



General Assembly

February Session, 2016

Raised Bill No. 402

LCO No. 2662



Referred to Committee on COMMERCE

Introduced by:
(CE)

AN ACT ESTABLISHING THE CONNECTICUT INFRASTRUCTURE BANK.

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 established
4 and created for the performance of an essential public and
5 governmental function, to be known as the Connecticut Infrastructure
6 Bank. The bank shall not be construed to be a department, institution
7 or agency of the state.

8 (b) The powers of the bank shall be vested in and exercised by a
9 board of directors, which shall consist of the following members, each
10 with knowledge and expertise in matters related to the purpose and
11 activities of said bank appointed as follows: (1) The Commissioner of
12 Transportation or the commissioner's designee, the Treasurer or the
13 Treasurer's designee and the Commissioner of Economic and
14 Community Development or the commissioner's designee, all of whom
15 shall serve as ex officio, nonvoting members; (2) one appointed by the

16 speaker of the House of Representatives for a term of four years; (3)
17 one appointed by the majority leader of the House of Representatives
18 for a term of four years; (4) one appointed by the minority leader of the
19 House of Representatives for a term of four years; (5) one appointed by
20 the president pro tempore of the Senate for a term of four years; (6) one
21 appointed by the majority leader of the Senate for a term of four years;
22 (7) one appointed by the minority leader of the Senate for a term of
23 four years; and (8) five appointed by the Governor, three for a term of
24 two years and two for a term of four years. Thereafter, such members
25 of the General Assembly and the Governor shall appoint members of
26 the board to succeed such appointees whose terms expire and each
27 member so appointed shall hold office for a period of four years from
28 the first day of July in the year of his or her appointment. The board of
29 directors shall select the chairperson from among the members of the
30 board, who shall serve for a term of four years. The board of directors
31 shall select a vice-chairperson from among its members and such other
32 officers as it deems necessary. The board may establish committees
33 and subcommittees as necessary to conduct its business.

34 (c) No appointed member of the board of directors may designate a
35 representative to perform in their absence their respective duties under
36 this section. Any vacancy occurring other than by expiration of term
37 shall be filled in the same manner as the original appointment for the
38 balance of the unexpired term. The appointing authority for any
39 member may remove such member for inefficiency, wilful neglect of
40 duty or misconduct in office.

41 (d) The chairperson shall, with the approval of the members of the
42 board of directors, appoint an executive director of the bank who shall
43 be an employee of the bank and paid a salary prescribed by the
44 members. The executive director shall supervise the administrative
45 affairs and technical activities of the bank in accordance with the
46 directives of the board.

47 (e) Each member of the board of directors shall be entitled to

48 reimbursement for such member's actual and necessary expenses
49 incurred during the performance of such member's official duties.

50 (f) Members may engage in private employment, or in a profession
51 or business, subject to any applicable laws, rules and regulations of the
52 state regarding official ethics or conflict of interest.

53 (g) Eight members of the board of directors of the bank shall
54 constitute a quorum for the transaction of any business or the exercise
55 of any power of the bank. For the transaction of any business or the
56 exercise of any power of the bank, and except as otherwise provided in
57 this section, the bank may act by a majority of the members present at
58 any meeting at which a quorum is in attendance.

59 (h) The bank shall continue as long as it has bonds or other
60 obligations outstanding and until its existence is terminated by law,
61 provided no such termination shall affect any outstanding contractual
62 obligation of the bank and the state shall succeed to the obligations of
63 the bank under any contract. Upon the termination of the existence of
64 the bank, all its rights and properties shall pass to and be vested in the
65 state of Connecticut.

66 (i) It shall not constitute a conflict of interest for a trustee, director,
67 partner or officer of any person, firm or corporation, or any individual
68 having a financial interest in a person, firm or corporation, to serve as a
69 member of the board of directors of the bank, provided such trustee,
70 director, partner, officer or individual shall comply with all applicable
71 provisions of chapter 10 of the general statutes.

72 Sec. 2. (NEW) (*Effective July 1, 2016*) The purposes of the Connecticut
73 Infrastructure Bank shall be to assist in financing infrastructure
74 projects by providing loans and other financial assistance to public and
75 private entities in order to improve the infrastructure in the state,
76 including, but not limited to, highways, roads, bridges, transit and
77 intermodal systems, inland waterways, commercial ports, airports,
78 high speed rail, energy transmission or distribution, water and

79 wastewater treatment facilities and telecommunication. For such
80 purposes the bank is authorized and empowered to:

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

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

85 (3) Maintain an office at such place or places as it may designate;

86 (4) Sue and be sued in its own name, and plead and be impleaded;

87 (5) (A) Employ such assistants, agents and other employees as may
88 be necessary or desirable who shall not be employees, as defined in
89 subsection (b) of section 5-270 of the general statutes; (B) establish all
90 necessary or appropriate personnel practices and policies, including
91 those relating to hiring, promotion, compensation, retirement and
92 collective bargaining, which need not be in accordance with chapter 68
93 of the general statutes, and the bank shall not be an employer as
94 defined in subsection (a) of section 5-270 of the general statutes; and
95 (C) engage consultants, attorneys and appraisers as may be necessary
96 or desirable to carry out its purposes in accordance with this section;

97 (6) Issue bonds, bond anticipation notes and other obligations of the
98 exchange for any of its corporate purposes, and to fund or refund the
99 same and provide for the rights of the holders thereof, and to secure
100 the same by pledge of revenues, notes and mortgages of others;

101 (7) Receive and accept aid or contributions from any source of
102 money, property, labor or other things of value, to be held, used and
103 applied to carry out the purposes of this section and chapter 242 of the
104 general statutes subject to such conditions upon which such grants and
105 contributions may be made, including, but not limited to, gifts or
106 grants from any department, agency or instrumentality of the United
107 States or this state for any purpose consistent with this section;

108 (8) Borrow money for the purpose of obtaining working capital;

109 (9) Make and enter into all contracts and agreements necessary or
110 incidental to the performance of its duties and the execution of its
111 powers under sections 1 to 4, inclusive, of this act, including contracts
112 and agreements for such professional services as the bank deems
113 necessary, including, but not limited to, financial consultants, bond
114 counsel, underwriters and technical specialists;

115 (10) Acquire, lease, purchase, own, manage, hold and dispose of
116 personal property, and lease, convey or deal in or enter into
117 agreements with respect to such property on any terms necessary or
118 incidental to the carrying out of these purposes;

119 (11) Invest in, acquire, lease, purchase, own, manage, hold and
120 dispose of real property and lease, convey or deal in or enter into
121 agreements with respect to such property on any terms necessary or
122 incidental to carrying out the purposes of this section, provided such
123 transactions shall not be subject to approval, review or regulation by
124 any state agency pursuant to title 4b of the general statutes or any
125 other provision of the general statutes;

126 (12) Procure insurance against any liability or loss in connection
127 with its property and other assets, in such amounts and from such
128 insurers as it deems desirable and to procure insurance for employees;

129 (13) Account for and audit funds of the bank and funds of any
130 recipients of funds from the bank;

131 (14) Establish advisory committees to assist in accomplishing its
132 duties under this section and sections 1, 3 and 4 of this act, which may
133 include one or more members of the board of directors and persons
134 other than members; and

135 (15) Do all acts and things necessary or convenient to carry out the
136 purposes of this section and sections 1, 3 and 4 of this act and the

137 powers expressly granted by said sections.

138 Sec. 3. (NEW) (*Effective July 1, 2016*) The members of the board of
139 directors of the Connecticut Infrastructure Bank shall adopt written
140 procedures, in accordance with the provisions of section 1-121 of the
141 general statutes, for: (1) Adopting an annual budget and plan of
142 operations, including a requirement of board approval before the
143 budget or plan may take effect; (2) hiring, dismissing, promoting and
144 compensating employees of the bank, including an affirmative action
145 policy and a requirement of board approval before a position may be
146 created or a vacancy filled; (3) acquiring real and personal property
147 and personal services, including a requirement of board approval for
148 any nonbudgeted expenditure in excess of an amount to be
149 determined by the board; (4) contracting for financial, legal, bond
150 underwriting and other professional services, including a requirement
151 that the bank solicit proposals at least once every three years for each
152 such service which it uses; (5) issuing and retiring bonds, bond
153 anticipation notes and other obligations of the bank; (6) awarding
154 loans, grants and other financial assistance, including eligibility
155 criteria, the application process and the role played by the bank's staff
156 and board of directors; and (7) the use of surplus funds to the extent
157 authorized under this section and sections 1, 2 and 4 of this act or other
158 provisions of the general statutes.

159 Sec. 4. (NEW) (*Effective July 1, 2016*) There is hereby created a
160 Connecticut Infrastructure Bank Fund. The fund may receive any
161 amount required by law to be deposited into the fund and may receive
162 any federal funds as may become available to the state for
163 infrastructure investments. Upon authorization of the Connecticut
164 Infrastructure Bank established pursuant to section 1 of this act, any
165 amount in said fund may be used for expenditures that promote
166 investment in infrastructure in accordance with sections 1 and 2 of this
167 act. Such expenditures may include, but shall not be limited to: (1)
168 Providing low-cost financing and credit enhancement mechanisms for
169 infrastructure projects, (2) reimbursement of the operating expenses,

170 including administrative expenses, incurred by the Connecticut
171 Infrastructure Bank and the Department of Transportation, and (3)
172 capital costs incurred by the Connecticut Infrastructure Bank in
173 connection with the operation of the fund, the other permitted
174 activities of the Connecticut Infrastructure Bank, grants, direct or
175 equity investments, contracts and other actions that support
176 infrastructure projects in the state.

177 Sec. 5. Subdivision (12) of section 1-79 of the 2016 supplement to the
178 general statutes is repealed and the following is substituted in lieu
179 thereof (*Effective July 1, 2016*):

180 (12) "Quasi-public agency" means Connecticut Innovations,
181 Incorporated, the Connecticut Health and Education Facilities
182 Authority, the Connecticut Higher Education Supplemental Loan
183 Authority, the Connecticut Student Loan Foundation, the Connecticut
184 Housing Finance Authority, the State Housing Authority, the Materials
185 Innovation and Recycling Authority, the Capital Region Development
186 Authority, the Connecticut Lottery Corporation, the Connecticut
187 Airport Authority, the Connecticut Health Insurance Exchange, the
188 Connecticut Green Bank, the Connecticut Port Authority, [and] the
189 State Education Resource Center and the Connecticut Infrastructure
190 Bank.

191 Sec. 6. Section 1-120 of the 2016 supplement to the general statutes is
192 repealed and the following is substituted in lieu thereof (*Effective July*
193 *1, 2016*):

194 As used in sections 1-120 to 1-123, inclusive:

195 (1) "Quasi-public agency" means Connecticut Innovations,
196 Incorporated, the Connecticut Health and Educational Facilities
197 Authority, the Connecticut Higher Education Supplemental Loan
198 Authority, the Connecticut Student Loan Foundation, the Connecticut
199 Housing Finance Authority, the Connecticut Housing Authority, the
200 Materials Innovation and Recycling Authority, the Capital Region

201 Development Authority, the Connecticut Lottery Corporation, the
202 Connecticut Airport Authority, the Connecticut Health Insurance
203 Exchange, the Connecticut Green Bank, the Connecticut Port
204 Authority, [and] the State Education Resource Center and the
205 Connecticut Infrastructure Bank.

206 (2) "Procedure" means each statement, by a quasi-public agency, of
207 general applicability, without regard to its designation, that
208 implements, interprets or prescribes law or policy, or describes the
209 organization or procedure of any such agency. The term includes the
210 amendment or repeal of a prior regulation, but does not include,
211 unless otherwise provided by any provision of the general statutes, (A)
212 statements concerning only the internal management of any agency
213 and not affecting procedures available to the public, and (B) intra-
214 agency memoranda.

215 (3) "Proposed procedure" means a proposal by a quasi-public
216 agency under the provisions of section 1-121 for a new procedure or
217 for a change in, addition to or repeal of an existing procedure.

218 Sec. 7. Section 1-124 of the 2016 supplement to the general statutes is
219 repealed and the following is substituted in lieu thereof (*Effective July*
220 *1, 2016*):

221 (a) Connecticut Innovations, Incorporated, the Connecticut Health
222 and Educational Facilities Authority, the Connecticut Higher
223 Education Supplemental Loan Authority, the Connecticut Student
224 Loan Foundation, the Connecticut Housing Finance Authority, the
225 Connecticut Housing Authority, the Materials Innovation and
226 Recycling Authority, the Connecticut Airport Authority, the Capital
227 Region Development Authority, the Connecticut Health Insurance
228 Exchange, the Connecticut Green Bank, the Connecticut Port
229 Authority, [and] the State Education Resource Center and the
230 Connecticut Infrastructure Bank shall not borrow any money or issue
231 any bonds or notes which are guaranteed by the state of Connecticut or

232 for which there is a capital reserve fund of any kind which is in any
233 way contributed to or guaranteed by the state of Connecticut until and
234 unless such borrowing or issuance is approved by the State Treasurer
235 or the Deputy State Treasurer appointed pursuant to section 3-12. The
236 approval of the State Treasurer or said deputy shall be based on
237 documentation provided by the authority that it has sufficient
238 revenues to (1) pay the principal of and interest on the bonds and notes
239 issued, (2) establish, increase and maintain any reserves deemed by the
240 authority to be advisable to secure the payment of the principal of and
241 interest on such bonds and notes, (3) pay the cost of maintaining,
242 servicing and properly insuring the purpose for which the proceeds of
243 the bonds and notes have been issued, if applicable, and (4) pay such
244 other costs as may be required.

245 (b) To the extent Connecticut Innovations, Incorporated, the
246 Connecticut Higher Education Supplemental Loan Authority, the
247 Connecticut Student Loan Foundation, the Connecticut Housing
248 Finance Authority, the Connecticut Housing Authority, the Materials
249 Innovation and Recycling Authority, the Connecticut Health and
250 Educational Facilities Authority, the Connecticut Airport Authority,
251 the Capital Region Development Authority, the Connecticut Health
252 Insurance Exchange, the Connecticut Green Bank, the Connecticut Port
253 Authority, [or] the State Education Resource Center or the Connecticut
254 Infrastructure Bank is permitted by statute and determines to exercise
255 any power to moderate interest rate fluctuations or enter into any
256 investment or program of investment or contract respecting interest
257 rates, currency, cash flow or other similar agreement, including, but
258 not limited to, interest rate or currency swap agreements, the effect of
259 which is to subject a capital reserve fund which is in any way
260 contributed to or guaranteed by the state of Connecticut, to potential
261 liability, such determination shall not be effective until and unless the
262 State Treasurer or his or her deputy appointed pursuant to section 3-12
263 has approved such agreement or agreements. The approval of the State
264 Treasurer or his or her deputy shall be based on documentation

265 provided by the authority that it has sufficient revenues to meet the
266 financial obligations associated with the agreement or agreements.

267 Sec. 8. Section 1-125 of the 2016 supplement to the general statutes is
268 repealed and the following is substituted in lieu thereof (*Effective July*
269 *1, 2016*):

270 The directors, officers and employees of Connecticut Innovations,
271 Incorporated, the Connecticut Higher Education Supplemental Loan
272 Authority, the Connecticut Student Loan Foundation, the Connecticut
273 Housing Finance Authority, the Connecticut Housing Authority, the
274 Materials Innovation and Recycling Authority, including ad hoc
275 members of the Materials Innovation and Recycling Authority, the
276 Connecticut Health and Educational Facilities Authority, the Capital
277 Region Development Authority, the Connecticut Airport Authority,
278 the Connecticut Lottery Corporation, the Connecticut Health Insurance
279 Exchange, the Connecticut Green Bank, the Connecticut Port
280 Authority, [and] the State Education Resource Center and the
281 Connecticut Infrastructure Bank and any person executing the bonds
282 or notes of the agency shall not be liable personally on such bonds or
283 notes or be subject to any personal liability or accountability by reason
284 of the issuance thereof, nor shall any director or employee of the
285 agency, including ad hoc members of the Materials Innovation and
286 Recycling Authority, be personally liable for damage or injury, not
287 wanton, reckless, wilful or malicious, caused in the performance of his
288 or her duties and within the scope of his or her employment or
289 appointment as such director, officer or employee, including ad hoc
290 members of the Materials Innovation and Recycling Authority. The
291 agency shall protect, save harmless and indemnify its directors,
292 officers or employees, including ad hoc members of the Materials
293 Innovation and Recycling Authority, from financial loss and expense,
294 including legal fees and costs, if any, arising out of any claim, demand,
295 suit or judgment by reason of alleged negligence or alleged
296 deprivation of any person's civil rights or any other act or omission
297 resulting in damage or injury, if the director, officer or employee,

298 including ad hoc members of the Materials Innovation and Recycling
299 Authority, is found to have been acting in the discharge of his or her
300 duties or within the scope of his or her employment and such act or
301 omission is found not to have been wanton, reckless, wilful or
302 malicious.

303 Sec. 9. (*Effective July 1, 2016*) The sum of fifty million dollars is
304 appropriated to the Connecticut Infrastructure Bank, from the General
305 Fund, for the fiscal year ending June 30, 2017, for deposit into the
306 Connecticut Infrastructure Bank Fund established under section 4 of
307 this act.

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
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>	New section

Statement of Purpose:

To establish the Connecticut Infrastructure Bank to encourage the improvement of infrastructure in the state by providing loans and other financial assistance to public and private entities for infrastructure projects.

[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.]