



# House of Representatives

General Assembly

**File No. 264**

February Session, 2018

House Bill No. 5500

*House of Representatives, April 5, 2018*

The Committee on Banking reported through REP. LESSER of the 100th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***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, 2018*) (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 shall be paid a salary prescribed by  
44 the 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, 2018*) 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 this section and sections 1, 3 and 4 of this act, including  
112 contracts and agreements for such professional services as the bank  
113 deems necessary, including, but not limited to, financial consultants,  
114 bond 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, 2018*) 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, 2018*) 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 2018 supplement to the  
178 general statutes is repealed and the following is substituted in lieu  
179 thereof (*Effective July 1, 2018*):

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 Retirement Security  
189 Authority, the Connecticut Port Authority, [and] the State Education  
190 Resource Center and the Connecticut Infrastructure Bank.

191 Sec. 6. Section 1-120 of the general statutes is repealed and the  
192 following is substituted in lieu thereof (*Effective July 1, 2018*):

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

194 (1) "Quasi-public agency" means Connecticut Innovations,  
195 Incorporated, the Connecticut Health and Educational Facilities  
196 Authority, the Connecticut Higher Education Supplemental Loan  
197 Authority, the Connecticut Student Loan Foundation, the Connecticut  
198 Housing Finance Authority, the Connecticut Housing Authority, the  
199 Materials Innovation and Recycling Authority, the Capital Region  
200 Development Authority, the Connecticut Lottery Corporation, the  
201 Connecticut Airport Authority, the Connecticut Health Insurance  
202 Exchange, the Connecticut Green Bank, the Connecticut Retirement  
203 Security Authority, the Connecticut Port Authority, [and] the State  
204 Education Resource Center and the Connecticut Infrastructure Bank.

205 (2) "Procedure" means each statement, by a quasi-public agency, of

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

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

217 Sec. 7. Section 1-124 of the general statutes is repealed and the  
218 following is substituted in lieu thereof (*Effective July 1, 2018*):

219 (a) Connecticut Innovations, Incorporated, the Connecticut Health  
220 and Educational Facilities Authority, the Connecticut Higher  
221 Education Supplemental Loan Authority, the Connecticut Student  
222 Loan Foundation, the Connecticut Housing Finance Authority, the  
223 Connecticut Housing Authority, the Materials Innovation and  
224 Recycling Authority, the Connecticut Airport Authority, the Capital  
225 Region Development Authority, the Connecticut Health Insurance  
226 Exchange, the Connecticut Green Bank, the Connecticut Retirement  
227 Security Authority, the Connecticut Port Authority, [and] the State  
228 Education Resource Center and the Connecticut Infrastructure Bank  
229 shall not borrow any money or issue any bonds or notes which are  
230 guaranteed by the state of Connecticut or for which there is a capital  
231 reserve fund of any kind which is in any way contributed to or  
232 guaranteed by the state of Connecticut until and unless such  
233 borrowing or issuance is approved by the State Treasurer or the  
234 Deputy State Treasurer appointed pursuant to section 3-12. The  
235 approval of the State Treasurer or said deputy shall be based on  
236 documentation provided by the authority that it has sufficient  
237 revenues to (1) pay the principal of and interest on the bonds and notes  
238 issued, (2) establish, increase and maintain any reserves deemed by the



239 authority to be advisable to secure the payment of the principal of and  
240 interest on such bonds and notes, (3) pay the cost of maintaining,  
241 servicing and properly insuring the purpose for which the proceeds of  
242 the bonds and notes have been issued, if applicable, and (4) pay such  
243 other costs as may be required.

244 (b) To the extent Connecticut Innovations, Incorporated, the  
245 Connecticut Higher Education Supplemental Loan Authority, the  
246 Connecticut Student Loan Foundation, the Connecticut Housing  
247 Finance Authority, the Connecticut Housing Authority, the Materials  
248 Innovation and Recycling Authority, the Connecticut Health and  
249 Educational Facilities Authority, the Connecticut Airport Authority,  
250 the Capital Region Development Authority, the Connecticut Health  
251 Insurance Exchange, the Connecticut Green Bank, the Connecticut  
252 Retirement Security Authority, the Connecticut Port Authority, [or] the  
253 State Education Resource Center or the Connecticut Infrastructure  
254 Bank is permitted by statute and determines to exercise any power to  
255 moderate interest rate fluctuations or enter into any investment or  
256 program of investment or contract respecting interest rates, currency,  
257 cash flow or other similar agreement, including, but not limited to,  
258 interest rate or currency swap agreements, the effect of which is to  
259 subject a capital reserve fund which is in any way contributed to or  
260 guaranteed by the state of Connecticut, to potential liability, such  
261 determination shall not be effective until and unless the State  
262 Treasurer or his or her deputy appointed pursuant to section 3-12 has  
263 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 general statutes is repealed and the  
268 following is substituted in lieu thereof (*Effective July 1, 2018*):

269 The directors, officers and employees of Connecticut Innovations,  
270 Incorporated, the Connecticut Higher Education Supplemental Loan  
271 Authority, the Connecticut Student Loan Foundation, the Connecticut

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

302       Sec. 9. (*Effective July 1, 2018*) The sum of fifty million dollars is  
303 appropriated to the Connecticut Infrastructure Bank, from the General  
304 Fund, for the fiscal year ending June 30, 2019, for deposit into the  
305 Connecticut Infrastructure Bank Fund established under section 4 of  
306 this act.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2018</i>	New section
Sec. 2	<i>July 1, 2018</i>	New section
Sec. 3	<i>July 1, 2018</i>	New section
Sec. 4	<i>July 1, 2018</i>	New section
Sec. 5	<i>July 1, 2018</i>	1-79(12)
Sec. 6	<i>July 1, 2018</i>	1-120
Sec. 7	<i>July 1, 2018</i>	1-124
Sec. 8	<i>July 1, 2018</i>	1-125
Sec. 9	<i>July 1, 2018</i>	New section

**BA**      *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:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 19 \$</b>	<b>FY 20 \$</b>
Resources of the General Fund	GF - Cost	\$50 million	None
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill establishes the Connecticut Infrastructure Bank (CIB) as a quasi-public agency and requires a \$50 million appropriation in FY 19 from the General Fund. This funding will be used for among other things, to help finance infrastructure projects by providing loans and other financial assistance to public and private entities.

The bill also permits CIB to issue bonds. Like other quasi-public authorities, these bonds are backed by a special capital reserve fund (SCRF). While this represents a potential cost to the state, the impact to the General Fund is expected to be minimal as the Office of the State Treasurer is not expected to approve the issuance of SCRF-backed bonds unless CIB can show that it will be able to generate sufficient revenue from its activities to pay the debt service on the bonds.

The SCRF provides a higher level of repayment security, which results in a lower rate of interest on the bond issuance. SCRF-backed bonds are a contingent liability of the state, which does not count against the state's statutory limit on General Obligation bonds in CGS Sec. 3-21. In the event that the SCRF is drawn down in part or

completely, a draw on the General Fund is authorized and the SCRF is fully restored. The draw on the General Fund is deemed to be appropriated and is not subject to the constitutional or statutory appropriations cap. All that is required is a certification by the issuing authority of the amount required. If draws on a SCRF continue, the annual draws on the General Fund required to refill it also continue.

Additionally, the bill specifies that the employees of CIB will not be state employees as defined in C.G.S 5-270. As the bill does not provide for the transfer of any current state employees to CIB, there is no personnel-associated fiscal impact to the state.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and to the terms of any bonds issued by CIB.

**OLR Bill Analysis****HB 5500*****AN ACT ESTABLISHING THE CONNECTICUT INFRASTRUCTURE BANK.*****SUMMARY**

This bill establishes the Connecticut Infrastructure Bank (CIB) as a quasi-public agency to help finance state infrastructure projects by providing loans and other financial assistance to public and private entities.

The bill requires a \$50 million appropriation in FY 19 from the General Fund for deposit into the Connecticut Infrastructure Bank Fund (CIBF), which the bill also establishes (§§ 4 & 9). The CIBF is used to make expenditures for infrastructure investment, upon an authorization by CIB.

The bill establishes a 14-member board to govern CIB and gives it general powers to operate as a quasi-public agency. The board's chairperson appoints, with board approval, an executive director to supervise CIB's administrative affairs and technical activities.

EFFECTIVE DATE: July 1, 2018

**§§ 1-2, 5-8 — CIB*****Purpose***

Under the bill, CIB must assist in providing financing for improving the state's infrastructure, including transportation, energy distribution or transmission, water and wastewater treatment, or telecommunication projects. It must do so by providing loans and other types of financial assistance to public and private entities.

***Quasi-public Agency***

The bill establishes CIB as a quasi-public agency. In doing so, it makes CIB a public instrumentality and political subdivision of the state, created to perform an essential public and government function, and thus subject to statutory procedural, operating, audit, and reporting requirements for quasi-public agencies, including lobbying restrictions and an ethics code. CIB is not a state department, institution, or agency.

In establishing CIB as a quasi-public agency, the bill imposes the same statutory requirements that apply to the state's other quasi-public agencies. It generally indemnifies CIB's directors, officers, employees, and their agents and requires the treasurer's approval before borrowing money or issuing bonds or notes that are guaranteed or contributed to by the state.

CIB continues (1) for as long as it has outstanding bonds or other obligations and (2) until it is terminated by law. But termination does not affect outstanding contractual obligations and the state must succeed those obligations. When CIB lawfully ends, its rights and properties pass to and vest in the state.

### **General Powers**

The bill authorizes CIB to do the following to fulfill its purposes (see above):

1. have perpetual succession as a body politic and corporate;
2. adopt bylaws to regulate its affairs and conduct its business;
3. establish advisory committees, which may include board members and others;
4. adopt and alter an official seal;
5. maintain an office;
6. sue and be sued, and plead and be impleaded;

7. purchase insurance for its property, other assets, and employees;
8. retain consultants, attorneys, and appraisers;
9. make and enter into contracts and agreements to perform its duties and powers, including those for professional services (e.g., financial consultants or underwriters)
10. acquire, lease, purchase, own, manage, hold, and dispose of personal property and lease, convey, or deal in or enter into agreements about the property;
11. invest in, acquire, lease, purchase, own, manage, hold, and dispose of real property and lease, convey, or deal in or enter into agreements about the property, which are not subject to review, approval, or regulation by a state agency or other state law;
12. receive and accept aid or contributions of value (e.g., money, labor, property) to carry out CIB's purposes under the bill and DOT's statutory purposes, subject to any specified condition;
13. borrow money to obtain working capital;
14. issue bonds, bond anticipation notes, and other obligations;
15. fund or refund the above obligations and provide for the rights of obligation holders, including pledging revenues, notes, and mortgages;
16. account for and audit CIB funds and the funds received by CIB recipients; and
17. do all things necessary or convenient to carry out these powers, CIB's purposes, and the CIBF.

The bill also authorizes CIB to employ staff as necessary and specifies that they are not state employees and CIB is not an employer



under the state's collective bargaining law.

CIB may establish necessary or appropriate personnel practices and policies, including those relating to hiring, promotion, compensation, and collective bargaining. CIB may enter into collective bargaining agreements with labor unions, but these agreements do not have to comply with the state's collective bargaining law for state employees.

#### **§ 4 — CONNECTICUT INFRASTRUCTURE BANK FUND (CIBF)**

The bill establishes a fund to make expenditures that promote investment in infrastructure, once CIB authorizes them. These expenditures include such things as:

1. providing low-cost financing and credit enhancement mechanisms;
2. reimbursing CIB's and the Department of Transportation's (DOT) operating expenses, including administrative expenses; and
3. paying capital costs incurred to operate the CIBF, including other permitted CIB activities, grants, direct or equity investments, contracts, and other actions that support infrastructure projects.

The CIBF may receive any (1) amount the law requires to be deposited into the fund and (2) federal funds that may become available for infrastructure improvements.

#### **§§ 1 & 3 — CIB GOVERNANCE**

##### ***Board of Directors***

Under the bill, CIB's 14-member board consists of 11 appointed voting directors and three ex officio nonvoting directors: the treasurer and the economic and community development and transportation commissioners, or their designees. The bill requires each board member to have knowledge and expertise in matters related to CIB's purpose and activities.

Table 1 lists the appointed voting directors, their appointing authority, and initial terms.

**Table 1: CIB Initial Appointed Board Directors**

<i>Appointing Authority</i>	<i>Number of Appointments</i>	<i>Initial Term</i>
Governor	Five	Four years for two directors; Two years for three directors
House speaker	One	Four years
Senate president pro tempore	One	Four years
House majority leader	One	Four years
Senate majority leader	One	Four years
House minority leader	One	Four years
Senate minority leader	One	Four years

After the initial terms, the appointing authorities must appoint successor appointees, who each have four-year terms that begin on July 1 in his or her appointment year. Board vacancies must be filled for the unexpired term by the original appointing authority.

The bill prohibits appointed members from designating a representative to perform their duties in their absence. Directors may be removed by the appointing authority for inefficiency, willful neglect of duty, or misconduct in office.

Members may be privately employed or engage in a profession or business, but must comply with applicable state laws, rules, and regulations on official ethics or conflict of interest. The bill specifies that it is not a conflict of interest for a member to have a financial interest in, or be a trustee, director, partner, or officer of, a person, firm, or corporation, as long as the member complies with state ethics

laws.

Board members are not paid, but are reimbursed for actual and necessary expenses.

### ***Board Leadership and Executive Director***

The board selects a chairperson and vice-chairperson from among the members, and any other needed officers. Under the bill, the chairperson serves a four-year term in that role (see COMMENT).

With the board's approval, the chairperson appoints CIB's executive director who is responsible for supervising CIB's administrative affairs and technical activities according to the board's directives. The executive director is a CIB employee and is paid a salary the board prescribes.

### ***Board Decisions***

Under the bill, eight board members constitute a quorum, and a majority of those present at a meeting with a quorum may act.

The bill also allows the board to establish any needed committees and subcommittees to conduct its business.

### ***Duties***

The bill requires the CIB board to adopt written procedures for the following actions the board may take:

1. adopting an annual budget and operations plan, including requiring board approval before the budget or plan may take effect;
2. hiring, dismissing, promoting, and compensating CIB employees, including an affirmative action policy and requiring board approval before creating a position or filling a vacancy;
3. acquiring property and personal services, including requiring board approval for non-budgeted expenses that exceed a board-determined amount;

4. contracting for financial, legal, bond underwriting, and other professional services, including requiring CIB to solicit proposals at least every three years for each service it uses;
5. issuing and retiring bonds, bond anticipation notes, and other CIB obligations;
6. awarding loans, grants, and other financial assistance, including establishing eligibility criteria, the application process, and the role of CIB's staff and board; and
7. using surplus funds to the extent allowed by law.

**COMMENT**

***Board Chairperson***

The bill requires the board to select its chairperson from among its members (both voting and nonvoting members) and specifies that the chairperson serves a four-year term. However, three of the governor's initial appointments serve for only two-year terms.

**COMMITTEE ACTION**

Banking Committee

Joint Favorable

Yea 11    Nay 8    (03/20/2018)