

# Government Administration and Elections Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-6577

**Title:** AN ACT CONCERNING THE STATE PROPERTIES REVIEW BOARD.

**Vote Date:** 3/31/2021

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/10/2021

**File No.:** 505

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### SPONSORS OF BILL:

The Government Administration and Elections Committee

### REASONS FOR BILL:

In effect, this bill would expand the jurisdiction of the State Properties Review Board to include licensing agreements, any purchase of agricultural development rights, and contracts that other state agencies and quasi-public agencies have made. The State Properties Review Board would no longer be under the Department of Administrative Services. This bill would make the State Properties Review Board a part of the legislative branch.

### RESPONSE FROM ADMINISTRATION/AGENCY:

**Jeffrey Berger, Member, State Properties Review Board (SPRB):** The State Properties Review Board strongly supports House Bill 6577 for a series of reasons. First and foremost, SPRB believes that housing the SPRB under the Legislative Department would avoid any conflicts of interest and ensure that the contract review process is completed with utmost independence and integrity. In addition, the SPRB highlighted their quick review process compared to the extensive periods of time that agencies take agencies to process and submit their proposals for review. For example, it took the Department of Agriculture 929 days to finally submit their proposal, whereas the board only took 36 days to review the proposal. SPRB stated that this bill would help ensure that they uphold their mission and ensure that the Department of Administrative Services and Department of Construction Services award contracts appropriately in terms of cost, the scope of work and as it relates to equitable awarding of contracts among all consultants and bid-places. SPRB emphasized the need for independent oversight, accountability, uniformity and transparency when reviewing state agency contracts.

**Katie S. Dykes, Commissioner, Department of Environmental Protection (DEEP):** The Department of Environmental Protection submitted opposition to this bill. DEEP believes that

expanding the jurisdiction of the State Properties Review Board is unnecessary, repetitive and will result in the delay of approvals and transactions. In particular, Commissioner Dykes cited Section 1(f)(5), which would expand Board review over state agency property transactions. DEEP contends that this would add more bureaucratic review to the Department's Recreation and Natural Heritage Trust Program. Currently, any acquisitions made through this program are reviewed by the Office of the Attorney General and the Office of Policy and Management. The lack of clarity in this bill would create delays and burdens for all parties. Additionally, DEEP sought further clarification on whether Section 1(f)(5) only applies to future direct acquisitions by state agencies, or if it would include bond funded grants for municipal acquisitions. In addition, DEEP referenced Section 1(f)(2) and sought clarification in terms of which types of state agency real estate license would be subject to review by the State Properties Review Board.

**Senator Cathy Osten, 19th Senate District:** Sen. Osten expressed opposition to this bill. In particular, Sen. Osten expressed concern in regards to the extensive administrative review that the Farmland Preservation program would face as a result of this bill. Sen. Osten stated that bureaucratic delays from the State Properties Review Board almost caused 15 farms to lose funding last January. Sen. Osten believes that adding another layer of administrative review will endanger preservation efforts and negatively impact Connecticut farming industry.

**Noel Petra, Deputy Commissioner, Department of Administrative Services (DAS):** The Department of Administrative Services expressed strong opposition to House Bill 6577. DAS contends that this bill would vest too much power in the State Properties Review Board (SPRB) and potentially violate the separation of powers doctrine by transferring the SPRB from the executive branch to the legislative branch. DAS believes that reducing the threshold for SPRB contract review to \$25,000, down from \$100,000 would result in SPRB micro-managing agencies' decisions and create unnecessary and time-consuming conditions. Rather than save the state money, delegating SPRB expanded review powers will create delays, require staff to answer SPRB inquiries rather than carry out their normal duties, and result in a higher propensity for litigation from contractors. This bill would ultimately result in more incurred indirect expenses. Additionally, DAS made note of the fact that SPRB is not subject to any oversight, meaning that the decisions that they render cannot be appealed. DAS proposed Senate Bill 1015, which advises the legislature to strictly define the scope of the SPRB.

**Bryan Hurlburt, Commissioner, Department of Agriculture:** The Connecticut Department of Agriculture expressed the current challenges that they face when submitting applications to the State Properties Review Board seeking approval of a farmland preservation application. The Department of Agriculture states that this process has resulted in delays and backlogs. If the State Properties Review Board was to have authority over the Community Farms Preservation Program, the Department of Agriculture contends that further delays would be incurred, and less farmland would be able to be protected in Connecticut.

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

None expressed.

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

**Jeanette W. Weldon, Executive Director, Connecticut Health & Education Facilities**

**Authority (CHEFA):** CHEFA expressed concerns with House Bill 6577. CHEFA's testimony indicated that all bonds issued by CHEFA are obligations of the not-for-profit entity, meaning that their repayment doesn't involve taxpayer dollars. While CHEFA is a quasi-public agency, they maintain financial independence and do not receive any taxpayer dollars to pay employees, fund benefits or fulfill their operations. CHEFA recommends that the Committee add an exemption for CHEFA and CHEFA subsidiaries or completely reject this bill.

**Joan Nichols, Executive Director, Connecticut Farm Bureau Association:** The Connecticut Farm Bureau Association contends that the Connecticut Department of Agriculture has been extremely diligent and timely in terms of dispersing federal funds from the United States Department of Agriculture for the purpose of closing agricultural easements. The Connecticut Farm Bureau Association contends that any additional oversight from the State Properties Review board is unnecessary, creates longer delays and becomes burdensome for farm families.

**Nandini Natarajan, Chief Executive Officer, Connecticut Housing Finance Authority**

**(CHFA):** The Connecticut Housing Finance Authority testified in opposition to House Bill 6577. As a quasi-public authority, this bill would require that contracts concerning real property be reviewed by the State Properties Review Board. CHFA emphasized the fact that their properties are not owned by the state and all of their contracting agreements are internally and externally audited. CHFA views this expansion of authority to the State Properties Review Board as burdensome and potentially inhibiting CHFA's ability to operate efficiently.

**Elisabeth Moore, Executive Director, CT Farmland Trust:** CT Farmland Trust submitted testimony in opposition to this bill. If this bill was passed into law, CT Farmland Trust believes that it would delay the preservation process and add a bureaucratic burden to farm owners and land trusts. CT Farmland Trust contends that the Connecticut Department of Agriculture already has a rigorous vetting process in place to ensure that the Community Farms Preservation Program is conducted with utmost integrity. Ultimately, CT Farmland Trust emphasized the unnecessary addition of the State Properties Review Board to this process, as it would only exacerbate the time that this already lengthy process takes.

**Susan Mitchell, Owner, Cloverleigh Farm:** Ms. Mitchell strongly recommends that the State Properties Review Board not partake in the review of the Community Farms Program. As a farm owner herself, she describes the lengthy process that farm owners need to go through to see which properties will be selected for participation in a preservation program. Ms. Mitchell made clear that time is of the essence, and we need more affordable farmland immediately without any unnecessary delays. Additionally, Ms. Mitchell proposed that Section 3 be removed from the bill, as well as the language in lines 154 and 155.

**Eric Hammer, Connecticut Forest & Park Association (CFPA):** The Connecticut Forest & Park Association expressed opposition to Section 1(F) of the bill. Section 1(F) includes the provisions that would allow the State Properties Review Board to review the Community Farms Preservation Program. In addition, this bill would extend the review of the SPRB to include programs and land acquisitions made by the Department of Energy & Environmental Protection. CFPA contends that this would negatively impact efforts to protect farmlands, public lands and open space by creating bureaucratic delays. The addition of the SPRB review is unnecessary and unwise, since the Community Farms Preservation Program and

the conservation programs of the Department of Energy & Environmental Services already undergo rigorous review.

**Amy Blaymore Paterson, Executive Director, Connecticut Land Conservation Council (CLCC):** The Connecticut Land Conservation Council expressed opposition to Section 1(f), the provision extending review authority to the State Property Review Board. Since the Community Farms Preservation Program, the Natural Heritage Trust Program and the Open Space and Watershed Land Acquisition Program all undergo strict scrutiny and review, CLCC believes that SPRB review is unnecessary and duplicative. CLCC urges the Committee to remove Section 1(f) from the bill.

**Connecticut Lottery Corporation (CLC):** The Connecticut Lottery Corporation expressed opposition to the bill. CLC is a quasi-public agency that has been tasked with operating and managing the lottery free of the budgetary constraints of the state, all while providing increased revenue to the state. Currently, CLC adheres to general statutes which mandate that all real estate transactions be subject to review by the State Properties Review Board. However, CLC believes that adding additional bureaucratic measures and layers of review by the SPRB is unnecessary and restricts the CLC from operating in a business-like manner that is distinct from the state government. Additionally, CLC expressed concern with the language of the bill in Section 1, particularly the lack of an appeal process for decisions rendered by the SPRB. Additionally, CLC would like clarity in terms of what type of information the SPRB has access to (lines 89-99) and what constitutes a “contractual agreement concerning real property,” (lines 83 and 138).

**Kevin Dillon, Executive Director, Connecticut Airport Authority (CAA):** The Connecticut Airport Authority expressed opposition to this bill. As a quasi-public agency, the CAA operates with more freedom than a state agency that must navigate all sorts of bureaucratic hurdles. The CAA contends that it is illogical to allow the State Properties Review Board to approve of any real property developments. Since the CAA is composed of aviation professionals, the CAA believes that approval of such developments must be made by these experts, not the State Properties Review Boards. If the legislature imposes additional approval processes on quasi-public agencies, the CAA believes that Bradley International Airport’s ability to maintain competitive will be significantly diminished.

**Robert Chang, Owner and Operator, Echo Farm:** Mr. Chang is one of three owners of Echo Farm in Woodstock, Connecticut. In his testimony, he expressed his intent to apply to the Community Farms Preservation Program. Mr. Chang expressed his opposition to the provisions in the bill that would add the State Properties Review Board to the review process, finding that such review is redundant and a disincentive for farm owners to participate in farmland preservation.

**Chelsea Gazillo, Working Lands Alliance:** The Working Lands Alliance urged the Committee to oppose Sections 1 and 4 of this bill. They contend that the additional layer of review by the State Properties Review Board will create unnecessary application delays, hinder efforts to preserve small farms and prevent first generation farmers from accessing affordable farmland.

**Reported by: Trevor Hoffman**

**Date: 3-31-21**