

House of Representatives, March 30, 1998. The Committee on Transportation reported through REP. COCCO, 127th DIST., Chairman of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE POWERS OF PORT AUTHORITIES.

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

1 Section 1. Section 7-329b of the general  
2 statutes is repealed and the following is  
3 substituted in lieu thereof:

4 As used in sections 7-329a to 7-329f,  
5 inclusive, AS AMENDED BY THIS ACT, AND SECTIONS 6  
6 TO 21, INCLUSIVE, OF THIS ACT:

7 (1) "DISTRICT" MEANS A PORT DISTRICT  
8 ESTABLISHED PURSUANT TO SECTION 7-329a, AS AMENDED  
9 BY THIS ACT, OR IF ANY SUCH DISTRICT IS  
10 TERMINATED, THE ENTITY ACCORDED THE POWERS AND  
11 DUTIES OF SECTIONS 7-329a TO 7-329f, INCLUSIVE, AS  
12 AMENDED BY THIS ACT, AND SECTIONS 6 TO 21  
13 INCLUSIVE, OF THIS ACT;

14 (2) "PROJECT" MEANS THE ACQUISITION,  
15 PURCHASE, CONSTRUCTION, RECONSTRUCTION,  
16 IMPROVEMENT OR EXTENSION OF A PORT FACILITY;

17 (3) "PORT AUTHORITY" MEANS AN AUTHORITY  
18 CREATED PURSUANT TO SECTIONS 7-329a TO 7-329f,  
19 INCLUSIVE, AS AMENDED BY THIS ACT, OR IF SUCH  
20 AUTHORITY IS TERMINATED, THE SUCCESSOR ENTITY  
21 ACCORDED THE POWERS AND DUTIES OF SAID SECTIONS  
22 7-329a TO 7-329f, INCLUSIVE, AND SECTIONS 6 TO 21,  
23 INCLUSIVE, OF THIS ACT; AND

24 ["port facilities" means] (4) "PORT  
25 FACILITIES" MEANS (A) wharves, docks, piers,  
26 VESSELS, air or bus terminals, railroad tracks or  
27 terminals, cold storage and refrigerating plants,  
28 warehouses, elevators, freight-handling machinery  
29 and such equipment as is used in the handling of  
30 freight, passengers and VESSELS, vehicles, and the  
31 establishment and operation of a port and any  
32 other works, VESSELS, VEHICLES, ROLLING STOCK,  
33 properties, buildings, structures or other  
34 facilities necessary or desirable FOR ECONOMIC  
35 GROWTH AND WATERFRONT DEVELOPMENT WITHIN A  
36 DISTRICT OR in connection with the development and  
37 operation of port facilities OR, (B) MANUFACTURING  
38 AND INDUSTRIAL FACILITIES, RECREATIONAL AND  
39 ENTERTAINMENT FACILITIES, RESIDENTIAL FACILITIES  
40 OR OTHER COMMERCIAL FACILITIES NECESSARY FOR  
41 ECONOMIC GROWTH AND WATERFRONT DEVELOPMENT WITHIN  
42 A DISTRICT, AND (C) LOCATED WITHIN THE GEOGRAPHIC  
43 BOUNDARIES OF THE DISTRICT.

44 Sec. 2. Section 7-329c of the general  
45 statutes is repealed and the following is  
46 substituted in lieu thereof:

47 Each port authority shall have power over the  
48 survey, development and operation of port  
49 facilities in its district as hereinafter  
50 specifically set forth, and the coordination of  
51 the same with existing or future agencies of  
52 transportation with a view to the increase and  
53 efficiency of all such facilities and the  
54 furtherance of commerce and industry in the  
55 district. It shall make a thorough investigation  
56 of port conditions in the district and such other  
57 places as it may deem proper and shall prepare a  
58 comprehensive plan for the development of port  
59 facilities in such district. It may lease or  
60 acquire office space and equip the same with  
61 suitable furniture and supplies for the  
62 performance of the work of the authority, and may  
63 employ such personnel as may be necessary for such  
64 performance. The authority also shall have power  
65 to:

- 66 (1) Sue and be sued;
- 67 (2) Have a seal and alter the same at  
68 pleasure;
- 69 (3) Confer with any body or official having  
70 to do with port and harbor facilities within and

71 without the district, and hold public hearings as  
72 to such facilities;

73 (4) Confer with railroad, steamship, air,  
74 bus, warehouse and other officials in the district  
75 with reference to the development of  
76 transportation facilities in such district and the  
77 coordination of the same;

78 (5) Determine upon the location, type, size  
79 and construction of requisite port facilities,  
80 subject, however, to the approval of any  
81 department, commission or official of the United  
82 States or the state where federal or state statute  
83 or regulation requires it;

84 (6) [Lease] OWN, LEASE, PLEDGE, ENCUMBER,  
85 erect, construct, IMPROVE, REHABILITATE, make,  
86 equip and maintain port facilities in the district  
87 and for any such purpose acquire in the name of  
88 the PORT authority by purchase, grant, gift or  
89 condemnation, except as hereinafter limited, real  
90 property, including easements therein, lands under  
91 water and riparian rights, AND HOLD, IMPROVE,  
92 DEVELOP, MORTGAGE, PLEDGE, EXCHANGE, SELL, CONVEY  
93 OR OTHERWISE DISPOSE OF ANY SUCH PROPERTY IN SUCH  
94 MANNER AS THE PORT AUTHORITY SHALL DETERMINE;

95 (7) Make surveys, maps and plans for, and  
96 estimates of the cost of, the development and  
97 operation of requisite port facilities and for the  
98 coordination of such facilities with existing  
99 agencies, both public and private, with the view  
100 of increasing the efficiency of all such  
101 facilities in the furtherance of commerce and  
102 industry in the district;

103 (8) Make contracts and leases, LOANS and  
104 execute all instruments necessary or convenient to  
105 carry out their duties under the provisions of  
106 sections 7-329a to 7-329f, inclusive, AS AMENDED  
107 BY THIS ACT, INCLUDING THE LENDING OF PROCEEDS OF  
108 BONDS ISSUED IN ACCORDANCE WITH SUBDIVISION (9) OF  
109 THIS SECTION, TO USERS OF PORT FACILITIES;

110 (9) Issue bonds within the provisions and  
111 limitations of [chapter 109] SECTION 6 TO 21,  
112 INCLUSIVE, OF THIS ACT, FOR THE PURPOSE OF  
113 FINANCING, ACQUIRING, CONSTRUCTING OR IMPROVING  
114 PORT FACILITIES OR FOR ANY OTHER PURPOSE OF THE  
115 AUTHORITY;

116 (10) Fix fees, rates, rentals or other  
117 charges for the purpose of all port facilities  
118 owned by the PORT authority and collect such fees,

119 rates, rentals and other charges for such  
120 facilities owned by the PORT authority, which  
121 fees, rates, rentals or other charges shall at all  
122 times be sufficient to comply fully with all  
123 covenants and agreements with the holders of any  
124 bonds issued under the provisions of sections  
125 7-329a to 7-329f, inclusive, AS AMENDED BY THIS  
126 ACT;

127 (11) Operate and maintain all port facilities  
128 owned OR LEASED by it; use the revenues therefrom  
129 for the corporate purposes of the PORT authority,  
130 and in accordance with any covenants or agreements  
131 contained in the proceedings authorizing the  
132 issuance of any bonds hereunder;

133 (12) Regulate and supervise the construction  
134 of all port facilities constructed or installed by  
135 any private individual or corporation commenced  
136 after October 1, 1967, and regulate the operation  
137 of all privately owned port facilities insofar as  
138 such operation may adversely affect the flow of  
139 transportation or the enforcement of approved  
140 plans for the development of port facilities. The  
141 power granted by this subdivision shall be subject  
142 to the rules, regulations or other directives of  
143 any federal or state department, commission or  
144 other agency having jurisdiction and such grant of  
145 power shall not operate to deprive any person or  
146 corporation, private or public, of any property  
147 without due process of law;

148 (13) PURCHASE, SELL, OWN, LEASE, FINANCE,  
149 MAINTAIN, REPAIR, OPERATE OR CONTRACT FOR THE  
150 OPERATION OF VESSELS, SHIPS, FERRIES, FERRY BOATS  
151 OR SHIPPING SERVICES FOR THE CONVEYANCE OF  
152 PASSENGERS, FREIGHT AND VEHICLES IN AND OUT OF THE  
153 DISTRICTS;

154 [(13)] (14) Accept gifts, grants, loans or  
155 contributions from the United States, the state or  
156 an agency or instrumentality of either of them, or  
157 a person or corporation, by conveyance, bequest or  
158 otherwise, and expend the proceeds for any purpose  
159 of the PORT authority, and, as necessary, contract  
160 with the United States, the state or an agency or  
161 instrumentality of either of them, to accept  
162 gifts, grants, loans or contributions on such  
163 terms and conditions as may be provided by the law  
164 authorizing the same;

165 [(14)] (15) Maintain or participate in the

166 maintenance of a staff to promote and develop the  
167 movement of commerce through the port district;

168 [(15)] (16) Use the officers, employees,  
169 facilities and equipment of the town, with the  
170 consent of the town, and pay a proper portion of  
171 the compensation or cost.

172 Sec. 3. Section 7-329d of the general  
173 statutes is repealed and the following is  
174 substituted in lieu thereof:

175 Each [such] PORT authority may make and  
176 enforce any reasonable regulations which it may  
177 determine to be necessary for the proper  
178 development, maintenance and use of the port  
179 facilities, relating to the construction,  
180 equipment, repair, maintenance, use and rental of  
181 any dock, wharf, slip, bus or air terminal, rail  
182 tracks or terminal or warehouse OR OTHER PORT  
183 AUTHORITY owned or leased by any individual or  
184 corporation within the port district.

185 Sec. 4. Section 7-329e of the general  
186 statutes is repealed and the following is  
187 substituted in lieu thereof:

188 Each [such] PORT authority may make any  
189 investigation which it may deem necessary to  
190 enable it effectually to carry out the provisions  
191 of sections 7-329a to 7-329f, inclusive, AS  
192 AMENDED BY THIS ACT. The PORT authority may enter  
193 upon any lands as in its judgment may be necessary  
194 for the purpose of making surveys and examinations  
195 to accomplish any purpose authorized by said  
196 sections.

197 Sec. 5. Section 7-329f of the general  
198 statutes is repealed and the following is  
199 substituted in lieu thereof:

200 The PORT authority may lease or acquire title  
201 to real and personal property, MAY ENCUMBER AND  
202 PLEDGE SUCH PROPERTY and may condemn real property  
203 located within the district which it deems  
204 necessary for the development of port facilities  
205 in the district, subject to the provisions of  
206 section 48-12.

207 Sec. 6. (NEW) (a) The port authority may  
208 issue bonds from time to time in its discretion,  
209 subject to the approval of the legislative body  
210 when required by the provisions of sections 7-329a  
211 to 7-329f, inclusive, of the general statutes, as  
212 amended by this act, and sections 6 to 21,  
213 inclusive, of this act, for the purpose of paying

214 all or any part of the cost of acquiring,  
215 purchasing, constructing, reconstructing,  
216 improving or extending any project and acquiring  
217 necessary land and equipment therefor. The port  
218 authority may issue such types of bonds as it may  
219 determine, including, without limiting the  
220 generality of the foregoing, bonds payable as to  
221 principal and interest: (1) From its revenues  
222 generally; (2) exclusively from the income and  
223 revenues of a particular project; or (3)  
224 exclusively from the income and revenues of  
225 certain designated projects, whether or not they  
226 are financed in whole or in part from the proceeds  
227 of such bonds. Any such bonds may be additionally  
228 secured by a pledge of any grant or contribution  
229 from a participating municipality, the state or  
230 any political subdivision, agency or  
231 instrumentality thereof, any federal agency or any  
232 private corporation, copartnership, association or  
233 individual, or a pledge of any income or revenues  
234 of the port authority, or a mortgage on any  
235 project or other property of the port authority.  
236 Whenever and for so long as any port authority has  
237 issued and has outstanding bonds pursuant to  
238 sections 7-329a to 7-329f, inclusive, of the  
239 general statutes, as amended by this act, the port  
240 authority shall fix, charge and collect rates,  
241 rents, fees and other charges in accordance with  
242 section 8 of this act. Neither the members of the  
243 port authority nor any person executing the bonds  
244 shall be liable personally on the bonds by reason  
245 of the issuance thereof. The bonds and other  
246 obligations of the port authority, and such bonds  
247 and obligations shall so state on their face,  
248 shall not be a debt of the state or any political  
249 subdivision thereof, except when the port  
250 authority or a participating municipality which in  
251 accordance with section 17 of this act, has  
252 guaranteed payment of principal and of interest on  
253 the same, and no person other than the port  
254 authority or such a public body shall be liable  
255 thereon, nor shall such bonds or obligations be  
256 payable out of any funds or properties other than  
257 those of the port authority or such a  
258 participating municipality. Except to the extent  
259 and for the purpose therein expressly provided by  
260 other laws, such bonds shall not constitute an  
261 indebtedness within the meaning of any statutory

262 limitation on the indebtedness of any  
263 participating municipality. Bonds of the port  
264 authority are declared to be issued for an  
265 essential public and governmental purpose. In  
266 anticipation of the sale of such revenue bonds the  
267 port authority may issue negotiable bond  
268 anticipation notes and may renew the same from  
269 time to time, but the maximum maturity of any such  
270 note, including renewals thereof, shall not exceed  
271 five years from the date of issue of the original  
272 note. Such notes shall be paid from any revenues  
273 of the port authority available therefor and not  
274 otherwise pledged, or from the proceeds of sale of  
275 the revenue bonds of the port authority in  
276 anticipation of which they were issued. The notes  
277 shall be issued in the same manner as the revenue  
278 bonds. Such notes and the resolution or  
279 resolutions authorizing the same may contain any  
280 provisions, conditions or limitations which a bond  
281 resolution of the port authority may contain.

282 (b) Bonds of the port authority may be issued  
283 as serial bonds or as term bonds, or the port  
284 authority, in its discretion, may issue bonds of  
285 both types. Bonds shall be authorized by  
286 resolution of the members of the authority and  
287 shall bear such date or dates, mature at such time  
288 or times, not exceeding fifty years from their  
289 respective dates, bear interest at such rate or  
290 rates, or have provisions for the manner of  
291 determining such rate or rates, payable at such  
292 time or times, be in such denominations, be in  
293 such form, either coupon or registered, carry such  
294 registration privileges, be executed in such  
295 manner, be payable in lawful money of the United  
296 States of America at such place or places, and be  
297 subject to such terms of redemption, as such  
298 resolution or resolutions may provide. The revenue  
299 bonds or notes may be sold at public or private  
300 sale for such price or prices as the port  
301 authority shall determine. Pending preparation of  
302 the definitive bonds, the port authority may issue  
303 interim receipts or certificates which shall be  
304 exchanged for such definitive bonds.

305 (c) Any resolution or resolutions authorizing  
306 any revenue bonds or any issue of revenue bonds  
307 may contain provisions, which shall be a part of  
308 the contract with the holders of the revenue bonds  
309 to be authorized, as to: (1) Pledging all or any

310 part of the revenues of a project or any  
311 revenue-producing contract or contracts made by  
312 the port authority with any individual,  
313 partnership, corporation or association or other  
314 body, public or private, to secure the payment of  
315 the revenue bonds or of any particular issue of  
316 revenue bonds, subject to such agreements with  
317 bondholders as may then exist; (2) the rentals,  
318 fees and other charges to be charged, and the  
319 amounts to be raised in each year thereby, and the  
320 use and disposition of the revenues; (3) the  
321 setting aside of reserves or sinking funds or  
322 other funds or accounts as the port authority may  
323 establish and the regulation and disposition  
324 thereof, including requirements that any such  
325 funds and accounts be held separate from or not be  
326 commingled with other funds of the port authority;  
327 (4) limitations on the right of the port authority  
328 or its agent to restrict and regulate the use of  
329 the project; (5) limitations on the purpose to  
330 which the proceeds of sale of any issue of revenue  
331 bonds then or thereafter to be issued may be  
332 applied and pledging such proceeds to secure the  
333 payment of the revenue bonds or any issue of the  
334 revenue bonds; (6) limitations on the issuance of  
335 additional bonds, the terms upon which additional  
336 bonds may be issued and secured, the refunding of  
337 outstanding bonds; (7) the procedure, if any, by  
338 which the terms of any contract with bondholders  
339 may be amended or abrogated, the amount of bonds  
340 the holders of which must consent thereto, and the  
341 manner in which such consent may be given; (8)  
342 limitations on the amount of moneys derived from  
343 the project to be expended for operating,  
344 administrative or other expenses of the port  
345 authority; (9) defining the acts or omissions to  
346 act which shall constitute a default in the duties  
347 of the port authority to holders of its  
348 obligations and providing the rights and remedies  
349 of such holders in the event of a default; (10)  
350 the mortgaging of a project and the site thereof  
351 for the purpose of securing the bondholders; and  
352 (11) provisions for the execution of reimbursement  
353 agreements or similar agreements in connection  
354 with credit facilities, including, but not limited  
355 to, letters of credit or policies of bond  
356 insurance, remarketing agreements and agreements

357 for the purpose of moderating interest rate  
358 fluctuations.

359 (d) If any member whose signature or a  
360 facsimile of whose signature appears on any bonds  
361 or coupons ceases to be such member before  
362 delivery of such bonds, such signature or such  
363 facsimile shall nevertheless be valid and  
364 sufficient for all purposes the same as if he had  
365 remained in office until such delivery.  
366 Notwithstanding any of the other provisions of  
367 sections 7-329a to 7-329f, inclusive, of the  
368 general statutes, as amended by this act, or any  
369 recitals in any bonds issued under the provisions  
370 of said sections, all such bonds shall be deemed  
371 to be negotiable instruments under the provisions  
372 of the general statutes.

373 (e) Unless otherwise provided by the  
374 ordinance creating the port authority, bonds may  
375 be issued under the provisions of sections 7-329a  
376 to 7-329f, inclusive, of the general statutes, as  
377 amended by this act, and sections 6 to 21,  
378 inclusive, of this act, without obtaining the  
379 consent of any commission, board, bureau or agency  
380 of the state or of any political subdivision, and  
381 without any other proceedings or the happening of  
382 other conditions or things than those proceedings,  
383 conditions or things which are specifically  
384 required by said sections.

385 (f) The port authority shall have power out  
386 of any funds available therefor to purchase its  
387 bonds or notes. The port authority may hold,  
388 pledge, cancel or resell such bonds, subject to  
389 and in accordance with agreements with  
390 bondholders.

391 (g) A port authority shall cause a copy of  
392 any bond resolution adopted by it to be filed for  
393 public inspection in its office and in the office  
394 of the clerk of each participating municipality  
395 and may thereupon cause to be published at least  
396 once in a newspaper published or circulating in  
397 each participating municipality a notice stating  
398 the fact and date of such adoption and the places  
399 where such bond resolution has been so filed for  
400 public inspection and also the date of the first  
401 publication of such notice and also stating that  
402 any action or proceeding of any kind or nature in  
403 any court questioning the validity or proper  
404 authorization of bonds provided for by the bond

405 resolution, or the validity of any covenants,  
406 agreements or contracts provided for by the bond  
407 resolution, shall be commenced within twenty days  
408 after the first publication of such notice. If any  
409 such notice is published and if no action or  
410 proceeding questioning the validity or proper  
411 authorization of bonds provided for by the bond  
412 resolution referred to in such notice, or the  
413 validity of any covenants, agreements or contracts  
414 provided for by the bond resolution is commenced  
415 or instituted within twenty days after the first  
416 publication of said notice, then all residents and  
417 taxpayers and owners of property in each  
418 participating municipality and all other persons  
419 shall be forever barred and foreclosed from  
420 instituting or commencing any action or proceeding  
421 in any court, or from pleading any defense to any  
422 action or proceeding, questioning the validity or  
423 proper authorization of such bonds, or the  
424 validity of such covenants, agreements or  
425 contracts, and said bonds, covenants, agreements  
426 and contracts shall be conclusively deemed to be  
427 valid and binding obligations in accordance with  
428 their terms and tenor.

429       Sec. 7. (NEW) In the discretion of the port  
430 authority any bonds issued under the provisions of  
431 sections 7-329a to 7-329f, inclusive, of the  
432 general statutes, as amended by this act, and  
433 sections 6 to 21, inclusive, of this act, may be  
434 secured by a trust indenture by way of conveyance,  
435 deed of trust or mortgage of any project or any  
436 other property of the port authority, whether or  
437 not financed in whole or in part from the proceeds  
438 of such bonds, or by a trust agreement by and  
439 between the port authority and a corporate  
440 trustee, which may be any trust company or bank  
441 having the powers of a trust company within or  
442 without the state or by both such conveyance, deed  
443 of trust or mortgage and indenture or trust  
444 agreement. Such trust indenture or agreement may  
445 pledge or assign any or all fees, rents and other  
446 charges to be received or proceeds of any contract  
447 or contracts pledged, and may convey or mortgage  
448 any property of the port authority. Such trust  
449 indenture or agreement may contain such provisions  
450 for protecting and enforcing the rights and  
451 remedies of the bondholders as may be reasonable  
452 and proper and not in violation of law, including

453 provisions which have been specifically authorized  
454 to be included in any resolution or resolutions of  
455 the port authority authorizing the issue of bonds.  
456 Any bank or trust company incorporated under the  
457 laws of the state may act as depository of the  
458 proceeds of such bonds or of revenues or other  
459 moneys and may furnish such indemnifying bonds or  
460 pledge such securities as may be required by the  
461 port authority. Such trust indenture may set forth  
462 the rights and remedies of the bondholders and of  
463 the trustee, and may restrict the individual right  
464 of action by bondholders. In addition to the  
465 foregoing, such trust indenture or agreement may  
466 contain such other provisions as the port  
467 authority may deem reasonable and proper for the  
468 security of the bondholders. All expenses incurred  
469 in carrying out the provisions of such trust  
470 indenture or agreement may be treated as a part of  
471 the cost of a project.

472       Sec. 8. (NEW) The port authority is  
473 authorized to fix, revise, charge and collect  
474 rates, rents, fees and charges for the use of and  
475 for the services furnished or to be furnished by  
476 each project and to contract with any person,  
477 partnership, association or corporation, or other  
478 body, public or private, in respect thereof. Such  
479 rates, rents, fees and charges shall be fixed and  
480 adjusted in respect of the aggregate of rates,  
481 rents, fees and charges from such project so as to  
482 provide funds sufficient with other revenues, if  
483 any, (1) to pay the cost of maintaining, repairing  
484 and operating the project and each and every  
485 portion thereof, to the extent that the payment of  
486 such cost has not otherwise been adequately  
487 provided for, (2) to pay the principal of and the  
488 interest on outstanding revenue bonds of the port  
489 authority issued in respect of such project as the  
490 same shall become due and payable, and (3) to  
491 create and maintain reserves required or provided  
492 for in any resolution authorizing, or trust  
493 agreement securing, such revenue bonds of the port  
494 authority. Such rates, rents, fees and charges  
495 shall not be subject to supervision or regulation  
496 by any department, commission, board, body, bureau  
497 or agency of this state other than the port  
498 authority. A sufficient amount of the revenues  
499 derived in respect of a project, except such part  
500 of such revenues as may be necessary to pay the

501 cost of maintenance, repair and operation and to  
502 provide reserves and for renewals, replacements,  
503 extensions, enlargements and improvements as may  
504 be provided for in the resolution authorizing the  
505 issuance of any revenue bonds of the port  
506 authority or in the trust agreement securing the  
507 same, shall be set aside at such regular intervals  
508 as may be provided in such resolution or trust  
509 agreement in a sinking or other similar fund which  
510 is hereby pledged to, and charged with, the  
511 payment of the principal of and the interest on  
512 such revenue bonds as the same shall become due,  
513 and the redemption price or the purchase price of  
514 bonds retired by call or purchase as therein  
515 provided. Such pledge shall be valid and binding  
516 from the time when the pledge is made; the rates,  
517 rents, fees and charges and other revenues or  
518 other moneys so pledged and thereafter received by  
519 the port authority shall immediately be subject to  
520 the lien of such pledge without any physical  
521 delivery thereof or further act, and the lien of  
522 any such pledge shall be valid and binding as  
523 against all parties having claims of any kind in  
524 tort, contract or otherwise against the port  
525 authority, irrespective of whether such parties  
526 have notice thereof. Neither the resolution nor  
527 any trust indenture or agreement by which a pledge  
528 is created need be filed or recorded except in the  
529 records of the port authority. The use and  
530 disposition of moneys to the credit of such  
531 sinking or other similar fund shall be subject to  
532 the provisions of the resolution authorizing the  
533 issuance of such bonds or of such trust agreement.  
534 Except as may otherwise be provided in such  
535 resolution or such trust indenture or agreement,  
536 such sinking or other similar fund shall be a fund  
537 for all such revenue bonds issued to finance  
538 projects of such port authority without  
539 distinction or priority of one over another.

540 Sec. 9. (NEW) All moneys received pursuant to  
541 the authority of sections 7-329a to 7-329f,  
542 inclusive, of the general statutes, as amended by  
543 this act, and sections 6 to 21, inclusive, of this  
544 act, whether as proceeds from the sale of bonds or  
545 as revenues, shall be deemed to be trust funds to  
546 be held and applied solely as provided in said  
547 sections 7-329a to 7-329f, inclusive, and sections  
548 6 to 21, inclusive, of this act.

549 Sec. 10. (NEW) Any holder of bonds, notes,  
550 certificates or other evidences of borrowing  
551 issued under the provisions of sections 7-329a to  
552 7-329f, inclusive, of the general statutes, as  
553 amended by this act, and sections 6 to 21,  
554 inclusive, of this act, or of any of the coupons  
555 appertaining thereto, and the trustee under any  
556 trust indenture or agreement, except to the extent  
557 the rights herein given may be restricted by such  
558 trust indenture or agreement, may, either at law  
559 or in equity, by suit, action, injunction,  
560 mandamus or other proceedings, protect and enforce  
561 any and all rights under the provisions of the  
562 general statutes or granted by said sections or  
563 under such trust indenture or agreement or the  
564 resolution authorizing the issuance of such bonds,  
565 notes or certificates, and may enforce and compel  
566 the performance of all duties required by said  
567 sections or by such trust indenture or agreement  
568 or resolution to be performed by the port  
569 authority or by any officer or agent thereof,  
570 including the fixing, charging and collection of  
571 fees, rents and other charges.

572 Sec. 11. (NEW) The exercise of the powers  
573 granted by sections 7-329a to 7-329f, inclusive,  
574 of the general statutes, as amended by this act,  
575 and sections 6 to 21, inclusive, of this act,  
576 shall be in all respects for the benefit of the  
577 inhabitants of the state, for the increase of  
578 their commerce and for the promotion of their  
579 safety, health, welfare, convenience and  
580 prosperity, and as the operation and maintenance  
581 of any project which the port authority is  
582 authorized to undertake constitute the performance  
583 of an essential governmental function, no port  
584 authority shall be required to pay any taxes or  
585 assessments upon any project acquired and  
586 constructed by it under the provisions of said  
587 sections; and the bonds, notes, certificates or  
588 other evidences of debt issued under the  
589 provisions of said sections, their transfer and  
590 the income therefrom, including any profit made on  
591 the sale thereof, shall at all times be free and  
592 exempt from taxation by the state and by any  
593 political subdivision thereof.

594 Sec. 12. (NEW) Bonds issued by the port  
595 authority under the provisions of sections 7-329a  
596 to 7-329f, inclusive, of the general statutes, as

597 amended by this act, and sections 6 to 21,  
598 inclusive, of this act, shall be securities in  
599 which all public officers and public bodies of the  
600 state and its political subdivisions, all  
601 insurance companies, trust companies, banking  
602 associations, investment companies and executors,  
603 administrators, trustees and other fiduciaries may  
604 properly and legally invest funds, including  
605 capital in their control or belonging to them.  
606 Such bonds shall be securities which may properly  
607 and legally be deposited with and received by any  
608 state or municipal officer or any agency or  
609 political subdivision of the state for any purpose  
610 for which the deposit of bonds or obligations is  
611 now or may hereafter be authorized by law.

612 Sec. 13. (NEW) For the purpose of aiding a  
613 port authority and cooperating in the planning,  
614 undertaking, acquisition, construction or  
615 operation of any port facility, any municipality  
616 may (1) acquire real property in its name for such  
617 port facility or for the widening of existing  
618 roads, streets, parkways, avenues or highways or  
619 for new roads, streets, parkways, avenues or  
620 highways to any such port facility, or partly for  
621 such purposes and partly for other municipal  
622 purposes, by purchase or condemnation in the  
623 manner provided by law for the acquisition of real  
624 property by such municipality, (2) furnish,  
625 dedicate, close, vacate, pave, install, grade,  
626 regrade, plan or replan parks, streets, roads,  
627 roadways, alleys, sidewalks or other places which  
628 it is otherwise empowered to undertake, and (3) do  
629 any and all things necessary or convenient to aid  
630 and cooperate in the planning, undertaking,  
631 construction or operation of any such port  
632 facility, and cause services to be furnished to  
633 the port authority of any character which such  
634 municipality is otherwise empowered to furnish,  
635 and to incur the entire expense thereof.

636 Sec. 14. (NEW) Any municipality, by  
637 ordinance, and any other governmental unit is  
638 empowered, without any referendum or public or  
639 competitive bidding, and any person is empowered,  
640 to sell, lease, lend, grant or convey to any port  
641 authority, or to permit a port authority to use,  
642 maintain or operate as part of any port facility,  
643 any real or personal property which may be  
644 necessary or useful and convenient for the

645 purposes of the port authority and accepted by the  
646 port authority. Any such sale, lease, loan, grant,  
647 conveyance or permit may be made or given with or  
648 without consideration and for a specified or an  
649 unlimited period of time and under any agreement  
650 and on any terms and conditions which may be  
651 approved by such municipality, governmental unit  
652 or person and which may be agreed to by the port  
653 authority in conformity with its contracts with  
654 the holders of any bonds. Subject to any such  
655 contracts with the holders of bonds, the port  
656 authority may enter into and perform any and all  
657 agreements with respect to property so purchased,  
658 leased, borrowed, received or accepted by it,  
659 including agreements for the assumption of  
660 principal or interest or both of indebtedness of  
661 such municipality, governmental unit or person or  
662 of any mortgage or lien existing with respect to  
663 such property or for the operation and maintenance  
664 of such property as part of any port facility.

665 Sec. 15. (NEW) Any municipality, governmental  
666 unit or person is empowered to enter into and  
667 perform any lease or other agreement with any port  
668 authority for the lease to or use by such  
669 municipality, governmental unit or person of all  
670 or any part of any port facility or facilities.  
671 Any such lease or other agreement may provide for  
672 the payment to the port authority by such  
673 municipality, governmental unit or person,  
674 annually or otherwise, of such sum or sums of  
675 money, computed at fixed amounts or by any formula  
676 or in any other manner, as may be so fixed or  
677 computed. Any such lease or other agreement may be  
678 made and entered into for a term beginning  
679 currently or at some future or contingent date and  
680 with or without consideration and for a specified  
681 or unlimited time and on any terms and conditions  
682 which may be approved by such municipality,  
683 governmental unit or person and which may be  
684 agreed to by the port authority in conformity with  
685 its contracts with the holders of any bonds, and  
686 shall be valid and binding on such municipality,  
687 governmental unit or person whether or not an  
688 appropriation is made thereby prior to  
689 authorization or execution of such lease or other  
690 agreement. Such municipality, governmental unit or  
691 person shall do all acts and things necessary,  
692 convenient or desirable to carry out and perform

693 any such lease or other agreement entered into by  
694 it and to provide for the payment or discharge of  
695 any obligation thereunder in the same manner as  
696 other obligations of such municipality,  
697 governmental unit or person.

698 Sec. 16. (NEW) For the purpose of aiding a  
699 port authority and cooperating in the planning,  
700 undertaking, acquisition, construction or  
701 operation of any port facility, any municipality,  
702 by ordinance or by resolution of its legislative  
703 body, shall have power from time to time and for  
704 such period and upon such terms, with or without  
705 consideration, as may be provided by such  
706 resolution or ordinance and accepted by the port  
707 authority, (1) to appropriate moneys for the  
708 purposes of the port authority, and to loan or  
709 donate such money to the port authority in such  
710 instalments and upon such terms as may be agreed  
711 upon with the port authority, (2) to covenant and  
712 agree with the port authority to pay to or on the  
713 order of the port authority annually or at shorter  
714 intervals as a subsidy for the promotion of its  
715 purposes not more than such sums of money as may  
716 be stated in such resolution or ordinance or  
717 computed in accordance therewith, (3) upon  
718 authorization by it in accordance with law of the  
719 performance of any act or thing which it is  
720 empowered by law to authorize and perform and  
721 after appropriation of the moneys, if any,  
722 necessary for such performance, to covenant and  
723 agree with the port authority to do and perform  
724 such act or thing and as to the time, manner and  
725 other details of its doing and performance, and  
726 (4) to appropriate money for all or any part of  
727 the cost of acquisition or construction of such  
728 port facility, and, in accordance with the  
729 limitations and any exceptions thereto and in  
730 accordance with procedure prescribed by law, to  
731 incur indebtedness, borrow money and issue its  
732 negotiable bonds for the purpose of financing such  
733 port facility and appropriation, and to pay the  
734 proceeds of such bonds to the port authority.

735 Sec. 17. (NEW) For the purpose of aiding a  
736 port authority in the planning, undertaking,  
737 acquisition, construction or operation of any port  
738 facility, any participating municipality may,  
739 pursuant to resolution adopted by its legislative  
740 body in the manner provided for adoption of a

741 resolution authorizing bonds of such municipality  
742 and with or without consideration and upon such  
743 terms and conditions as may be agreed to by and  
744 between the municipality and the port authority,  
745 unconditionally guarantee the punctual payment of  
746 the principal of and interest on any bonds of the  
747 port authority and pledge the full faith and  
748 credit of the municipality to the payment thereof.  
749 Any guaranty of bonds of a port authority made  
750 pursuant to this section shall be evidenced by  
751 endorsement thereof on such bonds, executed in the  
752 name of the municipality and on its behalf by such  
753 officer thereof as may be designated in the  
754 resolution authorizing such guaranty, and such  
755 municipality shall thereupon and thereafter be  
756 obligated to pay the principal of and interest on  
757 said bonds in the same manner and to the same  
758 extent as in the case of bonds issued by it. As  
759 part of the guarantee of the municipality for  
760 payment of principal and interest on the bonds,  
761 the municipality may pledge to and agree with the  
762 owners of bonds issued under this chapter and with  
763 those persons who may enter into contracts with  
764 the municipality or the port authority or any  
765 successor agency pursuant to the provisions of  
766 this chapter that it will not limit or alter the  
767 rights thereby vested in the bondowners, the port  
768 authority or any contracting party until such  
769 bonds, together with the interest thereon, are  
770 fully met and discharged and such contracts are  
771 fully performed on the part of the municipality or  
772 the port authority, provided nothing in this  
773 subsection shall preclude such limitation or  
774 alteration if and when adequate provisions shall  
775 be made by law for the protection of the owners of  
776 such bonds of the municipality or the port  
777 authority or those entering into such contracts  
778 with the municipality or the port authority. The  
779 port authority is authorized to include this  
780 pledge and undertaking for the municipality in  
781 such bonds or contracts. To the extent provided in  
782 such agreement or agreements, the obligations of  
783 the municipality thereunder shall be obligatory  
784 upon the municipality and the inhabitants and  
785 property thereof, and thereafter the municipality  
786 shall appropriate in each year during the term of  
787 such agreement, and there shall be available on or  
788 before the date when the same are payable, an

789 amount of money which, together with other revenue  
790 available for such purpose, shall be sufficient to  
791 pay such principal and interest guaranteed by it  
792 and payable thereunder in that year, and there  
793 shall be included in the tax levy for each such  
794 year an amount which, together with other revenues  
795 available for such purpose, shall be sufficient to  
796 meet such appropriation. Any such agreement shall  
797 be valid, binding and enforceable against the  
798 municipality if approved by action of the  
799 legislative body of such municipality. Any such  
800 guaranty of bonds of a port authority may be made,  
801 and any resolution authorizing such guaranty may  
802 be adopted, notwithstanding any statutory debt or  
803 other limitations, but the principal amount of  
804 bonds so guaranteed shall, after their issuance,  
805 be included in the gross debt of such municipality  
806 for the purpose of determining the indebtedness of  
807 such municipality under subsection (b) of section  
808 7-374 of the general statutes. The principal  
809 amount of bonds so guaranteed and included in  
810 gross debt shall be deducted and is declared to be  
811 and to constitute a deduction from such gross debt  
812 under and for all the purposes of said subsection  
813 (b) of section 7-374 of the general statutes, (1)  
814 from and after the time of issuance of said bonds  
815 until the end of the fiscal year beginning next  
816 after the completion of acquisition and  
817 construction of the port facility to be financed  
818 from the proceeds of such bonds and (2) during any  
819 subsequent fiscal year if the revenues of the port  
820 authority in the preceding fiscal year are  
821 sufficient to pay its expenses of operation and  
822 maintenance in such year and all amounts payable  
823 in such year on account of the principal and  
824 interest on all such guaranteed bonds, all bonds  
825 of the municipality issued as provided in section  
826 16 of this act, and all bonds of the port  
827 authority issued under section 6 of this act.

828 Sec. 18. (NEW) Any lease or other agreement,  
829 and any instruments making or evidencing the same,  
830 may be pledged or assigned by the port authority  
831 to secure its bonds and thereafter may not be  
832 modified except as provided by the terms of such  
833 instrument or by the terms of such pledge or  
834 assignment.

835 Sec. 19. (NEW) All property of a port  
836 authority shall be exempt from levy and sale by

837 virtue of an execution and no execution or other  
838 judicial process shall issue against the same nor  
839 shall any judgment against a port authority be a  
840 charge or lien upon its property; provided nothing  
841 herein contained shall apply to or limit the  
842 rights of the holder of any bonds to pursue any  
843 remedy for the enforcement of any pledge or lien  
844 given by a port authority on its facility revenues  
845 or other moneys.

846 Sec. 20. (NEW) Every port authority and every  
847 municipality in which any property of the port  
848 authority is located may enter into agreements  
849 with respect to the payment by the port authority  
850 to such municipality of annual sums of money in  
851 lieu of taxes on such property in such amounts as  
852 may be agreed upon between the port authority and  
853 the municipality, and each such port authority may  
854 make, and each such municipality is empowered to  
855 accept, such payments and to apply them in the  
856 manner in which taxes may be applied in such  
857 municipality; provided no such annual payment with  
858 respect to any parcel of such property shall  
859 exceed the amount of taxes paid thereon for the  
860 taxable year immediately prior to the time of its  
861 acquisition by the port authority.

862 Sec. 21. (NEW) Sections 7-329a to 7-329f,  
863 inclusive, of the general statutes, as amended by  
864 this act, and sections 6 to 21, inclusive, of this  
865 act, shall constitute full and complete authority,  
866 without regard to the provisions of any other law,  
867 for the doing of the acts and things therein  
868 authorized and shall be liberally construed to  
869 effect the purposes hereof, provided the ordinance  
870 creating the port authority may include  
871 limitations on the powers and procedures of the  
872 port authority. Unless otherwise provided in such  
873 ordinance, neither the consent nor approval of any  
874 planning commission, regional planning agency,  
875 historic district commission, municipal or  
876 regional economic development commission or any  
877 other board, body or commission established or  
878 created, shall be required for the exercise of the  
879 powers conferred by said sections; provided no  
880 project shall be constructed in any municipality  
881 if it is inconsistent with the plan of  
882 conservation and development for the municipality  
883 adopted pursuant to section 8-23 of the general

884 statutes, except with the approval of the planning  
885 commission of such municipality.

886 TRA COMMITTEE VOTE: YEA 23 NAY 0 JFS

\* \* \* \* \*

"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF 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 HOUSE THEREOF FOR ANY PURPOSE."

\* \* \* \* \*

**FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5517**

STATE IMPACT                   None, see explanation below

MUNICIPAL IMPACT           See Explanation Below

STATE AGENCY(S)           None

EXPLANATION OF ESTIMATES:

STATE IMPACT: There is no impact to the State because bonds issued by the Bridgeport Port Authority under the authority provided in this bill, are neither a direct nor a contingent obligation of the State.

MUNICIPAL IMPACT: Creating a Property Tax exemption for Port Authority property and bonds precludes the City from collecting taxes from the Authority.

If the Bridgeport Port Authority is successful in its economic development activities, the bill may result in a Grand List expansion for the City.

The City will not have any direct or contingent fiscal obligation for bonds issued by the Bridgeport Port Authority under the provisions of this bill.

\* \* \* \* \*

**OLR BILL ANALYSIS**

sHB 5517

**AN ACT CONCERNING THE POWERS OF PORT AUTHORITIES**

**SUMMARY:** This bill expands the powers of municipal port authorities. The law allows any town, by vote of its legislative body, to designate a port district and establish a port authority to administer it. The authority is governed by a five-to-seven member board and can enter into contracts and leases; issue bonds under the same statutory limitations as municipal bond issues; own and operate facilities; and fix rates, fees, and charges for their use.

This bill broadens the range of activities port authorities can undertake to include economic development projects, significantly expands bonding powers, allows municipalities to use their powers to aid port authorities, and makes numerous related changes. The bill makes it clear that a port authority is solely responsible for backing the bonds it issues unless the state, a municipality, or another government entity chooses to pledge its support and full faith and credit to their repayment. It also exempts an authority's property and bonds from taxation and exempts it from most local land use controls unless the ordinance creating the authority specifies otherwise.

EFFECTIVE DATE: October 1, 1998

**FURTHER EXPLANATION****Expanded Port Authority Activities and Projects**

The bill broadens the definition of port facilities. It includes vessels, vehicles, and rolling stock among the things considered port facilities. Currently, port facilities are wharves; piers; docks; cold storage and refrigerating plants; warehouses; elevators; machinery and equipment for handling freight, passengers, and vehicles; and any other works, buildings, structures, or other facilities necessary and desirable in connection with developing and operating port facilities. The bill broadens the definition to

include: (1) any such facilities necessary and desirable for economic growth and waterfront development within the port district and (2) manufacturing, industrial, recreational, entertainment, residential or commercial facilities necessary for economic growth and waterfront development within the district and located within its geographic boundaries.

### **General Powers**

The bill expands an authority's powers to include: (1) owning, pledging, encumbering, improving, and rehabilitating port facilities; (2) holding, improving, developing, mortgaging, pledging, exchanging, selling, conveying or otherwise disposing of real property as it determines; (3) making loans, including lending the proceeds of its bonds to users of its port facilities; and (4) purchasing, selling, owning, leasing, financing, maintaining, repairing, operating, or contracting for the operation of vessels, ships, ferries, or shipping services for passengers, freight, and vehicles into and out of the district. It may also encumber or pledge any real or personal property it leases or acquires.

### **Expanded Bonding Powers**

Currently, port authorities may issue bonds under the same statutory conditions that apply to municipal bonds issues, which must be backed by the municipality's general taxing power. Instead, the bill authorizes port authorities to issue revenue-backed bonds secured by the facilities, property, or revenues it controls. Specifically, it authorizes a port authority to issue bonds at its discretion for the purpose of paying some or all of the costs of acquiring, constructing, reconstructing, improving, or extending any project and acquiring necessary land and equipment for it. It may issue any type of bond it determines, including bonds payable (1) from its revenues generally, (2) exclusively from the income and revenue of a particular project, or (3) exclusively from the income and revenues from designated projects, regardless of whether or not they were actually financed by the bonds.

Authority bonds are deemed to be securities in which public bodies and private institutions may properly and

legally invest.

The bill also allows port authorities to secure their bonds by a pledge of a grant or contribution from a participating municipality; the state or any of its political subdivisions or instrumentalities; a federal agency; a private corporation, copartnership, association, or individual; a pledge of any port authority income or revenue; or a mortgage on any authority project or property. The port authority's bonds and other obligations must specifically state on their face that they are not debts of the state or any of its political subdivisions, except when, as provided in the bill, the port authority or a participating municipality has opted to guarantee their payment. A municipality may act by resolution of its legislative body to unconditionally guarantee repayment of a port authority's bonds and to this end pledge its full faith and credit.

The authority may issue negotiable bond anticipation notes and renew them, but the maximum time to maturity, including renewals cannot exceed five years from the date the original note was issued. Authority bonds may be issued for periods of up to 50 years. The bill specifies the manner in which the bonds must be issued and redeemed.

#### **Bond Authorization Resolutions-Terms and Conditions**

An authority's bond issuance resolution may have provisions, which must become part of the bondholders contract, specifying: (1) a pledge of some or all revenues of a project or a revenue-producing port authority contract; (2) the rentals, fees, and other charges to be charged, the annual revenues to be raised thereby, and the disposition of the revenue; (3) reserves or sinking funds to be established; (4) limitations on the authority or its agent to restrict or regulate the use of a project; (5) limitations on the use of bond proceeds; (6) limitations on or terms for issuing additional bonds; (7) procedures by which the contract with bondholders may be amended or abrogated and related matters; (8) limitations on the amount of money derived from the project that may be spent on operating, administrative, or other authority expenses; (9) acts or omissions constituting default by the authority and remedies for such default; (10)

mortgaging a project to secure bondholders; and (11) provisions for executing reimbursement agreements with credit facilities such as letters of credit, bond insurance policies, and remarketing agreements. Any lease or other agreement with the authority may also be used to secure its bonds.

Unless the ordinance creating the port authority specifies otherwise, the authority may issue bonds without having to get the consent of any commission, board, bureau, or agency of the state or its political subdivisions and without any other proceedings or other conditions happening except those specified in the bill.

### **Public Notice of Bond Issue and Opportunity to Contest**

An authority must provide a copy of any bond resolution for public inspection at its office and in the town clerk's office of any participating municipality and must publish at least one public notice with specific relevant information in a newspaper circulating in each participating municipality. The notice must state that any court action or proceeding to question the validity or proper authorization of the bonds or any of the covenants, agreements, or contracts related to it must begin within 20 days of first publication of the notice. If no such action is brought within the 20-day period, then no resident, taxpayer, or property owner in a participating municipality and no other person can institute any such court action or proceeding, and the bonds, covenants, agreements, and contracts are deemed to be valid and binding obligations.

At its discretion, the authority may secure its bonds by a trust indenture through a conveyance, deed of trust, or mortgage of any its projects or property, whether or not they are being financed from the bonds. The bill specifies the provisions these instruments can contain.

### **Financial Powers**

The authority may fix, charge, and collect rates, rents, fees and charges for the use of, and the services provided by, its projects and may contract with any public or private entities with respect to them. These rates and other charges must be adjusted

so that in the aggregate they provide funds sufficient with other available revenues to (1) pay the project's maintenance, repair, and operating costs to the extent they are not otherwise provided for; (2) make principal and interest payments on the projects' outstanding revenue bonds; and (3) create and maintain required reserves. The rates and other charges set by the authority are not subject to supervision or regulation by any state department, agency, bureau, board, commission, or body or by any of its political subdivisions.

All funds received by the authority, including bond proceeds, are deemed to be trust funds.

### **Bondholder Rights**

Those holding authority bonds, notes, or other instruments may bring suits, actions, or other proceedings to enforce their rights under the General Statutes, or granted by the bond indenture, agreement, or authorizing resolution and may compel the authority to perform its duties, including setting rates and fees.

### **Tax-Exempt Status of Authority**

Because the authority's exercise of its powers is deemed to be an essential governmental function and for the benefit of inhabitants of the state, the bill exempts its bonds and other instruments from state and local taxes and bars it from being required to pay taxes or assessments on any project it acquires and constructs. An authority and any municipality in which it has property may agree on payments by the authority in lieu of taxes as long as no annual payment exceeds the amount of taxes paid in the taxable year immediately before the time the authority acquired the property.

### **Relationship to Municipality**

Unless the ordinance creating an authority specifies otherwise, the authority does not require the consent or approval of any local or regional board or commission, including a planning commission, regional planning agency, historic district commission, or municipal or regional economic development commission,

to exercise its powers. However, it may not construct a project in any municipality if it is inconsistent with the municipality's plan of conservation and development, unless the municipal planning commission approves.

In order to aid and cooperate with a port authority in its undertakings, the bill authorizes a municipality to (1) acquire real property in its name for a port facility or for widening roads or building new roads to a port facility or for common use with the municipality; (2) furnish, close, vacate, pave, install, grade, or plan parks, roads or sidewalks, or other projects it has the power to undertake; and (3) do anything convenient or necessary to aid in undertaking any port facility project, including providing any services to the authority, at its own expense, that it is normally empowered to provide.

A municipality may by ordinance, any other governmental unit may without referendum or public or competitive bidding, and any other person may sell, lease, lend, grant, or convey to the authority, or permit it to use, maintain, or operate as part of a port facility any real or personal property that may be necessary, useful, or convenient for the authority's purposes and which the authority accepts. The bill specifies the terms and conditions under which this can occur.

A municipality, governmental unit, or person may enter a lease or other agreement with an authority to use part or all of any port facilities for agreed-upon sums. These agreements are binding on the municipality, governmental unit, or person whether or not an appropriation has been made prior to authorization or execution of the lease or agreement. The bill specifies the terms and conditions under which this can occur.

Municipalities may also, by ordinance, aid an authority by (1) appropriating, lending, or donating money to it; (2) agreeing to pay a subsidy for the promotion of its purposes; (3) performing any acts it is empowered to perform; and (4) appropriating money for all or part of acquiring or constructing a port facility, and according to procedures prescribed by law and any limitations and exceptions to those procedures, borrow money and incur indebtedness to finance a port facility

and pay the proceeds of the borrowing to the authority.

**COMMITTEE ACTION**

Transportation Committee

Joint Favorable Substitute  
Yea 23      Nay 0