
384 state, municipal and other properties in or adjacent to the waters of the  
385 state, for the purpose of improving the economy and infrastructure of  
386 the state.

387 Sec. 11. Subdivision (2) of subsection (b) of section 12-587 of the 2014  
388 supplement to the general statutes is repealed and the following is  
389 substituted in lieu thereof (*Effective from passage*):

390 (2) Gross earnings derived from the first sale of the following  
391 petroleum products within this state shall be exempt from tax: (A) Any  
392 petroleum products sold for exportation from this state for sale or use  
393 outside this state; (B) the product designated by the American Society  
394 for Testing and Materials as "Specification for Heating Oil D396-69",  
395 commonly known as number 2 heating oil, to be used exclusively for  
396 heating purposes or to be used in a commercial fishing vessel, which  
397 vessel qualifies for an exemption pursuant to section 12-412; (C)  
398 kerosene, commonly known as number 1 oil, to be used exclusively for  
399 heating purposes, provided delivery is of both number 1 and number 2  
400 oil, and via a truck with a metered delivery ticket to a residential  
401 dwelling or to a centrally metered system serving a group of  
402 residential dwellings; (D) the product identified as propane gas, to be  
403 used exclusively for heating purposes; (E) bunker fuel oil, intermediate  
404 fuel, marine diesel oil and marine gas oil to be used in any vessel (i)  
405 having a displacement exceeding four thousand dead weight tons, or  
406 (ii) primarily engaged in interstate commerce; (F) for any first sale  
407 occurring prior to July 1, 2008, propane gas to be used as a fuel for a  
408 motor vehicle; (G) for any first sale occurring on or after July 1, 2002,  
409 grade number 6 fuel oil, as defined in regulations adopted pursuant to  
410 section 16a-22c, to be used exclusively by a company which, in  
411 accordance with census data contained in the Standard Industrial  
412 Classification Manual, United States Office of Management and  
413 Budget, 1987 edition, is included in code classifications 2000 to 3999,  
414 inclusive, or in Sector 31, 32 or 33 in the North American Industrial  
415 Classification System United States Manual, United States Office of  
416 Management and Budget, 1997 edition; (H) for any first sale occurring  
417 on or after July 1, 2002, number 2 heating oil to be used exclusively in a  
418 vessel primarily engaged in interstate commerce, which vessel  
419 qualifies for an exemption under section 12-412; (I) for any first sale  
420 occurring on or after July 1, 2000, paraffin or microcrystalline waxes;  
421 (J) for any first sale occurring prior to July 1, 2008, petroleum products  
422 to be used as a fuel for a fuel cell, as defined in subdivision (113) of  
423 section 12-412; (K) a commercial heating oil blend containing not less

424 than ten per cent of alternative fuels derived from agricultural  
425 produce, food waste, waste vegetable oil or municipal solid waste,  
426 including, but not limited to, biodiesel or low sulfur dyed diesel fuel;  
427 (L) for any first sale occurring on or after July 1, 2007, diesel fuel other  
428 than diesel fuel to be used in an electric generating facility to generate  
429 electricity; (M) for any first sale occurring on or after July 1, 2013,  
430 cosmetic grade mineral oil; or (N) propane gas to be used as a fuel for a  
431 school bus.

432 Sec. 12. Subdivision (3) of subsection (a) of section 12-458 of the  
433 general statutes is repealed and the following is substituted in lieu  
434 thereof (*Effective from passage*):

435 (3) Said tax shall not be payable on such fuel as may have been (A)  
436 sold to the United States, (B) sold to a municipality of this state, (i) for  
437 use by any contractor performing a service for such municipality in  
438 accordance with a contract, provided such fuel is used by such  
439 contractor exclusively for the purposes of and in accordance with such  
440 contract, or (ii) for use exclusively in a school bus, as defined in section  
441 14-275, (C) sold to a municipality of this state, a transit district of this  
442 state, or this state, at other than a retail outlet, for governmental  
443 purposes and for use in vehicles owned and operated, or leased and  
444 operated by such municipality, such transit district or this state, (D)  
445 sold to a person licensed as a distributor in this state under section 12-  
446 456, (E) transferred from storage within this state to some point  
447 without this state, (F) sold to the holder of a permit issued under  
448 section 12-458a for sale or use without this state, (G) sold to the holder  
449 of a permit issued under subdivision (63) of section 12-412, provided  
450 (i) such fuel is not used in motor vehicles registered or required to be  
451 registered to operate upon the public highways of this state, unless  
452 such fuel is used in motor vehicles registered exclusively for farming  
453 purposes, (ii) such fuel is not delivered, upon such sale, to a tank in  
454 which such person keeps fuel for personal and farm use, and (iii) a  
455 statement, prescribed as to form by the Commissioner of Revenue  
456 Services and bearing notice to the effect that false statements made

457 under this section are punishable, that such fuel is used exclusively for  
458 farming purposes, is submitted by such person to the distributor, (H)  
459 sold exclusively to furnish power for an industrial plant in the actual  
460 fabrication of finished products to be sold, or for the fishing industry,  
461 (I) sold exclusively for heating purposes, (J) sold exclusively to furnish  
462 gas, water, steam or electricity, if delivered to consumers through  
463 mains, lines or pipes, (K) sold to the owner or operator of an aircraft, as  
464 defined in section 15-34, exclusively for aviation purposes, provided (i)  
465 for purposes of this subdivision, "aviation purposes" means for the  
466 purpose of powering an aircraft or an aircraft engine, (ii) such fuel is  
467 delivered, upon such sale, to a tank in which fuel is kept exclusively  
468 for aviation purposes, and (iii) a statement, prescribed as to form by  
469 the Commissioner of Revenue Services and bearing notice to the effect  
470 that false statements made under this section are punishable, that such  
471 fuel is used exclusively for aviation purposes, is submitted by such  
472 person to the distributor, (L) sold to a dealer who is licensed under  
473 section 12-462 and whose place of business is located upon an  
474 established airport within this state, [or] (M) diesel fuel sold  
475 exclusively for use in portable power system generators that are larger  
476 than one hundred fifty kilowatts, or (N) sold for use in any vessel (i)  
477 having a displacement exceeding four thousand dead weight tons, or  
478 (ii) primarily engaged in interstate commerce.

479 Sec. 13. (NEW) (*Effective July 1, 2014*) (a) There is established an  
480 Office of Maritime Development within the Department of Economic  
481 and Community Development for administrative purposes only. The  
482 Office of Maritime Development shall promote and coordinate, in  
483 consultation with the Commissioner of Transportation and the  
484 Commissioner of Energy and Environmental Protection, the operations  
485 of the Connecticut Port Authority established pursuant to sections 1 to  
486 4, inclusive, of this act.

487 (b) The Governor, in consultation with the Commissioner of  
488 Economic and Community Development, the Commissioner of  
489 Transportation and the Commissioner of Energy and Environmental

490 Protection, shall, within available appropriations, appoint an executive  
491 director to manage the daily activities and duties of the Office of  
492 Maritime Development. The executive director shall have the  
493 necessary qualifications to perform the duties of said office, including,  
494 but not limited to, having experience in the development and  
495 management of multi-use port operations, international trade,  
496 maritime transportation, finance and economic development. Within  
497 available appropriations, the executive director shall: (1) Appoint,  
498 employ and remove such assistants, employees and personnel as  
499 deemed necessary for the efficient and effective administration of the  
500 activities of the office; (2) develop a plan to transition the maritime  
501 functions of the Department of Transportation to the Connecticut Port  
502 Authority; (3) review and make recommendations for state policies  
503 that affect Connecticut's ports; (4) coordinate state, regional and local  
504 efforts to encourage the growth of Connecticut's ports; (5) develop a  
505 plan to eliminate the Office of Maritime Development and transition  
506 the functions of the Office of Maritime Development and the  
507 Connecticut Maritime Commission to the Connecticut Port Authority  
508 after the establishment of the Connecticut Port Authority; (6) identify,  
509 in collaboration with the Commissioner of Economic and Community  
510 Development, the Commissioner of Transportation and the  
511 Commissioner of Energy and Environmental Protection, qualified  
512 candidates for the board of directors of the Connecticut Port Authority  
513 and the executive director of the Connecticut Port Authority; (7)  
514 develop a plan concerning the bonding authority of the Connecticut  
515 Port Authority; and (8) prepare and submit, on or before January 1,  
516 2016, a report of activities, findings and recommendations concerning  
517 the establishment of the Connecticut Port Authority to the Governor  
518 and the joint standing committees of the General Assembly having  
519 cognizance of matters relating to commerce, transportation and the  
520 environment, in accordance with the provisions of section 11-4a of the  
521 general statutes.

522 Sec. 14. Section 13b-51a of the general statutes is repealed. (*Effective*

523 July 1, 2016)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016</i>	New section
Sec. 2	<i>July 1, 2016</i>	New section
Sec. 3	<i>July 1, 2016</i>	New section
Sec. 4	<i>July 1, 2016</i>	New section
Sec. 5	<i>July 1, 2016</i>	1-79(12)
Sec. 6	<i>July 1, 2016</i>	1-120(1)
Sec. 7	<i>July 1, 2016</i>	1-124
Sec. 8	<i>July 1, 2016</i>	1-125
Sec. 9	<i>July 1, 2016</i>	13b-51b
Sec. 10	<i>July 1, 2016</i>	13b-55a
Sec. 11	<i>from passage</i>	12-587(b)(2)
Sec. 12	<i>from passage</i>	12-458(a)(3)
Sec. 13	<i>July 1, 2014</i>	New section
Sec. 14	<i>July 1, 2016</i>	Repealer section

**Statement of Purpose:**

To establish a state-wide port authority and encourage commercial use of the state's deep water ports.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*