



Senate

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File No. 238

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Substitute Senate Bill No. 1104

Senate, April 11, 2005

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONSOLIDATING DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT REPORTS.

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

1 Section 1. (NEW) (*Effective October 1, 2005*) Not later than February
2 1, 2006, and annually thereafter, the Commissioner of Economic and
3 Community Development shall submit a report to the joint standing
4 committee of the General Assembly having cognizance of matters
5 relating to economic development and to the select committee on
6 housing, in accordance with the provisions of section 11-4a of the
7 general statutes. Said report shall include, but not be limited to, the
8 following information with regard to the activities of the Department
9 of Economic and Community Development during the preceding state
10 fiscal year:

11 (1) A brief description and assessment of the state's economy during
12 such year, utilizing the most recent and reasonably available data, and
13 including:

- 14 (A) Connecticut employment by industry;
- 15 (B) Connecticut and national average unemployment;
- 16 (C) Connecticut gross state product, by industry;
- 17 (D) Connecticut productivity, by industry, compared to the national
18 average;
- 19 (E) Connecticut manufacturing activity;
- 20 (F) Identification of economic and competitive conditions affecting
21 Connecticut's industry sectors, problems resulting from these
22 conditions and state efforts to address the problems; and
- 23 (G) Any other economic information that the commissioner deems
24 appropriate.

25 (2) A statement of the department's economic and community
26 development objectives, measures of program success and standards
27 for granting financial and nonfinancial assistance under programs
28 administered by the department.

29 (3) An analysis of the economic development portfolio of the
30 department, including:

31 (A) A list of the names, addresses and locations of all recipients of
32 the department's assistance;

33 (B) The following information concerning each recipient of such
34 assistance: (i) Business activities, (ii) standard industrial classification
35 codes or North American industrial classification codes, (iii) number of
36 full-time jobs and part-time jobs at the time of application, (iv) number
37 of actual full-time jobs and actual part-time jobs at application during
38 the preceding state fiscal year, (v) whether the recipient is a minority
39 or woman-owned business, (vi) a summary of the terms and
40 conditions for the assistance, including the type and amount of state
41 financial assistance, job creation or retention requirements and
42 anticipated wage rates, (vii) the amount of investments from private

43 and other nonstate sources that have been leveraged by the assistance,
44 (viii) the extent to which employees of the recipient participate in
45 health benefit plans offered by such recipient, (ix) the extent to which
46 the recipient offers unique economic, social, cultural or aesthetic
47 attributes to the municipality in which the recipient is located or to the
48 state, and (x) the amount of state investment;

49 (C) A portfolio analysis, including (i) an analysis of the wages paid
50 by recipients of financial assistance, (ii) the average portfolio wage,
51 median portfolio wage, highest and lowest portfolio wage, (iii)
52 portfolio wage data by industry, and (iv) portfolio wage data by
53 municipality;

54 (D) An investment analysis, including (i) total portfolio value, (ii)
55 total investment by industry, (iii) portfolio dollar per job average, (iv)
56 portfolio leverage ratio, and (v) percentage of financial assistance
57 which was provided to high performance work organizations in the
58 preceding state fiscal year; and

59 (E) An analysis of the estimated economic effects of the
60 department's economic development investments on the state's
61 economy, including (i) contribution to gross state product for the total
62 economic development portfolio and for any investment activity
63 occurring in the preceding state fiscal year, (ii) direct and indirect
64 employment created by the investments for the total portfolio and for
65 any investment activity occurring in the preceding state fiscal year, (iii)
66 productivity of recipients of financial assistance as a result of the
67 department's investment occurring in the preceding state fiscal year,
68 (iv) directly or indirectly increased property values in the
69 municipalities in which the recipients of assistance are located, and (v)
70 personal income.

71 (4) An analysis of the community development portfolio of the
72 department, including:

73 (A) A list of the names, addresses and locations of all recipients of
74 the department's assistance;

75 (B) The following information concerning each recipient of such
76 assistance: (i) Amount of state investment, (ii) a summary of the terms
77 and conditions for the department's assistance, including the type and
78 amount of state financial assistance, and (iii) the amount of
79 investments from private and other nonstate sources that have been
80 leveraged by such assistance;

81 (C) An investment analysis, including (i) total active portfolio value,
82 (ii) total investments made in the preceding state fiscal year, (iii) total
83 portfolio by municipality, (iv) total investments made in the preceding
84 state fiscal year categorized by municipality, (v) total portfolio
85 leverage ratio, and (vi) leverage ratio of the total investments made in
86 the preceding state fiscal year; and

87 (D) An analysis of the estimated economic effects of the
88 department's economic development investments on the state's
89 economy, including (i) contribution to gross state product for the total
90 portfolio and for any investment activity occurring in the preceding
91 state fiscal year, (ii) direct and indirect employment created by the
92 investments for the total portfolio and for any investment activity
93 occurring in the preceding state fiscal year, (iii) productivity of
94 recipients of financial assistance as a result of the department's
95 investment occurring in the preceding state fiscal year, (iv) directly or
96 indirectly increased property values in the municipalities in which the
97 recipients are located, and (v) personal income.

98 (5) A summary of the department's economic and community
99 development marketing efforts in the preceding state fiscal year, and a
100 summary of the department's business recruitment strategies and
101 activities in such year.

102 (6) A summary of the department's international trade efforts in the
103 preceding state fiscal year, and, to the extent possible, a summary of
104 foreign direct investment that occurred in the state in such year.

105 (7) Identification of existing economic clusters, the formation of new
106 economic clusters and the measures taken by the commissioner during

107 the preceding state fiscal year to encourage the growth of economic
108 clusters.

109 (8) (A) A summary of the department's brownfield related efforts
110 and activities in the preceding state fiscal year, except for activity
111 under the Special Contaminated Property Remediation and Insurance
112 Fund program. Such efforts shall include, but not be limited to (i) total
113 portfolio investment in brownfield remediation projects, (ii) total
114 investment in brownfield remediation projects in the preceding state
115 fiscal year, (iii) total number of brownfield remediation projects, (iv)
116 total number of brownfield remediation projects in the preceding state
117 fiscal year, (v) total of reclaimed and remediated acreage, (vi) total of
118 reclaimed and remediated acreage in the preceding state fiscal year,
119 (vii) leverage ratio for the total portfolio investment in brownfield
120 remediation projects, and (viii) leverage ratio for the total portfolio
121 investment in brownfield remediation projects in the preceding state
122 fiscal year. Such summary shall include a list of such brownfield
123 remediation projects and, for each such project, the name of the
124 developer and the location by street address and municipality; and

125 (B) A summary of the department's efforts with regard to the
126 Special Contaminated Property Remediation and Insurance Fund,
127 including, but not limited to, (i) the number of applications received in
128 the preceding state fiscal year, (ii) the number and amounts of loans
129 made in such year, (iii) the names of the applicants for such loans, (iv)
130 the average time period between submission of application and the
131 decision to grant or deny the loan, (v) a list of the applications
132 approved and the applications denied and the reasons for such
133 denials, and (vi) for each project, the location by street address and
134 municipality.

135 (9) The following concerning enterprise zones designated under
136 section 32-70 of the general statutes:

137 (A) A statement of the current goals for enterprise zones;

138 (B) A statement of the current performance standards to measure

139 the progress of municipalities that have enterprise zones in attaining
140 the goals for such zones;

141 (C) A report from each municipality that has an enterprise zone,
142 which evaluates the progress of the municipality in meeting the
143 performance standards established under subsection (a) of section 32-
144 70a of the general statutes; and

145 (D) An assessment of the performance of each enterprise zone based
146 on information collected under subparagraph (C) of this subdivision.

147 (10) With regard to the department's housing development related
148 functions and activities:

149 (A) A brief description and assessment of the state's housing market
150 during the preceding state fiscal year, utilizing the most recent and
151 reasonably available data, and including, but not be limited to, (i) a
152 brief description of the significant characteristics of such market,
153 including supply, demand and condition and cost of housing, and (ii)
154 any other information that the commissioner deems appropriate;

155 (B) An analysis of the progress of the public and private sector
156 toward meeting housing needs in the state, using building permit data
157 from the United States Census Bureau and demolition data from
158 Connecticut municipalities;

159 (C) A list of municipalities that meet the affordable housing criteria
160 set forth in subsection (k) of section 8-30g of the general statutes, as
161 amended by this act, pursuant to regulations that the Commissioner of
162 Economic and Community Development shall adopt pursuant to the
163 provisions of chapter 54 of the general statutes. For the purpose of
164 determining the percentage required by subsection (k) of said section
165 8-30g, the commissioner shall use as the denominator the number of
166 dwelling units in the municipality, as reported in the most recent
167 United States decennial census;

168 (D) A statement of the department's housing development
169 objectives, measures of program success and standards for granting

170 financial and nonfinancial assistance under programs administered by
171 said commissioner.

172 (11) A presentation of the state funded housing development
173 portfolio of the department, including:

174 (A) A list of the names, addresses and locations of all recipients of
175 such assistance; and

176 (B) For each such recipient, (i) a summary of the terms and
177 conditions for the assistance, including the type and amount of state
178 financial assistance, (ii) the amount of investments from private and
179 other non-state sources that have been leveraged by the assistance, (iii)
180 the number of new units to be created and the number of units to be
181 preserved at the time of the application, and (iv) the number of actual
182 new units created and number of units preserved.

183 (12) An analysis of the state funded housing development portfolio
184 of the department, including:

185 (A) An investment analysis, including the (i) total active portfolio
186 value, (ii) total investment made in the preceding state fiscal year, (iii)
187 portfolio dollar per new unit created, (iv) estimated dollars per new
188 unit created for projects receiving an assistance award in the preceding
189 state fiscal year, (v) portfolio dollars per unit preserved, (vi) estimated
190 dollar per unit preserved for projects receiving an assistance award in
191 the preceding state fiscal year, (vii) portfolio leverage ratio, and (viii)
192 leverage ratio for housing development investments made in the
193 preceding state fiscal year; and

194 (B) A production and preservation analysis, including the (i) total
195 number of units created, itemized by municipality for the total
196 portfolio and projects receiving an assistance award in the preceding
197 state fiscal year, (ii) total number of elderly units created for the total
198 portfolio and for projects receiving an assistance award in the
199 preceding state fiscal year, (iii) total number of family units created for
200 the total portfolio and for projects receiving an assistance award in the

201 preceding state fiscal year, (iv) total number of units preserved,
202 itemized by municipality for the total portfolio and projects receiving
203 an assistance award in the preceding state fiscal year, (v) total number
204 of elderly units preserved for the total portfolio and for projects
205 receiving an assistance award in the preceding state fiscal year, (vi)
206 total number of family units preserved for the total portfolio and for
207 projects receiving an assistance award in the preceding state fiscal
208 year, (vii) an analysis by income group, of households served by the
209 department's housing construction, substantial rehabilitation, purchase
210 and rental assistance programs, for each housing development, if
211 applicable, and for each program, including number of households
212 served under each program by race and data for all households, and
213 (viii) a summary of the department's efforts in promoting fair housing
214 choice and racial and economic integration including data on the racial
215 composition of the occupants and persons on the waiting list of each
216 housing project that is assisted under any housing program
217 established by the general statutes or a special act or that is supervised
218 by the department, provided no information shall be required to be
219 disclosed by any occupant or person on a waiting list for the
220 preparation of such summary. As used in this subparagraph, "elderly
221 units" means dwelling units for which occupancy is restricted by age,
222 and "family units" means dwelling units for which occupancy is not
223 restricted by age.

224 (13) An economic impact analysis of the department's housing
225 development efforts and activities, including, but not limited to:

226 (A) The contribution of such efforts and activities to the gross state
227 product;

228 (B) The direct and indirect employment created by the investments
229 for the total housing development portfolio and for any investment
230 activity for such portfolio occurring in the preceding state fiscal year;
231 and

232 (C) Personal income in the state.

233 (14) With regard to the department's energy conservation loan
234 program:

235 (A) The number of loans or deferred loans made during the
236 preceding fiscal year under each component of such program and the
237 total amount of the loans or deferred loans made during such fiscal
238 year under each such component;

239 (B) A description of each step of the loan or deferred loan
240 application and review process;

241 (C) The location of each loan or deferred loan application intake site
242 for such program;

243 (D) The average period for the processing of loan or deferred loan
244 applications during such fiscal year; and

245 (E) The total administrative expenses of such program for such
246 fiscal year.

247 (15) A summary of the total social and economic impact of the
248 department's efforts and activities in the areas of economic,
249 community and housing development and an assessment of the
250 department's performance in terms of meeting its stated goals and
251 objectives.

252 Sec. 2. Subsection (k) of section 8-30g of the general statutes is
253 repealed and the following is substituted in lieu thereof (*Effective*
254 *October 1, 2005*):

255 (k) Notwithstanding the provisions of subsections (a) to (j),
256 inclusive, of this section, the affordable housing appeals procedure
257 established under this section shall not be available if the real property
258 which is the subject of the application is located in a municipality in
259 which at least ten per cent of all dwelling units in the municipality are
260 (1) assisted housing, or (2) currently financed by Connecticut Housing
261 Finance Authority mortgages, or (3) subject to binding recorded deeds
262 containing covenants or restrictions which require that such dwelling

263 units be sold or rented at, or below, prices which will preserve the
264 units as housing for which persons and families pay thirty per cent or
265 less of income, where such income is less than or equal to eighty per
266 cent of the median income, or (4) mobile manufactured homes located
267 in mobile manufactured home parks or legally-approved accessory
268 apartments, which homes or apartments are subject to binding
269 recorded deeds containing covenants or restrictions which require that
270 such dwelling units be sold or rented at, or below, prices which will
271 preserve the units as housing for which, for a period of not less than
272 ten years, persons and families pay thirty per cent or less of income,
273 where such income is less than or equal to eighty per cent of the
274 median income. [The Commissioner of Economic and Community
275 Development shall, pursuant to regulations adopted under the
276 provisions of chapter 54, promulgate a list of municipalities which
277 satisfy the criteria contained in this subsection and shall update such
278 list not less than annually. For the purpose of determining the
279 percentage required by this subsection, the commissioner shall use as
280 the denominator the number of dwelling units in the municipality, as
281 reported in the most recent United States decennial census.] The
282 municipalities meeting the criteria set forth in this subsection shall be
283 listed in the report submitted under section 1 of this act. As used in
284 this subsection, "accessory apartment" means a separate living unit
285 that (A) is attached to the main living unit of a house, which house has
286 the external appearance of a single-family residence, (B) has a full
287 kitchen, (C) has a square footage that is not more than thirty per cent of
288 the total square footage of the house, (D) has an internal doorway
289 connecting to the main living unit of the house, (E) is not billed
290 separately from such main living unit for utilities, and (F) complies
291 with the building code and health and safety regulations.

292 Sec. 3. Section 8-37s of the general statutes is repealed and the
293 following is substituted in lieu thereof (*Effective October 1, 2005*):

294 The Commissioner of Economic and Community Development shall
295 monitor the progress of the public and private sector toward meeting
296 housing needs and shall collect and annually publish data on housing

297 production in the state. [Such data shall be submitted to the Governor,
298 General Assembly and the Secretary of the Office of Policy and
299 Management on or before March first of each year.] In order to ensure
300 a steady flow of information for the purposes of this section, all
301 municipalities shall submit to the commissioner a copy of the monthly
302 federal Bureau of the Census report on building permits issued and
303 public construction filed at the same time as such report is filed with
304 the federal Bureau of the Census.

305 Sec. 4. Subsection (a) of section 8-37bb of the general statutes is
306 repealed and the following is substituted in lieu thereof (*Effective*
307 *October 1, 2005*):

308 (a) On or before December 31, 1991, and annually thereafter, each
309 housing agency, except the Department of Economic and Community
310 Development, shall submit to the General Assembly a report, for the
311 year ending the preceding September thirtieth, which analyzes by
312 income group, households served by its housing construction,
313 substantial rehabilitation, purchase and rental assistance programs.
314 Each report submitted after December 31, 1991, shall analyze the
315 households served under each program by race. The analysis shall
316 provide information by housing development, if applicable, and by
317 program. Each analysis shall include data for all households (1)
318 entering an agency program during the year ending the preceding
319 September thirtieth, and (2) in occupancy or receiving the benefits of
320 an agency rental program the preceding September thirtieth. The
321 report of the Connecticut Housing Finance Authority shall also
322 identify, by census tract, the number of households served in each
323 program and the total amount of financial assistance provided to such
324 households. The provisions of this section shall not be construed to
325 preclude a housing agency from reporting additional information on
326 programs it administers. Each report submitted under this section shall
327 also analyze the efforts, and the results of such efforts, of each agency
328 in promoting fair housing choice and racial and economic integration.
329 The provisions of this section shall not be construed to require an
330 occupant or applicant to disclose his race on an application or survey

331 form. [The Department of Economic and Community Development
332 shall be deemed to have complied with the requirements of this section
333 upon submission by said department of the long-range state housing
334 plan and annual update in accordance with section 8-37t, provided
335 such plan and annual update contain the information required to be
336 reported by this section.]

337 Sec. 5. Section 16a-40b of the general statutes is repealed and the
338 following is substituted in lieu thereof (*Effective October 1, 2005*):

339 (a) The commissioner, acting on behalf of the state, may, with
340 respect to loans for which funds have been authorized by the State
341 Bond Commission prior to July 1, 1992, in his discretion make low-cost
342 loans or deferred loans to residents of this state for the purchase and
343 installation in residential structures of insulation, alternative energy
344 devices, energy conservation materials and replacement furnaces and
345 boilers, approved in accordance with regulations to be adopted by the
346 Secretary of the Office of Policy and Management. In the purchase and
347 installation of insulation in new residential structures, only that
348 insulation which exceeds the requirements of the State Building Code
349 shall be eligible for such loans or deferred loans. The commissioner
350 may also make low-cost loans or deferred loans to persons in the state
351 residing in dwellings constructed not later than December 31, 1979,
352 and for which the primary source of heating since such date has been
353 electricity, for the purchase of a secondary heating system using a
354 source of heat other than electricity or for the conversion of a primary
355 electric heating system to a system using a source of heat other than
356 electricity.

357 (b) Except as provided under subsection (c) of this section, any such
358 loan or deferred loan shall be available only for a residential structure
359 containing not more than four dwelling units, shall be not less than
360 four hundred dollars and not more than six thousand dollars per
361 structure and, with respect to any application received on or after
362 November 29, 1979, shall be made only to an applicant who submits
363 evidence, satisfactory to the commissioner, that the adjusted gross

364 income of the household member or members who contribute to the
365 support of his household was not in excess of one hundred fifty per
366 cent of the median area income by household size. In the case of a
367 deferred loan, the contract shall require that payments on interest are
368 due immediately but that payments on principal may be made at a
369 later time. Repayment of all loans made under this subsection shall be
370 subject to a rate of interest to be determined in accordance with
371 subsection (t) of section 3-20 and such terms and conditions as the
372 commissioner may establish. The State Bond Commission shall
373 establish a range of rates of interest payable on all loans under this
374 subsection and shall apply the range to applicants in accordance with a
375 formula which reflects their income. Such range shall be not less than
376 zero per cent for any applicant in the lowest income class and not more
377 than one per cent above the rate of interest borne by the general
378 obligation bonds of the state last issued prior to the most recent date
379 such range was established for any applicant for whom the adjusted
380 gross income of the household member or members who contribute to
381 the support of his household was at least one hundred fifteen per cent
382 of the median area income by household size.

383 (c) The commissioner shall establish a program under which he
384 shall make funds deposited in the Energy Conservation Loan Fund
385 available for low-cost loans or deferred loans under subsection (a) of
386 this section for residential structures containing more than four
387 dwelling units, or for contracts guaranteeing payment of loans or
388 deferred loans provided by private institutions for such structures for
389 the purposes specified under subsection (a) of this section. Any such
390 loan or deferred loan shall be an amount equaling not more than one
391 thousand dollars multiplied by the number of dwelling units in such
392 structure, provided no such loan or deferred loan shall exceed thirty
393 thousand dollars. If the applicant seeks a loan or deferred loan for a
394 structure containing more than thirty dwelling units, he shall include
395 in his application a commitment to make comparable energy
396 improvements of benefit to all dwelling units in the structure in
397 addition to the thirty units which are eligible for the loan or deferred
398 loan. Applications for contracts of guarantee shall be limited to

399 structures containing not more than thirty dwelling units and the
400 amount of the guarantee shall be not more than fifteen hundred dollars
401 for each dwelling unit benefiting from the loan or deferred loan. There
402 shall not be an income eligibility limitation for applicants for such
403 loans, deferred loans or guarantees, but the commissioner shall give
404 preference to applications for loans, deferred loans or guarantees for
405 such structures which are occupied by persons of low or moderate
406 income. Repayment of such loans or deferred loans shall be subject to
407 such rates of interest, terms and conditions as the commissioner shall
408 establish. The state shall have a lien on each property for which a loan,
409 deferred loan or guarantee has been made under this section to ensure
410 compliance with such terms and conditions.

411 (d) With respect to such loans made on or after July 1, 1981, all
412 repayments of principal shall be paid to the State Treasurer for deposit
413 in the Housing Repayment and Revolving Loan Fund. The interest
414 applicable to any such loans made shall be paid to the State Treasurer
415 for deposit in the General Fund. After the close of each fiscal year,
416 commencing with the close of the fiscal year ending June 30, 1992, and
417 prior to the date of the calculation required under subsection (f) of this
418 section and subsection (f) of section 32-317, the Commissioner of
419 Economic and Community Development shall cause any balance of
420 loan repayments under this section remaining in said fund to be
421 transferred to the energy conservation revolving loan account created
422 pursuant to section 32-316.

423 (e) The commissioner shall adopt regulations in accordance with
424 chapter 54, (1) concerning qualifications for such loans or deferred
425 loans, requirements and limitations as to adjustments of terms and
426 conditions of repayment and any additional requirements deemed
427 necessary to carry out the provisions of this section and to assure that
428 those tax-exempt bonds and notes used to fund such loans or deferred
429 loans qualify for exemption from federal income taxation, (2)
430 providing for the maximum feasible availability of such loans or
431 deferred loans for dwelling units owned or occupied by persons of low
432 and moderate income, (3) establishing procedures to inform such

433 persons of the availability of such loans or deferred loans and to
434 encourage and assist them to apply for such loans or deferred loans,
435 and (4) providing that (A) the interest payments received from the
436 recipients of loans or deferred loans made on and after July 1, 1982,
437 less the expenses incurred by the commissioner in the implementation
438 of the program of loans, deferred loans and loan guarantees under this
439 section, and (B) the payments received from electric and gas
440 companies under subsection (f) of this section shall be applied to
441 reimburse the General Fund for interest on the outstanding bonds and
442 notes used to fund such loans or deferred loans made on or after July
443 1, 1982.

444 (f) Not later than August first, annually, the commissioner shall
445 calculate the difference between (1) the weighted average of the
446 percentage rates of interest payable on all subsidized loans made (A)
447 after July 1, 1982, from the Energy Conservation Loan Fund, (B) from
448 the Home Heating System Loan Fund established under section 16a-
449 40k, and (C) from the Housing Repayment and Revolving Loan Fund
450 pursuant to this section, and (2) the average of the percentage rates of
451 interest on any bonds and notes issued pursuant to section 3-20, which
452 have been dedicated to the energy conservation loan program and
453 used to fund such loans, and multiply such difference by the
454 outstanding amount of all such loans, or such lesser amount as may be
455 required under Section 103(c) of the Internal Revenue Code of 1986, or
456 any subsequent corresponding internal revenue code of the United
457 States, as from time to time amended. The product of such difference
458 and such applicable amount shall not exceed six per cent of the sum of
459 the outstanding principal amount at the end of each fiscal year of all
460 loans or deferred loans made (A) on or after July 1, 1982, from the
461 Energy Conservation Loan Fund, (B) from the Home Heating System
462 Loan Fund established under section 16a-40k, and (C) from the
463 Housing Repayment and Revolving Loan Fund pursuant to this
464 section, and the balance remaining in the Energy Conservation Loan
465 Fund and the balance of energy conservation loan repayments in the
466 Housing Repayment and Revolving Loan Fund. Not later than
467 September first, annually, the Department of Public Utility Control

468 shall allocate such product among each electric and gas company
469 having at least seventy-five thousand customers, in accordance with a
470 formula taking into account, without limitation, the average number of
471 residential customers of each company. Not later than October first,
472 annually, each such company shall pay its assessed amount to the
473 commissioner. The commissioner shall pay to the State Treasurer for
474 deposit in the General Fund all such payments from electric and gas
475 companies, and shall adopt procedures to assure that such payments
476 are not used for purposes other than those specifically provided in this
477 section. The department shall include each company's payment as an
478 operating expense of the company for the purposes of rate-making
479 under section 16-19.

480 [(g) The Commissioner of Economic and Community Development
481 shall, not later than the seventh of January annually, submit a report to
482 the General Assembly on the programs established under this section.
483 Such report shall: (1) Indicate the number of loans or deferred loans
484 made during the preceding fiscal year under each component of each
485 such program and the total amount of the loans or deferred loans
486 made during such fiscal year under each such component, (2) describe
487 each step of the loan or deferred loan application and review process,
488 (3) indicate the location of each loan or deferred loan application
489 intake site for such programs, (4) indicate the average period for the
490 processing of loan or deferred loan applications during such fiscal year
491 and (5) indicate the total administrative expenses of such programs for
492 such fiscal year.]

493 Sec. 6. Subsection (e) of section 22a-133u of the general statutes is
494 repealed and the following is substituted in lieu thereof (*Effective*
495 *October 1, 2005*):

496 (e) (1) There is established a Special Contaminated Property
497 Remediation and Insurance Fund Advisory Board to review
498 applications for loans from said fund under this section. The board
499 shall consist of one member representing a municipality, appointed by
500 the speaker of the House of Representatives; one member representing

501 a bank, appointed by the majority leader of the Senate; one member
502 who has experience in the field of contaminated property remediation,
503 appointed by the majority leader of the House of Representatives; one
504 member representing a municipality, appointed by the president pro
505 tempore of the Senate; one member representing a bank, appointed by
506 the minority leader of the House of Representatives; one member who
507 has experience in the field of contaminated property remediation,
508 appointed by the Governor; and one member representing a
509 municipality, appointed by the minority leader of the Senate. The
510 board shall annually elect one of its members to serve as chairperson.

511 (2) The Commissioner of Economic and Community Development,
512 in consultation with said board shall establish criteria for (A) making
513 disbursements under subsection (b) of this section which criteria shall
514 include, but not be limited to, anticipated commercial value of the
515 property, potential tax revenue to the relevant municipality,
516 environmental or public health risk posed by the spill, potential
517 community or economic development benefit to the relevant
518 municipality, the status of any loans previously made under said
519 subsection to the municipality and potential for restoration of an
520 abandoned property, and (B) cancelling loans related to a property at
521 which the borrower of the loan elects not to proceed with remediation.
522 Such criteria shall further set forth the procedure for applying for a
523 loan from the fund and the procedure to be used for evaluation of such
524 an application. In approving any loan under said subsection to any
525 person, firm or corporation, the board may consider the loan
526 applicant's credit history and economic solvency, any plan of such
527 applicant for business development, municipal support for the
528 proposed use of the property and any existing indebtedness of such
529 applicant to any entity. Upon application for any such loan, the board
530 shall make a recommendation to the Commissioner of Economic and
531 Community Development regarding such loan. [On or before February
532 1, 2003, and annually thereafter, said board and the Commissioner of
533 Economic and Community Development shall submit a report to the
534 joint standing committee of the General Assembly having cognizance
535 of matters relating to the environment regarding the number of

536 applications received, and the number and amounts of loans made in
537 the preceding year, the names of the applicants, the time period
538 between submission of application and the decision to grant or deny
539 the loan, which applications were approved and which applications
540 were denied and the reasons for denial.] On or before February 1, 2003,
541 the board shall recommend to the joint standing committee of the
542 General Assembly whether the payments to the State Treasurer
543 pursuant to section 12-63f are sufficient for the continued solvency of
544 the Special Contaminated Property Remediation and Insurance Fund
545 and whether such payments should continue.

546 Sec. 7. Section 32-454 of the general statutes is repealed and the
547 following is substituted in lieu thereof (*Effective October 1, 2005*):

548 (a) Each awarding authority shall require each recipient of economic
549 development financial assistance for a threshold project to report
550 annually to the authority on its progress toward achieving the public
551 policy objectives which they have agreed to under subsection (b) of
552 section 32-453. The awarding authority shall provide a copy of such
553 report (1) to the chief elected official of the municipality in which the
554 project will be located, upon the request of such official, and (2) to any
555 employee representatives of the business, upon the request of such
556 representatives.

557 (b) Upon submitting each biannual report required under [section
558 32-1i,] subsection (c) of section 32-11a or section 32-47a, each awarding
559 authority under said provisions shall transmit a report on each
560 threshold project (1) to the chief elected official of each municipality in
561 which the project is located, upon the request of such official, and (2) to
562 any employee representatives of the business, upon the request of such
563 representatives. Each report shall include a notice indicating that (A)
564 the information in the report is also being submitted to the joint
565 standing committees of the General Assembly having cognizance of
566 matters relating to the Department of Economic and Community
567 Development, appropriations and capital bonding, and (B) comments,
568 including comments on employee and community participation in

569 implementing the project, may be submitted to such committees.

570 Sec. 8. Section 32-479 of the general statutes is repealed and the
571 following is substituted in lieu thereof (*Effective October 1, 2005*):

572 Not later than July 1, 1996, the Commissioner of Economic and
573 Community Development, the Labor Commissioner, the Connecticut
574 Development Authority and Connecticut Innovations, Incorporated
575 shall jointly develop goals and objectives and quantifiable outcome
576 measures related to the percentage of financial assistance which is
577 being provided to high performance work organizations. The
578 [Commissioner of Economic and Community Development, the] Labor
579 Commissioner, the Connecticut Development Authority and
580 Connecticut Innovations, Incorporated shall submit an annual report
581 concerning such goals, objectives and measures to the joint standing
582 committee of the General Assembly having cognizance of matters
583 relating to labor and public employees and the joint standing
584 committee having cognizance of matters relating to commerce.

585 Sec. 9. Section 32-501 of the general statutes is repealed and the
586 following is substituted in lieu thereof (*Effective October 1, 2005*):

587 (a) The commissioner shall have jurisdiction over the coordination
588 of trade development activities in the state. The commissioner shall
589 initiate, conduct and coordinate the implementation of Department of
590 Economic and Community Development programs to promote and
591 assist Connecticut businesses with international trade. The
592 commissioner shall be responsible for planning, developing and
593 administering such programs and may adopt regulations in
594 accordance with the provisions of chapter 54 to carry out the purposes
595 of sections 32-500 to 32-512, inclusive.

596 (b) The commissioner may give priority in such programs to
597 promoting and assisting Connecticut businesses with regard to trade
598 with African countries with whom the United States has diplomatic
599 relations. [Not later than January 1, 1998, the commissioner may
600 submit a report to the joint standing committee of the General

601 Assembly having cognizance of matters relating to the Department of
602 Economic and Community Development, concerning his progress in
603 implementing the provisions of this subsection.]

604 Sec. 10. Subsection (a) of section 4-124z of the general statutes is
605 repealed and the following is substituted in lieu thereof (*Effective*
606 *October 1, 2005*):

607 (a) The Office of Workforce Competitiveness, the Labor
608 Commissioner, the Commissioners of Economic and Community
609 Development, Education and Social Services, the Secretary of the
610 Office of Policy and Management and the Chancellor of the regional
611 community-technical colleges, in consultation with the superintendent
612 of the vocational-technical school system and one member of industry
613 representing each of the economic clusters identified by the
614 Commissioner of Economic and Community Development pursuant to
615 section [32-4g] 1 of this act shall (1) review, evaluate and, as necessary,
616 recommend improvements for certification and degree programs
617 offered by the vocational-technical school system and the community-
618 technical college system to ensure that such programs meet the
619 employment needs of business and industry, and (2) develop strategies
620 to strengthen the linkage between skill standards for education and
621 training and the employment needs of business and industry.

622 Sec. 11. Section 10a-12a of the general statutes is repealed and the
623 following is substituted in lieu thereof (*Effective October 1, 2005*):

624 There shall be a Technical Education Coordinating Council. The
625 council shall consist of the following members: The chairpersons and
626 ranking members of the joint standing committees of the General
627 Assembly having cognizance of matters relating to education and
628 commerce, or their designees; the Commissioners of Higher Education
629 and Economic and Community Development and the Labor
630 Commissioner or their designees; the chief executive officers of each
631 constituent unit of the state system of higher education, or their
632 designees; the president of the Connecticut Conference of Independent
633 Colleges; the superintendent of the vocational-technical school system;

634 one member who is a teacher at a regional vocational-technical school
 635 designated by the exclusive representative of the vocational-technical
 636 school teachers' bargaining unit; two members who are parents of
 637 students enrolled in vocational-technical schools designated by the
 638 vocational-technical schools parents' association; one member
 639 representing each of the economic clusters identified pursuant to
 640 section [32-4g] 1 of this act designated by the Commissioner of
 641 Economic and Community Development; one member designated by
 642 the Connecticut Business and Industry Association; one member
 643 designated by the Manufacturing Assistance Council; and one member
 644 designated by the Connecticut Technology Council. The cochairperson
 645 of the joint standing committee of the General Assembly having
 646 cognizance of matters relating to education, or their designees, shall
 647 jointly convene a meeting of the council not later than October 1, 1998.
 648 The council shall meet at least six times a year to review and evaluate
 649 the coordinated delivery of technical and technological education to
 650 meet the employment needs of business and industry. The council
 651 shall also explore ways to: (1) Encourage students to pursue technical
 652 careers, including the development or expansion of alternative training
 653 methods that may improve the delivery and accessibility of vocational-
 654 technical training; (2) ensure a successful transition for students from
 655 the regional vocational-technical schools to post secondary education;
 656 and (3) improve public awareness regarding manufacturing careers.
 657 On or before January 1, 1999, and annually thereafter, the
 658 Commissioner of Education shall report, in accordance with section 11-
 659 4a, to the joint standing committees of the General Assembly having
 660 cognizance of matters relating to education and commerce on the
 661 activities of the council in the prior year.

662 Sec. 12. Sections 32-1h, 32-1j and 32-4g of the general statutes are
 663 repealed. (*Effective October 1, 2005*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2005</i>	New section

Sec. 2	<i>October 1, 2005</i>	8-30g(k)
Sec. 3	<i>October 1, 2005</i>	8-37s
Sec. 4	<i>October 1, 2005</i>	8-37bb(a)
Sec. 5	<i>October 1, 2005</i>	16a-40b
Sec. 6	<i>October 1, 2005</i>	22a-133u(e)
Sec. 7	<i>October 1, 2005</i>	32-454
Sec. 8	<i>October 1, 2005</i>	32-479
Sec. 9	<i>October 1, 2005</i>	32-501
Sec. 10	<i>October 1, 2005</i>	4-124z(a)
Sec. 11	<i>October 1, 2005</i>	10a-12a
Sec. 12	<i>October 1, 2005</i>	32-1h, 32-1j and 32-4g repealed

CE *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Department of Economic & Community Development	GF - Cost	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

Allowing for the consolidation of current Department of Economic and Community Development reports into one report would result in a minimal reduction in administrative workload, potential minimal reduction in paper costs and minimally increase the agency's efficiency.

OLR Bill Analysis

sSB 1104

AN ACT CONSOLIDATING DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT REPORTS**SUMMARY:**

This bill consolidates several Department of Economic and Community Development (DECD) reports into one annual report, which DECD must submit by February 1 annually, beginning in 2006. The reports it consolidates are also due annually, but at different dates.

The bill expands the analyses the report must provide. It requires DECD to separately analyze its economic, community, and housing development portfolios. It also expands some of the information the reports currently provide, but it reduces or deletes other information they provide. For example, it expands the type of data that must be provided on the state's industry sectors but drops an assessment of small and minority-owned businesses and the high technology manufacturers.

The bill continues to require DECD to report on the economic clusters it funds, but drops the requirement that Connecticut Development Authority and Connecticut Innovations do so also.

The bill requires DECD to submit the consolidated report only to the Commerce and Housing committees. But some of the reports it consolidates currently go to other recipients. The state auditors and the Appropriations and Finance, Revenue and Bonding committees receive DECD's report on the businesses, towns, and nonprofit organizations it funded; the Finance Committee receives the report on the state's major business sectors; the Connecticut Economic Conference Board receives the report on the state's business clusters, the Office of Policy and Management (OPM) receives the report on housing needs; and the Environment Committee receives the report on properties assisted under a brownfield remediation program.

EFFECTIVE DATE: October 1, 2005

AFFECTED REPORTS

Table 1 lists the reports the bill consolidates, their recipients, and their due dates.

TABLE 1: AFFECTED REPORTS

Report and Statutory Citation	Recipients	Due Date
Financial Assistance Programs (§32-1h)	Appropriations Committee Auditors Commerce Committee Finance, Revenue and Bonding Committee	November 1
Economic Sectors (§32-1j)	Commerce Committee Finance, Revenue and Bonding Committee	January 15
Economic Cluster Report (§32-49)	Commerce Committee Connecticut Economic Conference Board	August 1
Housing production and needs (§8-37s)	General Assembly Governor OPM	March 1
Households Served (§ 8-37bb)	General Assembly	December 31
Energy conservation loans (§ 16-40b(g))	General Assembly	January 7
Special Contaminated Property Remediation and Insurance Program (§22a-133u)	Environment Committee	February 1
High performance work organizations (§32-479)	Commerce Committee Labor and Public Employees Committee	Unspecified
International Trade (§32-501)	Commerce Committee	January 1

Under the bill's consolidated reporting requirement, DECD must analyze how its programs affect the economy, but DECD must still file a separate report providing a similar analysis. That report is due July 1 annually, and it goes to the Appropriations, Commerce, and Finance committees (CGS § 32-1i).

CHANGES

Format

The bill requires the report to provide information on the following topics:

1. assessment of the state's economy;
2. statement of DECD's goals and objectives, performance measures, and standards for providing assistance;

3. analysis of the economic development portfolio (i.e., businesses);
4. analysis of the community development portfolio (i.e., municipalities and nonprofit organizations);
5. summary of DECD's marketing efforts and business recruitment strategies;
6. summary of DECD's international trade efforts and a summary of foreign direct investment during the reporting period;
7. analysis of the industry clusters;
8. summary of DECD's efforts to clean up contaminated sites;
9. evaluation of the enterprise zones;
10. description and analysis of DECD's housing functions;
11. presentation of DECD's housing portfolio;
12. analysis of that portfolio;
13. analysis of the economic impact of DECD's housing efforts;
14. performance data on the Energy Conservation Loan Program; and
15. summary of the social and economic impact of DECD's programs.

New Information

The bill expands several reporting specifications and adds new ones. It specifies the kind of data DECD must provide about the state's overall economic condition. It also requires a detailed analysis of the projects in DECD's economic, community, and housing development portfolios. This includes analyzing:

1. wages paid by the businesses DECD funds and the total dollars DECD invested in different industries;
2. investments in projects sponsored by towns and nonprofit agencies, the other investments they leveraged, and how they benefit the economy;
3. projects that clean up and redevelop contaminated property; and
4. the number and types of housing units DECD developed and how this benefits the economy.

The bill requires the report to include DECD's annual list of towns where housing developers can appeal land use decisions under the Affordable Housing Land Use Appeals Procedure.

Information Deleted

The report requires a wage analysis for DECD's economic development portfolio, but it drops the current requirement that DECD compare the wages individual businesses pay for different job categories.

The bill drops several requirements that DECD collect and analyze certain data regarding its business clients. These include:

1. the client's annual gross revenue,
2. economic benefit criteria DECD used to award assistance,
3. the number of jobs the clients intended to retain, and
4. the number of full- and part-time jobs and their respective benefit levels.

The bill appears to drop the requirement that DECD report information it receives from the businesses it funds about the extent to which they are achieving the public policy goals they set for themselves when they accepted DECD funds.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute
Yea 22 Nay 0