



House of Representatives

General Assembly

File No. 361

February Session, 2018

House Bill No. 5309

House of Representatives, April 10, 2018

The Committee on Transportation reported through REP. GUERRERA of the 29th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE PORT AUTHORITY.

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

1 Section 1. Section 15-31b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2018*):

3 (a) The purposes of the Connecticut Port Authority shall be to
4 coordinate the development of Connecticut's ports and harbors, with a
5 focus on private and public investments, pursue federal and state
6 funds for dredging and other infrastructure improvements to increase
7 cargo movement through the ports and maintain navigability of all
8 ports and harbors, market the economic development of such ports
9 and harbors, work with the Department of Economic and Community
10 Development and other state, local and private entities to maximize
11 the economic potential of the ports and harbors, support and enhance
12 the overall development of the state's maritime commerce and
13 industries, coordinate the planning and funding of capital projects
14 promoting the development of the ports and harbors, develop strategic
15 entrepreneurial initiatives that may be available to the state, coordinate

16 the state's maritime policy activities, serve as the Governor's principal
17 maritime policy advisor and undertake such other responsibilities as
18 may be assigned to it. To accomplish the purposes of the authority, the
19 authority shall have the duty and power to:

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

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

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

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

26 (5) Develop an organizational and management structure that will
27 best accomplish the goals of the authority concerning Connecticut
28 ports and harbors;

29 (6) Create a code of conduct for the board of directors of the
30 authority consistent with part I of chapter 10;

31 (7) Adopt rules for the conduct of its business, which shall not be
32 considered regulations as defined in section 4-166;

33 (8) Adopt an annual budget and plan of operations, including a
34 requirement of board approval before the budget or plan may take
35 effect;

36 (9) Make and enter into all contracts and agreements that are
37 necessary, desirable or incidental to the conduct of its business;

38 (10) Enter into joint ventures and invest in, and participate with, any
39 person or entity, including, without limitation, governmental or
40 private business entities in the formation, ownership, management and
41 operation of business entities, including stock and nonstock
42 corporations, limited liability companies and general and limited
43 partnerships, formed to advance the purposes of the authority. The
44 officers, employees and members of the board of directors of the

45 authority may serve, without compensation, as directors or officers of
46 any such business entities formed and such service shall be deemed to
47 be within the discharge of the duties of such officers, employees or
48 directors to the authority;

49 (11) Receive and accept, from any source, aid or contributions,
50 including money, property, labor and other things of value;

51 (12) Award grants and subsidies, make loans and provide other
52 forms of financial assistance to any person or entity under a written
53 policy, adopted in accordance with the provisions of section 1-121,
54 setting forth the eligibility criteria, application process, and such other
55 provisions as may be necessary or desirable to carry out the purposes
56 of this section;

57 (13) Charge reasonable fees for the services it performs and waive,
58 suspend, reduce or otherwise modify such fees in accordance with
59 written criteria established by the authority, and provided, that no
60 change may be made in fees without at least thirty days prior notice,
61 published in accordance with the provisions of section 1-121;

62 [(9)] (14) Employ such assistants, agents and other employees as
63 may be necessary or desirable to carry out its purposes. (A) The
64 executive director and such employees shall be exempt from the
65 classified service and, except as provided in subparagraph (B) of this
66 subdivision, shall not be employees, as defined in subsection (b) of
67 section 5-270. The authority shall fix appropriate compensation for
68 such employees and establish all necessary or appropriate personnel
69 practices and policies, including those relating to hiring, promotion,
70 compensation, retirement and collective bargaining, which need not be
71 in accordance with chapter 68, and the authority shall not be an
72 employer, as defined in subsection (a) of section 5-270, and may
73 engage consultants, attorneys and appraisers as may be necessary or
74 desirable to carry out its purposes in accordance with sections 15-31a
75 to 15-31i, inclusive. (B) For purposes of group welfare benefits and
76 retirement, including, but not limited to, those provided under chapter
77 66 and sections 5-257 and 5-259, the officers and all other employees of

78 the authority shall be state employees. The authority shall reimburse
79 the appropriate state agencies for all costs incurred by such
80 designation; [and]

81 ~~[(10)]~~ (15) Invest in, acquire, lease, purchase, own, manage, hold and
82 dispose of real property and lease, convey or deal in or enter into
83 agreements with respect to such property on any terms necessary or
84 incidental to carrying out the purposes of sections 15-31a to 15-31i,
85 inclusive, provided such transactions shall not be subject to approval,
86 review or regulation by any state agency pursuant to title 4b or any
87 other provision of the general statutes, except the authority shall not
88 convey fee simple ownership in any property associated with the ports
89 or harbors under its jurisdiction and control without the approval of
90 the State Properties Review Board and the Attorney General; ~~[.]~~ and

91 (16) Adopt any policies and procedures necessary to carry out the
92 provisions of this section in accordance with the provisions of section
93 1-121.

94 (b) The authority shall continue as long as it has bonds or other
95 obligations outstanding and until its existence is terminated by law,
96 provided no such termination shall affect any outstanding contractual
97 obligation of the authority and the state shall succeed to the obligations
98 of the authority under any contract. Upon the termination of the
99 existence of the authority, all its rights and properties shall pass to and
100 be vested in the state of Connecticut.

101 Sec. 2. Section 15-15c of the general statutes is repealed and the
102 following is substituted in lieu thereof (*Effective October 1, 2018*):

103 The provisions of this chapter shall not apply to (1) vessels
104 navigating under a certificate of enrollment under the control of a
105 federally licensed pilot, (2) American vessels engaged in fishing, [or]
106 (3) vessels otherwise exempt by the laws of the United States, or (4)
107 vessels of less than two hundred feet in length overall.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018</i>	15-31b
Sec. 2	<i>October 1, 2018</i>	15-15c

TRA *Joint Favorable*

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:*** None***Municipal Impact:*** None***Explanation***

This bill, which does not result in a fiscal impact, expands the powers and duties of the Connecticut Port Authority and exempts vessels that are less than 200 feet long from state laws on harbors and ports, including pilotage requirements.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 5309*****AN ACT CONCERNING THE PORT AUTHORITY.*****SUMMARY**

This bill expands the powers and duties of the Connecticut Port Authority (CPA), authorizing it to, among other things, (1) enter into joint ventures to form businesses to advance the authority's purposes; (2) charge fees for its services; and (3) provide loans, grants, and other forms of financial assistance.

The bill also exempts vessels that are less than 200 feet long from state laws on harbors and ports, including pilotage requirements. Current law requires most registered foreign and American vessels entering or departing from a state port or crossing the Long Island Sound to take on board a Connecticut- or New York-licensed marine pilot (see BACKGROUND). Existing law already exempts from these laws (1) enrolled vessels under the control of a federally-licensed marine pilot, (2) American fishing vessels, and (3) vessels otherwise exempt by federal law.

EFFECTIVE DATE: October 1, 2018

EXPANSION OF CPA POWERS

The bill authorizes the CPA to enter into joint ventures, invest in, and participate with any person or public or private entity in the formation, ownership, management, and operation of businesses that are formed to advance the authority's purposes. The businesses may be formed as corporations, nonstock corporations (i.e., nonprofits), partnerships, and limited liability companies. The bill (1) allows the CPA's officers, employees, and board members to serve, without compensation, as directors or officers of any business entity formed and (2) deems such service to be within the discharge of the officers',

employees', or directors' duties.

It also authorizes the authority to:

1. enter into all contracts and agreements necessary, desirable, or incidental to its business;
2. receive and accept aid or contributions from any source, including money property, labor, and other things of value;
3. award grants and subsidies, make loans, and provide other financial assistance under a written policy establishing eligibility criteria, application processes, and other necessary provisions;
4. charge reasonable fees for the services it performs and waive, reduce, or otherwise modify the fees according to written CPA-established procedures; and
5. adopt any policies and procedures necessary to carry out its duties and purpose.

Under the bill, the CPA must (1) provide at least 30 days' notice prior to changing any fees and (2) follow the existing procedure for quasi-public agencies to adopt policies for any policies or procedures required or permitted under the bill.

BACKGROUND

Connecticut Port Authority

Established in PA 15-5, the CPA is a quasi-public agency charged with marketing and developing the state's ports and maritime economy. Specifically, its purpose is to (1) coordinate port development, focusing on private and public investment, (2) work with state, local, and private entities to maximize the economic potential of the state's ports and harbors, (3) support and enhance the state's maritime economy and (4) coordinate the state's maritime policy (CGS § 15-31a et seq.).

The authority is overseen by a 15-member board of directors. By law, it may, among other things, issue bonds; adopt annual budgets and operations plans; employ people and fix its own compensation plans and employee policies; and acquire, hold, and lease property.

Marine Pilots

A marine pilot is not a member of a vessel's crew but comes aboard to help navigate the vessel in or out of port. State-licensed pilots are expected to act in the public interest and take reasonable actions to prevent ships under their navigational direction from engaging in unsafe operations.

Under existing law, the CPA licenses marine pilots and sets pilotage rates. The Connecticut Pilot Commission, which is within the CPA for administrative purposes, advises the CPA on marine pilot licensure, safe conduct of vessels, pilotage rates, and the protection of ports and waters in Connecticut. Connecticut marine pilots must, among other things, (1) hold a federal ship master's license (which is required to serve as a ship captain) and a federal pilotage license and (2) complete the required number of trips as a pilot or observing pilot (CGS § 15-3; Conn. Agencies Regs. § 15-15a-7).

Registered and Enrolled Vessels

Registered vessels typically operate in foreign commerce whereas enrolled vessels generally carry domestic cargo between U.S. ports (referred to as "coastwise" under federal law). Federal law requires that a federally-licensed marine pilot accompany coastwise vessels (46 C.F.R. §15.812 (a)(1)).

COMMITTEE ACTION

Transportation Committee

Joint Favorable

Yea 36 Nay 0 (03/23/2018)