



AN ACT CONCERNING STANDARDS FOR STATE ECONOMIC DEVELOPMENT ASSISTANCE.

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

1 Section 1. (NEW) As used in this act:

2 (1) "Awarding authority" means the Commissioner of Economic and
3 Community Development, the board of directors of the Connecticut
4 Development Authority, the board of directors of Connecticut
5 Innovations, Incorporated and the head of any other state agency
6 authorized to award state assistance, as defined in subdivision (2) of
7 this section.

8 (2) "State assistance" means any grant, loan, loan guarantee or
9 issuance of tax benefit not of general applicability for the purpose of
10 economic development that is (A) made to a business entity operated
11 for profit which has more than fifty employees, and (B) in an amount
12 greater than five hundred thousand dollars or that, if added to any
13 other such state assistance made to the same business entity during the
14 preceding five years, would total greater than five hundred thousand
15 dollars.

16 Sec. 2. (NEW) An awarding authority shall not award state
17 assistance, as defined by section 1 of this act, unless the recipient of
18 such assistance enters into an agreement with the awarding authority,
19 for the term of the agreement or for a period of five years following the

20 receipt of such assistance, whichever is greater, to (1) remain in
21 substantial and material compliance with state and federal law; (2)
22 provide compensation to such recipient's employees in this state,
23 including benefits or the actuarial value of benefits, that is at least
24 equal or equivalent to the standard compensation determined in
25 accordance with the provisions of section 4 of this act; (3) offer
26 compensation and benefits to such recipient's part-time employees in
27 this state that are comparable to the compensation and benefits offered
28 to full-time employees performing comparable work, prorated as to
29 the amount of time worked that is less than the standard for full-time
30 employees of the recipient; and (4) maintain or increase full-time
31 employment, based on the highest total number of full-time employees
32 of the recipient in this state on any date during the period commencing
33 one year prior to the date of the agreement and ending on the date of
34 the agreement. For purposes of this section, "full-time employee"
35 means any employee (A) receiving the full amount of any noncash
36 benefits available to employees of the recipient, and (B) who averages,
37 over any one-year period, not less than thirty hours of work per week
38 as an employee of the recipient. The awarding authority may require
39 that each recipient of state assistance provide such information as is
40 necessary to determine compliance with the requirements of this act
41 and shall include a requirement to provide such information in any
42 agreement entered into that is subject to this act.

43 Sec. 3. (NEW) (a) If an awarding authority finds that a recipient of
44 state assistance is not in material and substantial compliance with an
45 agreement entered into pursuant to section 2 of this act, the awarding
46 authority shall provide written notice, by registered mail, to the
47 recipient and shall order the recipient to come into compliance with
48 such agreement not less than one hundred eighty days following
49 receipt of such notice. Failure to comply with reporting requirements
50 set forth in such agreement shall be deemed a failure to comply with
51 this act. If the recipient fails to come into compliance with such
52 agreement within the one-hundred-eighty-day period, the awarding
53 authority may (1) unilaterally rescind the agreement and require that

54 the state be made whole by the repayment by the recipient of (A) the
55 amount of any grant made, (B) the amount of any loan outstanding,
56 including any interest necessary to make the state whole, or (C) the
57 amount of any tax benefit received, or (2) impose a penalty, for the
58 period of failure to comply, at the rate of one per cent per month or
59 any part thereof of the amount of the grant, tax benefit or loan
60 outstanding. The awarding authority may foreclose on any collateral
61 or bond related to such grant, tax benefit or loan for the purpose of
62 payment of such penalty and any costs incurred by the awarding
63 authority in connection with collection of such penalty.

64 (b) Notwithstanding the provisions of subsection (a) of this section,
65 any recipient of state assistance that reduces the number of its full-time
66 employees, as defined in section 2 of this act, within the state by more
67 than twenty-five per cent during the period of the agreement or a
68 period of five years following the receipt of such assistance, whichever
69 is greater, shall be ordered by the awarding authority to repay the
70 amount of the state assistance received plus a penalty of five per cent
71 of such amount.

72 (c) If the recipient of state assistance in the form of a loan is late in
73 making payment of any periodic installment due on such loan, the
74 awarding authority shall not waive any standard late fee.

75 (d) Annually, on or before January first, each awarding authority
76 shall notify the Governor and the General Assembly of each recipient
77 of state assistance that has failed to materially and substantially
78 comply with the provisions of any agreement entered into pursuant to
79 section 2 of this act during the preceding calendar year and the actions
80 taken by the awarding authority with respect to such recipient.

81 Sec. 4. (NEW) (a) The Labor Commissioner shall determine and
82 annually adjust rates of standard compensation for hourly clerical,
83 service and production employees, each as a group, and for salaried
84 clerical, service and nonmanagerial professional employees, each as a
85 group, with respect to each type of business entity that corresponds to

