

Banking Committee JOINT FAVORABLE REPORT

Bill No.: SB-70

Title: AN ACT ESTABLISHING THE CONNECTICUT INFRASTRUCTURE BANK.

Vote Date: 3/12/2019

Vote Action: Joint Favorable

PH Date: 2/14/2019

File No.:

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SPONSORS OF BILL:

Banks Committee

Sen. Alexandra Bergstein, 36th Dist.

Rep. Jason Doucette, 13th Dist.

Rep. Travis Simms, 140th Dist.

Rep. Michael Winkler, 56th Dist.

Rep. Josh Elliott, 88th Dist.

REASONS FOR BILL:

The purpose of this bill is to statutorily create a quasi-public bank for the purpose of Infrastructure Improving Funds. Under this bill, an infrastructure bank would be created for the following reasons: 1) Develop programs supporting infrastructure improvements; 2) Support finance investments in infrastructure improvements; 3) Monitor funding towards infrastructure improvements.

RESPONSE FROM ADMINISTRATION/AGENCY:

[State of Connecticut Treasurer, Shawn T. Wooden](#)

Treasurer Wooden is in support of SB 70. The Treasurer states that CT has over 300 bridges that are deemed structurally deficient and the state roads are graded at a "D+." Treasurer Wooden believes that we as a state have to begin looking at infrastructure as more than just roads and bridges. He emphasized the need to invest in a robust public transportation network, high speed internet, and reliable waste water treatment systems in order to have a state that will attract employers and keep its young people. The Treasurer supports the creation of an infrastructure bank because of its ability to leverage federal and state resources, as well as private sector funds, in ways that can accelerate the pace of improvements.

NATURE AND SOURCES OF SUPPORT:

[49th District House of Representative, Susan Johnson](#)

Representative Johnson is in support of SB 70. The Representative states that the creation of a state bank would be a help to the state economy. The Representative goes on to cite the State Bank of North Dakota which has been in existence since 1919. While one of the original purposes for the State Bank was to provide credit to farmers, the Bank has been a stabilizing influence in the state ever since.

[Connecticut Green Bank, Matt Macunas](#)

The Connecticut Green Bank is in support of SB 70. The CGB sees the opportunities for public-private partnerships to invest in the modernization of Connecticut's Infrastructure. Supplied with CGB's testimony is a fact sheet that shows among other things that for every \$1 that is invested in the CGB it attracts \$6 in private investment.

[COO of UBS, Suneel Kamlani](#)

Suneel Kamlani stated, "Like other states, Connecticut's infrastructure is in dire need of repair, with 57% of its public roads in poor condition and 338 bridges rated as structurally deficient. Chronic neglect and tight budgets have taken a toll on our competitiveness. *U.S. News and World Report* ranks Connecticut near the bottom (#41) of all U.S. states in infrastructure quality, making it even more difficult for us to attract companies and create jobs." Suneel Kamlani testified the infrastructure bank would be established and capitalized by the state. The bank would be funded by the equity from a portion of the state's transportation budget. Equity could be leveraged 5-10 times by private debt capital. The debt would be raised by pension funds, insurance companies, and wealth funds. The infrastructure bank would invest in revenue-producing projects such as roads, bridges, ports, rail, water, and energy systems. It would be self-sustaining. In return, the infrastructure bank would bring over \$80 trillion of capital, create multiplier effects, establish partnerships, and enable the aggregation of projects to reduce the overall cost of financing.

[CT Regional Plan Association, Vice-President, Melissa Kaplan-Macey](#)

RPA supports SB 70. RPA points out that currently there are 338 bridges in CT that are deemed structurally deficient, and Metro North's New Haven Line needs more than \$3 billion in capital investments to prevent service disruptions and improve speed, frequency and reliability. RPA also points to a US News & World Report that recently ranked Connecticut 41st in the nation for its infrastructure. RPA concludes that for Connecticut to stay competitive there is a dire need for a new tool to fund infrastructure and deliver on large-scale projects.

[The Nature Conservancy, Director of Government Relations, David Sutherland](#)

The Nature Conservancy is in support of SB 70. The Nature Conservancy would like to see added to the SIB or a separately established bank that would include a component program

to fund Resilience Projects to enable the State and communities to prepare for and reduce the impacts of flooding due to storms and sea level change. The Nature Conservancy also recommends that any infrastructure in flood-prone areas be required to use UConn SLC projections.

[The Connecticut Conference of Municipalities, Advocacy Manager, Donna Hamzy-Carroccia](#) is in support of SB 70.

[Connecticut Construction Industries Association, Capitol Region Council of Governments, Transit for Connecticut, and the Connecticut Association for Community Transportation](#) are in support of SB 70.

NATURE AND SOURCES OF OPPOSITION:

[Yankee Institute, Policy Director, Scott Shepard](#)

While at this time the Yankee Institute is opposed to SB 70, they are not against the idea of a State Infrastructure Bank. The Yankee Institute stated that if a SIB was established, they would like to see the shuttering of other state programs that provide similar services but are less efficient so that overall state benefit is increased while cost is decreased.

[Motor Transport Association of Connecticut Inc., President, Joseph Scully](#)

MTAC is not in support of SB 70 as it is written. The agency is interested in a study on an infrastructure bank. Citing a proposal from last year, it was found by the Federal Highway Administration (FHWA) that the proposed infrastructure bank would be that in name only. MTAC fears that SB 70 is more of the same. MTAC is concerned that there may be a constitutional issue in regards to the Constitutional lockbox that was recently enacted by the legislature. Concerns are also raised that the Federal Government has restrictions on how the funds can be used. MTAC is recommending a comprehensive study followed by a report to the legislature on how other states have established and funded State Infrastructure Banks (SIBs).

[Judith de Graffenried](#) is in opposition.

[Samuel Gardner](#) is in opposition.

[Jennifer Schafer](#) is in opposition.

Reported by: Robert G Forrest

Date: 03/13/2019