



House of Representatives

General Assembly

File No. 505

January Session, 2021

Substitute House Bill No. 6577

House of Representatives, April 19, 2021

The Committee on Government Administration and Elections reported through REP. FOX of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE STATE PROPERTIES REVIEW BOARD.

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

1 Section 1. Subsections (d) to (f), inclusive, of section 4b-3 of the
2 general statutes are repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2021*):

4 (d) Notwithstanding any [other statute] provision of the general
5 statutes or special act, [to the contrary,] the Commissioner of
6 Administrative Services shall be the sole person authorized to represent
7 the state in its dealings with third parties for the construction,
8 development, acquisition or leasing of real estate for housing the offices
9 or equipment of all agencies of the state or for the state-owned public
10 buildings or realty, as provided for in sections 2-90, 4b-1 to 4b-5,
11 inclusive, 4b-21, 4b-23, as amended by this act, 4b-24, 4b-26, 4b-27, 4b-
12 30 and 4b-32, subsection (c) of section 4b-66 and sections 4b-67 to 4b-69,
13 inclusive, 4b-71, 4b-72, 10a-95, 10a-72, 10a-89, 10a-90, 10a-114, 10a-130,
14 10a-144, 17b-655, 22-64, 22a-324, 26-3, 27-45, 32-1c, 32-39, 48-9, 51-27d

15 and 51-27f, except that (1) the Joint Committee on Legislative
16 Management may represent the state in the planning and construction
17 of the Legislative Office Building and related facilities, in Hartford; (2)
18 the Chief Court Administrator may represent the state in providing for
19 (A) space for the Court Support Services Division as part of a new or
20 existing contract for an alternative incarceration program pursuant to
21 section 54-103b or a program developed pursuant to section 46b-121k,
22 or (B) other real estate needs of the Judicial Branch when delegated
23 authority to do so by the Commissioner of Administrative Services; (3)
24 the board of trustees of a constituent unit of the state system of higher
25 education may represent the state in the leasing of real estate for housing
26 the offices or equipment of such constituent unit, provided no lease
27 payments for such realty are made with funds generated from the
28 general revenues of the state; (4) the Labor Commissioner may represent
29 the state in the leasing of premises required for employment security
30 operations as provided in subsection (c) of section 31-250; (5) the
31 Commissioner of Developmental Services may represent the state in the
32 leasing of residential property as part of the program developed
33 pursuant to subsection (b) of section 17a-218, provided such residential
34 property does not exceed two thousand five hundred square feet, for the
35 community placement of persons eligible to receive residential services
36 from the department; (6) the Commissioner of Mental Health and
37 Addiction Services may represent the state in the leasing of residential
38 units as part of a program developed pursuant to section 17a-455a,
39 provided each such residential unit does not exceed two thousand five
40 hundred square feet; and (7) the Connecticut Marketing Authority may
41 represent the state in the leasing of land or markets under the control of
42 the Connecticut Marketing Authority. [, and, except for the housing of
43 offices or equipment in connection with the initial acquisition of an
44 existing state mass transit system or the leasing of land by the
45 Connecticut Marketing Authority for a term of one year or more in
46 which cases the actions of the Department of Transportation and the
47 Connecticut Marketing Authority] All of the actions listed in
48 subdivisions (1) to (7), inclusive, of this subsection shall be subject to the
49 review and approval of the State Properties Review Board. The

50 Commissioner of Administrative Services may establish and implement
51 any procedures necessary for the commissioner to assume the
52 commissioner's responsibilities as said sole bargaining agent for state
53 realty acquisitions and shall perform the duties necessary to carry out
54 such procedures. The Commissioner of Administrative Services may
55 appoint, within the department's budget and subject to the provisions
56 of chapter 67, such personnel deemed necessary by the commissioner to
57 carry out the provisions of this section, including experts in real estate,
58 construction operations, financing, banking, contracting, architecture
59 and engineering. The Attorney General's office, at the request of the
60 Commissioner of Administrative Services, shall assist the commissioner
61 in contract negotiations regarding the purchase, lease or construction of
62 real estate.

63 (e) The State Properties Review Board shall be within the
64 [Department of Administrative Services] Legislative Department and
65 shall have independent decision-making authority.

66 (f) The State Properties Review Board shall review for approval or
67 disapproval (1) real estate acquisitions, sales, leases and subleases
68 proposed by the Commissioner of Administrative Services or proposed
69 by the Chief Court Administrator pursuant to the authority delegated
70 to the Chief Court Administrator by the Commissioner of
71 Administrative Services, (2) the acquisition, other than by
72 condemnation, or the sale, [or] lease or licensing of any real property or
73 any other contractual agreement concerning any real property by the
74 Commissioner of Transportation under subdivision (11) of section 13b-
75 4 or subsection (b) of section 13b-36, subject to section 4b-23, as amended
76 by this act, and subsection (h) of section 13a-73, [and review, for
77 approval or disapproval,] (3) any contract for a project described in
78 subsection (h) of section 4b-91, (4) any acquisition of development rights
79 of agricultural land by the Commissioner of Agriculture under section
80 22-26cc, (5) any real estate acquisition by any other state agency under
81 any provision of the general statutes that is paid for with bonds, as
82 defined in section 3-20, and (6) any lease or sublease, licensing or other
83 contractual agreement concerning real property proposed by a quasi-

84 public agency under section 3 of this act. Such review shall consider all
85 aspects of the proposed actions, including feasibility and method of
86 acquisition and the prudence of the business method proposed. The
87 board shall also cooperate with and advise and assist the Commissioner
88 of Administrative Services and the Commissioner of Transportation in
89 carrying out their duties. The board shall have access to all information,
90 files and records, including financial records, of the Commissioner of
91 Administrative Services, [and] the Commissioner of Transportation,
92 [and shall, when necessary, be entitled to the use of personnel employed
93 by said commissioners. The board shall approve or disapprove any
94 acquisition of development rights of agricultural land by the
95 Commissioner of Agriculture under section 22-26cc] any other state
96 agency acquiring real estate described in subdivision (5) of this
97 subsection and any quasi-public agency submitting a proposed
98 agreement described in subdivision (6) of this subsection. The board
99 shall hear any appeal under section 8-273a and shall render a final
100 decision on the appeal within thirty days thereafter. The written
101 decision of the board shall be a final decision for the purposes of sections
102 4-180 and 4-183. The provisions of this section shall not apply to any
103 airport, airport site or any part thereof operated by the Connecticut
104 Airport Authority established pursuant to section 15-120bb.

105 Sec. 2. Subsection (i) of section 4b-23 of the general statutes is repealed
106 and the following is substituted in lieu thereof (*Effective October 1, 2021*):

107 (i) As used in this subsection, (1) "project" means any state program,
108 except the downtown Hartford higher education center project, as
109 defined in section 4b-55, requiring consultant services if the cost of such
110 services is estimated to exceed [one hundred] twenty-five thousand
111 dollars or, in the case of a constituent unit of the state system of higher
112 education, the cost of such services is estimated to exceed three hundred
113 thousand dollars, or in the case of a building or premises under the
114 supervision of the Office of the Chief Court Administrator or property
115 where the Judicial Department is the primary occupant, the cost of such
116 services is estimated to exceed three hundred thousand dollars; (2)
117 "consultant" means "consultant" as defined in section 4b-55; and (3)

118 "consultant services" means "consultant services" as defined in section
119 4b-55. Any contracts entered into by the Commissioner of
120 Administrative Services with any consultants for employment (A) for
121 any project under the provisions of this section, (B) in connection with a
122 list established under subsection (d) of section 4b-51, or (C) by task letter
123 issued by the Commissioner of Administrative Services to any
124 consultant on such list pursuant to which the consultant will provide
125 services valued in excess of [one hundred] twenty-five thousand dollars,
126 shall be subject to the approval of the Properties Review Board prior to
127 the employment of such consultant or consultants by the commissioner.
128 The Properties Review Board shall, not later than thirty days after
129 receipt of such selection of or contract with any consultant, approve or
130 disapprove the selection of or contract with any consultant made by the
131 Commissioner of Administrative Services pursuant to sections 4b-1 and
132 4b-55 to 4b-59, inclusive. If upon the expiration of the thirty-day period
133 a decision has not been made, the Properties Review Board shall be
134 deemed to have approved such selection or contract.

135 Sec. 3. (NEW) (*Effective October 1, 2021*) Any quasi-public agency, as
136 defined in section 1-120 of the general statutes, shall submit any
137 proposed lease or sublease, licensing or other contractual arrangement
138 concerning real property to the State Properties Review Board for
139 approval or disapproval. The provisions of this section shall not be
140 construed to apply to any mortgage loan granted by a quasi-public
141 agency.

142 Sec. 4. Section 4-9a of the general statutes is repealed and the
143 following is substituted in lieu thereof (*Effective October 1, 2021*):

144 (a) The Governor shall appoint the chairperson and executive
145 director, if any, of all boards and commissions within the Executive
146 Department, except [the State Properties Review Board,] the State
147 Elections Enforcement Commission, the Commission on Human Rights
148 and Opportunities, the Commission on Fire Prevention and Control, the
149 Citizen's Ethics Advisory Board and the Transportation Policy Advisory
150 Council.

151 (b) Public members shall constitute not less than one-third of the
152 members of each board and commission within the Executive
153 Department, except the Commission on Human Rights and
154 Opportunities. Public member means an elector of the state who has no
155 substantial financial interest in, is not employed in or by, and is not
156 professionally affiliated with, any industry, profession, occupation,
157 trade or institution regulated or licensed by the relevant board or
158 commission, and who has had no professional affiliation with any such
159 industry, profession, occupation, trade or institution for three years
160 preceding his appointment to the board or commission. Except as
161 otherwise specifically provided by the general statutes, this section shall
162 not apply to the Commission on Fire Prevention and Control, boards
163 and commissions the membership of which is entirely composed of state
164 department heads, elected officials or deputies appointed by such
165 department heads or where the membership of such board or
166 commission is determined in accordance with the provisions of any
167 federal law.

168 (c) Notwithstanding any provision of law, the term of each member
169 of each board and commission within the executive branch, except the
170 State Board of Education, the Board of Regents for Higher Education,
171 the Commission on Human Rights and Opportunities, the State
172 Elections Enforcement Commission, [the State Properties Review
173 Board,] the Citizen's Ethics Advisory Board, the Commission on
174 Medicolegal Investigations, the Psychiatric Security Review Board, the
175 Commission on Fire Prevention and Control, the E 9-1-1 Commission,
176 the Culture and Tourism Advisory Committee, and the board of trustees
177 of each constituent unit of the state system of higher education,
178 commencing on or after July 1, 1979, shall be coterminous with the term
179 of the Governor or until a successor is chosen, whichever is later.

180 (d) Each member of each board and commission within the executive
181 branch shall serve at the pleasure of the appointing authority except
182 where otherwise specifically provided by any provision of the general
183 statutes.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2021</i>	4b-3(d) to (f)
Sec. 2	<i>October 1, 2021</i>	4b-23(i)
Sec. 3	<i>October 1, 2021</i>	New section
Sec. 4	<i>October 1, 2021</i>	4-9a

GAE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the 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 chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Legislative Mgmt.	GF - Cost	100,000	100,000
State Comptroller - Fringe Benefits ¹	GF - Cost	41,770	41,770

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill moves the State Properties Review Board's (SPRB) from the executive branch, under the Department of Administrative Services (DAS) to the Office of Legislative Management (OLM).

The bill expands the scope of the SPRB's work to include reviewing and approving numerous additional property transactions. The bill reduces, from \$100,000 to \$25,000, the cost threshold of construction services consultant contracts entered into by the DAS that require SPRB review. This will require an additional Real Estate Examiner position at \$100,000 plus fringe benefits of \$41,770 annually.

The bill expands the SPRB's authority to include real estate property transactions made by state agencies using general obligation (GO) bonds, including the farmland development program administered by the Department of Agriculture (DoAg), quasi-public agencies, and

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.77% of payroll in FY 22 and FY 23.

certain transactions entered into by the Department of Transportation. This has no impact to DoAg as it codifies current practice.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 6577*****AN ACT CONCERNING THE STATE PROPERTIES REVIEW BOARD.*****SUMMARY**

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

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

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2021

SPRB AUTHORITY***State and Quasi-Public Agencies***

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

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

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

DOT Transactions

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

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

Project-Specific Transactions

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

The bill requires SPRB to review and approve transactions made

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

Table 1: Project-Specific Transactions Subjected to SPRB Authority

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

CONSTRUCTION CONSULTANT CONTRACTS

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

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

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

BACKGROUND

On-Call Contract

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

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/31/2021)