
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

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)