



Senate

General Assembly

File No. 126

February Session, 2016

Substitute Senate Bill No. 140

Senate, March 22, 2016

The Committee on Environment reported through SEN. KENNEDY of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE DUTIES OF THE CONNECTICUT
MARKETING AUTHORITY.***

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

1 Section 1. Section 22-64 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 The Marketing Authority shall develop the marketing facilities of
4 Connecticut agriculture to bring about a wider and more economical
5 distribution of Connecticut's agricultural products through the
6 development of existing farmers' markets and through the
7 establishment, acquisition, development and operation of market
8 facilities, including land and buildings, by purchase, construction or
9 condemnation; provided, however, that any such real estate
10 acquisitions financed by bonds involving the full faith and credit of the
11 state shall be subject to the provisions of section 4b-23. Subject to the
12 provisions of section 4b-3, the Marketing Authority may lease, [the
13 land or markets] permit or license property under the control of the
14 authority. The Marketing Authority shall adopt regulations in

15 accordance with the provisions of chapter 54 concerning the leasing,
16 permitting and licensing of [land or markets] property under the
17 control of the authority. The Marketing Authority shall maintain a
18 written record of the reasons why a prospective tenant has been
19 granted or denied a lease, permit or license and shall notify applicants
20 that such a record is available for inspection. Any change in lease,
21 permit or license status shall be reported to the Secretary of the Office
22 of Policy and Management. Any such [market or land] property under
23 the control of the Marketing Authority may be leased, permitted or
24 licensed in portions (1) to an agricultural cooperative organized under
25 the laws of this state, [and] (2) to wholesalers of farm produce or farm
26 supplies, [and] (3) to dealers in other commodities, if the authority
27 determines that the sale of such other commodities is of general benefit
28 to the market, [and] (4) to persons rendering services connected
29 therewith essential to the market, subject to such regulations as the
30 Marketing Authority [promulgates] adopts, and (5) to entities that
31 benefit market operations, subject to such regulations as the Marketing
32 Authority adopts. Such leases, permits and licenses shall be for periods
33 determined by the authority, not to exceed ninety-nine years, and may
34 be renewed for like periods. Said leases, permits and licenses may be
35 terminated upon mutual agreement by both parties thereto. Except as
36 provided in section 22-63a, the appointment of all necessary employees
37 by the Marketing Authority shall be subject to the provisions of
38 chapter 67. The Marketing Authority shall, for the purpose of
39 providing for the payment of the expenses of the market and the
40 construction, improvements, repairs, maintenance and operation of its
41 properties, fix, charge and collect rentals and charges for property,
42 stores, stalls, space, buildings, equipment and other appurtenances,
43 privileges and services furnished or performed, in or in connection
44 with the market. The Marketing Authority shall have charge and
45 supervision of repairs, maintenance and capital improvements of its
46 properties provided that contracts may be submitted to the
47 Commissioner of Administrative Services for review. The Marketing
48 Authority may collect any charges due a cooperative from its
49 sublessees and may apply any sums so collected to the payment of rent

50 payable to the authority by such cooperative. The Marketing Authority
 51 shall [promulgate] adopt reasonable regulations relating to the use and
 52 operation of the market and its premises, equipment and facilities;
 53 marketing hours and days; sanitation; weight, measurement and
 54 display of products; inspection of products by the authority, and traffic
 55 and parking regulation, all in the interest of the public safety and
 56 convenience and to insure the most efficient and economical use of
 57 market property. The Marketing Authority, or a committee thereof to
 58 be designated by the authority, after hearing, may impose a penalty
 59 not exceeding five hundred dollars for each violation of any of such
 60 regulations, and said authority may provide for the removal from the
 61 market premises of any motor vehicle operated or parked in violation
 62 of any regulation. The nonpayment of any penalty imposed as herein
 63 provided shall be grounds for eviction and exclusion from the market
 64 of the person or corporation upon whom the penalty is imposed and in
 65 addition the amount of such penalty may be recovered by the
 66 authority in a civil action. Any person or corporation aggrieved by the
 67 imposition of penalties in excess of fifty dollars in the aggregate may
 68 appeal to the superior court for the judicial district of Hartford.

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|---|---------------------|-------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage</i> | 22-64 |

ENV *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 17 \$ | FY 18 \$ |
|---------------------------|---------------------|-----------|-----------|
| Department of Agriculture | RMOF - Revenue Gain | Potential | Potential |

Note: RMOF=Regional Market Operation Fund

Municipal Impact: None

Explanation

The bill expands the authority of the Connecticut Marketing Authority (CMA) to lease, permit, and license property under its control. Current law allows it to lease, but not permit or license.

This may result in a revenue gain the Regional Market Operation Fund (RMOF), administered by the Department of Agriculture (DoAg).¹ In FY 15, there were leases that generated approximately \$786,400 in revenue within the RMOF in FY 15.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

¹ The Regional Market Operation Fund supports the operation of the Hartford Regional Market. The market is a fully-funded and self-sustaining non-profit venture that is operated by the state. The revenue source is the fees generated by the Market's operations.

OLR Bill Analysis**sSB 140*****AN ACT CONCERNING THE DUTIES OF THE CONNECTICUT MARKETING AUTHORITY.*****SUMMARY:**

This bill expands the Connecticut Marketing Authority's (CMA) administrative powers to include the leasing, permitting, and licensing of property under its control. Current law allows it to lease, but not permit or license, only its land or markets.

Under existing law, CMA may lease to an agricultural cooperative, a farm produce or supply wholesaler, a dealer in other commodities, or anyone providing essential services to the market. The bill (1) allows CMA to also permit or license these entities and (2) allows it to lease to, permit, or license an entity that benefits market operations. Any change to a lease's, permit's, or license's status must be reported to the Office of Policy and Management secretary, but the bill does not specify a deadline for doing so.

The bill applies existing requirements related to administering CMA leases to the leases, permits, and licenses the bill covers. Such requirements address (1) their duration, renewal, and termination and (2) written records of CMA's actions.

The bill additionally requires that CMA's regulations, which currently must address leasing its land and markets, also address the expanded authority to lease, permit, or license.

EFFECTIVE DATE: Upon passage

BACKGROUND***Connecticut Marketing Authority (CMA)***

CMA is an 11-member board within the Department of Agriculture. It oversees the operation and planning of the Hartford Regional Market, a wholesale farmers market. The market allows for farmers and wholesalers to sell and distribute food and other agricultural products. It is funded by fees generated from its operation.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 28 Nay 0 (03/04/2016)