

PA13-263

HB5598

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2013**

**VOL.56
PART 8
2370 - 2742**

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HOUSE OF REPRESENTATIVES

May 2, 2013

Necessary for Passage	69
Those voting Yea	112
Those voting Nay	25
Those absent and not voting	13

DEPUTY SPEAKER SAYER:

The bill passes.

(Speaker Sharkey in the Chair.)

SPEAKER SHARKEY:

Will the Calendar please call -- I'm sorry --
will the Clerk please call Calendar 355.

THE CLERK:

Yes, Mr. Speaker.

On page 21 in today's Calendar, Bill Number 355,
favorable report of the joint standing committee on
Planning and Development, Substitute House Bill 5598,
AN ACT CONCERNING THE DEPARTMENT OF ADMINISTRATIVE
SERVICES AND THE DISPOSITION OF SURPLUS STATE
PROPERTY, SHORT TERM EMERGENCY LEASES, THE DEFINITION
OF EXECUTIVE SESSION AND DUPLICATIVE STATEMENTS OF
FINANCIAL INTEREST.

SPEAKER SHARKEY:

Representative Jutila.

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REP. JUTILA (37th):

Thank you, Mr. Speaker.

I move acceptance of the joint committee's favorable report and passage of the bill.

SPEAKER SHARKEY:

The question is on acceptance of the joint committee's favorable report and passage of the bill.

Will you remark, sir?

REP. JUTILA (37th):

Thank you, Mr. Speaker.

This bill was brought to us by the Department of Administrative Services, and it makes certain changes to the DAS statutes involving the disposal of surplus property and also makes revisions to certain other DAS statutes that I will briefly summarize.

Sections 1 and 2 of the bill streamlines the process for disposition of surplus real property, and it does this, first of all, by requiring that any agency that will have property that will become surplus or not necessary within the next six months must give notice six months ahead of time to the secretary of OPM and to the municipality in which the property is located. Then specified state agencies have 30 days to determine and notify the secretary of

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OPM if the property may service specified needs of that agency and submit a plan for its use.

At the same time during that same 30 days, any other agency that might have a need for the property can notify the secretary as well. The secretary is required to hold a public informational meeting within the municipality where the property is located at the request of the municipality. After this part of the process, the secretary makes a determination whether or not the land actually is surplus or could be used by one of the state agencies.

If it is determined to be surplus, then the Department of Administrative Services will offer to convey it to the municipality in which it is located. The municipality will then have 120 days to decide if it would like to acquire the property. If it declines, then DAS will dispose of the property through sale, exchange or lease, after it makes certain notifications, including two new ones under this bill, which would be the Regional Planning Organization and the Connecticut Economic Resource Center.

Sections 3, 4 and 5 of the bill simply make conforming statutory changes.

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Section 6 allows the Department of Administrative Services to enter into leases of up to one year without obtaining OPM or State Property Review Board approval, but only when the governor declares an emergency and the state has an immediate need for that space.

Section 7 of the bill extends the Freedom of Information exemption to state agencies when they're discussing the lease, sale, or purchase of real estate, if publicity would adversely affect the price. And this is an exemption that already applies to municipalities. It would simply extend it to state agencies.

Section 8 eliminates a requirement that certain employees of DAS who are involved in property transactions submit financial interest statements to both their agency and to the Office of State Ethics. With this change, they would merely have to submit the one financial interest statement to the Office of State Ethics.

Section 9 and 10, I will explain when we take up an amendment because the amendment changes those substantially.

And with that, Mr. Speaker, the Clerk has an

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amendment. The amendment is LCO Number 6384. I would ask that the Clerk call the amendment and that I be given leave of the chamber to summarize.

SPEAKER SHARKEY:

Will the Clerk please call LCO 6384 which will be designated House Amendment "A."

THE CLERK:

House Amendment "A," LCO 6384, introduced by Representative Jutila, et al.

SPEAKER SHARKEY:

The gentleman seeks leave of the chamber to summarize the amendment. Is there objections? Is there objection?

Representative Jutila, you may summarize the amendment.

REP. JUTILA (37th):

Thank you, Mr. Speaker.

The amendment -- instead of a public informational meeting being required before the disposal of surplus property in the municipality, the meeting would be held only at the request of the municipality, which would eliminate a number of these meetings where it's not necessary, particularly in routine small property transactions.

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Another part of the amendment clarifies the terms of the DAS commissioner's offer. It broadens it so that it could be a sale, exchange or lease or other agreement with the -- with the municipality.

Sections 9 and 10, this updates a statute that has to do specifically with the disposal of Department of Corrections' property. And the reason there is an amendment is originally -- the original bill repealed the statute, but on further review of the statute, we concluded that we could salvage the statute but simply update it to current standards.

And with that, I would urge adoption of the amendment.

SPEAKER SHARKEY:

Thank you, sir.

Will you remark further on the amendment, House Amendment "A"?

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

A couple questions on the amendment to the proponent of it.

SPEAKER SHARKEY:

Please proceed, sir.

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REP. HWANG (134th):

Thank you.

In regards to the striking of lines 104 and 105 in its entirety, the substitution said it -- in line 104, the secretary shall hold an informational hearing, and we're changing it to shall upon the request of the municipality. What is the rationale for that change?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Thank you, Mr. Speaker.

An important question indeed from the distinguished ranking member. Again, in the original bill, the meeting would have been required in the municipality upon any disposal of state property, and what we concluded after the public hearing was that some of these meetings might not be necessary and would, in fact, be a waste of resources and -- and time. And so we concluded that the municipality would be notified, and if the municipality was interested in having a public hearing, then it would be mandatory and the secretary would conduct the meeting.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

Thank you for that answer.

And following along that same line in lines 116, you are striking that and inserting "regarding whether." Could you, through you, Mr. Speaker, some more explanations of that rationale for change?

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Yes, through you, Mr. Speaker, it was simply a change that would more accurately express the intent, and the intent was at that point in the process that the secretary would not necessarily already have determined that the property is surplus, but at that point he would draw conclusions regarding whether it is surplus or not, thus the change of the words.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

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Thank you, Mr. Speaker.

In line 137, you are striking "transfer" and inserting "conveyance in lieu thereof." Does that encompass legislative approval?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, there is a point in the process where the two committees that have jurisdiction over property sales, the Finance Revenue and Bonding Committee and the Government Administration and Elections Committee would have the opportunity to approve the transaction. The change in language there was designed to have a broader term so that in the sense of a conveyance, it could be a sale, it could be a lease or some other kind of property transaction.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

And going back to line -- the striking of line

118 to 135, it seems to be a minor change in regards to the current language. Could the good Chair explain what the -- the intent of that change is?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Yes, thank you, Mr. Speaker.

Through you, this is the language that expands on the types of transactions that we could -- the agency could engage in here. So it expands it again to sale, lease, exchange and that is related to the use of the word "conveyance" earlier in the bill.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

Through you, again, in line 37 related to section 9, could the good Chair share with regards to why the -- the change was from treasurer to the commissioner of Administrative Services and the rationale for that?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

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Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, the -- for some time, it's my understanding that the commissioner of Administrative Services has been the appropriate individual to lead in the property transactions and the treasurer is really not the appropriate officer to handle that.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

And my last question related to the amendment, in line 79, we're striking section 10 in its entirety and renumbering the remaining sections and internal references accordingly. Obviously, there's not a reference point to it in regards to the current statute as it's drafted. Could the good Chair -- and I recognize his very good work in this -- give a little bit of a rationale as to why that is?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

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REP. JUTILA (37th):

Through you, Mr. Speaker, yes, again, good -- good question. Originally, the original language in the bill repealed this statute completely that had to do with the special circumstances where it's a Department of Correction's property that is being disposed of. And upon further review of the statute, we concluded that -- we'd -- we didn't really didn't need or want to repeal the entire statute so we made some specific changes to it that it updated it to the -- the current process and put the -- the statute back in.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

And I appreciate the good Chair's answers on this, and I thank him for his thoroughness. And -- and I do want to just simply add in regards to the change as it relates to the surplus property and the notification of the municipalities, and I appreciate the good Chair's answer on that and I'm satisfied with that, but why -- I do want to be sure that part of the

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resolution of this bill is to ensure that we give ample notice and afford the municipalities an opportunity to address the need for surplus properties and its need in our communities.

So I thank the good Chair for his answers, and I look to support this amendment.

Thank you.

SPEAKER SHARKEY:

Thank you, sir, and thank you for your thoroughness as well.

Do you have any further comments on House Amendment "A"? Do you care to remark further on House Amendment "A"?

If not, let me try your minds. All those in favor of House Amendment "A," please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed, nay.

The ayes have it. The amendment is adopted.

Do you care to remark further on the bill as amended? Do you care to remark further on the bill as amended?

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Representative Hwang of the 134th.

REP. HWANG (134th):

Thank you again, Mr. Speaker.

Through you, to the Chair, for some questions on this bill.

SPEAKER SHARKEY:

Please proceed, sir.

REP. HWANG (134th):

Thank you.

As we're leading to -- to section 1 of this bill, we're looking at line 36, can you explain the difference between adequate funding versus any available funding?

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, to the ranking member, yes, in the -- the current language, it pretty clearly implies that the funding would have to be making -- made available, thus the word "adequate." The change indicates that if the funds are available, they could be provided to the agency that's going to continue to be responsible for the property until it sold.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank, you.

Thank you for that answer.

Through you, Mr. Speaker, what was the current statute -- what is the current statute as it relates the notification process to OPM, and could you, through the good Chair, share with us the timeline of -- of the previous or current bill to the changes that's affected in this bill?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, well, first of all, under the -- the current statute which is 4b-21, there is not the requirement that the agency give notice to both OPM and to the municipality where the property is located six months in advance of the date that the property will no longer be necessary. So right there you have an additional six months for the municipality, particularly, to start to consider whether or not it would like to acquire the property.

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Another important difference is that the agencies from the time they became aware that the property would become available in the current statutes have 90 days in order to determine whether or not it fits into their future needs or not. That period is now compressed down to 30 days, so the agencies have to make a quicker decision, and the processes made more efficient and streamlined and much faster that way.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, did the notification process of current statute apply to doing the same thing in notifying the municipalities of these property surpluses?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, yes, the municipalities still received notification, not the six months' notification that they will get under this bill.

Through you.

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SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you.

Through you, Mr. Speaker, I wanted to thank the good Chair for that clarification because that was something that we worked very well together on to ensure that as we are notifying OPM at that advanced six-month period, that we are affording our municipalities the same opportunity to be aware of these surplus properties so they could plan accordingly. And I think that is a positive change in this statute to represent the fact that we want to ensure that our municipalities get the information to properly plan their use of land in any such way to make it effective in representing their community. So I want to thank the good Chair on that.

Moving on to a point of clarification now, in the past the current statute -- current rather -- the current statute requires only notification to the DECD. Does this statute change the notifications to various agencies? And I think you cited earlier.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

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Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, there are seven agencies, in particular, that receive notification and are required under this statute to review their property needs in specified areas to determine if the available property may be of use to them or not and that's something that is not included in the current statutes.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

Just a point of clarification, so the current statute only requires notification to the Department of Economic, DECD, and this statute changes it to seven different agencies. Would that be correct?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, that -- that is correct.

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SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

And allow me to ask in regards to the statute change to require DECD -- and I just need a point of clarification -- that there are stipulations in regards to looking at these surplus properties to be used for economic development or possibly exchange for properties that could be used for economic development. But the additional clause in there is the fact that we would also consider it to be used as emergency shelters, transitional living facilities for homeless persons and for use of construction of rehabilitation and renovation of housings with people with low-income housing; is that correct?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, yes, that -- that is correct. And I appreciate the good ranking member bringing that out for the record here.

Through you.

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SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you.

And I want to thank the good Chair in confirming that because that is an issue of concern in our state, and I think if we can use surplus properties to those good uses, I would applaud that proviso of the bill.

Going on to the Department of Transportation, and what would that be purpose be used for?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, the language is broad here. The commissioner of Transportation would have to determine whether or not it could be used for transportation purposes.

And while I address that question, I would also point out that while the bill requires these seven departments to look at these particular specified potential needs, it does not prohibit them from looking at what other needs they might have as any other agency can do.

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Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

And I appreciate that clarification.

Now onto the third department in regards to the Department of Energy and Environmental Protection, would it be used with the purpose of open space as well as, otherwise, support the mission of the DEEP?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, that is correct. It specifies that the DEEP should consider open space and, again, has a broader category of the department's mission that would -- would require it to focus on other areas as well.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you.

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Through you, Mr. Speaker, and what about the commissioner in the Department of Agriculture, would it be used for farming or agriculture purposes or any other particular purposes?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, the requirement is that they look at farming or agricultural purposes, and once -- once again, that's a pretty broad category that would cover a lot of things.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

And how about the Department of Veterans' Affairs?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, the Commissioner of

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Veterans' Affairs would be required to determine whether the property could be used for veterans' housing.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, and again, another noble purpose.

And what about number six, the Department of Children and Families?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, in the case of the Department of Children and Families, the department would have to determine whether or not it could be used to support the department's mission.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

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And what about the Department of Developmental Services?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, that would be whether it could be used, once again, support the department's mission.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

And as a follow-up, and I want to thank the good Chair's patience with those answers because I felt it was important to share with our -- with our chambers the importance of why we're undertaking this kind of a review, but I also want to ask, through you, Mr. Speaker, are there any priorities placed to those seven agencies? Does one take precedent over the other?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

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Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, I don't believe that the language in the bill would place any of these agencies in priority over the others. They're numbered one through seven, but I don't believe there's any particular method to that.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you.

Through you, Mr. Speaker, we have talked about the transfer, and I think it was commented in the amendment that upon request, the municipalities are able to hold informational hearings about the sale of surplus properties. Could the good Chair take us through in regards to how the transfer would occur on effected properties and how the municipalities can undertake the process to let the community know but also how to maximize the use of that sales property in the community?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

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Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, the secretary at the request of the municipality would be required to hold a public informational meeting in the municipality which would give the people of the town the opportunity to see a description of the property, learn about the property, ask questions, make comments, and the municipality could have any -- any reason for wanting to acquire and use the property there. It doesn't have to be for a specific purpose.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, Mr. Speaker.

And I want to thank the good Chair for his time on this, and I do want to reiterate again the importance of being able to share with this chamber the importance of how these changes can be better used to help our municipalities.

And with these changes, I believe this is a good bill that moves forward in allowing us to use our surplus properties, and I would urge the Chamber's

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support of this.

Thank you.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark further on the bill as amended?

Representative Fritz.

REP. FRITZ (90th):

Thank you, Mr. Speaker.

I just have one simple question for the Chairman of GAE, but first I want to begin by saying I think you've done a wonderful job. I think the hearing process in the bill is exemplary, but I'd like to ask you about lines 41 through 61 where you note all the different agencies that are involved with the surplus property of this state, and then in later lines you go on and it actually seems to be the commissioner of the Department of Administrative Services takes over.

My question to you is does this bill diminish the authority of the Property Review Board and transfer some of that authority to the Department of Administrative Services?

SPEAKER SHARKEY:

Representative Jutila.

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REP. JUTILA (37th):

Thank you, Mr. Speaker.

And I thank Representative Fritz for -- for that question. I think we all know the many years experience she has in property transactions so, again, an important question regarding whether or not the commissioner of Administrative Services is kind of taking over the role of the State Properties Review Board, and it is not at all.

The commissioner of DAS is going to be a key player in the process of getting to the point where the -- the property is actually conveyed, but the state property -- the State Properties Review Board will still have to approve, along with the secretary of OPM, and eventually with the two committees, Finance, Revenue and Bonding and GAE, that have jurisdiction over property transactions.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Fritz, is that sufficient?

Thank you very much.

Would you care to remark further? Would you care to remark further on the bill as amended?

If not, staff and guests to the well of the

House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll. Will members please return to the chamber immediately.

SPEAKER SHARKEY:

Have all the members voted? Have all the members voted? Will the members please check their board to make sure their vote is properly cast? If all the members have voted, the machine will be locked and the Clerk will take a tally.

Will the Clerk please announce the tally.

THE CLERK:

Bill Number 5598 as amended by House "A."

Total Number Voting 137

Necessary for Passage 69

Those voting Yea 137

Those voting Nay 0

Those absent and not voting 13

SPEAKER SHARKEY:

The bill as amended passes.

Will the Clerk please call -- I'm sorry, Mr.

Clerk, I was mistaken.

**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2013**

**VETO
SESSION**

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issues related to the implementer and other items that we hope to conclude in the rest of the evening.

THE CHAIR:

Thank you.

SENATOR LOONEY:

Thank you, Madam President.

THE CHAIR:

The Senate will stand at recess.

(On motion of Senator Looney of the 11th, the Senate at 9:55 p.m. recessed.)

(The Senate reconvened at 10:44 p.m., Senator Duff of the 25th in the Chair.)

THE CHAIR:

The Senate will come back to order?

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President.

Mr. President, before proceeding to any more items, I have some more items to add to the Consent Calendar at this time. Mr. President, first, Calendar page 6, Calendar 522, House Bill 5598.

Calendar page 7, Calendar 571, House Bill Number 6492.

Calendar page 10, Calendar 644, House Bill Number 6363.

Calendar Page 12, Calendar 668, House Bill Number 6362.

Mr. President, if we might stand at ease for just a moment, I need to verify a few additional items.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Mr. President.

Now, Mr. President, at this time if the Clerk would call as the next item, Calendar page 5, Calendar 479, Senate Bill 115.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senator.

Mr. Clerk.

THE CLERK:

On page 5, Calendar 479, Senate Bill Number 115, AN ACT CONCERNING RESIDENTIAL NURSING HOME FACILITIES SERVING INMATES AND MENTAL HEALTH PATIENTS, favorable report of the Committee on Human Services.

THE CHAIR:

Senator Doyle.

SENATOR DOYLE:

Good evening, Mr. President.

THE CHAIR:

Good evening.

SENATOR DOYLE:

I move acceptance of the joint committee's favorable report and passage of the bill.

THE CHAIR:

Thank you, Mr. President.

Mr. President, if the clerk would now call -- would now list the items on the Consent Calendar so that we might proceed to a vote on the Consent Calendar before taking up additional items.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Page 2 -- sorry -- House Bill 6672, and then on page 2, Calendar 423, House Bill 5907.

On page 4, Calendar 464, House Bill 5601; Calendar 465, House Bill 6630.

On page 5: 485, House Bill 6602; Calendar 503, House Bill 6635.

On page 6: Calendar 19, House Bill 5903; Calendar 522, House Bill 5598.

On page 7: Calendar 570, House Bill 6486; Calendar 571, House Bill 6492.

On page 8: Calendar 601, House Bill 6490; Calendar 606, House Bill 6674.

On page 10, Calendar 644, House Bill 6363.

On page 12, Calendar 668, House Bill 6362; and Calendar 672, House Bill 548.

On page 15: Calendar 695, House Bill 5289; Calendar 696, House Bill 6658.

On page 16: Calendar 704, House Bill 6692; 705, House Bill 6703.

On page 17: Calendar 706, House Bill 6651.

And on page 21: Calendar 431, Senate Resolution Number 15.

HB 5480

THE CHAIR:

Mr. Clerk, please announce the pendency of a roll call vote, the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Senators please return to the chamber. Immediate roll call on Consent Calendar Number 2 has been ordered in the Senate.

THE CHAIR:

Have all members have voted? If all members have voted, please check the board to make sure your vote is accurately recorded.

If all members have recorded, the machine will be closed and the clerk will announce the tally.

THE CLERK:

The second Consent Calendar

Total Number Voting	35
Those voting Yea	35
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

Consent Calendar Number 2 passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President.

Mr. President, I just wanted to review and have we adopted Senate Agendas 3 and 4?

THE CHAIR:

**JOINT
STANDING
COMMITTEE
HEARINGS**

**GOVERNMENT
ADMINISTRATION
AND ELECTIONS
PART 1
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ESSIE LABROT: Wi-Fi.

REP. HWANG: Wi-Fi.

ESSIE LABROT: We have Wi-Fi within our town just a couple months ago, but we've had Internet access for a couple of years. There's -- many years, but the Wi-Fi just became available.

REP. HWANG: Now in regards to some of the -- the voter registration, the events, cross-checking and using Internet and requiring, you know, your -- your moderators in various other places to have Internet access, did that -- is that going to be an additional cost burden to you as well? That -- I'm not sure if you can refer --

ESSIE LABROT: Not to -- not to West Hartford. We already -- we already have the ability on our computers.

REP. HWANG: How about the other towns within your --

ESSIE LABROT: I'd -- I have heard of some towns having some difficulty with technology.

REP. HWANG: Thank you.

REP. JUTILA: Questions from other members of the committee? Any other questions?

If not, thank you for your testimony.

The next speaker will be Commissioner Don DeFronzo of the Department of Administrative Services.

COMMISSIONER DONALD DEFONZO: -- Senator McLachlan, Representative Hwang and distinguished members of the committee, you have my testimony in front of you. I think I'm going to try and summarize it for the sake of time. I want to thank the committee

HB 5598
SB 434
SB 430

for raising three bills on our behalf, House Bill 5598, Senate Bill 434 and Senate Bill 430. And let me just run through these briefly.

Senate Bill -- I mean, House Bill 5598 has a number of provisions, probably the most substantive has to do with reforming and streamlining the State's process of assessing ongoing use or disposition of surplus real property. We have a very protracted duplicative process in place. It takes easily 4 to 600 days, in my experience, limited experience, over there, very often longer than that. It involves multiple agency involvement and interaction with local municipalities, and the time frame not only frustrates those seeking to negotiate the purchase of that land or property from the State but it also costs the State significant amounts of money, and that we're required to maintain the property, provide security on those properties and over time that accumulates to significant amount of money. So we are proposing a series of changes in this statute which would require state agencies to analyze more fully whether available property is useful for their core functions. Secondly, to better inform the public at the front end of the process about the surplus property and establish a procedure for soliciting the input from localities, municipalities and regions with respect to decision-making on that property, would allow the state to make reuse or disposition decisions based on more complete information obtained earlier in the process, and also to streamline the approval process by eliminating redundant steps and shortening the time frames.

I think these are important changes to make that will improve local and regional involvement in the sale of the property and will also improve the State's ability to negotiate more favorable prices and terms for the disposition of surplus property.

So we're looking forward to additional discussions on this -- this matter as we move forward.

Section 5 of that bill includes a provision that would provide the commissioner of Administrative Services with the authority under very narrow circumstances particularly -- specifically when the governor declares a building-specific emergency, would allow us the authority to enter into an emergency lease for the relocation of the services being provided in that -- in that facility when a -- when an emergency declaration of that type is -- is issued. In this -- when we were doing our two-storm analysis, determined that this was a need that we did not -- a contingency for which we had not planned previously and we wanted to at least have the authority to do this under very specific circumstances.

The Department of Construction Services had the ability to bypass bidding requirements to do renovations to state buildings, but in a lease situation, we do not have comparable authority. So we'd like you to take a look at that.

Section 6 of that bill clarifies FOI provisions as they pertain to the State's ability to participate in executive sessions in the State Property Review Board. This change would make it clear that the State has a -- has coverage under that statute, this provision -- if you haven't received it already, you should receive a statement from the Freedom of Information Commission endorsing this -- this part of the bill.

Section 7 is an administrative change which will allow the -- certain state employees, relieve them of the responsibility for filing duplicative financial statements each year. And you should find in your materials a statement or letter from the Ethics Commission supporting this provision.

unique and differing needs of state agencies is another.

For example, public safety vehicles are included in this mandate. Those -- those vehicles, almost by necessity, have to be more high powered, more -- less fuel efficient and those of you who were on the committee last year probably remember this a bit, so it's back before you again. We've been cited by the auditors for failure to comply but, quite frankly, we probably are not going to be able to comply for a number of years.

We have increased efficiency in fleet operations by about -- well, from 2009 until the present, from about 19 miles a gallon to about 25, almost 26 miles a gallon, so we are making progress but attaining this goal is going to prove to be a bit - a bit difficult.

So with that I'll conclude my testimony and answer any questions; and again, remind you that our CIO, Mark Raymond is here if there are any questions on E-Governance part of the proposal.

REP. JUTILA: Okay. Thank you, Commissioner, for your testimony.

Questions?

Senator McLachlan.

SENATOR MCLACHLAN: Thank you, Mr. Chairman.

Welcome, Commissioner, it's nice to see you. You've done a good job converting to your new assignment, and I have a question, House Bill 5598, specifically Section 1, where you're talking about with surplus property -- the state now will offer the property to the municipality one time. So for clarification, it's my understanding that all

surplus property is offered first to state agencies and then to the resident or host municipality; is that -- is that correct? That's the process now.

COMMISSIONER DONALD DEFRONZO: That's correct. And the -- and the process goes on that the municipality can opt to purchase the property for market value at that time or pass on it, then we would go out and seek bids on that property in the open market. If we received a bid, the municipality would be given another opportunity to match that bid. They, basically, have the right of first refusal throughout the entire process. So it's not uncommon for a municipality to be given two, three and sometimes more offers or opportunities on a piece of property depending on our interaction with other -- other interested parties.

So what we're trying to do is eliminate the -- the repetition in that process, offer the -- offer the property to the municipality early in the process, incentivize their -- their interest by giving the secretary of OPM the option of waiving the cost, maybe conveying that property through municipality free of charge if -- if a town is interested in it, but the -- the great length of time we're holding onto these properties is creating a huge, huge pressure on our resources by providing security and maintenance. And the longer we hold onto these properties, the greater the state of disrepair, the greater the cost to us.

SENATOR MCLACHLAN: Thank you. I would not disagree that the disposition process is lengthy. Although, I would like to ask as you being a former chief elected official, could you envision a time where a municipality may initially think no but change their mind when they find out what the proposed surplus use would be if they passed?

COMMISSIONER DONALD DEFRONZO: Absolutely. And I think what we're trying to -- we're trying to build into this is a process where, for example, there's a public hearing requirement in this bill that isn't existent today. And so the secretary of OPM, as part of the process, would be conducting a hearing at which we would be able to take testimony from the locality and the citizens or regional economic development agencies, any interested parties, and get a sense of what may or may not be acceptable to a municipality, and then, sort of, shape the decision on the future use based on that and better informed decision on what that property may be used for.

At the end of this process, no matter what happens, the property is still -- once it's turned over to another -- another entity for future use, it's still subject to the local zoning controls and authority of the municipality in which it is located. However, our concern is -- and you're right, as a former elected official, chief elected official of municipality, I share that concern -- is you want to have a use that's compatible with the needs of the municipality in which it's located. So we're trying to sort of frontload this so we can get that input early and then give the municipality the opportunity to pull a trigger on a -- on an acquisition and shorten the process.

It's going to be a bit of a challenge, but, you know, if these things go on two or three years, obviously, the municipality -- the likelihood that the municipality will exercise a change in judgment, change of administration become -- become greater.

SENATOR MCLACHLAN: Thank you, Commissioner.

I wondered who would, you think, that a good compromise might be limiting the municipality only

to rights of first refusal, one at the beginning and one at the end of the process.

COMMISSIONER DONALD DEFRONZO: Well, I guess it's where we -- the end of the process becomes problematic. It's kind of problematic now because we're asked to deal in good faith with the prospective buyer and we may go through that whole process and a very modest change in terms and conditions is made, we have to go back and offer that again to the -- to the municipality. And while we want to be good partners with municipalities, we also want to try and honor our good-faith dealings with -- with members of the public who are offering to purchase the property. And it's very, very frustrating for them, if you could imagine, to go through a year-long, two year-long process, ink a deal and then at the last moment have it pulled out from under them because the municipality then changes their -- their view of the project or their view of the financial needs or benefits of the project so it's a -- it's a fine line.

I mean, I -- I would like to be thoughtful and considerate of their needs of a municipality, but at the same time it becomes a very frustrating process for the people we're trying to cultivate as potential buyers of the property. So I think where we -- where we placed that second option would be important, maybe before -- maybe after a public hearing, before we put it out to bid, or somewhere prior to us going through a long negotiating process with a prospective buyer when all parties then become frustrated by -- by the prolonged negotiations and time that's involved.

SENATOR MCLACHLAN: I'm certainly sensitive to the frustration that a potential surplus buyer would experience. Although the traditional real estate transaction of right of first refusal is normally that individual that holds the right doesn't make

their decision until after a bona fide offer is in place, and so you're actually asking for the right of first refusal to occur before that occurs, and so I just ask you to rethink that a little bit and, perhaps, entertain the thought of -- of adding a second offer at the end of the process that would probably fix the problem and still keep it -- as a very rapid process where they don't have time to think about it. If they're going to pass on it the first time, they know they have a second pass but they're only given a very short period -- window of opportunity to -- to act and then you move on to private --

COMMISSIONER DONALD DEFRONZO: We can work with the committee on that. Our primary goal is to streamline the -- the process from a time prospective and if we can do that and be respectful of both, the municipality and perspective buyer, we'd be glad to try and work on that with you.

SENATOR MCLACHLAN: Thank you, Commissioner.

Thank you, Mr. Chairman.

REP. JUTILA: Other questions?

Representative Lesser.

REP. LESSER: Thank you, Mr. Chairman.

And thank you, Commissioner, for your testimony and for your work of all these bills, most of which seem commonsensical to me or I -- I just have a quick question on Senate -- on Bill 430, which is I know an issue we've seen before, this was about the state mileage requirements. And, you know, I recall the testimony from last year about the difficulty and what -- your remarks earlier about the difficulty of finding trucks and whatnot that meet these requirements. Is this the exact same

We're not proposing, at this time, that we integrate all of the underlying systems that would be a tremendously large endeavor, but making them much easier for our citizens and businesses to both find and transact in their locations and allowing data to move more freely across those different areas is what we're trying to accomplish with this change.

REP. MOLGANO: Thank you.

And just one other question on your ADA Council, if I read this correctly, these are only for positions within the state of Connecticut, it would not that be assisting anyone with disabilities in pursuing any employment outside the state; is that correct?

COMMISSIONER DONALD DEFRONZO: This committee would be -
- as it impacts and advises the state ADA coordinator so that jurisdiction is limited to state employees, individuals applying for state jobs, accommodations within the workplace, building access, all those related issues.

REP. MOLGANO: But the --

COMMISSIONER DONALD DEFRONZO: But for state -- state employee public service primarily.

REP. MOLGANO: Thank you, Mr. Chairman.

REP. JUTILA: Any other questions from members of the committee? Any other questions?

Yes, Senator Musto.

SENATOR MUSTO: Good afternoon, Commissioner.

Real quick, following up on what Senator McLachlan was talking about. It seems like, you know, we

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don't want to take the property away from municipalities, the opportunity to use that property for public purposes. I am concerned, though, that private industry may shy away from even entering into negotiations of those properties if they have to go through a building permit process or wetlands, some kind of local issue that the municipality may involve them in or even some environmental testing, Phase Is, IIs, borings, whatever they have to do in order to determine whether they are going to use the property, tying up capital in anticipation of purchasing the property, that sort of thing.

Can you tell with -- with these properties that we're talking about, are any those concerns valid? Are we -- are we talking about things that people will have to go to local zoning, building, engineering, wetlands, you know, permitting process and spend time and money doing that, getting surveys, et cetera, and then the -- the corollary environmental issues that are largely your federal -- if you have a transfer site problem, for example, you know, if it used to be a gas station or a pump station for the state, you might have transfer act issues, you might have other things.

Have we had any problems with that in the past where people are saying look, you know, if we have this right of first refusal, we're not even -- we're not even going to go through that process, forget it, hang onto it yourself.

COMMISSIONER DONALD DEFRONZO: Well, we have different types of properties. You know, you have massive property, acres of property -- like an old Norwich Hospital or Seaside or one of those which is a large property, a lot of demolition and a lot of environmental issues, those -- because of the associated cleanup costs have been difficult properties to move. And last year, you, the

Legislature, passed and the Governor signed a bill which sort of took some of those -- those properties that might be more attractive to the -- for developmental purposes -- for development purposes off the table and gave them over to DECD to market and incentivize development by providing ground field remediation and other grants. So a lot of those larger properties are now in the jurisdiction of DECD. We don't -- we still don't know at this point how -- how good that experiment is working out, but they have marketed a number of those properties, and I know they've got some interest that -- largely because as of the financial incentives they are attaching to those properties.

Many of the properties we deal with are much smaller properties, and they may be old group homes, former group homes, they may be former state offices but relatively small buildings, small sites. And most of the time, we'll try to dispose of these in as-is condition. And a prospective buyer will -- will set their price based on -- based on those conditions.

A little different, if we convey these properties to municipality, we tend to take responsibility for most of the cleanup in a -- in a transfer -- a small transfer to a municipality, or we strike a accommodation with the municipality in what we will do and what they will do. So a little different -- different sequence, depending on who we're dealing with and the size of the property, but -- but -- almost in all cases, if -- if the property is transferred to a private party, the -- the local zoning, local wetlands, local building code will then apply as -- as that developer goes forward.

SENATOR MUSTO: Okay. Thank you.

May I, I mean I share some Senator McLachlan's concerns about taking the property precipitously from the municipality, not giving them the opportunity really to use it. It seems like if it's public property once we sell it, it's gone unless you want to take it by eminent domain or something that opens a whole other problem. Obviously, you don't want to be doing that to the extent that we can avoid it.

So making sure that either the State -- I know that the provisions in here I think are very good regarding the State's use of it, how it has to go through several kind of hoops to make sure that the State isn't going to use it, can't use it at least currently for the foreseeable future.

Municipality provisions seem to be a little bit short -- short timeframe, you know, and I'd like to see those lengthened a little bit. We did have the issue in Bridgeport last year where your agency, you know, we had some property we transferred to the City. There was some contamination -- a lot of old construction materials. You guys took care of it right away. It was fantastic. And I got a lot of credit for that from the administration so thank you for that as well. But -- but that was --

COMMISSIONER DONALD DEFRONZO: We'd do it for anybody.

SENATOR MUSTO: You didn't have to say that. I mean but no, that was -- that was great so --

COMMISSIONER DONALD DEFRONZO: I think that fell into the category of a property that was going to the City --

SENATOR MUSTO: Yes.

COMMISSIONER DONALD DEFRONZO: -- that we had had and we -- we had some obligations there so I --

SENATOR MUSTO: But if it was going to a private individual, you wouldn't have taken on that -- that cleanup burden?

COMMISSIONER DONALD DEFRONZO: They likely would have given us a purchase price based on the as-is condition and that responsibility would've been -- been theirs. We had done -- if you recall, we had done a Phase I on that property before we put it out for bid and then the City decided they wanted it.

SENATOR MUSTO: Well, that's -- that's also the other -- what I was, sort of, leading up to was the differences in what a right of first refusal might -- might include. If I was going to buy that property for, say, a million dollars as a private developer, it might include the risk of contamination, it might include the risk of getting different building permits, cleaning up that big rubble pile, certainly would be involved in that, and I get a bid for that; whereas, then, if municipality turns around and says, well, we'll take it for a million dollars, that's not really an apples-to-apples comparison because they're different obligations.

So I think, again, I think I'm sort of -- I got some issues with Senator McLachlan. I think we need to talk about it more because it brings us some issues, some good issues.

COMMISSIONER DONALD DEFRONZO: I think we can work on the -- I think we can work on the -- the municipal options a little bit with you and see if we can -- we find something, you know, give them longer -- a longer decision-making process or a specific point in the process where it can exercise a second option, but the -- there's no question this is an extremely long and cumbersome process that needs to

be -- needs to be shortened. So I think if we sit down together we could probably come to a reasonable solution.

SENATOR MUSTO: All right. Great, thank you.

Anyone else?

REP. JUTILA: Thank you again, Commissioner, for your -- your testimony and your patience.

Just a couple of final questions, if I could. On 5598 on the truncated leasing proposal that you're making in Section 5, do you have any real life examples from the emergencies we've had over the past couple of years in the state where bypassing OPM and the State Properties Review Board would have -- would have been beneficial?

COMMISSIONER DONALD DEFRONZO: There have not any -- there have not been any specific examples where we would have, you know, we could have use this authority. It was just I -- we were -- all state agencies were asked to look at all their provisions and contingencies following the two-storm -- or part of the Two-Storm Panel Review. And this is one that sort of struck us. We did -- we did have to close a couple of lease facilities for a few days, not necessitating the total relocation. But had there been, I don't know, a roof collapse at a building that was leased, our current statutes requires to go through a very prolonged process of -- to secure a new lease and those services would have been -- we don't know what would have happened -- we -- so the idea of having authority to move to a leased facility without going through the entire competitive bid process under a very specific set of emergency conditions is what prompted this -- this proposal.

We have not actually had an actual example of out there.

REP. JUTILA: Well, that's actually a good thing that we're getting out in front of a potential problem instead of waiting for it to happen and reacting to it.

One final thing, just a general question, were -- you know, I see in some of these proposals an effort to enhance efficiency and improve the way we do things and, hopefully, save some money in the process. Is DAS undergoing a general process of efficiency in enhancing initiatives, such as LEAN, as some of the other agencies are finally starting to adopt in something that's been very successful in the private sector for many years now?

COMMISSIONER DE FRANZO: (Inaudible) some internal benchmarking in areas, like fleet management, which I think has been proven very, very successful. We have -- our major LEAN effort has been in the area of state leasing, which was a process that was taking 30 to 36 months to go from request for a lease to consummation of a lease. We're now down to about 15 to 18 months as a direct result of a LEAN process. We could do better, we could do better, but we're making progress, so yes, we are.

I think every -- every aspect of the organization we're looking at technology improvements. CIO Raymond has been very instrumental in helping us move -- move the agency in a number of areas towards full online bidding, for example, which we did not have or we just didn't -- implement it at in the fall of 2012; reverse auctions, which is another online technique.

We're now going to -- later this month, we'll be implementing an EBay-style surplus property auction for other state property, like, you know, old

desks, file cabinets, computers and that type of thing, instead of hauling everything around and bringing it to a central warehouse. We'll be doing that as a -- as a new initiative. So we're -- we are attempting to do a lot of things to try and streamline.

The Governor has given us very clear directives in that area, and I think all agencies are attempting to be responsive to that.

REP. JUTILA: Okay. Thank you again. I think there's plenty of runway out there that -- for us to -- to keep going with those improvements and thank you again for your testimony and for your responses to all of our questions.

COMMISSIONER DONALD DEFRONZO: Thank you.

REP. JUTILA: The next speaker Cheri Quickmire from Common Cause.

CHERI QUICKMIRE: Good afternoon, Chairman Musto, Chairman Jutila and members of the GAE Committee. My name is Cheri Quickmire, and I am the executive director of Common Cause in Connecticut. Common Cause in Connecticut is a nonpartisan, nonprofit citizen lobby that works to improve the way Connecticut's government operates. Common Cause has more than 400,000 members around the country and 36 state chapters. We have approximately 7500 members and activists here in Connecticut.

I'm here to testify in favor of House Joint Resolution 16, APPROVING AN AMENDMENT TO THE STATE CONSTITUTION TO GRANT INCREASED AUTHORITY TO THE GENERAL ASSEMBLY REGARDING ELECTION ADMINISTRATION; and in favor of House Bill 5600, AN ACT CONCERNING THE REGISTRARS OF VOTERS.



STATE OF CONNECTICUT

OFFICE OF STATE ETHICS

**OFFICE OF STATE ETHICS' STATEMENT IN SUPPORT OF
SECTION 7 OF RAISED BILL No. 5598
AN ACT CONCERNING THE DEPARTMENT OF ADMINISTRATIVE SERVICES
AND THE DISPOSITION OF SURPLUS STATE PROPERTY, SHORT TERM
EMERGENCY LEASES, THE DEFINITION OF EXECUTIVE SESSION AND
DUPLICATIVE STATEMENTS OF FINANCIAL INTEREST.**

The Office of State Ethics ("OSE") supports section 7 of Raised Bill No. 5598 and respectfully requests that the following comments be considered. The proposed language in section 7 amends section 4b-4 of the general statutes by requiring members of the State Properties Review Board and certain employees of the Department of Administrative Services to file Statements of Financial Interests with the OSE, pursuant to the provisions of section 1-83 of the general statutes. This proposal would reduce the number of duplicative financial filings submitted by public officials and state employees, and create efficiencies by directing financial statements to a centralized repository established and managed by the OSE under section 1-83 of the general statutes.

For further information please contact: Carol Carson, Executive Director, Office of State Ethics, at 860-263-2400; 860-263-2402 (fax).

STATEMENT OF THE FREEDOM OF INFORMATION COMMISSION ON:

HB 5598, AN ACT CONCERNING THE DEPARTMENT OF ADMINISTRATIVE SERVICES AND THE DISPOSITION OF SURPLUS STATE PROPERTY, SHORT TERM EMERGENCY LEASES, THE DEFINITION OF EXECUTIVE SESSION AND DUPLICATIVE STATEMENTS OF FINANCIAL INTEREST.

January 28, 2013

The Freedom of Information (FOI) Commission supports the purpose of section 6 of House Bill 5598, but suggests that the proposed language be amended in order to achieve such purpose.

Section 6 of HB 5598 proposes to amend §1-200(6)(D) of the FOI Act to allow the state (as well as political subdivisions of the state) to meet in executive session to discuss real estate transactions, including the discussion of the selection of a site or the lease, sale or purchase of real estate that would adversely impact the price for the public agency. As written, the proposal would only address situations when publicity regarding the selection of a site, lease, sale, purchase or construction would adversely impact the price paid by the public agency, but would not address situations where the price received by the public agency would be adversely impacted.

The FOI Commission and the Department of Administrative Services have conferred and suggest the following alternative language:

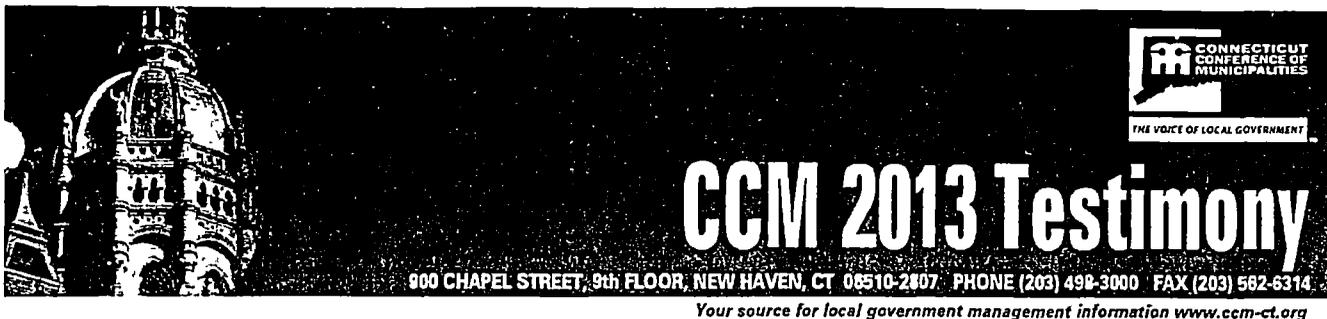
“Executive sessions” means a meeting of a public agency at which the public is excluded for one or more of the following purposes: (A) Discussion concerning the appointment, employment, performance, evaluation, health or dismissal of a public officer or employee, provided that such individual may require that discussion be held at an open meeting; (B) strategy and negotiations with respect to pending claims or pending litigation to which the public agency or a member thereof, because of the member’s conduct as a member of such agency, is a party until such litigation or claim has been finally adjudicated or otherwise settled; (C) matters concerning security strategy or the deployment of security personnel, or devices affecting public security; (D) discussion of the selection of a site or the lease, sale or purchase of real estate by the state or a political subdivision of the state when publicity regarding such site, lease, sale, purchase or construction would [cause a likelihood of increased] adversely impact the price of such site, lease, sale, purchase or construction until such time as all of the property has been acquired or all proceedings or transactions concerning same have been terminated or abandoned; and (E) discussion of any matter which would result in the

disclosure of public records or the information contained therein described in subsection (b) of section 1-210.

The FOI Commission has no objection to the proposed change, as it would clarify the existing executive session provisions set forth in §1-206(D), G.S., and would be in keeping with the intent behind that provision when it first passed.

Last, although the Commission supports the instant proposal as a clarification of the existing executive session provisions in §1-206 of the FOI Act, the Commission cautions against further expanding a public agency's ability to enter into executive session for purposes other than those already set forth in the FOI Act, so as to avoid infringing upon the public's right to know what its government is doing and to maintain transparency of government operations.

For further information contact: Colleen M. Murphy, Executive Director and General Counsel at (860) 566-5682.



**GOVERNMENT ADMINISTRATION &
ELECTIONS COMMITTEE**

January 28, 2013

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 90% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

Raised Bill 5598 *"An Act Concerning the Department of Administrative Services and the Disposition of Surplus State Property, Short Term Emergency Leases, the Definition of Executive Session and Duplicative Statements of Financial Interest"*.

Among other things, this bill would provide a streamlined approach for the disposition of state surplus properties. CCM has the following comments on the current draft:

Section 1(d) – Should provide that an informational public meeting in the municipality where the property is located *shall, not may*, occur to inform the public about the process. This will ensure that all affected parties have an opportunity to be well informed.

Section 1(f) – The language in line 132 *"or is deemed to have declined the transfer of property"* is vague and can leave much to interpretation, thus setting the stage for potential disputes. CCM encourages the committee to delete this language.

★ ★ ★ ★ ★

If you have any questions, please contact Kachina Walsh-Weaver, State Relations Manager of CCM via email kwalsh-weaver@ccm-ct.org or via phone (203) 710-9525.



165 Capitol Avenue
Hartford, CT 06106-1658

Testimony in Support of House Bill 5598

AAC The Department of Administrative Services and the Disposition of Surplus State Property, Short Term Emergency Leases, The Definition of Executive Session and Duplicative Statements of Financial Interest

Government Administration & Elections Committee

January 28, 2013

The Department of Administrative Services offers the following testimony in support of House Bill 5598.

Section 1 of HB 5598 was developed in conjunction with the Assets Management Division of the Office of Policy and Management ("OPM") and the State Properties Review Board ("SPRB") in an effort to make process improvements relating to the State's real property transactions, including the process by which surplus property is reused or sold.

Under the current process, the sale of surplus property takes *at least* 400 to 600 days from the date an agency notifies OPM that it has no further use of a property to the date of sale. In the meantime, the State continues to be responsible for maintaining the property and, on several occasions, has needed to repair damage caused because the property is vacant. This proposal aims to improve the process by which the State's surplus real property is disposed by (1) requiring state agencies to analyze whether available property is useful for their core functions; (2) better informing the public about the surplus property process and soliciting their input as part of the decision-making process; (3) allowing the State to make reuse/disposition decisions based upon complete, accurate and current information; and (4) streamlining the approval process by eliminating redundant steps and shortening timeframes, thereby reducing both the costs of maintaining the properties and the risk of damage to vacant properties.

One noteworthy change relates to how to give municipalities and members of the public the opportunity to have their interests heard during the surplus process. Currently, the only way that these interests are expressed is through a cumbersome process of offering the property to the affected municipality multiple times: when property is first declared surplus; then once again after the State has negotiated and come to terms with another buyer; and, possibly, again, if the negotiated agreement

contains any terms that vary from the offer made to the municipality. Not only does this process require the municipality to consider a property it has rejected again and again, but it also undermines the State's ability to negotiate with outside buyers, and adds significantly to the length of time the State must pay to maintain the property.

Under this proposal, the State will offer the property to the municipality one time. If the municipality declines the property, the State can take steps to market the property, after notifying not just the municipality and its legislative delegation, but also the affected regional planning organization and the Connecticut Economic Resource Center. Additionally, this proposal allows the Secretary of OPM the opportunity to hear the concerns of the public directly by holding informational public meetings before declaring the property surplus, if the Secretary believes such meetings would be beneficial.

Sections 2-4 of this bill are conforming sections.

Section 5 of this proposal relates to a different kind of real estate transaction – leases. This section would allow the Commissioner of Administrative Services to enter into leases of 12 months or less without going through the OPM/SPRB review process when necessary after the Governor declares a building-specific emergency that requires the immediate re-location of the building occupants. This proposal does not alter the requirement that all leases be approved by the Office of the Attorney General.

Pursuant to C.G.S. §§ 4b-23(k) and (l), OPM, and in certain circumstances, SPRB, must pre-approve the acquisition of any space or facility that is not included in the existing State Facility Plan. C.G.S. §4b-3(f) also requires SPRB approval of real estate acquisition sales or leases. Currently, the lease process takes 12-18 months

By their very nature, space or facilities needs resulting from an emergency that renders a building unusable cannot be planned, and therefore would not be included in the State Facility Plan. If a building becomes unusable due to such an emergency and the Governor declares the state has an immediate need for space via a lease, utilizing the existing processes would result in delay and may jeopardize state services and operations. The proposed language would give the Commissioner of Administrative Services the ability to expedite the acquisition of new leased space if necessary to ensure that the state employees, clients, patients, inmates, etc. of the unusable state building have an alternate location with a minimum of delay and disruption to the operations of the state.

Section 6 of this proposal clarifies that the State, not just political subdivisions of the State, can meet in executive session to discuss real estate transactions when publicity regarding such site, lease, sale, purchase or construction would negatively affect the deal until such time as all of the property has been acquired or all proceedings or

transactions concerning same have been terminated or abandoned. It also clarifies that likely harm to the public agency's financial interests, not simply increased price should be the determining factor.

"Public agency" is broadly defined to encompass "any executive, administrative or legislative office of the state or any political subdivision of the state...." Under the current language of subsection (6), however, only political subdivisions may go into executive session to discuss confidential real estate matters. The justification for this provision, however, applies equally to the State as to towns: concern that the public discussion of such real estate matters will impair the entity's negotiating position. As stewards of the public fisc, it is equally important for State agencies to be able to engage in candid discussions and thorough analyses of potential real estate transactions without the fear that the information shared in such meetings will be used by parties on the other side of the negotiating table to the detriment of the State's interests.

Lines 321-322 change the phrase "would cause a likelihood of increased price" to "would adversely impact the price paid by the public agency." DAS supports changing the metric from "an increased price" to "adversely impact the price" because the purchase of property is not the only real estate transaction engaged in by public agencies. The existing language states that executive session is appropriate for the "discussion of the selection of a site or the lease, sale or purchase of real estate." If the public agency is meeting to discuss the sale of real estate, the "increased price" metric is inappropriate. It is more accurate and straightforward for the statute to require an "adverse impact" on the price for the public agency, rather than codifying just one example of potential harm.

DAS is concerned, however, that line 322's reference to "the price paid by the public agency" could be interpreted as again limiting the application of this provision to purchases. DAS respectfully offers that following alternative language in lines 321-322: "would adversely impact the price of such site, lease, sale, purchase or construction."

Finally, **Section 7** of this bill eliminates the requirement that non-clerical employees in the DAS Leasing & Property Transfer Unit and members of the State Properties Review Board file duplicate statements of financial interest (SFIs) with DAS or the State Properties Review Board, respectively, as well as the Office of State Ethics.

In 1987, the legislature instituted a number of reforms to the State's policies and practices relating to real estate transactions, including imposing a requirement that non-clerical employees in the Leasing and Property Transfer Unit submit statements of financial interest to the then State Ethics Commission and DAS. Similarly, members of the State Properties Review Board were also required to submit statements of financial interest to the State Ethics Commission and SPRB. Notably, these "statements of financial interest" were not the same as the statements of financial interest required

under C.G.S. §1-83 ("SFIs"). The requirement to file "statements of financial interest pursuant to the provisions of C.G.S. §1-83" was not enacted until 2009.

The original purpose of the 1987 legislation was to prevent conflicts of interest from infecting the State's real estate decisions. That purpose is adequately addressed by maintaining the requirement to file the SFIs with the Office of State Ethics. To the extent that either DAS or the Board has any need to see the information contained within the SFIs, they can do so easily by contacting the Office of State Ethics. With the advent of electronic filing of SFIs and the subsequent ease of accessing such information, the need for DAS and SPRB to maintain duplicate copies of the same form has become obsolete.

DAS thanks the Committee for raising this bill, and we respectfully ask for the Committee's support. Please contact DAS's legislative liaison, Terrence Tulloch-Reid (860)713-5085, if you have any questions or require further information.

**JOINT
STANDING
COMMITTEE
HEARINGS**

**GOVERNMENT
ADMINISTRATION
AND ELECTIONS
PART 5
1351 - 1698**

2013

Dunne, Cynthia

From: Tulloch-Reid, Terrence <Terrence.Reid@ct.gov>
Sent: Friday, March 08, 2013 9:12 AM
To: 'cindy.dunne@cga.ct.gov'; Sen. Musto, Anthony; Rep. Jutila, Ed; Rep. Hwang, Tony; Sen. McLachlan, Michael
Cc: McCarthy, Shannon; Rehm, Angela; Keilty, Andrea; Smith, Chris; Casa, GianCarl; O'Brien, Patrick M.; Sullivan, Michael J; DeFronzo, Donald; Choquette, Erin
Subject: RE: HB 5598 JFS changes--AAC the DAS and the Disposition of Surplus State Property, Short Term Emergency Leases, the Definition of Executive Session and Duplicative Statements of Financial Interest.

Good morning,

We would like to thank the Committee for the favorable actions on DAS proposals at Monday's GAE meeting.

We did want to make the Committee aware that we would like to discuss the Substitute language changes made to Section 1 of HB 5598 – regarding the disposition of state surplus (real) property – including Senator McLachlan's friendly amendment.

First, with regard to Senator McLachlan's amendment (On line 25, after Management, add "and the municipality where the land is located"), we appreciate the intent of this addition – to enable towns and municipalities to get information about surplus state property earlier in the process. However, we would like to discuss the practical application of this language.

As the amendment now stands, an individual agency that anticipates it will no longer need a property would be required to notify the municipality where the land is located at the time it makes that assessment. This language requires notice to the municipalities before the state even determines that the property is surplus (and may be regarding properties that will in fact never be designated as surplus). After an individual agency anticipates it will no longer need a property, other agencies assess their needs and operations to determine if the property can be re-purposed by the state. If it can, the property does not become surplus, but is retained as state owned and controlled. While it a little unusual to notify a town so early in the process – before the state even determines that the property at issue is (or is expected to be) surplus to the state – we can appreciate that the more notice a town has of even potential state surplus property within its borders, the better. However, we do believe that such notification should not be undertaken by individual agencies, but rather should be a centralized process managed by OPM. As a result, we believe the language regarding initial notification to the town should be placed in Line 37-38 of the Substitute Bill.

DAS and OPM would also like to discuss with you other changes in Section 1 of the Substitute bill. Specifically, the mandate that OPM hold a public meeting on each and every surplus property disposition.

We will be reaching out to you shortly to arrange a meeting.

Thanks.

SB430
SB434

-----Original Message-----

From: Tulloch-Reid, Terrence
Sent: Thursday, February 21, 2013 9:46 AM
To: 'cindy.dunne@cga.ct.gov'; 'anthony.musto@cga.ct.gov'; 'ed.jutila@cga.ct.gov'; 'tony.hwang@cga.ct.gov'; 'michael.mclachlan@cga.ct.gov'
Cc: 'shannon.mccarthy@cga.ct.gov'; 'angela.rehm@cga.ct.gov'; Keilty, Andrea; Smith, Chris

Subject: DAS requests for slight modifications

Good morning,

Thank you again for raising and holding public hearings on DAS's three agency bills:

· HB 5598, which includes a number of provisions regarding DAS state property responsibilities; · SB 434, which includes streamlining and other proposals involving a number of DAS programs and offices; and · SB 430, regarding the state fleet.

We are happy to meet with you to discuss any questions or concerns you may have on these bills, prior to your committee's action on these proposals or any time during the session.

After careful review of the language, and in consideration of the questions and comments we received from Committee members, we would respectfully request that the following changes be made to these bills before they are voted out of committee:

HB 5988: AAC the Department of Administrative Services and the Disposition of Surplus State Property, Short Term Emergency Leases, the Definition of Executive Session and Duplicative Statements of Financial Interest.

Section 1 – State Surplus Property. There was discussion during the public hearing about Section 1 of the bill, the section that modifies the process by which the State identifies and disposes of surplus state property. DAS believes that it is very important to take steps to improve the current process -- which takes far too long to complete, costs the state money, and undermines our ability to effectively negotiate favorable prices for these properties. However, we understand Committee members' interest in ensuring that towns and municipalities are able to participate fairly in the process. As a result, we would like to schedule a meeting to discuss this section of the bill with Chairs, Ranking Members and other Committee members with an interest in this topic. We will reach out to staff shortly in an effort to schedule this discussion.

Section 6 – FOI Executive Sessions. DAS respectfully asks the Committee to fix a drafting error in this section, in order to fulfill the intent of this provision. This section clarifies that the state – like municipalities – may go into executive session to discuss the state's real estate transactions, including both sales and purchases, when speaking about these matters in public would adversely impact the state's financial interests. As a result, the existing language in the bill, stating that executive session is appropriate when public discussion would "adversely impact the price paid by the public agency" does not adequately cover situations when the state is selling or leasing out state property. DAS has conferred with the FOIC on this provision, and the agencies mutually agree that lines 318 and 322 of the bill should be modified to read:

"public security; (D) discussion of the selection of a site or the lease, sale or purchase of real estate by the state or a political subdivision of the state when publicity regarding such site, lease, sale, purchase or construction would [cause a likelihood of increased] adversely impact the price of such site, lease, sale, purchase or construction until such time as all of the . . ."

SB 434

SB 430: An Act Concerning the State Fleet and Mileage, Fuel and Emission Standards.

To address the concerns that Representative Lesser raised in the Public Hearing – that subsection (a) of CGS 4a-67d should not be eliminated entirely, but should instead be modified to make the statutory goals more achievable – DAS suggests that Section 1 (a) of SB 430 should be replaced to read as follows:

(a) The fleet average for cars or light duty trucks purchased by the state shall: (1) [On and after October 1, 2001, have a United States Environmental Protection Agency estimated highway gasoline mileage rating of at least thirty-five miles per gallon and on] On and after January 1, [2003] 2016, have a United States Environmental Protection Agency estimated highway gasoline mileage rating of at least forty miles per gallon, (2) comply with the requirements set forth

in 10 CFR 490 concerning the percentage of alternative-fueled vehicles required in the state motor vehicle fleet, and (3) obtain the best achievable mileage per pound of carbon dioxide emitted in its class. The alternative-fueled vehicles purchased by the state to comply with said requirements shall be capable of operating on natural gas or electricity or any other system acceptable to the United States Department of Energy that operates on fuel that is available in the state.

SB 434: AAC the Department of Administrative Services and E-Government, Extensions of Existing Contracts, a State Americans with Disabilities Act Coordinator Advisory Committee and Settlements by the Claims Commissioner.

- No changes necessary
- Please note that DAS does not object to the testimony submitted by the Commission on Human Rights and Opportunities regarding Section 5 of this bill (adding CHRO to the new committee established in this section).

Thank you again for taking DAS concerns into consideration. Please don't hesitate to contact me if you have any questions.