

# Banking Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-150  
AN ACT ESTABLISHING THE CONNECTICUT INFRASTRUCTURE

**Title:** AUTHORITY.

**Vote Date:** 3/9/2021

**Vote Action:** Joint Favorable

**PH Date:** 3/2/2021

**File No.:** 106

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## **SPONSORS OF BILL:**

Sen. Alex Kasser, 36th Dist.  
Rep. Michael A. Winkler, 56th Dist.  
Rep. Susan M. Johnson, 49th Dist.  
Banking Committee

## **REASONS FOR BILL:**

The bill will establish the Connecticut Infrastructure Authority to, among other things, finance eligible infrastructure improvement projects, expedite and support their implementation, and give project finance expertise. The Connecticut Infrastructure Authority will perform as an essential public and governmental function. Addressing the need for public transportation projects and the creation of infrastructure jobs, the bill creates an entity to support high quality, cost-efficient infrastructure projects to stimulate economic growth and development in Connecticut.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

### **Colleen M. Murphy, Executive Director and General Counsel, Freedom of Information**

**Commission:** In order to ensure transparency, the proposed bill should be amended to add language that clearly states that the Connecticut Infrastructure Authority is a public agency, and that records relating to public-private partnerships and agreements are public records subject to the disclosure provisions in the FOI Act.

### **Diedre S. Gifford, Acting Commissioner, Connecticut Department of Public Health:**

Recognizes the need for reinvestment in Connecticut's infrastructure, but has concerns about existing infrastructure financing programs having money taken away for the new

infrastructure funding. The Connecticut Department of Public Health does not want to have existing and successful funding mechanisms weakened by the creation of a new Fund.

**Joseph Giuletti, Commissioner, Connecticut Department of Transportation:** The Department of Transportation (CTDOT) opposes the creation of a new authority because the funding sources it would receive will jeopardize the Department's grant applications for Federal Transportation Funds from the US DOT. The CTDOT will have a reduced federal funds that it relies on for its infrastructure program and the new Authority also risks duplicating existing efforts.

**Melissa McCaw, Secretary, Office of Policy and Management:** Opposes SB 150 because it would take away funding that other agencies rely on for infrastructure programs and projects already in place. The diffusion of authority and duplication of effort that this bill would provide for is unwarranted and unnecessary. A new infrastructure authority is premature at best and this particular concept is not recommended at this time.

#### **NATURE AND SOURCES OF SUPPORT:**

**Chris Edge, Director, Department of Economic Development:** The creation of the Connecticut Infrastructure Authority can be a good thing if the role and oversight is clear. If this bill is passed, he would like the role to include looking closely at the large amount of property that the State of Connecticut owns, particularly in urban centers. He wants the Authority to consider selling state assets and keeping state agencies in place under leases.

**Donald Shubert, President, Connecticut Construction Industries Association:** Supports the bill in general because it would provide additional means to help fill a growing deficit between current revenue streams and much needed investments. The Connecticut Construction Industries Association is concerned with the language in Section 5(b) (1). They believe giving the Authority the ability to use any federal funds will add another entity to compete for the much-needed federal funding that is critical to supporting the State programs.

**Donna Hamzy, Advocacy Manager, Connecticut Conference of Municipalities:** Supports the underlying bill and its intent but suggests removing the language that require a municipality to gain permission from the Department of Transportation before submitting an application for financing to the Bank. CCM also wants municipal representation on the Board of such Bank.

**Michael Harris, Member, Public Bank Connecticut:** An Infrastructure Authority is a practical, non-partisan approach to improving and maintaining the commons. The Infrastructure Authority will serve the community equitably and have the power to leverage deposits through credit creation. The bill will greatly raise the economic and social equity and well-being of the State of Connecticut.

**Ralph Savy, Technical Director, Savy & Sons:** Connecticut suffers from aging wastewater infrastructure and this bill will create an infrastructure bank to help incentivize improvements.

**Justin Good, Ph. D., Public Bank Connecticut:** Supports SB 150 because a public infrastructure bank would create new money via loans for infrastructure projects, making the bill profitable for the state to pursue. Private banks fail to lend at the socially optimal level, whereas public infrastructure lending can account for existing externalities to the larger community. We have a current dismal state of infrastructure with innumerable external costs for citizens which the bill will address.

**Sal Luciano, President, Connecticut AFL-CIO:** The added safeguards in SB 150 will help prevent the state and taxpayers from incurring significant unintended costs and mishaps. He supports the bill but recommends adding representation to the Board of Directors to those who are closest to the work the Connecticut Infrastructure Authority seeks to amplify. This would mean the board of directors would have representatives appointed by each labor organization, not the Governor. Overall, they believe the bill could be helpful in moving projects forward by securing additional federal funding.

#### **NATURE AND SOURCES OF OPPOSITION:**

**Al Carbone, Manager of Connecticut State Government Relations, AVANGRID/UII Holdings Corporation:** Does not support some of the language because it casts doubt on regulated utilities' pre-existing legal rights to distribute and transmit electricity. The bill, as presently constructed, gives the Authority the same ability that state law already authorizes UI and other regulated utilities to do. AVANGRID/UII Holdings Corporation does not support the bill until the bill is clarified by deleting broad terms and providing detail to the specific energy-related infrastructure the Authority seeks to fund/own.

**American Council of Engineering Companies:** Proposal is a duplicative to the Department of Transportation's already established legislative authority. Creating a new authority would cause confusion and overlap funding sources with the CTDOT, which relies on this funding for their own state's infrastructure program. The best use of the transportation funding is not diverting it away from the Special Transportation Fund to support this new authority. The focus needs to be in helping relieve the project deficits that already exist and bringing in additional revenue streams to the fund.

**Chris Edge, Director, Department of Economic Development:** The creation of the Connecticut Infrastructure Authority can be a good thing if the role and oversight is clear. If this bill is passed, he would like the role to include looking closely at the large amount of property that the State of Connecticut owns, particularly in urban centers. He wants the Authority to consider selling state assets and keeping state agencies in place under leases.

**Vincent Pace, Assistant General Counsel, Eversource Energy:** Eversource does not support S.B. No. 150 as currently drafted and urges clarifying the bill in a manner that makes it consistent with the existing rights granted to regulated electric utility companies under federal and state law.

**Reported by: Kyle Del Balso / Dawn Marzik**

**Date: 3/24/2021**