



General Assembly

February Session, 2006

Raised Bill No. 5096

LCO No. 1359

01359_____CE_

Referred to Committee on Commerce

Introduced by:

(CE)

AN ACT CONCERNING ACCOUNTABILITY IN STATE ECONOMIC DEVELOPMENT ASSISTANCE.

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

1 Section 1. Section 32-11a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) There is hereby created as a body politic and corporate,
4 constituting a public instrumentality and political subdivision of the
5 state created for the performance of an essential public and
6 governmental function, the Connecticut Development Authority
7 which is empowered to carry out the purposes of the authority, as
8 defined in subsection (t) of section 32-23d, which are hereby
9 determined to be public purposes for which public funds may be
10 expended. The Connecticut Development Authority shall not be
11 construed to be a department, institution or agency of the state.

12 (b) All notes, bonds or other obligations issued by the Connecticut
13 Development Commission for the financing of any project or projects
14 shall be in accordance with their terms of full force and effect and valid
15 and binding upon the authority as the successor to the Connecticut

16 Development Commission and with respect to any resolution,
17 contract, deed, trust agreement, mortgage, conditional sale or loan
18 agreement, commitment, obligation or liability or other such
19 document, public record, right, remedy, special act or public act,
20 obligation, liability or responsibility pertaining thereto, the authority
21 shall be, and shall be deemed to be, the successor to the Connecticut
22 Development Commission. All properties, rights in land, buildings
23 and equipment and any funds, moneys, revenues and receipts or
24 assets of such commission pledged or otherwise securing any such
25 notes, bonds or other obligations shall belong to the authority as
26 successor to the Connecticut Development Commission, subject to
27 such pledges and other security arrangements and to agreements with
28 the holders of the outstanding notes, bonds or other obligations. Any
29 resolution with respect to the issuance of bonds of the commission for
30 the purposes of the act and any other action taken by the commission
31 with respect to assisting in the financing of any project shall be, or shall
32 be deemed to be, a resolution of the authority or an action taken by the
33 authority subject only to any agreements with the holders of
34 outstanding notes, bonds or other obligations of the commission.

35 (c) The board of directors of the authority shall consist of the
36 Commissioner of Economic and Community Development, the State
37 Treasurer and the Secretary of the Office of Policy and Management,
38 each serving ex officio, four members appointed by the Governor who
39 shall be experienced in the field of financial lending or the
40 development of commerce, trade and business and four members
41 appointed as follows: One by the president pro tempore of the Senate,
42 one by the minority leader of the Senate, one by the speaker of the
43 House of Representatives and one by the minority leader of the House
44 of Representatives. Each ex-officio member may designate a deputy or
45 any member of the agency staff to represent the member at meetings of
46 the authority with full powers to act and vote on the member's behalf.
47 The chairperson of the board shall be appointed by the Governor, with
48 the advice and consent of both houses of the General Assembly. The
49 board shall annually elect one of its members as vice chairperson. Each

50 member appointed by the Governor shall serve at the pleasure of the
51 Governor but no longer than the term of office of the Governor or until
52 the member's successor is appointed and qualified, whichever is
53 longer. Each member appointed by a member of the General Assembly
54 shall serve in accordance with the provisions of section 4-1a. Members
55 shall receive no compensation but shall be reimbursed for necessary
56 expenses incurred in the performance of their duties under the
57 authority legislation, as defined in subsection (hh) of section 32-23d.
58 The Governor shall fill any vacancy for the unexpired term of a
59 member appointed by the Governor. The appropriate legislative
60 appointing authority shall fill any vacancy for the unexpired term of a
61 member appointed by such authority. A member of the board shall be
62 eligible for reappointment. Any member of the board may be removed
63 by the Governor for misfeasance, malfeasance or wilful neglect of
64 duty. Each member of the authority before entering upon his or her
65 duties shall take and subscribe the oath or affirmation required by
66 article XI, section 1, of the State Constitution. A record of each such
67 oath shall be filed in the office of the Secretary of the State. Meetings of
68 the board shall be held at such times as shall be specified in the bylaws
69 adopted by the board and at such other time or times as the
70 chairperson deems necessary. The board is empowered to adopt
71 bylaws and regulations for putting into effect the provisions of said
72 chapters and sections. Not later than November first, annually, the
73 authority shall submit a report to the Commissioner of Economic and
74 Community Development, the Auditors of Public Accounts and the
75 joint standing committees of the General Assembly having cognizance
76 of matters relating to the Department of Economic and Community
77 Development, appropriations and capital bonding, which shall include
78 the following information with respect to new and outstanding
79 financial assistance provided by the authority during the twelve-
80 month period ending on June thirtieth next preceding the date of the
81 report for each financial assistance program administered by the
82 authority: (1) A list of the names, addresses and locations of all
83 recipients of such assistance, (2) for each recipient: (A) The business

84 activities, (B) the Standard Industrial Classification Manual codes, (C)
85 the gross revenues during the recipient's most recent fiscal year, (D)
86 the number of employees at the time of application, (E) whether the
87 recipient is a minority or woman-owned business, (F) a summary of
88 the terms and conditions for the assistance, including the type and
89 amount of state financial assistance, job creation or retention
90 requirements, and anticipated wage rates, and (G) the amount of
91 investments from private and other nonstate sources that have been
92 leveraged by the assistance, (3) the economic benefit criteria used in
93 determining which applications have been approved or disapproved,
94 and (4) for each recipient of assistance on or after July 1, 1991, a
95 comparison between the number of jobs to be created, the number of
96 jobs to be retained and the average wage rates for each such category
97 of jobs, as projected in the recipient's application, versus the actual
98 number of jobs created, the actual number of jobs retained and the
99 average wage rates for each such category. The report shall also
100 indicate the actual number of full-time jobs and the actual number of
101 part-time jobs in each such category and the benefit levels for each
102 such subcategory. In addition, the report shall state (A) for each final
103 application approved during the twelve-month period covered by the
104 report, (i) the date that the final application was received by the
105 authority, and (ii) the date of such approval; (B) for each final
106 application withdrawn during the twelve-month period covered by
107 the report, (i) the municipality in which the applicant is located, (ii) the
108 Standard Industrial Classification Manual code for the applicant, (iii)
109 the date that the final application was received by the authority, and
110 (iv) the date of such withdrawal; (C) for each final application
111 disapproved during the twelve-month period covered by the report, (i)
112 the municipality in which the applicant is located, (ii) the Standard
113 Industrial Classification Manual code for the applicant, (iii) the date
114 that the final application was received by the authority, and (iv) the
115 date of such disapproval; and (D) for each final application on which
116 no action has been taken by the applicant or the agency in the twelve-
117 month period covered by the report and for which no report has been

118 submitted under this subsection, (i) the municipality in which the
119 applicant is located, (ii) the Standard Industrial Classification Manual
120 code for the applicant, and (iii) the date that the final application was
121 received by the authority. The November first report shall include a
122 summary of the activities of the authority, including all activities to
123 assist small businesses and minority business enterprises, as defined in
124 section 4a-60g, a complete operating and financial statement and
125 recommendations for legislation to promote the purposes of the
126 authority. The authority shall furnish such additional reports upon the
127 written request of any such committee at such times and containing
128 such information as the committee may request. The accounts of the
129 authority shall be subject to annual audit by the state Auditors of
130 Public Accounts. The authority may cause an audit of its books and
131 accounts to be made at least once each fiscal year by certified public
132 accountants. The powers of the authority shall be vested in and
133 exercised by not less than six of the members of the board of directors
134 then in office. Such number of members shall constitute a quorum and
135 the affirmative vote of a majority of the members present at a meeting
136 of the board shall be necessary for any action taken by the authority.
137 No vacancy in the membership of the board shall impair the right to
138 exercise all the rights and perform all the duties of the authority. Any
139 action taken by the board under the provisions of said chapters and
140 sections may be authorized by resolution at any regular or special
141 meeting, and each such resolution shall take effect immediately and
142 need not be published or posted. The authority shall be exempt from
143 the provisions of section 4-9a, as amended.

144 (d) The board of directors of the authority may delegate to three or
145 more of its members such board powers and duties as it may deem
146 proper. At least one of such members shall not be a state employee.

147 (e) The board of directors of the authority shall adopt written
148 procedures, in accordance with the provisions of section 1-121, for: (1)
149 Adopting an annual budget and plan of operations, including a
150 requirement of board approval before the budget or plan may take

151 effect; (2) hiring, dismissing, promoting and compensating employees
152 of the authority, including an affirmative action policy and a
153 requirement of board approval before a position may be created or a
154 vacancy filled; (3) acquiring real and personal property and personal
155 services, including a requirement of board approval for any
156 nonbudgeted expenditure in excess of five thousand dollars; (4)
157 contracting for financial, legal, bond underwriting and other
158 professional services, including a requirement that the authority solicit
159 proposals at least once every three years for each such service which it
160 uses; (5) issuing and retiring bonds, bond anticipation notes and other
161 obligations of the authority; (6) awarding loans, grants and other
162 financial assistance, including (A) eligibility criteria, (B) the application
163 process and the role played by the authority's staff and board of
164 directors, [and including] (C) deadlines for the approval or
165 disapproval of applications for such assistance by the authority on and
166 after July 1, 1996, and (D) requiring the board of directors to approve
167 any determination that an outstanding loan is nonperforming or will
168 not be repaid; and (7) the use of surplus funds to the extent authorized
169 under this chapter or other provisions of the general statutes.

170 (f) The board of directors of the authority shall appoint an executive
171 director who shall not be a member of the board and who shall serve at
172 the pleasure of the board and receive such compensation as shall be
173 fixed by the board. The executive director may but need not be the
174 deputy appointed under section 32-1d. He shall be the chief
175 administrative officer of the authority and shall direct and supervise
176 administrative affairs and technical activities in accordance with the
177 directives of the board. He shall perform such other duties as may be
178 directed by the board in carrying out the purposes of said chapters and
179 sections. The executive director shall be exempt from the classified
180 service. The executive director shall attend all meetings of the board,
181 keep a record of the proceedings of the board and shall maintain and
182 be custodian of all books, documents and papers filed with the
183 authority and of the minute book or journal of the authority and of its
184 official seal. He may cause copies to be made of all minutes and other

185 records and documents of the authority and may give certificates
186 under the official seal of the authority to the effect that such copies are
187 true copies, and all persons dealing with the authority may rely upon
188 such certificates.

189 (g) Each member of the board of directors of the authority shall
190 execute a surety bond in the penal sum of fifty thousand dollars, or, in
191 lieu thereof, the chairman of the board shall execute a blanket position
192 bond covering each member and the executive director and the
193 employees of the authority, each surety bond to be conditioned upon
194 the faithful performance of the duties of the office or offices covered, to
195 be executed by a surety company authorized to transact business in
196 this state as surety and to be approved by the Attorney General and
197 filed in the office of the Secretary of the State. The cost of each such
198 bond shall be paid by the authority.

199 (h) [Notwithstanding any provision of the law to the contrary, it
200 shall not constitute a conflict of interest for a trustee, director, partner,
201 officer, stockholder, proprietor, counsel or employee of any person, or
202 for any other individual having a financial interest in any person, to
203 serve as a member of the board of directors of the authority; provided
204 such trustee, director, partner, officer, stockholder, proprietor, counsel,
205 employee or individual shall file with the authority a record of his
206 capacity with or interest in such person and abstain and absent himself
207 from any deliberation, action and vote by the board in specific respect
208 to such person.] No member of the board of directors shall have or
209 acquire any financial interest in any person receiving or applying for a
210 loan, grant or other economic assistance from the authority or any
211 subsidiary of the authority.

212 (i) The authority shall continue, as long as it shall have bonds or
213 other obligations outstanding and until its existence is terminated by
214 law. Upon the termination of the existence of the authority, all its
215 rights and properties shall pass to and be vested in the state of
216 Connecticut.

217 (j) Neither members of the board of directors of the authority nor
218 any person executing the notes and bonds shall be liable personally on
219 the notes or bonds or be subject to any personal liability or
220 accountability by reason of the issuance thereof.

221 (k) Repealed by P.A. 00-136, S. 9.

222 (l) (1) The authority may establish one or more subsidiaries to
223 stimulate, encourage and carry out the remediation, development and
224 financing of contaminated property within this state, in coordination
225 with the Department of Environmental Protection, and to provide
226 financial, development and environmental expertise to others
227 including, but not limited to, municipalities, interested in or
228 undertaking such remediation, development or financing which are
229 determined to be public purposes for which public funds may be
230 expended. Each subsidiary shall be deemed a quasi-public agency for
231 purposes of chapter 12. The authority may transfer to any such
232 subsidiary any moneys and real or personal property. Each such
233 subsidiary shall have all the privileges, immunities, tax exemptions
234 and other exemptions of the authority.

235 (2) Each such subsidiary may sue and shall be subject to suit
236 provided the liability of each such subsidiary shall be limited solely to
237 the assets, revenues and resources of such subsidiary and without
238 recourse to the general funds, revenues, resources or any other assets
239 of the authority or any other subsidiary. No such subsidiary may
240 provide for any bonded indebtedness of the state for the cost of any
241 liability or contingent liability for the remediation of contaminated real
242 property unless such indebtedness is specifically authorized by an act
243 of the General Assembly. Each such subsidiary shall have the power to
244 do all acts and things necessary or convenient to carry out the
245 purposes of this subsection, section 12-81r, as amended, subsection (h)
246 of section 22a-133m, subsection (a) of section 22a-133x, sections 22a-
247 133aa, 22a-133bb and 22a-133dd, subsection (l) of section 22a-134, and
248 sections 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive, including,

249 but not limited to, (i) solicit, receive and accept aid, grants or
250 contributions from any source of money, property or labor or other
251 things of value, to be held, used and applied to carry out the purposes
252 of this subsection, section 12-81r, as amended, subsection (h) of section
253 22a-133m, subsection (a) of section 22a-133x, sections 22a-133aa, 22a-
254 133bb and 22a-133dd, subsection (l) of section 22a-134, and sections
255 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive, subject to the
256 conditions upon which such grants and contributions may be made,
257 including but not limited to, gifts, grants or loans, from any
258 department, agency or quasi-public agency of the United States or the
259 state; (ii) enter into agreements with persons upon such terms and
260 conditions as are consistent with the purposes of such subsidiary to
261 acquire or facilitate the remediation, development or financing of
262 contaminated real or personal property; (iii) to acquire, take title, lease,
263 purchase, own, manage, hold and dispose of real and personal
264 property and lease, convey or deal in or enter into agreements with
265 respect to such property; (iv) examine, inspect, rehabilitate, remediate
266 or improve real or personal property or engage others to do so on such
267 subsidiary's behalf, or enter into contracts therefor; (v) mortgage,
268 convey or dispose of its assets and pledge its revenues in order to
269 secure any borrowing, for the purpose of financing, refinancing,
270 rehabilitating, remediating, improving or developing its assets,
271 provided each such borrowing or mortgage shall be a special
272 obligation of such subsidiary, which obligation may be in the form of
273 notes, bonds, bond anticipation notes and other obligations issued by
274 or to such subsidiary to the extent permitted under this chapter to fund
275 and refund the same and provide for the rights of the holders thereof,
276 and to secure the same by pledge of revenues, notes or other assets and
277 which shall be payable solely from the assets, revenues and other
278 resources of such subsidiary; (vi) to create real estate investment trusts
279 or similar entities or to become a member of a limited liability
280 company or to become a partner in limited or general partnerships or
281 establish other contractual arrangements with private and public
282 sector entities as such subsidiary deems necessary to remediate,

283 develop or finance environmentally contaminated property in the
284 state; and (vii) any other powers enumerated in subsection (e) of
285 section 32-23 necessary or appropriate to carry out the purposes of this
286 subsection, subsection (h) of section 22a-133m, subsection (a) of section
287 22a-133x, sections 22a-133aa, 22a-133bb and 22a-133dd, subsection (l)
288 of section 22a-134, and sections 22a-452f, 32-7e, and 32-23pp to 32-23rr,
289 inclusive. The board of directors, executive director, officers and staff
290 of the authority may serve as members of any advisory or other board
291 which may be established to carry out the purposes of this subsection,
292 subsection (h) of section 22a-133m, subsection (a) of section 22a-133x,
293 sections 22a-133aa, 22a-133bb and 22a-133dd, subsection (l) of section
294 22a-134, and sections 22a-452f, 32-7e, and 32-23pp to 32-23rr, inclusive.

295 (3) Each such subsidiary shall act through its board of directors at
296 least one-half of which shall be members of the board of directors of
297 the authority or their designees or officers or employees of the
298 authority. A resolution of the authority shall prescribe the purposes for
299 which each such subsidiary is formed.

300 (4) The provisions of section 1-125 and this subsection shall apply to
301 any officer, director, designee, or employee appointed as a member,
302 director, or officer of any such subsidiary. Neither any such persons so
303 appointed nor the directors, officers or employees of the authority
304 shall be personally liable for the debts, obligations, or liabilities of any
305 such subsidiary as provided in said section 1-125. Each subsidiary shall
306 and the authority may provide for the indemnification to protect, save
307 harmless and indemnify such officer, director, designee or employee as
308 provided by said section 1-125.

309 (5) The authority or any such subsidiary may take such actions as
310 are necessary to comply with the provisions of the Internal Revenue
311 Code of 1986 or any subsequent corresponding internal revenue code
312 of the United States, as from time to time amended, to qualify and
313 maintain any such subsidiary as a corporation exempt from taxation
314 under said Internal Revenue Code.

315 (6) The authority may make loans or grants to, and may guarantee
316 specified obligations of, any such subsidiary, following standard
317 authority procedures, from the authority's assets and the proceeds of
318 its bonds, notes, and other obligations, provided however, that the
319 source and security, if any, for the repayment of any such loans or
320 guarantees is derived from the assets, revenues and resources of such
321 subsidiary.

322 (7) Notwithstanding any other provisions of law, the Commissioner
323 of Environmental Protection shall issue to the authority or any
324 subsidiary a covenant not to sue, pursuant to section 22a-133aa or
325 section 22a-133bb, as applicable, without fee, as otherwise required in
326 subsection (c) of said section 22a-133aa for the remediation of a facility
327 in accordance with an approved remediation plan.

328 (m) The authority and any subsidiary of the authority shall review
329 each application for a loan, grant or other economic assistance in
330 accordance with the criteria for such loan, grant or other economic
331 assistance established in procedures adopted pursuant to subdivision
332 (6) of subsection (e) of this section. The authority or subsidiary shall
333 keep a written record of any review decision approving or rejecting an
334 application. Such review and decision shall be a public record, as
335 defined in section 1-200.

336 (n) Not later than November first, annually, the authority and any
337 subsidiary of the authority shall submit a report to the Commissioner
338 of Economic and Community Development, the Auditors of Public
339 Accounts and the joint standing committees of the General Assembly
340 having cognizance of matters relating to economic and community
341 development, appropriations and capital bonding, which shall include
342 the following information with respect to new and outstanding
343 financial assistance provided by the authority or its subsidiaries during
344 the twelve-month period ending on June thirtieth next preceding the
345 date of the report for each financial assistance program administered
346 by the corporation: (1) A list of the names, addresses and locations of

347 all recipients of such assistance; (2) for each such recipient: (A) The
348 business activities, (B) the Standard Industrial Classification Manual
349 codes, (C) the gross revenues during the recipient's most recent fiscal
350 year, (D) the number of employees at the time of application, (E)
351 whether the recipient is a minority or woman-owned business, (F) a
352 summary of the terms and conditions for the assistance, including the
353 type and amount of state financial assistance, job creation or retention
354 requirements, and anticipated wage rates, and (G) the amount of
355 investments from private and other nonstate sources that have been
356 leveraged by the assistance; (3) the economic benefit criteria used in
357 determining which applications have been approved or disapproved;
358 and (4) for each recipient of assistance on or after July 1, 1991, a
359 comparison between the number of jobs to be created, the number of
360 jobs to be retained and the average wage rates for each such category
361 of jobs, as projected in the recipient's application, versus the actual
362 number of jobs created, the actual number of jobs retained and the
363 average wage rates for each such category. The report shall also
364 indicate the actual number of full-time jobs and the actual number of
365 part-time jobs in each such category and the benefit levels for each
366 such subcategory. The report shall include a summary of the activities
367 of the authority and its subsidiaries, including all activities to assist
368 small businesses and minority business enterprises, as defined in
369 section 4a-60g, a complete operating and financial statement and
370 recommendations for legislation to promote the purposes of the
371 authority and its subsidiaries. The authority and its subsidiaries shall
372 furnish such additional information upon the written request of any
373 such joint standing committee.

374 Sec. 2. Section 32-35 of the general statutes is repealed and the
375 following is substituted in lieu thereof (*Effective October 1, 2006*):

376 (a) There is hereby created a body politic and corporate to be known
377 as "Connecticut Innovations, Incorporated". Such corporation is
378 constituted a public instrumentality and political subdivision of the
379 state and the exercise by the corporation of the powers conferred in

380 this chapter shall be deemed and held to be the performance of an
381 essential public and governmental function. Connecticut Innovations,
382 Incorporated shall not be construed to be a department, institution or
383 agency of the state.

384 (b) The corporation shall be governed by a board of fifteen directors.
385 Eight members shall be appointed by the Governor, at least six of
386 whom shall be knowledgeable, and have favorable reputations for
387 skill, knowledge and experience, in the development of innovative
388 technology and technological processes including, but not limited to,
389 expertise in academic research, technology transfer and application,
390 the development of technological invention and new enterprise
391 development. Three members shall be the Commissioner of Economic
392 and Community Development, the Commissioner of Higher Education
393 and the Secretary of the Office of Policy and Management, who shall
394 serve ex officio and shall have all of the powers and privileges of a
395 member of the board of directors. Each ex-officio member may
396 designate his deputy or any member of his staff to represent him at
397 meetings of the corporation with full power to act and vote in his
398 behalf. Four members shall be appointed as follows: One by the
399 president pro tempore of the Senate, one by the minority leader of the
400 Senate, one by the speaker of the House of Representatives and one by
401 the minority leader of the House of Representatives. Each member
402 appointed by the Governor shall serve at the pleasure of the Governor
403 but no longer than the term of office of the Governor or until the
404 member's successor is appointed and qualified, whichever is longer.
405 Each member appointed by a member of the General Assembly shall
406 serve in accordance with the provisions of section 4-1a. A director shall
407 be eligible for reappointment. The Governor shall fill any vacancy for
408 the unexpired term of a member appointed by the Governor. The
409 appropriate legislative appointing authority shall fill any vacancy for
410 the unexpired term of a member appointed by such authority.

411 (c) The chairperson of the board shall be appointed by the
412 Governor, with the advice and consent of both houses of the General

413 Assembly. The directors shall annually elect one of their number as
414 secretary. The board may elect such other officers of the board as it
415 deems proper. Members shall receive no compensation for the
416 performance of their duties hereunder but shall be reimbursed for
417 necessary expenses incurred in the performance thereof.

418 (d) Each director of the corporation before entering upon his duties
419 shall take and subscribe the oath or affirmation required by article
420 eleventh, section 1, of the Constitution. A record of each such oath or
421 affirmation shall be filed in the office of the Secretary of the State. The
422 board of directors of the corporation shall adopt written procedures, in
423 accordance with the provisions of section 1-121, for: (1) Adopting an
424 annual budget and plan of operations, including a requirement of
425 board approval before the budget or plan may take effect; (2) hiring,
426 dismissing, promoting and compensating employees of the
427 corporation including an affirmative action policy and a requirement
428 of board approval before a position may be created or a vacancy filled;
429 (3) purchasing, leasing or acquiring real and personal property and
430 personal services, including a requirement of board approval for any
431 nonbudgeted expenditure in excess of five thousand dollars; (4)
432 contracting for financial, legal, bond underwriting and other
433 professional services, including a requirement that the corporation
434 solicit proposals at least once every three years for each such service
435 which it uses; (5) awarding loans, grants and other financial assistance,
436 including (A) eligibility criteria, (B) the application process, [and] (C)
437 the role played by the corporation's staff and board of directors and
438 the Department of Economic and Community Development and
439 including deadlines for the approval or disapproval of applications for
440 such assistance by the corporation on and after July 1, 1996, and (D)
441 requiring the board of directors to approve any determination that an
442 outstanding loan is nonperforming or will not be repaid; and (6) the
443 use of surplus funds to the extent authorized under this chapter, or
444 other provisions of the general statutes.

445 (e) [Notwithstanding the provisions of any other law to the

446 contrary, it shall not constitute a conflict of interest for a trustee,
447 director, partner or officer of any person, firm or corporation, or any
448 individual having a financial interest in a person, firm or corporation,
449 to serve as a member of the board of directors of Connecticut
450 Innovations, Incorporated, provided such trustee, director, partner,
451 officer or individual shall abstain from deliberation, action or vote by
452 Connecticut Innovations, Incorporated in specific respect to such
453 person, firm or corporation.] No member of the board of directors shall
454 have or acquire any financial interest in any person receiving or
455 applying for a loan, grant or other economic assistance from the
456 corporation.

457 (f) The corporation shall have the authority to contract with the
458 Department of Economic and Community Development for
459 administrative or other services.

460 (g) As of October 1, 1989, all powers, duties and personnel of the
461 Connecticut Product Development Corporation shall be transferred to
462 Connecticut Innovations, Incorporated, in accordance with the
463 provisions of section 4-38d. As of October 1, 1989, all cash, notes,
464 receivables, liabilities, appropriations, authorizations, allocations, and
465 all other assets and properties of the Connecticut Product
466 Development Corporation shall be transferred to Connecticut
467 Innovations, Incorporated. Such transfer shall not affect the validity,
468 enforceability or binding nature of any contract or agreement for
469 financial aid made by the Connecticut Product Development
470 Corporation under the authorization of this chapter prior to October 1,
471 1989.

472 (h) The corporation shall review each application for a loan, grant or
473 other economic assistance in accordance with the criteria for such loan,
474 grant or other economic assistance established in written procedures
475 adopted pursuant to subdivision (5) of subsection (e) of this section.
476 The corporation shall keep a written record of any review and decision
477 approving or rejecting an application. Such review and decision shall

478 be a public record under the provisions of section 1-200.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	32-11a
Sec. 2	<i>October 1, 2006</i>	32-35

Statement of Purpose:

To require the Connecticut Development Authority and Connecticut Innovations, Incorporated to (1) develop specific procedures for votes by boards of directors when writing off outstanding loan or economic assistance, (2) record its evaluation and decision on each application for economic development assistance and make such evaluation and decision subject to the Freedom of Information Act, and (3) prohibit directors from having a financial interest in any applicant for economic assistance and to require the Connecticut Development Authority to submit an annual report on economic development activities similar to the one currently required from Connecticut Innovations, Incorporated.

[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.]