

**Proposed Substitute
Bill No. 920**

LCO No. 5759

AN ACT CONCERNING PUBLIC-PRIVATE PARTNERSHIPS.

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

1 Section 1. Section 4-255 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in this section and sections 4-256 to 4-263, inclusive, as
4 amended by this act, unless the context indicates a different meaning:

5 (1) "State agency" or "agency" means any office, department, board,
6 council, commission, institution or other agency in the executive branch
7 of state government or a quasi-public agency as defined in section 1-120;

8 (2) "Private entity" means any individual, corporation, general
9 partnership, limited partnership, limited liability partnership, joint
10 venture, nonprofit organization or other business entity;

11 (3) "Public-private partnership" means the relationship established
12 between a state agency and a private entity by contracting for the
13 performance of any combination of specified functions or
14 responsibilities to design, develop, finance, construct, operate or
15 maintain one or more state facilities; [where the agency has estimated
16 that the revenue generated by such facility or facilities, in combination
17 with other previously identified funding sources, including any
18 appropriated funds, will be sufficient to fund the cost to develop,

19 maintain and operate such facility or facilities, provided state support
20 of a partnership agreement shall not exceed twenty-five per cent of the
21 cost of the project;]

22 (4) "Partnership agreement" means an agreement executed between a
23 state agency and a private entity to establish a public-private
24 partnership;

25 (5) "Project" means a project that an agency has submitted to the
26 Governor for approval as a public-private partnership;

27 (6) "Contractor" means a private entity that has entered into a public-
28 private partnership agreement with a state agency;

29 (7) "Facility" means any public works or transportation project used
30 as public infrastructure; [that generates revenue as a function of its
31 operation;] and

32 (8) "Proposer" means a private entity submitting a competitive bid in
33 response to solicitation or a proposal in response to a request for
34 proposals for an approved project for consideration.

35 (b) Notwithstanding the provisions of section 4b-51, once the project
36 is approved by the Governor in accordance with section 4-256, as
37 amended by this act, any state agency may establish one or more public-
38 private partnerships and execute a partnership agreement for a project
39 in accordance with this section and sections 4-256 to 4-263, inclusive, as
40 amended by this act. A partnership agreement may not be established
41 for the operation or maintenance of a facility unless such agreement also
42 provides for the financing and development of such facility.

43 (c) The design, development, operation or maintenance of the
44 following new or existing project types are eligible for consideration as
45 a public-private partnership if approved as a project in accordance with
46 section 4-256, as amended by this act:

47 (1) Early childcare, educational, health or housing facilities;

48 (2) Transportation systems, including ports, transit-oriented
49 development and related infrastructure; and

50 (3) Any other kind of facility that may from time to time be
51 designated as such by an act of the General Assembly.

52 Sec. 2. Section 4-256 of the general statutes is repealed and the
53 following is substituted in lieu thereof (*Effective from passage*):

54 (a) On and after October 27, 2011, [and prior to January 1, 2020,] the
55 Governor shall approve not more than five projects to be implemented
56 as public-private partnership projects. The Governor shall not approve
57 any such project unless the Governor finds that the project will result in
58 job creation and economic growth. Any agency seeking to establish a
59 public-private partnership shall, after consultation with the
60 Commissioners of Economic and Community Development,
61 Administrative Services and Transportation, the State Treasurer and the
62 Secretary of the Office of Policy and Management, submit one or more
63 projects to the Governor for approval.

64 (b) In determining whether a project is suitable for a public-private
65 partnership agreement, the agency shall conduct an analysis of the
66 feasibility, desirability and the convenience to the public of the project
67 and whether the project furthers the public policy goals of section 4-255,
68 as amended by this act, this section and sections 4-257 to 4-263,
69 inclusive, taking into consideration the following, when applicable:

70 (1) The essential characteristics of the proposed facility;

71 (2) The projected demand for use of the facility and its economic and
72 social impact on the community and the state;

73 (3) The technical function and feasibility of the project and its
74 conformity with the state plan of conservation and development
75 adopted under chapter 297;

76 (4) The benefit to clients of the agency and the public as a whole;

77 (5) An analysis of the value provided for the cost of the project, that
78 at a minimum includes a cost-benefit analysis, an assessment of
79 opportunity costs and any nonfinancial benefits of the project;

80 (6) Any operational or technological risk associated with the
81 proposed project;

82 (7) The cost of the investment to be made and the economic and
83 financial feasibility of the project;

84 (8) An analysis of public versus private financing on a present value
85 basis, and the eligibility of the project for other public funds from local
86 or federal government sources;

87 (9) The impact to the state's finances of undertaking the project by the
88 agency; and

89 (10) The advantages and disadvantages of using a public-private
90 partnership rather than having the state agency perform the function.

91 (c) An agency shall not include a project solely based upon the
92 amount of potential revenue generated by such project.

93 (d) Any agency submitting a project in accordance with subsection
94 (a) of this section shall at the same time transmit, in accordance with the
95 provisions of section 11-4a, a copy of its submission to the joint standing
96 committees of the General Assembly having cognizance of matters
97 relating to finance, revenue and bonding and appropriations and the
98 budgets of state agencies. Said committees shall hold public hearings on
99 any such submission.

100 (e) The Governor shall notify the agency when a project has been
101 approved as a public-private partnership project.

102 (f) On or before January 15, 2013, and annually thereafter, the
103 Governor shall report, in accordance with the provisions of section 11-
104 4a, to the General Assembly concerning the status of the public-private
105 partnerships established under this section.

106 Sec. 3. (NEW) (*Effective from passage*) There shall be within the
107 Department of Transportation the Office of Innovative Finance and
108 Project Delivery. The Commissioner of Transportation shall assign
109 personnel to the office as may be required to: (1) Evaluate opportunities
110 to use innovative financing and risk management to deliver
111 transportation projects, (2) focus on the effective and accelerated
112 delivery of transportation projects to assure the development and
113 maintenance of a safe and efficient transportation system, and (3)
114 recommend opportunities for public-private partnerships to the
115 commissioner.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	4-255
Sec. 2	<i>from passage</i>	4-256
Sec. 3	<i>from passage</i>	New section