



House of Representatives

General Assembly

File No. 437

February Session, 2024

Substitute House Bill No. 5189

House of Representatives, April 11, 2024

The Committee on Commerce reported through REP. MESKERS of the 150th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING A STUDY OF WAYS TO PROMOTE AND GROW ECONOMIC ACTIVITY ON THE STATE'S COASTLINE AND WATERWAYS AND A SMALL HARBOR IMPROVEMENT PROJECTS ACCOUNT.

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

1 Section 1. (*Effective from passage*) The Commissioner of Economic and
2 Community Development shall conduct a study of the state's "blue
3 economy" and ways to promote and grow economic activity on the
4 state's coastline and waterways. Not later than January 1, 2025, the
5 commissioner shall submit a report on the results of such study to the
6 joint standing committee of the General Assembly having cognizance of
7 matters relating to commerce, in accordance with the provisions of
8 section 11-4a of the general statutes.

9 Sec. 2. (NEW) (*Effective from passage*) (a) The Connecticut Port
10 Authority shall establish an account to be known as the "small harbor
11 improvement projects account". There shall be deposited in the account:
12 (1) The proceeds of notes, bonds or other obligations issued by the state

13 for the purpose of deposit therein and used in accordance with the
 14 permissible uses thereof; (2) funds appropriated by the General
 15 Assembly for the purpose of deposit therein and used in accordance
 16 with the permissible uses thereof; and (3) any other funds required or
 17 permitted by law to be deposited in the account. The funds in said
 18 account shall be expended by the authority for the purpose of initiating
 19 small harbor improvement projects in accordance with section 13b-55a
 20 of the general statutes and for the purposes described in subsection (b)
 21 of this section.

22 (b) The small harbor improvement projects account may be used (1)
 23 for federal and nonfederal dredging projects to (A) support, in full or in
 24 part, local and state matching requirements for such projects; (B) cover
 25 the incremental costs associated with applicable environmental
 26 regulatory requirements or management practices, including beneficial
 27 use; and (C) cover part or all of the costs of such projects in the absence
 28 of adequate federal funds; and (2) to fund private maritime
 29 infrastructure projects. If the account is used for the purpose described
 30 in subparagraph (C) of subdivision (1) of this subsection, the authority
 31 shall pursue reimbursement to the account from the federal
 32 government.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

Statement of Legislative Commissioners:

Section 2(b) was redrafted for accuracy.

CE *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 25 \$	FY 26 \$
Department of Economic & Community Development	GF - Cost	100,000	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a one-time cost of \$100,000 to the Department of Economic and Community Development (DECD) to conduct a study of the state's "blue economy" and ways to promote and grow economic activity on the state's coastline and waterways. It is anticipated that DECD would require consulting services to complete the study by the bill's deadline of January 1, 2025.

The bill also requires the Connecticut Port Authority (CPA) to establish a "small harbor improvement projects account" and to spend any funds that may be deposited into such account on small harbor improvement projects. This does not have a fiscal impact because any spending is contingent on future action outside the scope of this bill.

The Out Years

The fiscal impact identified above is one-time only in FY 25.

OLR Bill Analysis**sHB 5189*****AN ACT CONCERNING A STUDY OF WAYS TO PROMOTE AND GROW ECONOMIC ACTIVITY ON THE STATE'S COASTLINE AND WATERWAYS AND 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.

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 adjacent 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) the 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 dredging projects to fund private maritime infrastructure projects. For dredging projects, it may be used to:

1. support local and state matching requirements fully or partially for these projects;

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 also requires 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. The commissioner must report the study’s results to the Commerce Committee by January 1, 2025.

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.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 24 Nay 0 (03/26/2024)