
OLR Bill Analysis

sHB 6577

AN ACT CONCERNING THE STATE PROPERTIES REVIEW BOARD.

SUMMARY

This bill expands the State Properties Review Board's (SPRB) authority to include reviewing and approving numerous additional property transactions. Among other things, these transactions include (1) any real estate acquisition made by a state agency that is paid for with state general obligation (GO) bonds, (2) certain real estate transactions proposed by quasi-public agencies, (3) certain real property transactions entered into by the Department of Transportation (DOT) commissioner that are not already subject to the board's authority, and (4) certain project-specific transactions entered into by specified state agencies.

Additionally, the bill reduces, from \$100,000 to \$25,000, the cost threshold of construction services consultant contracts entered into by the Department of Administrative Services (DAS) that require SPRB review. It also moves the board from the executive branch to the legislative branch. Currently, it is within DAS for administrative purposes only.

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2021

SPRB AUTHORITY

State and Quasi-Public Agencies

The bill requires SPRB to review, for approval or disapproval, (1) any real estate acquisition made by a state agency that is paid for with GO bonds and (2) leases, subleases, licensing, or other real property contractual arrangements (except for mortgage loans) proposed by a

quasi-public agency. It grants SPRB access to all information, files, and records held by these agencies and quasi-public agencies. (Existing law already grants the board this access to all of the DAS and DOT commissioners' information, files, and records.) The bill eliminates a provision in current law allowing SPRB to use DAS and DOT personnel when necessary.

Additionally, current law requires SPRB to review real estate acquisitions, sales, leases, and subleases proposed by the DAS commissioner and the chief court administrator. The bill requires the board to review these transactions for approval or disapproval.

DOT Transactions

The bill expands the types of DOT property transactions subject to the board's authority. Under current law, SPRB must review, for approval or disapproval, DOT acquisitions (other than by condemnation), sales, or leases of any property required to develop and operate a safe and efficient transportation system (CGS §§ 13a-73(h) & 13b-4(11)). The bill (1) additionally subjects to SPRB review and approval licenses or other contractual arrangements involving these properties and (2) specifies that the board's authority applies to transactions involving real property.

Additionally, the bill subjects to SPRB's review and approval sales, leases, conveyance, licenses, or other contractual arrangements for real property the DOT commissioner has purchased or taken for operating or improving transportation services (CGS § 13b-36(b)).

Project-Specific Transactions

Under existing law, the DAS commissioner is generally the sole person authorized to represent the state in dealing with third parties for leases and other acquisitions of state office space. The law establishes several exceptions whereby another agency may represent the state with respect to a specific project (e.g., the Legislative Management Committee).

The bill requires SPRB to review and approve transactions made

under each of these exceptions, as shown in Table 1 below.

Table 1: Project-Specific Transactions Subjected to SPRB Authority

Agency	Covered Transactions
Legislative Management Committee	Planning and construction of the Legislative Office Building
Judicial branch	Space for the Court Support Services Division as part of a new or existing contract for an alternative incarceration program The branch's other real estate needs when delegated this authority by DAS (These transactions are already subject to SPRB review under current law, but are also subject to the board's review and approval or disapproval under the bill)
UConn and the Board of Regents for Higher Education	Leasing real estate for housing offices or equipment, provided the lease is not paid for from the General Fund
Labor Department	Leasing premises for employment security operations (existing law already requires SPRB's approval for these transactions (CGS § 31-250(c)))
Department of Developmental Services	Leasing residential property of up to 2500 square feet for community placement services (Existing law already requires SPRB's approval for these transactions (CGS § 4b-23(j)))
Department of Mental Health and Addiction Services	Leasing residential units of up to 2500 square feet for people receiving department services
Connecticut Marketing Authority	Leasing land or markets under the authority's control (see below) (Under current law, the marketing authority is subject to SPRB's authority only for the housing of offices or equipment in connection with initially acquiring an existing state mass transit system or the leasing of land by the authority for a term of one year or more)

CONSTRUCTION CONSULTANT CONTRACTS

Current law requires DAS to obtain SPRB's approval for (1) construction consultant services contracts (e.g., architecture and

engineering) that exceed \$1000,000 and (2) on-call contract task letters exceeding this threshold (see BACKGROUND).

The bill reduces both thresholds to \$25,000. It retains current law's \$300,000 threshold for consultant services contracts entered into by higher education institutions or the judicial branch.

BACKGROUND

On-Call Contract

An on-call contract defines a broad range of consultant services (e.g., architectural services, professional engineers, accountants, and others) and is generally valid for two to three years. An on-call contract is generally not connected to a specific project; rather, DAS subsequently issues task letters to firms with on-call contracts that identify a specific scope of services to be performed and the fee for those services.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/31/2021)