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## OLR Bill Analysis

**sHB 5189 (as amended by House "A" and "B")\***

### ***AN ACT CONCERNING A SMALL HARBOR IMPROVEMENT PROJECTS ACCOUNT.***

#### **SUMMARY**

This bill requires the Connecticut Port Authority (CPA) to establish the “Small Harbor Improvement Projects Account” and to spend funds deposited or appropriated in it to initiate small harbor improvement projects consistent with state law. The bill defines “small harbor” as any Connecticut harbor not under CPA authority.

Neither the law nor the bill defines “small harbor improvement projects.” However, under existing law, unchanged by the bill, CPA may initiate harbor improvement projects in various ways, including by preparing plans, studies, and construction for altering and improving various state, municipal, and other properties in or next to state waters to improve the state economy and infrastructure (CGS § 13b-55a). In practice, CPA administers the Small Harbor Improvement Projects Program (SHIPP, see BACKGROUND).

Under the bill, the following funds must be deposited into the account: (1) proceeds of notes, bonds, or other state-issued obligations; (2) appropriated funds; and (3) any other funds required or permitted by law.

The bill authorizes the account to be used for federal and nonfederal small harbor dredging projects to fund private maritime infrastructure projects, but before a project can receive funding, it must have all applicable permits and authorizations. For dredging projects, the account may be used to:

1. support local and state matching requirements fully or partially;
2. cover the incremental costs associated with applicable

environmental regulatory requirements or management practices, including beneficial use; and

3. cover all or part of these project costs in the absence of adequate federal funds.

Under the bill, if the account is used due to inadequate federal funding, then CPA must pursue federal reimbursement.

The bill requires CPA to adopt implementing procedures, including a process for contracting for these projects.

\*House Amendment "A" replaced the underlying bill with similar provisions to also (1) define "small harbors" as Connecticut harbors other than those in Bridgeport, New Haven, or New London, (2) require projects to have applicable permits and authorizations before receiving funding, and (3) require CPA to adopt implementing procedures.

\*House Amendment "B" similarly replaced the bill as amended by House "A" to define "small harbors" as Connecticut harbors not under CPA authority.

EFFECTIVE DATE: Upon passage

## **BACKGROUND**

### ***Small Harbor Improvement Projects Program (SHIPP)***

SHIPP is a competitive grant program, established and administered by CPA, that provides funds for harbor improvement projects that are not related to the deep water ports in Bridgeport, New Haven, and New London. Harbor improvement projects generally must be within, near, or on an active navigational channel and include dredging, marina repair, boat ramp facilities improvement, harbor management plans, and feasibility studies. SHIPP is funded with state general obligation bonds.

### ***Legislative History***

The House referred the bill (File 437) to the Appropriations Committee, which reported a substitute (File 642) that removes a

requirement in the original bill for the Department of Economic and Community Development commissioner to study the state’s “blue economy” and ways to promote and grow economic activity on coastlines and waterways.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute

Yea 24 Nay 0 (03/26/2024)

Appropriations Committee

Joint Favorable Substitute

Yea 53 Nay 0 (04/22/2024)