



General Assembly

January Session, 2001

**Raised Bill No. 6676**

LCO No. 3551

Referred to Committee on Commerce

Introduced by:  
(CE)

**AN ACT IMPLEMENTING THE LEGISLATIVE COMMISSIONERS'  
RECOMMENDATIONS FOR TECHNICAL REVISIONS TO THE  
COMMERCE STATUTES.**

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

1 Section 1. Section 32-1h of the general statutes is repealed and the  
2 following is substituted in lieu thereof:

3 Not later than November first, annually, the Commissioner of  
4 Economic and Community Development shall submit a report to the  
5 Auditors of Public Accounts and the joint standing committees of the  
6 General Assembly having cognizance of matters relating to the  
7 Department of Economic and Community Development,  
8 appropriations and capital bonding, which shall include the following  
9 information with respect to new and outstanding financial assistance  
10 provided by the commissioner for each financial assistance program  
11 [he] the commissioner administers: (1) A list of the names, addresses  
12 and locations of all recipients of such assistance, (2) for each such  
13 recipient: (A) The business activities, (B) the standard industrial  
14 classification manual codes, (C) the gross revenues during the  
15 recipient's most recent fiscal year, (D) the number of employees at the

16 time of application, (E) whether the recipient is a minority or [women-  
17 owned] woman-owned business, (F) a summary of the terms and  
18 conditions for the assistance, including the type and amount of state  
19 financial assistance, job creation or retention requirements, and  
20 anticipated wage rates, and (G) the amount of investments from  
21 private and other nonstate sources that have been leveraged by the  
22 assistance, (3) the economic benefit criteria used in determining which  
23 applications have been approved or disapproved, and (4) for each  
24 recipient of assistance on or after July 1, 1991, a comparison between  
25 the number of jobs to be created, the number of jobs to be retained and  
26 the average wage rates for each such category of jobs, as projected in  
27 the recipient's application, versus the actual number of jobs created,  
28 the actual number of jobs retained and the average wage rates for each  
29 such category. The report shall also indicate the actual number of full-  
30 time jobs and the actual number of part-time jobs in each such category  
31 and the benefit levels for each such subcategory. The report shall  
32 include a summary of the activities of the department, including all  
33 activities to assist small businesses and minority business enterprises,  
34 as defined in section 4a-60g, recommendations for legislation to  
35 promote the purposes of the department, a list of all federal programs  
36 of financial assistance for defense conversion projects and other  
37 projects consistent with a defense conversion strategy and a list of all  
38 applications for such financial assistance filed by the Secretary of the  
39 Office of Policy and Management in consultation with the  
40 Commissioner of Economic and Community Development, during the  
41 preceding state fiscal year, including the status of each such  
42 application.

43 Sec. 2. Subsection (a) of section 32-16 of the general statutes is  
44 repealed and the following is substituted in lieu thereof:

45 (a) The authority may (1) upon application of the proposed  
46 mortgagee, insure and make advance commitments to insure all or a  
47 portion of mortgage payments required by a mortgage on any (A)  
48 economic development project, exclusive of machinery, equipment,

49 furniture, fixtures and other personal property, or (B) any information  
50 technology project and (2) upon application of a borrower, insure and  
51 make advance commitments to insure, (i) all or a portion of loan  
52 payments required for an information technology project, [or] (ii) a  
53 loan for an economic development project used for manufacturing,  
54 industrial, research, retail, small business, product development,  
55 product warehousing, distribution or other purposes which will create  
56 or retain jobs, maintain or diversify industry, including new or  
57 emerging technologies, or maintain or increase the tax base, or (iii) a  
58 secured or unsecured working capital loan necessary for the start-up  
59 or continuation of such a project, upon such terms and conditions as  
60 the authority may prescribe, provided the aggregate amount of  
61 contracts of insurance or advance commitments issued under this  
62 section, together with contracts of insurance or advance commitments  
63 insured under subsection (b) or (d) of this section, outstanding at any  
64 one time shall not exceed four times the sum of the amounts available  
65 in the Mortgage and Loan Insurance Fund plus the amount of any  
66 unpaid grants authorized to be made by the Department of Economic  
67 and Community Development to the authority for deposit in such  
68 fund which remain available for purposes of the fund pursuant to the  
69 bond authorization in section 32-22, provided the amount of any such  
70 contract of insurance or advance commitment shall be measured by the  
71 portion of unpaid principal which is insured by the authority and shall  
72 exclude for purposes of such limitation the amount of any contract of  
73 insurance or advance commitment to the extent that the liability of the  
74 authority with respect thereto has been reinsured by, or participated in  
75 by, an eligible financial institution with a long-term credit rating equal  
76 to or higher than that of the state. The aggregate amount of principal  
77 obligations of all mortgages and loans so insured shall not constitute  
78 indebtedness of the state of Connecticut for purposes of computing the  
79 debt limit under section 3-21, provided bonds authorized to be issued  
80 pursuant to section 32-22 shall constitute indebtedness of the state of  
81 Connecticut for such purposes, whether or not obligations of the state  
82 of Connecticut are issued and outstanding in anticipation of the sale of

83 such bonds. Any contract of insurance executed by the authority under  
84 this section shall be conclusive evidence of eligibility for such  
85 mortgage or loan insurance, and the validity of any contract of  
86 insurance so executed or of an advance commitment to insure shall be  
87 incontestable in the hands of an approved mortgagee or lender from  
88 the date of the execution of such contract of insurance or advance  
89 commitment, except for (A) fraud or misrepresentation on the part of  
90 such approved mortgagee or lender or (B) noncompliance with the  
91 terms of the contract of insurance or advance commitment and  
92 authority written procedures in force at the time of issuance of the  
93 contract or the advance commitment. To be eligible for insurance  
94 under the provisions of this chapter, a mortgage or agreement for the  
95 extension of credit or making of a loan by the authority or other lender  
96 shall: (i) Be one which is made to and held by the authority or an  
97 eligible financial institution approved by the authority as responsible  
98 and able to service the mortgage or loan properly; (ii) in the case of a  
99 mortgage under subdivision (1) of subsection (a) of this section,  
100 involve principal not to exceed twenty-five million dollars for any one  
101 economic development project exclusive of machinery, equipment,  
102 furniture, fixtures and other personal property, and not to exceed  
103 ninety per cent of the cost of such project, except that the authority  
104 may insure a portion of a mortgage or agreement for the extension of  
105 credit or making of a loan by the authority that otherwise satisfies the  
106 requirements of this section and the requirements prescribed by the  
107 authority by written procedure if such mortgage or agreement  
108 involves principal in excess of twenty-five million dollars, provided  
109 any approved contract of insurance shall not exceed twenty-five  
110 million dollars and in the case of a loan under subdivision (2) of  
111 subsection (a) of this section, involve principal not to exceed ten  
112 million dollars; (iii) have a maturity satisfactory to the authority but in  
113 no case later than twenty-five years from the date of the issuance of the  
114 insurance; (iv) contain amortization provisions satisfactory to the  
115 authority requiring payments by the borrower or mortgagor, not in  
116 excess of [his] the borrower's or mortgagor's reasonable ability to pay

117 as determined by the authority; (v) be in such form and contain such  
118 terms and provisions with respect to property insurance, repairs,  
119 alterations, payment of taxes and assessments, default reserves,  
120 delinquency charges, default remedies, anticipation of maturity,  
121 additional and secondary liens and other matters as the authority may  
122 prescribe.

123 Sec. 3. Subsection (gg) of section 32-23d of the general statutes is  
124 repealed and the following is substituted in lieu thereof:

125 (gg) "Smart building" means a building that houses, for use by its  
126 tenants, an information or communications infrastructure capable of  
127 transmitting digital video, voice [,] and data content over a high-speed  
128 wired, wireless [,] or other communications intranet and provides the  
129 capability of delivering and receiving high-speed digital video, voice  
130 and data transmissions over the Internet.

131 Sec. 4. Section 32-23yy of the general statutes is repealed and the  
132 following is substituted in lieu thereof:

133 (a) As used in this section, the following terms shall have the  
134 following meanings unless the context indicates another meaning and  
135 intent:

136 (1) "Authority" means the Connecticut Development Authority,  
137 created under section 32-11a, and any of its subsidiaries or affiliates;

138 (2) "Executive Director" means the executive director of the  
139 Connecticut Development Authority;

140 (3) "Financial assistance" means any and all forms of grants, loans,  
141 extensions of credit, guarantees, equity investments [, grants] or other  
142 forms of financing or refinancing to persons for the purchase,  
143 acquisition, leasing, construction, expansion, continued operation,  
144 reconstruction, financing, refinancing or placing in operation of an  
145 information technology project, including, but not limited to, fixed  
146 assets, working capital, equity participations and acquisitions,

147 employee buyouts, refinancing, lease guarantees, financial  
148 restructuring and other purposes which the authority determines  
149 further the purposes of this section. For purposes of this section  
150 financial assistance shall not be considered financial assistance under  
151 the provisions of section 32-462;

152 (4) "Information technology project" means an information  
153 technology project, as defined in section 32-23d;

154 (5) "Person" means a person, as defined in subsection (s) of section  
155 32-23d;

156 (6) "Return on investment" means any and all forms of principal or  
157 interest payments, guarantee fees, equity participations, options,  
158 warrants, debentures and any or all other forms of remuneration to the  
159 authority in return for any financial assistance provided or offered.

160 (b) There is created within the authority the High-Technology  
161 Infrastructure Fund. The state, acting through the authority, may  
162 provide financial assistance from such fund that enables the  
163 development of information technology projects. Such financial  
164 assistance may be provided directly or in participation with any other  
165 financial institutions, funds or other persons or other sources of  
166 financing, public or private and the authority may enter into any  
167 agreements or contracts it deems necessary or convenient in  
168 connection therewith. Payments of principal, interest or other forms of  
169 return on investment received by the authority shall be deposited in or  
170 held on behalf of said fund.

171 (c) The authority may provide financial assistance in such amounts,  
172 in such form and under such terms and conditions as the authority  
173 shall prescribe, in written procedures adopted in accordance with  
174 section 1-121. Such procedures shall provide, in the case of financial  
175 assistance in a form other than a grant, for returns on investment as the  
176 authority deems appropriate to reflect the nature of the risk, provided  
177 a single project shall not receive an amount in excess of fifteen million

178 dollars and shall not be for a term longer than thirty years.

179 (d) The authority may take all reasonable steps and exercise all  
180 reasonable remedies necessary or desirable to protect the obligations  
181 or interests of the authority, including, but not limited to, the purchase  
182 or redemption [of] in foreclosure proceedings, bankruptcy proceedings  
183 or in other judicial proceedings, of any property on which it holds a  
184 mortgage or other lien or in which it has an interest, and for such  
185 purposes and any other purposes provided in this section payment  
186 may be made from the High-Technology Infrastructure Fund upon  
187 certification by the executive director that payment is authorized  
188 under the provisions of this section, or other sections of the general  
189 statutes, applicable procedures or other programs of the authority.

190 (e) Applicants for financial assistance shall pay the costs the  
191 authority deems reasonable and necessary incurred in processing  
192 applications made under this section, including application and  
193 commitment fees, closing costs or other costs. In carrying out the  
194 provisions of this section, any administrative expenses incurred by the  
195 authority, to the extent not paid by the borrower or from moneys  
196 appropriated to the authority for such purposes, may be paid from the  
197 High-Technology Infrastructure Fund.

198 Sec. 5. Subsection (t) of section 32-222 of the general statutes is  
199 repealed and the following is substituted in lieu thereof:

200 (t) "Site and infrastructure improvements" [mean] means  
201 improvements to: (1) Sanitary sewer facilities; (2) natural gas pipes,  
202 electric, telephone and telecommunications conduits and other  
203 facilities and waterlines and water supply facilities, except for any such  
204 pipes, wires, conduits, waterlines or any such pipes, wires, conduits,  
205 waterlines or facilities which a public service company, as defined in  
206 section 16-1, water company, as defined in section 25-32a, or municipal  
207 utility is required to install pursuant to any provision of the general  
208 statutes or any special act, regulation or order of the Department of  
209 Public Utility Control or a certificate of public convenience and

210 necessity; (3) storm drainage facilities, including facilities to control  
211 flooding; (4) site grading, landscaping, environmental improvements,  
212 including remediation of contaminated sites, parking facilities,  
213 roadways and related appurtenances; (5) railroad spurs; (6) public port  
214 or docking facilities; and (7) such other related improvements  
215 necessary or appropriate to carry out the project.

***Statement of Purpose:***

To make technical changes recommended by the Legislative Commissioners' Office.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*