

Senate, April 2, 1998. The Committee on Government Administration and Elections reported through SEN. LEBEAU, 3rd DIST., Chairman of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE POWERS OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY.

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

1 Section 1. Section 22a-258 of the general
2 statutes is repealed and the following is
3 substituted in lieu thereof:

4 It is found and declared that the people of
5 the state of Connecticut have the right to a clean
6 and wholesome environment; that prevailing solid
7 waste disposal practices generally, throughout the
8 state, result in unnecessary environmental damage,
9 waste valuable land, ENERGY and other resources,
10 and constitute a continuing hazard to the health
11 and welfare of the people of the state; that local
12 governments responsible for waste disposal
13 services are becoming hard pressed to provide
14 adequate services at reasonable costs, without
15 damage or hazard to the environment and the loss
16 of useful resources; that locally organized
17 voluntary recycling programs have shown that solid
18 wastes produced in the state of Connecticut
19 contain recoverable resources; that technology and
20 methods now exist to dispose of solid wastes and
21 recover resources with commensurate environmental
22 benefits; that coordinated large-scale processing

23 of solid wastes may be necessary in order to
24 achieve maximum environmental and economic
25 benefits for the people of the state; that the
26 amounts of solid waste being produced within the
27 state of Connecticut are adequate to sustain such
28 large-scale processing; that the geography and
29 population density of the state are such as to
30 enable and facilitate the effective and economic
31 regional accumulation of solid wastes AND THE
32 EFFECTIVE AND ECONOMIC REGIONAL DEVELOPMENT,
33 ACQUISITION AND DISTRIBUTION OF ENERGY RESOURCES;
34 that the development of systems and facilities and
35 the use of the technology necessary to initiate
36 large-scale processing of solid wastes have become
37 logical and necessary functions to be assumed by
38 state government; that the provision of solid
39 waste disposal services to local governments at
40 reasonable cost, through the use of state
41 governmental powers and capabilities, would supply
42 valuable assistance to such local governments;
43 THAT THE DEVELOPMENT OF SYSTEMS AND FACILITIES AND
44 THE USE OF TECHNOLOGY NECESSARY TO DEVELOP
45 INDUSTRIAL AND COMMERCIAL ENTERPRISES IN THE STATE
46 OF CONNECTICUT BASED ON OR RELATED TO RESOURCES
47 RECOVERY, RECYCLING, REUSE AND ENERGY HAVE BECOME
48 LOGICAL AND NECESSARY FUNCTIONS TO BE ASSUMED BY
49 THE STATE GOVERNMENT; and, that, because of the
50 foregoing, the provision of statutory
51 authorization for the necessary state structure,
52 which can take initiative and appropriate action
53 to provide the necessary systems, facilities,
54 technology and services for solid waste
55 management, [and] resources recovery AND THE
56 MANAGEMENT OF ELECTRIC ENERGY, STEAM ENERGY AND
57 THERMAL ENERGY is a matter of important public
58 interest and that it is the purpose and intent of
59 the General Assembly to be and remain cognizant
60 not only of its responsibility to authorize and
61 establish the necessary state and local structure
62 and powers for the effective accomplishment of
63 solid waste management, [and] resources recovery
64 AND THE MANAGEMENT OF ELECTRIC ENERGY, STEAM
65 ENERGY AND THERMAL ENERGY, AND RELATED ACTIVITIES,
66 but also of its responsibility to monitor and
67 supervise the activities and operations of the
68 state authority created by this chapter, and the
69 exercise of the powers conferred upon such
70 authority by virtue of this chapter.

71 Sec. 2. Section 22a-259 of the general
72 statutes is repealed and the following is
73 substituted in lieu thereof:

74 The following are declared to be policies of
75 the state of Connecticut: (1) That maximum
76 resources recovery from solid waste and maximum
77 recycling and reuse of such resources in order to
78 protect, preserve and enhance the environment of
79 the state shall be considered environmental goals
80 of the state; (2) that solid waste disposal and
81 resources recovery facilities and projects are to
82 be implemented either by the state of Connecticut
83 or under state auspices, in furtherance of these
84 goals; (3) that appropriate governmental
85 structure, processes and support are to be
86 provided so that effective state systems and
87 facilities for solid waste management and
88 large-scale resources recovery may be developed,
89 financed, planned, designed, constructed and
90 operated for the benefit of the people and
91 municipalities of the state; (4) that private
92 industry is to be utilized to the maximum extent
93 feasible to perform planning, design, management,
94 construction, operation, manufacturing and
95 marketing functions related to solid waste
96 disposal and resources recovery and to assist in
97 the development of industrial enterprise based
98 upon resources recovery, recycling and reuse; (5)
99 that long-term negotiated contracts between the
100 state and private persons and industries may be
101 utilized as an incentive for the development of
102 industrial and commercial enterprise based on
103 resources recovery within the state; (6) that
104 solid waste disposal services shall be provided
105 for municipal and regional authorities and private
106 persons in the state, at reasonable cost, by state
107 systems and facilities where such services are
108 considered necessary and desirable in accordance
109 with the state-wide solid waste management plan
110 and that any revenues received from the payment of
111 the costs of such services otherwise from the
112 operation of state systems and facilities shall be
113 redistributed to the users of such services
114 provided that the authority has determined that
115 all contractual obligations related to such
116 systems and facilities have been met and that such
117 revenues are surplus and not needed to provide
118 necessary support for such systems and facilities;

119 (7) that provision shall be made for planning,
120 research and development, and appropriate
121 innovation in the design, management and operation
122 of the state's systems and facilities for solid
123 waste management, in order to permit continuing
124 improvement and provide adequate incentives and
125 processes for lowering operating and other costs;
126 (8) that the authority established pursuant to
127 this chapter shall have responsibility for
128 implementing SYSTEMS, FACILITIES AND SERVICES FOR
129 solid waste disposal, [and] resources recovery,
130 [systems and facilities and solid waste management
131 services] ENERGY GENERATION AND DISTRIBUTION AND
132 RELATED ACTIVITIES, where necessary and desirable
133 throughout the state [in accordance] AND NOT
134 INCONSISTENT with the state solid waste management
135 plan and applicable statutes and regulations; (9)
136 that actions and activities performed or carried
137 out by the authority or its contractors in
138 accordance with the provisions of this chapter
139 shall be in conformity with the state solid waste
140 management plan and with other applicable policies
141 and regulations of the state, as promulgated from
142 time to time in law and by action of the
143 Department of Environmental Protection and the
144 Connecticut Development Authority; (10) that it
145 being to the best interest of the state,
146 municipalities, individual citizens and the
147 environment to minimize the quantity of materials
148 entering the waste stream that would require
149 collection, transportation, processing, or
150 disposal by any level of government, it is the
151 intent of this legislation to promote the
152 presegregation of recoverable or recyclable
153 materials before they become mixed and included in
154 the waste stream; and that this intent shall be
155 reflected in the policy of the resources recovery
156 authority and that no provision of this chapter or
157 action of this authority shall either discourage
158 or prohibit either voluntary or locally ordained
159 solid waste segregation programs or the sale of
160 such segregated materials to private persons,
161 unless the authority has determined based upon a
162 feasibility report filed with the applicable
163 municipal authority that the reduced user fees
164 charged to it should result in its total cost of
165 solid waste management including user fees paid to
166 the authority to be less without presegregation

167 than with it; [, and] (11) THAT OPTIMAL RESOURCES
168 RECOVERY REQUIRES PARTICIPATION IN MARKETS FOR THE
169 PURCHASE AND SALE OF ENERGY OR INTERESTS IN
170 ENERGY; (12) THAT PARTICIPATION IN MARKETS FOR THE
171 PURCHASE AND SALE OF ENERGY OR INTERESTS IN ENERGY
172 REQUIRES THE ABILITY TO AGGREGATE USERS OF ENERGY
173 AND TO OPERATE AS A GENERATOR OR COGENERATOR OF
174 ENERGY; AND (13) that these policies and purposes
175 are hereby declared to be in the public interest
176 and the provisions of this chapter to be necessary
177 and for the public benefit, as a matter of
178 legislative determination.

179 Sec. 3. Section 22a-262 of the general
180 statutes is repealed and the following is
181 substituted in lieu thereof:

182 (a) The purposes of the authority shall be:

183 (1) The planning, design, construction,
184 financing, management, ownership, operation and
185 maintenance of FACILITIES AND SYSTEMS FOR solid
186 waste disposal, volume reduction, recycling,
187 intermediate processing and resources recovery
188 [facilities] and all related FACILITIES AND
189 SYSTEMS FOR solid waste reception, storage,
190 transportation and waste-handling and general
191 support [facilities] considered by the authority
192 to be necessary, desirable, convenient or
193 appropriate in carrying out the provisions of the
194 state solid waste management plan, WHERE
195 APPLICABLE, OR ANY OTHER STATE-WIDE WASTE
196 MANAGEMENT PLAN OR REGIONAL OR LOCAL PLAN and in
197 establishing, managing and operating solid waste
198 disposal and resources recovery systems and their
199 component waste-processing facilities and
200 equipment;

201 (2) The provision of solid waste management
202 services to municipalities, regions and persons
203 within the state by receiving solid wastes at
204 authority facilities, pursuant to contracts
205 between the authority and such municipalities,
206 regions and persons; the recovery of resources and
207 resource values from such solid wastes; THE
208 PARTICIPATION IN MARKETS FOR THE PURCHASE AND SALE
209 OF ENERGY OR INTERESTS IN ENERGY, INCLUDING THE
210 AGGREGATION OF ENERGY USERS AND THE GENERATION AND
211 COGENERATION OF ENERGY, AND THE CONDUCT OF SUCH
212 OTHER ACTIVITIES AND THE PROVISION OF SUCH OTHER
213 SERVICES AS ARE REASONABLY RELATED TO SUCH
214 PARTICIPATION; and the production from such

215 services and resources recovery operations of
216 revenues sufficient to provide for the support of
217 the authority and its operations on a
218 self-sustaining basis, with due allowance for the
219 redistribution of any surplus revenues to reduce
220 the costs of authority services to the users
221 thereof;

222 (3) The utilization, through contractual
223 arrangements, of private industry for
224 implementation of some or all of the requirements
225 of the state solid waste management plan and for
226 such other activities as may be considered
227 necessary, desirable or convenient by the
228 authority, INCLUDING THE PARTICIPATION IN MARKETS
229 FOR THE PURCHASE AND SALE OF ENERGY OR INTERESTS
230 IN ENERGY;

231 (4) Assistance with and coordination of
232 efforts directed toward source separation for
233 recycling purposes; and

234 (5) Assistance in the development of
235 industries and commercial enterprises AND THE
236 PLANNING, DESIGN, CONSTRUCTION, FINANCING,
237 MANAGEMENT, OWNERSHIP, OPERATION AND MAINTENANCE
238 OF FACILITIES AND SYSTEMS within the state of
239 Connecticut based upon OR RELATED TO WASTE,
240 resources recovery, recycling, [and] reuse AND
241 ENERGY.

242 (b) [These purposes] THE PURPOSES SET FORTH
243 IN SUBSECTION (a) OF THIS SECTION shall be
244 considered to be operating responsibilities of the
245 authority, in accordance with the state solid
246 waste management plan, and are to be considered in
247 all respects public purposes. It is the intention
248 of this chapter that the authority shall be
249 granted all powers necessary to fulfill these
250 purposes and to carry out its assigned
251 responsibilities and that the provisions of this
252 chapter, itself, are to be construed liberally in
253 furtherance of this intention.

254 Sec. 4. Section 22a-264 of the general
255 statutes is repealed and the following is
256 substituted in lieu thereof:

257 The activities of the authority in providing
258 or contracting to provide solid waste management
259 services to the state, regions, municipalities and
260 persons, in implementing the state resources
261 recovery system, [and] in planning, designing,
262 financing, constructing, managing or operating

263 solid waste facilities, including their location,
264 size and capabilities, IN PARTICIPATING IN ENERGY
265 MARKETS FOR THE PURCHASE AND SALE OF ENERGY OR
266 INTERESTS IN ENERGY, INCLUDING, BUT NOT LIMITED
267 TO, THE AGGREGATION OF ENERGY USERS AND THE
268 GENERATION AND COGENERATION OF ENERGY, AND IN THE
269 DEVELOPMENT OF INDUSTRIAL OR COMMERCIAL
270 ENTERPRISES IN THE STATE OF CONNECTICUT BASED ON
271 OR RELATED TO WASTE, ENERGY, RESOURCES RECOVERY,
272 RECYCLING AND REUSE shall be in conformity with
273 applicable statutes and regulations and SHALL NOT
274 BE INCONSISTENT with the state solid waste
275 management plan as promulgated by the Commissioner
276 of Environmental Protection. The authority shall
277 have power to assist in the preparation, revision,
278 extension or amendment of the state solid waste
279 management plan, and the Department of
280 Environmental Protection is hereby authorized to
281 utilize, by contract or other agreement, the
282 capabilities of the authority for the carrying out
283 of such planning functions. The authority shall
284 have power to revise and update, as may be
285 necessary to carry out the purposes of this
286 chapter, that portion of the state solid waste
287 management plan defined as the "solid waste
288 management system". To effect such revision and
289 updating, the authority shall prepare an annual
290 plan of operations which shall be reviewed by the
291 Commissioner of Environmental Protection for
292 consistency with the state solid waste management
293 plan. Upon approval by the Commissioner of
294 Environmental Protection and by a two-thirds vote
295 of the authority's full board of directors, the
296 annual plan of operations shall be promulgated.
297 Any activities of the authority carried out to
298 assist in the development of industry and commerce
299 based upon the availability of recovered resources
300 for recycling and reuse shall be coordinated to
301 the extent practicable with plans and activities
302 of the Connecticut Development Authority with due
303 consideration given to the secondary materials
304 industries operating within the state of
305 Connecticut.

306 Sec. 5. Section 22a-265 of the general
307 statutes is repealed and the following is
308 substituted in lieu thereof:

309 The authority shall have power to:

310 (1) Employ a staff of not to exceed seventy
311 personnel, exclusive of the directors, and to fix
312 their duties, qualifications and compensation
313 provided before employing more than forty-five
314 persons the board of directors shall, by a
315 two-thirds vote of all the members, establish the
316 maximum number of employees which may be employed;
317 (2) Establish offices where necessary in the
318 state of Connecticut;
319 (3) Make and enter into any contract or
320 agreement necessary or incidental to the
321 performance of its duties and execution of its
322 powers;
323 (4) Sue and be sued;
324 (5) Have a seal and alter it at pleasure;
325 (6) Make and alter bylaws and rules and
326 regulations with respect to the exercise of its
327 own powers;
328 (7) Conduct such hearings, examinations and
329 investigations as may be necessary and appropriate
330 to the conduct of its operations and the
331 fulfillment of its responsibilities;
332 (8) Obtain access to public records and apply
333 for the process of subpoena if necessary to
334 produce books, papers, records and other data;
335 (9) Charge reasonable fees for the services
336 it performs and waive, suspend, reduce or
337 otherwise modify such fees, provided such user
338 fees shall apply uniformly within each
339 municipality to all users who are provided with
340 waste management services with respect to a given
341 type or category of wastes, in accordance with
342 criteria established by the authority, and
343 provided further no change may be made in user
344 fees without at least sixty days prior notice to
345 the users affected thereby;
346 (10) Purchase, lease or rent such real and
347 personal property as it may deem necessary,
348 convenient or desirable;
349 (11) Appoint such state and local advisory
350 councils as it may from time to time deem
351 advisable, including but not limited to state and
352 local councils on the continuation and utilization
353 of source-separation and recycling efforts to
354 benefit the people of the state;
355 (12) Otherwise, do all things necessary for
356 the performance of its duties, the fulfillment of
357 its obligations, the conduct of its operations,

358 the maintenance of its working relationships with
359 municipalities, regions and persons, and the
360 conduct of a comprehensive program for solid waste
361 disposal and resources recovery, and for solid
362 waste management services, [in accordance] WHICH
363 ARE NOT INCONSISTENT with the provisions of the
364 state solid waste management plan, applicable
365 statutes and regulations and the requirements of
366 this chapter;

367 (13) Receive and accept, from any source, aid
368 or contributions, including money, property, labor
369 and other things of value;

370 (14) To invest any funds not needed for
371 immediate use or disbursement in obligations
372 issued or guaranteed by the United States of
373 America or the state of Connecticut and in
374 obligations that are legal investments for savings
375 banks in this state; and

376 (15) To adopt regular procedures for
377 exercising its power under this chapter not in
378 conflict with other provisions of the general
379 statutes.

380 Sec. 6. Subsection (a) of section 22a-266 of
381 the general statutes is repealed and the following
382 is substituted in lieu thereof:

383 (a) To accomplish the purposes of this
384 chapter, the authority shall have power to:

385 (1) Own, manage and use real property or any
386 interest therein;

387 (2) Determine the location and character of
388 any project to be developed under the provisions
389 of this chapter, subject to applicable statutes
390 and regulations and the requirements of the
391 state-wide solid waste management plan, WHERE
392 APPLICABLE;

393 (3) Purchase, receive by gift or otherwise,
394 lease, exchange, or otherwise acquire and
395 construct, reconstruct, improve, maintain, equip
396 and furnish such waste management projects as are
397 called for by the state solid waste management
398 plan;

399 (4) Sell or lease to any person, all or any
400 portion of a waste management project, for such
401 consideration and upon such terms as the authority
402 may determine to be reasonable;

403 (5) Mortgage or otherwise encumber all or any
404 portion of a project whenever, in the opinion of

405 the authority, such action is deemed to be in
406 furtherance of the purposes of this chapter;

407 (6) Grant options to purchase, or to renew a
408 lease for, any authority waste management project
409 on such terms as the authority may determine to be
410 reasonable;

411 (7) Acquire, by purchase, gift, transfer, or
412 by condemnation for public purposes, and manage
413 and operate, hold and dispose of real property
414 and, subject to agreements with lessors or
415 lessees, develop or alter such property by making
416 improvements and betterments with the purpose of
417 enhancing the value and usefulness of such
418 property;

419 (8) Make plans, surveys, studies and
420 investigations necessary or desirable, in
421 conformity with the state plan and with due
422 consideration for local or regional plans, to
423 carry out authority functions with respect to the
424 acquisition, use and development of real property
425 and the design and construction of systems and
426 facilities;

427 (9) Make short and long range plans,
428 consistent with the provisions of the state solid
429 waste management plan, for the processing and
430 transportation of solid wastes and recovered
431 resources by authority-owned facilities;

432 (10) Design or provide for the design of
433 solid waste management facilities including design
434 for the alteration, reconstruction, improvement,
435 enlargement or extension of existing facilities;

436 (11) Construct, erect, build, acquire, alter,
437 reconstruct, improve, enlarge or extend waste
438 management projects including provision for the
439 inspection and supervision thereof and the
440 engineering, architectural, legal, fiscal and
441 economic investigations and studies, surveys,
442 designs, plans, working drawings, specifications,
443 procedures and any other actions incidental
444 thereto;

445 (12) Own, operate and maintain waste
446 management projects and make provision for their
447 management and for the manufacturing, processing
448 and transportation operations necessary to derive
449 recovered resources from solid waste, and
450 contracting for the sale of such;

451 (13) Enter upon lands and waters, as may be
452 necessary, to make surveys, soundings, borings and

453 examinations in order to accomplish the purposes
454 of this chapter;

455 (14) Contract with municipal and regional
456 authorities and state agencies to provide waste
457 management services in accordance with the
458 provisions of section 22a-275 and to plan, design,
459 construct, manage, operate and maintain solid
460 waste disposal and processing facilities on their
461 behalf;

462 (15) Design and construct improvements or
463 alterations on properties which it owns or which
464 it operates by contract on behalf of municipal or
465 regional authorities, including the restoration of
466 terminated dumps and landfills to beneficial
467 public or private use;

468 (16) Contract for services in the performance
469 of architectural and engineering design, the
470 supervision of design and construction, system
471 management and facility management; for such
472 professional or technical services as are
473 specified in subdivision (3) of section 22a-265;
474 and for such other professional or technical
475 services as may require either prequalification of
476 a contractor or the submission by any individual,
477 firm or consortium or association of individuals
478 or firms of a proposal in response to an official
479 request for proposal or similar written
480 communication of the authority, whenever such
481 services are, in the discretion of the authority,
482 deemed necessary, desirable or convenient in
483 carrying out the purposes of the authority;

484 (17) Contract for the construction of solid
485 waste facilities with private persons or firms, or
486 consortia of such persons or firms, pursuant to
487 applicable provisions of this chapter, the
488 requirements of applicable regulations and the
489 state plan and in accordance with such
490 specifications, terms and conditions as the
491 authority may deem necessary or advisable;

492 (18) PURCHASE, SELL, GENERATE, COGENERATE AND
493 AGGREGATE USERS OF ENERGY OR INTERESTS IN ENERGY;
494 AND

495 (19) ASSIST IN THE DEVELOPMENT OF INDUSTRIES
496 AND COMMERCIAL ENTERPRISES AND THE PLANNING,
497 DESIGN, CONSTRUCTION, FINANCING, MANAGEMENT,
498 OWNERSHIP, OPERATION AND MAINTENANCE OF FACILITIES
499 AND SYSTEMS WITHIN THE STATE OF CONNECTICUT BASED

500 UPON OR RELATED TO WASTE, RESOURCES RECOVERY,
501 RECYCLING, REUSE AND ENERGY.

502 Sec. 7. Section 22a-267 of the general
503 statutes is repealed and the following is
504 substituted in lieu thereof:

505 The authority shall have the power to:

506 (1) Accept gifts, grants or loans of funds,
507 property or service from any source, public or
508 private, and comply, subject to the provisions of
509 this chapter, with the terms and conditions
510 thereof;

511 (2) Receive funds from the sale of the bonds
512 or other obligations of municipal and regional
513 authorities and from the sale of obligations of
514 the authority and its real and personal
515 properties;

516 (3) Receive funds or revenues from the sale
517 of products, materials, fuels and energy in any
518 form, WHETHER derived from the processing of solid
519 waste by systems, facilities and equipment under
520 its jurisdiction OR OTHERWISE, and receive
521 revenues in the form of rents, fees and charges
522 paid by units or agencies of state and local
523 government, and by private persons and
524 organizations, to compensate the authority for the
525 use of its facilities or the performance of its
526 services;

527 (4) Accept from a federal agency loans or
528 grants for use in carrying out its purposes and
529 enter into agreements with such agency respecting
530 any such loans or grants;

531 (5) Make loans to any municipal or regional
532 authority or to any person for the planning,
533 design, acquisition, construction, reconstruction,
534 improvement, equipping and furnishing of a waste
535 management, ENERGY OR OTHER project, which loans
536 shall be secured by loan agreements, contracts or
537 any other instruments or agreements with respect
538 to the use of fees and charges, upon such terms
539 and conditions as the authority shall determine
540 reasonable in connection with such loans,
541 including provisions for the establishment and
542 maintenance of reserve funds, and in the exercise
543 of powers granted in this section in connection
544 with the project for any such municipal or
545 regional authority or private person, to require
546 the inclusion in any contract, loan agreement or
547 other instrument, of such provisions for the

548 construction, use, operation and maintenance and
549 the payment of operating and other costs of a
550 project as the authority may deem necessary or
551 desirable, and in connection with the making of
552 such loans, the authority may purchase, acquire
553 and take assignments and the notes and bonds of
554 municipal or regional authorities and persons and
555 receive other forms of security and evidences of
556 indebtedness, and in furtherance of the purposes
557 of this chapter and to assure the payment of the
558 principal and interest of such loans, and in order
559 to assure the payment of the principal and
560 interest on bonds or notes of the authority issued
561 to provide funding for such loans, may attach,
562 seize, purchase, acquire, accept or take title to
563 any project by conveyance, and may sell, lease or
564 rent any such project for a use specified in this
565 chapter;

566 (6) The directors of the authority may by
567 resolution, in accordance with the provisions and
568 stipulations of this chapter and the authority's
569 general and other bond resolutions, authorize both
570 the segregation of such authority revenues as may
571 at any time be adjudged by said directors to be
572 surplus to the needs of the authority to meet its
573 contractual and other obligations and to provide
574 for its operations or other business purposes, and
575 the equitable redistribution of such segregated
576 surplus revenues to some or all of the users of
577 the system in accordance with applicable
578 provisions of the state solid waste management
579 plan;

580 (7) (A) In connection with, or incidental to,
581 the issuance or carrying of bonds, or acquisition
582 or carrying of any investment or program of
583 investment, the authority may enter into any
584 contract which the authority determines to be
585 necessary or appropriate to place the obligation
586 or investment of the authority, as represented by
587 the bonds, investment or program of investment and
588 the contract or contracts, in whole or in part, on
589 the interest rate, currency, cash flow, or other
590 basis desired by the authority, including, without
591 limitations, contracts commonly known as interest
592 rate swap agreements, currency swap agreements,
593 forward payment conversion agreements, futures, or
594 contracts providing for payments based on levels
595 of, or changes in, interest rates, currency

596 exchange rates, stock or other indices, or
597 contracts to exchange cash flows or a series of
598 payments, or contracts, including, without
599 limitation, interest rate floors or caps, options,
600 puts or calls to hedge payment, currency, rate,
601 spread, or similar exposure or, contracts for the
602 purchase of option rights with respect to the
603 mandatory or optional tender for purchase or
604 redemption of bonds, notes or other obligations of
605 the authority, which are subject to mandatory or
606 optional tender or redemption, including the
607 issuance of certificates evidencing the right of
608 the owner to exercise such option rights. These
609 contracts or arrangements may also be entered into
610 by the authority in connection with, or incidental
611 to, entering into or maintaining any agreement
612 which secures its bonds, notes or other
613 obligations, subject to the terms and conditions
614 thereof respecting outstanding obligations.

615 (B) Bonds issued by the authority may be
616 payable in accordance with their terms, in whole
617 or in part, in currency other than lawful money of
618 the United States of America, provided the
619 authority enter into a currency swap or similar
620 agreement for payments in lawful money of the
621 United States of America, which covers the entire
622 amount of the debt service payment obligation of
623 the authority with respect to the bonds payable in
624 other currency, and provided further, that if the
625 term of that agreement is less than the term of
626 the bonds, the authority shall include a best
627 efforts covenant to enter into additional
628 agreements as may be necessary to cover the entire
629 amount of the debt service payment obligation.

630 (C) In connection with, or incidental to, the
631 issuance or carrying of bonds, notes or other
632 obligations or entering into any of the contracts
633 or agreement referred to in subparagraph (A) of
634 this subdivision, the authority may enter into
635 credit enhancement or liquidity agreements, with
636 payment, interest rate, currency, security,
637 default, remedy and other terms and conditions as
638 the authority determines.

639 GAE COMMITTEE VOTE: YEA 16 NAY 1 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 sSB 75

STATE IMPACT	See Explanation Below
MUNICIPAL IMPACT	See Explanation Below
STATE AGENCY(S)	Connecticut Resources Recovery Authority (quasi-public)

EXPLANATION OF ESTIMATES:

STATE AND MUNICIPAL IMPACT: This legislation could increase the State's contingent liability, by broadening the uses of bond proceeds of the Connecticut Resources Recovery Authority (CRRA) that could be secured with a Special Capital Reserve Fund (SCRF). A SCRf provides additional security for bonds issued by the entity and allows the entity to issue indebtedness backed by the General Fund resources of the State, since the State is obligated to restore a SCRf to a minimum level.

It is unclear what impact, if any, this legislation would have on municipalities.

* * * * *

OLR BILL ANALYSIS

sSB 75

AN ACT CONCERNING THE POWERS OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY

SUMMARY: This bill expands the powers of the Connecticut Resources Recovery Authority (CRRA) with regard to its participation in energy markets and its

provision of solid waste services, and makes similar changes in state policy and CRRA's purposes. It makes minor changes regarding CRRA's exercise of its powers in relationship to the state Solid Waste Management Plan.

EFFECTIVE DATE: October 1, 1998

FURTHER EXPLANATION

CRRA Powers

The bill explicitly authorizes CRRA to buy, sell, generate, cogenerate, and aggregate interest in energy or users of energy. (CRRA already engages in many of these activities under its existing powers.)

The bill allows CRRA to engage in a wide range of activities related to waste, resources recovery, recycling, reuse, and energy. Specifically, it allows CRRA to assist in the development of businesses and the planning, design, construction, financing, management, ownership, operation, and maintenance of facilities in Connecticut in connection with these activities. CRRA already has broad authority with regard to these activities.

The bill also allows CRRA to: (1) make loans in connection with energy and other projects, rather than just waste management projects and (2) broadens its potential sources of revenue.

State Policy

The bill makes it the state's policy that:

1. CRRA should be responsible for implementing energy generation, distribution, and related services throughout the state wherever necessary and desirable and in a way that is consistent with the state Solid Waste Management Plan,
2. optimal resources recovery requires participation in markets for the purchase and sale of energy or interests in energy, and
3. that participation in these markets requires

that CRRA be able to aggregate users and operate as a generator or cogenerator.

CRRA Purposes

The bill expands CRRA's purposes to include the development and operation of solid waste systems, as well as facilities. It specifies that these activities can be done to carry out the provisions of local and state solid waste management plans in addition to the state Solid Waste Management Plan.

By law, CRRA can contract with private industry to implement activities it considers necessary, desirable, or convenient. The bill states that these activities can include participation in energy markets. By law, CRRA can assist in the development of business based on resources recovery. The bill extends this power to include the development and operation of facilities and systems related to waste or energy. It requires that CRRA's activities in these areas and its participation in energy markets must be consistent with state law and the state Solid Waste Management Plan.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute
Yea 16 Nay 1