



# Senate

General Assembly

**File No. 375**

January Session, 2025

Substitute Senate Bill No. 1242

*Senate, April 1, 2025*

The Committee on Transportation reported through SEN. COHEN of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## ***AN ACT FUNDING SMALL HARBOR IMPROVEMENT PROJECTS.***

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

1 Section 1. Section 102 of public act 21-111, as amended by section 82  
2 of public act 23-205, is amended to read as follows (*Effective July 1, 2025*):

3 (a) [The] For the purposes described in subsection (b) of this section,  
4 the State Bond Commission shall have the power from time to time to  
5 authorize the issuance of bonds of the state [, in accordance with the  
6 provisions of section 3-20 of the general statutes,] in one or more series  
7 and in principal amounts not exceeding in the aggregate twenty million  
8 dollars for the Connecticut Port Authority established pursuant to  
9 section 15-31a of the general statutes. [The amount authorized for the  
10 issuance and sale of such bonds in each of the following fiscal years shall  
11 not exceed the following corresponding amount for each such fiscal  
12 year, provided, to the extent the authority does not provide for the use  
13 of all or a portion of such amount in any such fiscal year, such amount  
14 not provided for shall be carried forward and added to the authorized  
15 amount for the next succeeding fiscal year, and, provided further, the

16 costs of issuance and capitalized interest, if any, may be added to the  
 17 capped amount in each fiscal year, and each of the authorized amounts  
 18 shall be effective on July first of the fiscal year indicated as follows:

T1	Fiscal Year Ending	Amount
T2	June Thirtieth	
T3	2022	\$5,000,000
T4	2023	5,000,000
T5	2024	2,500,000
T6		
T7	2025	2,500,000
T8		
T9	2026	5,000,000
T10	Total	\$20,000,000]

19 (b) [The State Bond Commission shall approve a memorandum of  
 20 understanding between the Connecticut Port Authority and the state,  
 21 acting by and through the Secretary of the Office of Policy and  
 22 Management and the Treasurer, providing for the issuance of said  
 23 bonds for the purposes of projects undertaken by the Connecticut Port  
 24 Authority regarding ports not located in the towns of New Haven, New  
 25 London or Bridgeport, including provisions regarding the extent to  
 26 which federal, private or other moneys then available or thereafter to be  
 27 made available for costs should be added to the proceeds of the bonds  
 28 authorized pursuant to this section for such projects. The memorandum  
 29 of understanding shall be deemed to satisfy the provisions of section 3-  
 30 20 of the general statutes and the exercise of any right or power granted  
 31 thereby that is not inconsistent with the provisions of this section.] The  
 32 proceeds of the sale of such bonds, to the extent of the amount stated in  
 33 subsection (a) of this section, shall be deposited into the small harbor  
 34 improvement projects account, established pursuant to section 13b-55d,  
 35 as amended by this act.

36 (c) All provisions of section 3-20 of the general statutes, or the exercise

37 of any right or power granted thereby, that are not inconsistent with the  
38 provisions of this section are hereby adopted and shall apply to all  
39 bonds authorized by the State Bond Commission pursuant to this  
40 section. Temporary notes in anticipation of the money to be derived  
41 from the sale of any such bonds so authorized may be issued in  
42 accordance with said section, and from time to time renewed. All bonds  
43 issued pursuant to this section shall be general obligations of the state  
44 and the full faith and credit of the state of Connecticut are pledged for  
45 the payment of the principal of and interest on said bonds as the same  
46 become due, and accordingly and as part of the contract of the state with  
47 the holders of said bonds, appropriation of all amounts necessary for  
48 punctual payment of such principal and interest is hereby made, and  
49 the Treasurer shall pay such principal and interest as the same become  
50 due.

51 [(d) Subject to the amount of limitations of the capping provisions in  
52 subsection (a) of this section, the principal amount of the bonds  
53 authorized under this section shall be deemed to be an appropriation  
54 and allocation of such amount, and such approval of such request shall  
55 be deemed the allotment by the Governor of such capital outlays within  
56 the meaning of section 4-85 of the general statutes.]

57 Sec. 2. Section 13b-55d of the general statutes is repealed and the  
58 following is substituted in lieu thereof (*Effective July 1, 2025*):

59 (a) As used in this section, "small harbor" means any harbor in the  
60 state not under the authority of the Connecticut Port Authority.

61 (b) The Connecticut Port Authority, established under section 15-31a,  
62 shall establish a competitive grant program to be known as the small  
63 harbor improvements projects grant program. Such program shall  
64 provide funding to municipalities and private entities for small harbor  
65 improvement projects for purposes of improving the economy and  
66 infrastructure of the state. Such projects may include federal and  
67 nonfederal dredging projects in small harbors and private maritime  
68 infrastructure projects in small harbors, provided all applicable permits  
69 and authorizations are obtained before such private maritime

70 infrastructure projects receive any such grant award. With regard to  
71 federal and nonfederal dredging projects, grants may be awarded to (1)  
72 support, in full or in part, local and state matching requirements for such  
73 projects; (2) cover the incremental costs associated with applicable  
74 environmental regulatory requirements or management practices,  
75 including beneficial use; (3) cover part or all of the costs of such projects  
76 in the absence of adequate federal funds; and (4) provide  
77 reimbursement for such projects that were approved by the authority  
78 for funding or that commenced prior to the disbursement of such funds  
79 due to time considerations that impacted the flow of commerce at such  
80 small harbor.

81 (c) Applications shall be submitted annually to the Connecticut Port  
82 Authority at such times and in such manner as the authority prescribes.  
83 The authority shall develop the eligibility criteria for participation in the  
84 program and determine the amount a private entity shall be required to  
85 provide to match any such grant. The authority shall give preference to  
86 applications submitted by a municipality.

87 [(a)] (d) The Connecticut Port Authority shall establish an account to  
88 be known as the "small harbor improvement projects account". There  
89 shall be deposited in the account: (1) The proceeds of notes, bonds or  
90 other obligations issued by the state for the purpose of deposit therein  
91 and used in accordance with the permissible uses thereof; (2) funds  
92 appropriated by the General Assembly for the purpose of deposit  
93 therein and used in accordance with the permissible uses thereof; and  
94 (3) any other funds required or permitted by law to be deposited in the  
95 account. The funds in said account shall be expended by the authority  
96 for the [purposes described in subsection (b) of this section. As used in  
97 this section, "small harbor" means any harbor in the state not under the  
98 authority of the Connecticut Port Authority.

99 (b) The small harbor improvement projects account may be used (1)  
100 for federal and nonfederal dredging projects in small harbors to (A)  
101 support, in full or in part, local and state matching requirements for such  
102 projects; (B) cover the incremental costs associated with applicable

103 environmental regulatory requirements or management practices,  
 104 including beneficial use; and (C) cover part or all of the costs of such  
 105 projects in the absence of adequate federal funds; and (2) to fund private  
 106 maritime infrastructure projects in small harbors, provided all  
 107 applicable permits and authorizations are obtained before such private  
 108 maritime infrastructure projects receive any such funding] purpose of  
 109 providing grants pursuant to the program described in subsection (b) of  
 110 this section. If the account is used for the purpose described in  
 111 [subparagraph (C) of] subdivision [(1)] (3) of [this] subsection (b) of this  
 112 section, the authority shall pursue reimbursement to the account from  
 113 the federal government.

114 [(c)] (e) The authority shall adopt procedures in accordance with  
 115 section 1-121 to implement the provisions of this section, including, but  
 116 not limited to, a process for contracting for projects in small harbors  
 117 under this section.

118 Sec. 3. Subsection (m) of section 32 of public act 15-1 of the June  
 119 special session, as amended by section 230 of public act 16-4 of the May  
 120 special session and section 540 of public act 17-2 of the June special  
 121 session, is amended to read as follows (*Effective July 1, 2025*):

122 (m) For the Connecticut Port Authority: Grants-in-aid for  
 123 improvements to ports, harbors and marinas, including dredging and  
 124 navigational improvements, and reimbursement for dredging projects  
 125 at small harbors, as defined in section 13b-55d, as amended by this act,  
 126 not exceeding \$6,750,000, provided not less than \$5,000,000 shall be  
 127 made available to the ports, harbors and marinas in the state other than  
 128 the deep water ports in the cities of Bridgeport, New Haven and New  
 129 London.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2025	PA 21-111, Sec. 102
Sec. 2	July 1, 2025	13b-55d

Section 1	July 1, 2025	PA 21-111, Sec. 102
Sec. 2	July 1, 2025	13b-55d

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Sec. 3	July 1, 2025	PA 15-1 of the June Sp. Sess., Sec. 32(m)
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**Statement of Legislative Commissioners:**

Section 3 was redrafted to reflect the current version of subsection (m) of section 32 of public act 15-1.

**TRA**      *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 26 \$	FY 27 \$
Treasurer, Debt Serv.	GF - See Below	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The bill expands eligible uses of funding under two programs involving small harbors, which are both funded through General Obligation (GO) bonds. Future General Fund debt service costs may be incurred or incurred sooner due to the programs' expansion to the degree that it causes authorized GO bond funds to be expended or to be expended more quickly than they otherwise would have been.

As of March 1, 2025, there are unallocated bond balances of approximately \$17 million for the two programs. The bill does not change overall GO bond authorization levels.

### **The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to any bonds issued.

**OLR Bill Analysis****sSB 1242*****AN ACT FUNDING SMALL HARBOR IMPROVEMENT PROJECTS.*****SUMMARY**

This bill requires the Connecticut Port Authority (CPA) to establish the Small Harbor Improvement Projects Program (SHIPP) to provide grants for improvements at harbors in the state that are not under CPA's authority (i.e. small harbors). It funds the program with an existing \$20 million general obligation (GO) bond authorization and subjects the bonds to the standard State Bond Commission approval process.

In effect, the bill codifies, and provides additional funding for, CPA's existing, substantially similar program of the same name. CPA established SHIPP administratively to distribute bond funds the authority received for ports and harbors not under its control. The bill's program differs by, among other things, (1) making private entities eligible for grants and (2) allowing CPA to award the grants to reimburse certain projects. The projects eligible for grants under the bill are also substantially similar to those that may be funded through CPA's existing small harbor improvement projects account, which was enacted under PA 24-48 but has not been funded to date.

The bill also broadens the allowable uses of an existing \$6.75 million GO bond authorization for CPA grants for port, harbor, and marina improvements (including dredging and navigational improvements). Under the bill, this authorization may also be used to reimburse for dredging projects at small harbors. By law, at least \$5 million of this authorization must be used for ports, harbors, and marinas other than the deep water ports in Bridgeport, New Haven, and New London.

EFFECTIVE DATE: July 1, 2025



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**SMALL HARBOR IMPROVEMENT PROJECTS PROGRAM*****Eligible Grantees and Projects***

Under the bill, CPA must establish and administer SHIPP as a competitive grant program to give funding to municipalities and private entities for small harbor improvement projects to improve the state's economy and infrastructure. CPA must give preference to grant applications submitted by municipalities. (Under the CPA-administered SHIPP, only municipalities were eligible for the grants.)

Under the bill, projects funded through SHIPP may include (1) federal and nonfederal dredging projects and (2) private maritime infrastructure projects that have been issued any applicable permits and authorizations.

For federal and nonfederal dredging projects, the bill allows CPA to award grants to:

1. fully or partially support projects' local and state matching requirements;
2. cover the incremental costs associated with applicable environmental requirements or management practices, including beneficial use;
3. fully or partially cover project costs in the absence of adequate federal funds; and
4. provide reimbursement for projects that CPA approved for funding or that began before the funds were disbursed due to time considerations that impacted the flow of commerce at the small harbor. (The CPA-administered SHIPP does not provide reimbursements.)

Under the bill, CPA must develop eligibility criteria for participating in the program and determine the amount a private entity must provide to match any SHIPP grant. Applications must be submitted to the CPA annually, at times and in the way the authority determines.

**BOND AUTHORIZATION**

The bill funds SHIPP with an existing \$20 million GO bond authorization, which current law requires to be used for projects CPA undertakes for ports not located in New Haven, New London, or Bridgeport. Under the bill, proceeds from this authorization instead must be deposited into CPA's small harbor improvement projects account and used for SHIPP.

Current law requires these bonds to be authorized through a memorandum of understanding (MOU) between the State Bond Commission and CPA that would "auto-allocate" the bonds over a five year period from FY 22 to FY 26. The bill instead subjects this authorization to the standard Bond Commission approval process and makes conforming changes.

**BACKGROUND*****Connecticut Port Authority***

The Connecticut Port Authority is a quasi-public agency charged with marketing and developing the state's ports and maritime economy. Specifically, its purpose is to (1) coordinate port development, focusing on private and public investment; (2) work with state, local, and private entities to maximize the economic potential of the state's ports and harbors; (3) support and enhance the state's maritime economy; and (4) coordinate the state's maritime policy (CGS § 15-31a et seq.).

**COMMITTEE ACTION**

Transportation Committee

Joint Favorable Substitute

Yea 35      Nay 0      (03/12/2025)