



General Assembly

Amendment

February Session, 2006

LCO No. 5470

HB0527905470SRO

Offered by:

SEN. DELUCA, 32nd Dist.

SEN. MCKINNEY, 28th Dist.

To: Subst. House Bill No. 5279

File No. 622

Cal. No. 453

(As Amended by House Amendment Schedule "A")

**"AN ACT CONCERNING THE RETENTION OF JOBS IN
CONNECTICUT AND THE UNITED STATES."**

1 Strike lines 1 to 144, inclusive, in their entirety and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2006*) (a) As used in this section
4 and sections 2 to 8, inclusive, of this act:

5 (1) "Collaborative" means the Connecticut Finance Collaborative;

6 (2) "Commissioner" means the Commissioner of Business and
7 Employment; and

8 (3) "Department" means the Department of Business and
9 Employment.

10 (b) There is hereby created as a body politic and corporate,

11 constituting a public instrumentality and political subdivision of the
12 state created for the performance of an essential public and
13 governmental function, the Connecticut Finance Collaborative which is
14 empowered to carry out the purposes of the collaborative, as provided
15 in section 2 of this act, which are hereby determined to be public
16 purposes for which public funds may be expended. The Connecticut
17 Finance Collaborative shall not be construed to be a department,
18 institution or agency of the state.

19 (c) The board of directors of the collaborative shall consist of the
20 Commissioner of Business and Employment, the State Treasurer and
21 the Secretary of the Office of Policy and Management, each serving ex
22 officio, a chairperson and four members appointed by the Governor
23 who shall be experienced in the field of financial lending or the
24 development of commerce, trade, technology and business and four
25 members appointed as follows: One by the president pro tempore of
26 the Senate, one by the minority leader of the Senate, one by the speaker
27 of the House of Representatives and one by the minority leader of the
28 House of Representatives. Each ex-officio member may designate a
29 deputy or any member of the agency staff to represent the member at
30 meetings of the collaborative with full powers to act and vote on the
31 member's behalf. Each member appointed by the Governor shall serve
32 at the pleasure of the Governor but no longer than the term of office of
33 the Governor or until the member's successor is appointed and
34 qualified, whichever is longer. Each member appointed by a member
35 of the General Assembly shall serve in accordance with the provisions
36 of section 4-1a of the general statutes. Members shall receive no
37 compensation but shall be reimbursed for necessary expenses incurred
38 in the performance of their duties. Any vacancy on the board shall be
39 filled for the unexpired term by the appointing authority of such
40 member. Any member of the board may be removed by the Governor
41 for misfeasance, malfeasance or wilful neglect of duty.

42 (d) Each member of the collaborative before entering upon his or
43 her duties shall take and subscribe the oath or affirmation required by
44 article XI, section 1, of the State Constitution. A record of each such

45 oath shall be filed in the office of the Secretary of the State. Each
46 member of the board of directors of the collaborative shall execute a
47 surety bond in the penal sum of fifty thousand dollars, or, in lieu
48 thereof, the chairperson of the board shall execute a blanket position
49 bond covering each member and the chief executive officer and the
50 employees of the collaborative, each surety bond to be conditioned
51 upon the faithful performance of the duties of the office or offices
52 covered, to be executed by a surety company authorized to transact
53 business in this state as surety and to be approved by the Attorney
54 General and filed in the office of the Secretary of the State. The cost of
55 each such bond shall be paid by the collaborative.

56 (e) Notwithstanding any provision of the law, it shall not constitute
57 a conflict of interest for a trustee, director, partner or officer of any
58 person, firm or corporation or any individual having a financial
59 interest in a person, firm or corporation to serve as a member of the
60 board of directors of the collaborative; provided such trustee, director,
61 partner or officer of any person, firm or corporation or any individual
62 having a financial interest in a person, firm or corporation shall file
63 with the collaborative a record of his capacity with or interest in such
64 person and abstain and absent himself from any deliberation, action
65 and vote by the board in specific respect to such person.

66 (f) The board shall annually elect one of its members as vice
67 chairperson. Meetings of the board shall be held at such times as shall
68 be specified in the bylaws adopted by the board and at such other time
69 or times as the chairperson or the board deems necessary.

70 (g) The board of directors of the collaborative shall adopt written
71 procedures, in accordance with the provisions of section 1-121 of the
72 general statutes, for: (1) Adopting an annual budget and plan of
73 operations, including a requirement of board approval before the
74 budget or plan may take effect; (2) hiring, promoting and
75 compensating employees of the collaborative, including an affirmative
76 action policy and a requirement of board approval before a position
77 may be created or a vacancy filled; (3) purchasing, leasing or acquiring

78 real and personal property and personal services, including a
79 requirement of board approval for any nonbudgeted expenditure in
80 excess of five thousand dollars; (4) contracting for financial, legal, bond
81 underwriting and other professional services, including a requirement
82 that the collaborative solicit proposals at least once every three years
83 for each such service which it uses; (5) issuing and retiring bonds,
84 bond anticipation notes and other obligations of the collaborative; (6)
85 awarding loans, grants and other financial assistance, including
86 eligibility criteria, the application process and the role played by the
87 collaborative's staff and board of directors and including deadlines for
88 the approval or disapproval of applications for such assistance by the
89 collaborative; and (7) the use of surplus funds to the extent authorized
90 under this section and sections 2 to 8, inclusive, of this act.

91 (h) Neither members of the board of directors of the collaborative
92 nor any person executing the notes and bonds shall be liable
93 personally on the notes or bonds or be subject to any personal liability
94 or accountability by reason of the issuance thereof.

95 (i) The powers of the collaborative shall be vested in and exercised
96 by not less than seven of the members of the board of directors then in
97 office. Such number of members shall constitute a quorum and the
98 affirmative vote of a majority of the members present at a meeting of
99 the board shall be necessary for any action taken by the collaborative.
100 No vacancy in the membership of the board shall impair the right to
101 exercise all the rights and perform all the duties of the collaborative.
102 Any action taken by the board under the provisions of this section and
103 sections 2 to 8, inclusive, of this act may be authorized by resolution at
104 any regular or special meeting, and each such resolution shall take
105 effect immediately and need not be published or posted. The
106 collaborative shall be exempt from the provisions of section 4-9a of the
107 2006 supplement to the general statutes.

108 (j) The board of directors of the collaborative may delegate to three
109 or more of its members such board powers and duties as it may deem
110 proper. At least one of such members shall not be a state employee.

111 (k) The collaborative shall continue, as long as it shall have bonds or
112 other obligations outstanding and until its existence is terminated by
113 law. Upon the termination of the existence of the collaborative, all its
114 rights and properties shall pass to and be vested in the state of
115 Connecticut.

116 (l) The collaborative shall be subject to examination by the State
117 Treasurer. The accounts of the collaborative shall be subject to annual
118 audits by the State Auditors of Public Accounts.

119 Sec. 2. (NEW) (*Effective July 1, 2006*) (a) The purposes of the
120 Connecticut Finance Collaborative shall be:

121 (1) To support the economic, workforce and community
122 development policies, programs, goals and strategies of the state;

123 (2) To discharge the responsibilities of the collaborative under
124 sections 1 to 8, inclusive, of this act, chapters 187, 578, 579, 581, 584,
125 588l, 588n, 588r and 588u of the general statutes, and any other
126 provisions of the general statutes or any public or special act setting
127 forth or governing the powers and duties of the collaborative;

128 (3) To stimulate and encourage the research and development of
129 new technologies and products, to encourage the creation and transfer
130 of new technologies, to assist existing businesses in adopting current
131 and innovative technological processes, to stimulate and provide
132 services to industry that will advance the adoption and utilization of
133 technology, to achieve improvements in the quality of products and
134 services, to stimulate and encourage the development and operation of
135 new and existing science parks and incubator facilities, and to promote
136 science, engineering, mathematics and other disciplines that are
137 essential to the development and application of technology within
138 Connecticut by the infusion of financial aid for research, invention and
139 innovation in situations in which such financial aid would not
140 otherwise be reasonably available from commercial or other sources:

141 (4) To assist institutions for higher education, health care

142 institutions, nursing homes, child care or child development facilities,
143 and qualified nonprofit organizations in the construction, financing
144 and refinancing of projects or in any other manner provided by law.

145 (b) For the purposes of subsection (a) of this section the
146 collaborative shall have the following powers, in addition to any
147 others provided by law:

148 (1) To have perpetual succession as a body corporate and to adopt
149 bylaws, policies and procedures for the regulation of its affairs and
150 conduct of its businesses as provided by law;

151 (2) To solicit, receive and accept aid, grants or contributions from
152 any source of money, property or labor or other things of value, to be
153 held, used and applied to carry out the purposes of the collaborative,
154 subject to the conditions upon which such grants and contributions
155 may be made, including, but not limited to, gifts or grants from any
156 department or agency of the United States or the state;

157 (3) To employ such assistants, agents and other employees as may
158 be necessary or desirable, which employees shall be exempt from the
159 classified service and shall not be employees, as defined in subsection
160 (b) of section 5-270 of the 2006 supplement to the general statutes;
161 establish all necessary or appropriate personnel practices and policies,
162 including those relating to hiring, promotion, compensation,
163 retirement and collective bargaining, which need not be in accordance
164 with chapter 68 of the general statutes, and the collaborative shall not
165 be an employer as defined in subsection (a) of said section 5-270; and
166 engage consultants, attorneys and appraisers as may be necessary or
167 desirable to carry out its purposes in accordance with this chapter;

168 (4) To make and enter into all contracts and agreements necessary or
169 incidental to the performance of its duties and the execution of its
170 powers under this act;

171 (5) To sue and be sued, plead and be impleaded, adopt a seal and
172 alter the same at pleasure;

173 (6) To maintain an office at such place or places within the state as it
174 may designate;

175 (7) To invest in, acquire, lease, purchase, own, manage, hold and
176 dispose of real property and lease, convey or deal in or enter into
177 agreements with respect to such property on any terms necessary or
178 incidental to the carrying out of these purposes; provided, however,
179 that all such acquisitions of real property for the collaborative's own
180 use with amounts appropriated by the state to the collaborative or
181 with the proceeds of bonds supported by the full faith and credit of the
182 state shall be subject to the approval of the Secretary of the Office of
183 Policy and Management and the provisions of section 4b-23 of the 2006
184 supplement to the general statutes;

185 (8) To acquire, lease, purchase, own, manage, hold and dispose of
186 personal property, and lease, convey or deal in or enter into
187 agreements with respect to such property on any terms necessary or
188 incidental to the carrying out of these purposes;

189 (9) To account for and audit funds of the collaborative and funds of
190 any recipients of financial aid from the collaborative;

191 (10) With the approval of the State Treasurer, to invest any funds
192 not needed for immediate use or disbursement, including any funds
193 held in reserve, in obligations issued or guaranteed by the United
194 States of America or the state of Connecticut and in other obligations
195 which are legal investments for municipalities or retirement funds in
196 this state;

197 (11) To procure insurance against any loss in connection with its
198 property and other assets in such amounts and from such insurers as it
199 deems desirable;

200 (12) To the extent permitted under its contract with other persons, to
201 consent to any termination, modification, forgiveness or other change
202 of any term of any contractual right, payment, royalty, contract or
203 agreement of any kind to which the collaborative is a party;

204 (13) In connection with any application for assistance under or
205 commitments therefor, to make and collect such fees as the
206 collaborative shall determine to be reasonable;

207 (14) To hold patents, copyrights, trademarks, marketing rights,
208 licenses, or any other evidences of protection or exclusivity as to any
209 products as defined herein, issued under the laws of the United States
210 or any state or any nation;

211 (15) To borrow money or accept gifts, grants or loans of funds,
212 property or service from any source, public or private, and comply,
213 subject to the provisions of law, with the terms and conditions thereof;

214 (16) To insure any or all payments to be made by the borrower
215 under the terms of any agreement for the extension of credit or making
216 of a loan by the collaborative in connection with any economic
217 development project to be financed, wholly or in part, through the
218 issuance of bonds or mortgage payments of any mortgage which is
219 given by a mortgagor to the mortgagee who has provided the
220 mortgage for an economic development project upon such terms and
221 conditions as the collaborative may prescribe and as provided herein,
222 and the faith and credit of the state are pledged thereto;

223 (17) To request for its guidance, in connection with any project, a
224 finding of the municipal planning commission, or, if there is no
225 planning commission, a finding of the municipal officers of the
226 municipality in which the economic development project is proposed
227 to be located, or of the regional planning agency of which such
228 municipality is a member, as to the expediency and advisability of the
229 economic development project;

230 (18) To advise the Governor, the General Assembly, the
231 Commissioner of Business and Employment and the Commissioner of
232 Higher Education on matters relating to economic development
233 finance, science, engineering and technology which may have an
234 impact on state policies, programs, employers and residents, and on
235 job creation and retention;

236 (19) (A) To accept from the Department of Business and
237 Employment: (i) Financial assistance, (ii) revenues or the right to
238 receive revenues with respect to any program under the supervision of
239 the department, and (iii) loan assets or equity interests in connection
240 with any program under the supervision of the department; (B) to
241 make advances to and reimburse the department for any expenses
242 incurred or to be incurred by it in the delivery of such assistance,
243 revenues, rights, assets, or interests; (C) to enter into agreements for
244 the delivery of services by the collaborative, in consultation with the
245 department, or the Connecticut Housing Finance Authority, to third
246 parties which agreements may include provisions for payment by the
247 department to the collaborative for the delivery of such services; and
248 (D) to enter into agreements with the department or the Connecticut
249 Housing Finance Authority for the sharing of assistants, agents and
250 other consultants, professionals and employees, and facilities and
251 other real and personal property used in the conduct of the affairs of
252 the Connecticut Finance Collaborative;

253 (20) To transfer to the Department of Business and Employment: (A)
254 Financial assistance, (B) revenues or the right to receive revenues with
255 respect to any program under the supervision of the collaborative, and
256 (C) loan assets or equity interests in connection with any program
257 under the supervision of the collaborative, provided the transfer of
258 such financial assistance, revenues, rights, assets or interests is
259 determined by the collaborative to be practicable, within the
260 constraints and not inconsistent with the fiduciary obligations of the
261 collaborative imposed upon or established upon the collaborative by
262 any provision of the general statutes, the collaborative's bond
263 resolutions or any other agreement or contract of the collaborative and
264 to have no adverse effect on the tax-exempt status of any bonds of the
265 state;

266 (21) To do all acts and things necessary and convenient to carry out
267 the purposes of sections 1 to 8, inclusive, of this act.

268 Sec. 3. (NEW) (*Effective July 1, 2006*) (a) The Connecticut Finance

269 Collaborative may form one or more subsidiaries to carry out the
270 public purposes of the collaborative and may transfer to any such
271 subsidiary any moneys and real or personal property of any kind or
272 nature. Any such subsidiary may be organized as a stock or nonstock
273 corporation or a limited liability company. Each such subsidiary shall
274 have and may exercise such powers of the collaborative as are set forth
275 in the resolution of the collaborative prescribing the purposes for
276 which such subsidiary is formed and such other powers provided to it
277 by law. Each such subsidiary shall be deemed a quasi-public agency
278 for purposes of chapter 12 of the general statutes and shall have all the
279 privileges, immunities, tax exemptions and other exemptions of the
280 collaborative, including the privileges, immunities, tax exemptions and
281 other exemptions provided under the general statutes for special
282 capital reserve funds. Each such subsidiary shall be subject to suit
283 provided its liability shall be limited solely to the assets, revenues and
284 resources of the subsidiary and without recourse to the general funds,
285 revenues, resources or any other assets of the collaborative. Each such
286 subsidiary is authorized to assume or take title to property subject to
287 any existing lien, encumbrance or mortgage and to mortgage, convey
288 or dispose of its assets and pledge its revenues in order to secure any
289 borrowing, provided each such borrowing or mortgage shall be a
290 special obligation of the subsidiary, which obligation may be in the
291 form of bonds, bond anticipation notes and other obligations to the
292 extent permitted under this chapter to fund and refund the same and
293 provide for the rights of the holders thereof, and to secure the same by
294 pledge or revenues, notes and other assets and which shall be payable
295 solely from the assets, revenues and other resources of the subsidiary.
296 The collaborative shall have the power to assign to a subsidiary any
297 rights, moneys or other assets it has under any governmental program
298 including the nursing home loan program. No borrowing shall be
299 undertaken by a subsidiary of the collaborative without the approval
300 of the collaborative.

301 (b) (1) The collaborative may establish one or more subsidiaries to
302 stimulate, encourage and carry out the remediation, development and

303 financing of contaminated property within this state, in coordination
304 with the Department of Environmental Protection, and to provide
305 financial, developmental and environmental expertise to others
306 including, but not limited to, municipalities, interested in or
307 undertaking such remediation, development or financing which are
308 determined to be public purposes for which public funds may be
309 expended. Each subsidiary shall be deemed a quasi-public agency for
310 purposes of chapter 12 of the general statutes. The collaborative may
311 transfer to any such subsidiary any moneys and real or personal
312 property. Each such subsidiary shall have all the privileges,
313 immunities, tax exemptions and other exemptions of the collaborative.

314 (2) Each such subsidiary may sue and shall be subject to suit
315 provided the liability of each such subsidiary shall be limited solely to
316 the assets, revenues and resources of such subsidiary and without
317 recourse to the general funds, revenues, resources or any other assets
318 of the collaborative or any other subsidiary. No such subsidiary may
319 provide for any bonded indebtedness of the state for the cost of any
320 liability or contingent liability for the remediation of contaminated real
321 property unless such indebtedness is specifically authorized by an act
322 of the General Assembly. Each such subsidiary shall have the power to
323 do all acts and things necessary or convenient to carry out the
324 purposes of this subsection, section 12-81r of the general statutes,
325 subsection (h) of section 22a-133m of the general statutes, subsection
326 (a) of section 22a-133x of the general statutes, sections 22a-133aa, 22a-
327 133bb and 22a-133dd of the general statutes, subsection (l) of section
328 22a-134 of the general statutes, and sections 22a-452f, 32-7e and 32-
329 23pp to 32-23rr, inclusive, of the general statutes including, but not
330 limited to, (A) solicit, receive and accept aid, grants or contributions
331 from any source of money, property or labor or other things of value,
332 to be held, used and applied to carry out the purposes of this
333 subsection, section 12-81r of the general statutes, subsection (h) of
334 section 22a-133m of the general statutes, subsection (a) of section 22a-
335 133x of the general statutes, sections 22a-133aa, 22a-133bb and 22a-
336 133dd of the general statutes, subsection (l) of section 22a-134 of the

337 general statutes, and sections 22a-452f, 32-7e and 32-23pp to 32-23rr,
338 inclusive, of the general statutes subject to the conditions upon which
339 such grants and contributions may be made, including, but not limited
340 to, gifts, grants or loans, from any department, agency or quasi-public
341 agency of the United States or the state; (B) enter into agreements with
342 persons upon such terms and conditions as are consistent with the
343 purposes of such subsidiary to acquire or facilitate the remediation,
344 development or financing of contaminated real or personal property;
345 (C) to acquire, take title, lease, purchase, own, manage, hold and
346 dispose of real and personal property and lease, convey or deal in or
347 enter into agreements with respect to such property; (D) examine,
348 inspect, rehabilitate, remediate or improve real or personal property or
349 engage others to do so on such subsidiary's behalf, or enter into
350 contracts therefor; (E) mortgage, convey or dispose of its assets and
351 pledge its revenues in order to secure any borrowing, for the purpose
352 of financing, refinancing, rehabilitating, remediating, improving or
353 developing its assets, provided each such borrowing or mortgage shall
354 be a special obligation of such subsidiary, which obligation may be in
355 the form of notes, bonds, bond anticipation notes and other obligations
356 issued by or to such subsidiary to the extent permitted under this
357 chapter to fund and refund the same and provide for the rights of the
358 holders thereof, and to secure the same by pledge of revenues, notes or
359 other assets and which shall be payable solely from the assets,
360 revenues and other resources of such subsidiary; (F) to create real
361 estate investment trusts or similar entities or to become a member of a
362 limited liability company or to become a partner in limited or general
363 partnerships or establish other contractual arrangements with private
364 and public sector entities as such subsidiary deems necessary to
365 remediate, develop or finance environmentally contaminated property
366 in the state; and (G) any other powers enumerated in subsection (e) of
367 section 32-23 of the general statutes necessary or appropriate to carry
368 out the purposes of this subsection, subsection (h) of section 22a-133m
369 of the general statutes, subsection (a) of section 22a-133x of the general
370 statutes, sections 22a-133aa, 22a-133bb and 22a-133dd of the general
371 statutes, subsection (l) of section 22a-134 of the general statutes, and

372 sections 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive, of the general
373 statutes. The board of directors, executive director, officers and staff of
374 the collaborative may serve as members of any advisory or other board
375 which may be established to carry out the purposes of this subsection,
376 subsection (h) of section 22a-133m of the general statutes, subsection
377 (a) of section 22a-133x of the general statutes, sections 22a-133aa, 22a-
378 133bb and 22a-133dd of the general statutes, subsection (l) of section
379 22a-134 of the general statutes, and sections 22a-452f, 32-7e and 32-
380 23pp to 32-23rr, inclusive, of the general statutes.

381 (b) Each such subsidiary shall act through its board of directors, at
382 least one-half of which shall be members of the board of directors of
383 the collaborative, or their designees, or officers or employees of the
384 collaborative. A resolution of the collaborative shall prescribe the
385 purposes for which each such subsidiary is formed.

386 (c) The provisions of section 1-125 of the general statutes and this
387 subsection shall apply to any officer, director, designee or employee
388 appointed as a member, director or officer of any such subsidiary. Any
389 such persons so appointed shall not be personally liable for the debts,
390 obligations or liabilities of any such subsidiary as provided in said
391 section 1-125. The subsidiary shall, and the collaborative may, provide
392 for the indemnification to protect, save harmless and indemnify such
393 officer, director, designee or employee as provided by said section 1-
394 125.

395 (d) The collaborative, or such subsidiary, may take such actions as
396 are necessary to comply with the provisions of the Internal Revenue
397 Code of 1986 or any subsequent corresponding internal revenue code
398 of the United States, as from time to time amended, to qualify and
399 maintain any such subsidiary as a corporation exempt from taxation
400 under said internal revenue code.

401 (e) The collaborative may make loans to each such subsidiary,
402 following standard collaborative procedures, from its assets and the
403 proceeds of its bonds, notes and other obligations, provided the source

404 and security for the repayment of such loans is derived from the assets,
405 revenues and resources of the subsidiary.

406 Sec. 4. (NEW) (*Effective July 1, 2006*) (a) The board of directors of the
407 Connecticut Finance Collaborative shall appoint a chief executive
408 officer who shall not be a member of the board and such other officers
409 as it determines. Such officers shall be exempt from the classified
410 service, serve at the pleasure of the board and receive such
411 compensation as shall be fixed by the board.

412 (b) The chief executive officer shall direct and supervise
413 administrative affairs and technical activities in accordance with the
414 directives of the board. He shall perform such other duties as may be
415 directed by the board in carrying out the purposes of sections 1 to 8,
416 inclusive, of this act and chapters 187, 578, 579, 581, 584, 588*l*, 588*n*,
417 588*r* and 588*u* of the general statutes. The chief executive officer shall
418 attend all meetings of the board, keep a record of the proceedings of
419 the board and shall maintain and be custodian of all books, documents
420 and papers filed with the collaborative and of the minute book or
421 journal of the collaborative and of its official seal. He may cause copies
422 to be made of all minutes and other records and documents of the
423 collaborative and may give certificates under the official seal of the
424 collaborative to the effect that such copies are true copies, and all
425 persons dealing with the collaborative may rely upon such certificates.

426 Sec. 5. (NEW) (*Effective July 1, 2006*) The exercise of the powers
427 vested in the Connecticut Finance Collaborative shall constitute the
428 performance of an essential governmental function and the
429 collaborative shall not be required to pay any taxes or assessments
430 upon or in respect of a project, or any property or moneys of the
431 collaborative, levied by any municipality or political subdivision or
432 special district having taxing powers of the state, nor shall the
433 collaborative be required to pay state taxes of any kind, and the
434 collaborative, its projects, property and moneys and any bonds and
435 notes issued under the provisions of sections 1 to 8, inclusive, of this
436 act and chapters 187, 578, 579, 581, 584, 588*l*, 588*n*, 588*r* and 588*u* of the

437 general statutes, their transfer and the income therefrom, including
438 any profit made on the sale thereof, shall at all times be free from
439 taxation of every kind by the state except for estate or succession taxes
440 and by the municipalities and all other political subdivisions or special
441 districts having taxing powers of the state; provided any person
442 leasing a project from the collaborative shall pay to the municipality,
443 or other political subdivision or special district having taxing powers
444 in which such project is located, a payment in lieu of taxes which shall
445 equal the taxes on real and personal property, including water and
446 sewer assessments, which such lessee would have been required to
447 pay had it been the owner of such property during the period for
448 which such payment is made and neither the collaborative nor its
449 projects, properties, money or bonds and notes shall be obligated,
450 liable or subject to lien of any kind for the enforcement, collection or
451 payment thereof. The sale of tangible personal property or services by
452 the collaborative is exempt from the sales tax under chapter 219 of the
453 general statutes, and the storage, use or other consumption in this state
454 of tangible personal property or services purchased from the
455 collaborative is exempt from the use tax under said chapter 219. If and
456 to the extent the proceedings under which the bonds authorized to be
457 issued under the provisions of said chapters and sections so provide,
458 the collaborative may agree to cooperate with the lessee of a project in
459 connection with any administrative or judicial proceedings for
460 determining the validity or amount of such payments and may agree
461 to appoint or designate and reserve the right in and for such lessee to
462 take all action which the collaborative may lawfully take in respect of
463 such payments and all matters relating thereto, provided such lessee
464 shall bear and pay all costs and expenses of the collaborative thereby
465 incurred at the request of such lessee or by reason of any such action
466 taken by such lessee in behalf of the collaborative. Any lessee of a
467 project which has paid the amounts in lieu of taxes required by this
468 section to be paid shall not be required to pay any such taxes in which
469 a payment in lieu thereof has been made to the state or to any such
470 municipality or other political subdivision or special district having
471 taxing powers, any other statute to the contrary notwithstanding. Any

472 industrial pollution control facility financed under said chapters and
473 sections shall be subject to such approvals, as may be required by law,
474 of any agency of the state and any agency of the United States having
475 jurisdiction in the matter and, in the discretion of the collaborative,
476 may be acquired, constructed or improved as part of or jointly with a
477 pollution control facility undertaken by a municipality or political
478 subdivision or special district having taxing powers in the state and
479 the collaborative is authorized to cooperate and execute contracts with
480 such a municipality or political subdivision or special district.

481 Sec. 6. (NEW) (*Effective July 1, 2006*) (a) Not later than November
482 first, annually, the Connecticut Finance Collaborative shall submit a
483 report to the Governor, the Commissioner of Business and
484 Employment, the Auditors of Public Accounts and the joint standing
485 committees of the General Assembly having cognizance of matters
486 relating to the Department of Business and Employment,
487 appropriations and the budgets of state agencies and capital bonding,
488 which shall include the following information with respect to new and
489 outstanding financial assistance provided by the collaborative during
490 the twelve-month period ending on June thirtieth next preceding the
491 date of the report for each financial assistance program administered
492 by the collaborative: (1) A list of the names, addresses and locations of
493 all recipients of such assistance, (2) for each recipient: (A) The business
494 activities, (B) the Standard Industrial Classification Manual codes, (C)
495 the gross revenues during the recipient's most recent fiscal year, (D)
496 the number of employees at the time of application, (E) whether the
497 recipient is a minority or woman-owned business, (F) a summary of
498 the terms and conditions for the assistance, including the type and
499 amount of state financial assistance, job creation or retention
500 requirements, and anticipated wage rates, and (G) the amount of
501 investments from private and other nonstate sources that have been
502 leveraged by the assistance, (3) the economic benefit criteria used in
503 determining which applications have been approved or disapproved,
504 and (4) for each recipient of assistance, a comparison between the
505 number of jobs to be created, the number of jobs to be retained and the

506 average wage rates for each such category of jobs, as projected in the
507 recipient's application, versus the actual number of jobs created, the
508 actual number of jobs retained and the average wage rates for each
509 such category. The report shall also indicate the actual number of full-
510 time jobs and the actual number of part-time jobs in each such category
511 and the benefit levels for each such subcategory. In addition, the report
512 shall state (A) for each final application approved during the twelve-
513 month period covered by the report, (i) the date that the final
514 application was received by the collaborative, and (ii) the date of such
515 approval; (B) for each final application withdrawn during the twelve-
516 month period covered by the report, (i) the municipality in which the
517 applicant is located, (ii) the Standard Industrial Classification Manual
518 code for the applicant, (iii) the date that the final application was
519 received by the collaborative, and (iv) the date of such withdrawal; (C)
520 for each final application disapproved during the twelve-month period
521 covered by the report, (i) the municipality in which the applicant is
522 located, (ii) the Standard Industrial Classification Manual code for the
523 applicant, (iii) the date that the final application was received by the
524 collaborative, and (iv) the date of such disapproval; and (D) for each
525 final application on which no action has been taken by the applicant or
526 the agency in the twelve-month period covered by the report and for
527 which no report has been submitted under this subsection, (i) the
528 municipality in which the applicant is located, (ii) the Standard
529 Industrial Classification Manual code for the applicant, and (iii) the
530 date that the final application was received by the collaborative. The
531 provisions of this subsection shall not apply to activities of the
532 collaborative under the provisions of chapter 581 of the general
533 statutes which shall continue to be reported on as provided in section
534 32-47a of the general statutes, as amended by this act.

535 (b) The November first report shall also include a summary of the
536 activities of the collaborative, including all activities to assist small
537 businesses and minority business enterprises, as defined in section 4a-
538 60g of the general statutes, a complete operating and financial
539 statement and recommendations for legislation to promote the

540 purposes of the collaborative.

541 Sec. 7. (NEW) (*Effective October 1, 2006*) (a) (1) In accordance with the
542 provisions of section 4-38d of the general statutes, all powers and
543 duties of the Connecticut Development Authority under the provisions
544 of chapter 579 of the general statutes, shall be transferred to the
545 Connecticut Finance Collaborative established under section 1 of this
546 act. On and after the effective date of this section, the Connecticut
547 Brownfields Redevelopment Authority, a subsidiary of the
548 Connecticut Development Authority created pursuant to subsection (l)
549 of section 32-11a of the general statutes, shall be a subsidiary of the
550 Connecticut Finance Collaborative.

551 (2) All notes, bonds or other obligations issued by the Connecticut
552 Development Authority for the financing of any project or projects
553 shall be in accordance with their terms of full force and effect and valid
554 and binding upon the collaborative as the successor to the Connecticut
555 Development Authority and with respect to any resolution, contract,
556 deed, trust agreement, mortgage, conditional sale or loan agreement,
557 commitment, obligation or liability or other such document, public
558 record, right, remedy, special act or public act, obligation, liability or
559 responsibility pertaining thereto, the collaborative shall be, and shall
560 be deemed to be, the successor to the Connecticut Development
561 Authority. All properties, rights in land, buildings and equipment and
562 any funds, moneys, revenues and receipts or assets of such
563 collaborative pledged or otherwise securing any such notes, bonds or
564 other obligations shall belong to the collaborative as successor to the
565 Connecticut Development Authority, subject to such pledges and other
566 security arrangements and to agreements with the holders of the
567 outstanding notes, bonds or other obligations. Any resolution with
568 respect to the issuance of bonds of the authority for the purposes of the
569 act and any other action taken by the authority with respect to
570 assisting in the financing of any project shall be, or shall be deemed to
571 be, a resolution of the collaborative or an action taken by the
572 collaborative subject only to any agreements with the holders of
573 outstanding notes, bonds or other obligations of the authority.

574 (3) All notes, bonds or other obligations issued by the Connecticut
575 Development Commission for the financing of any project or projects
576 shall be in accordance with their terms of full force and effect and valid
577 and binding upon the collaborative as the successor to the Connecticut
578 Development Commission and with respect to any resolution,
579 contract, deed, trust agreement, mortgage, conditional sale or loan
580 agreement, commitment, obligation or liability or other such
581 document, public record, right, remedy, special act or public act,
582 obligation, liability or responsibility pertaining thereto, the
583 collaborative shall be, and shall be deemed to be, the successor to the
584 Connecticut Development Commission. All properties, rights in land,
585 buildings and equipment and any funds, moneys, revenues and
586 receipts or assets of such commission pledged or otherwise securing
587 any such notes, bonds or other obligations shall belong to the
588 collaborative as successor to the Connecticut Development
589 Commission, subject to such pledges and other security arrangements
590 and to agreements with the holders of the outstanding notes, bonds or
591 other obligations. Any resolution with respect to the issuance of bonds
592 of the commission for the purposes of the act and any other action
593 taken by the commission with respect to assisting in the financing of
594 any project shall be, or shall be deemed to be, a resolution of the
595 collaborative or an action taken by the authority subject only to any
596 agreements with the holders of outstanding notes, bonds or other
597 obligations of the commission.

598 (4) Whenever the term "Connecticut Development Authority" is
599 used or referred to in the general statutes, the term "Connecticut
600 Finance Collaborative" shall be substituted in lieu thereof.

601 (b) (1) In accordance with the provisions of section 4-38d of the
602 general statutes, all powers, duties and personnel of Connecticut
603 Innovations, Incorporated under the provisions of chapter 581 of the
604 general statutes shall be transferred to the Connecticut Finance
605 Collaborative established under section 1 of this act. All cash, notes,
606 receivables, liabilities, appropriations, authorizations, allocations, and
607 all other assets and properties of Connecticut Innovations,

608 Incorporated shall be transferred to the Connecticut Finance
609 Collaborative. Such transfer shall not affect the validity, enforceability
610 or binding nature of any contract or agreement for financial aid made
611 by Connecticut Innovations, Incorporated under the authorization of
612 this act prior to the effective date of this act. On and after the effective
613 date of this section, any and all subsidiaries of the Connecticut
614 Innovations, Incorporated shall be subsidiaries of the Connecticut
615 Finance Collaborative.

616 (2) Whenever the term "Connecticut Innovations, Incorporated" is
617 used or referred to in the general statutes, the term "Connecticut
618 Finance Collaborative" shall be substituted in lieu thereof.

619 (c) (1) In accordance with the provisions of section 4-38d of the
620 general statutes, all powers and duties of the Connecticut Health and
621 Education Facilities Authority under the provisions of chapter 187 of
622 the general statutes, shall be transferred to the Connecticut Finance
623 Collaborative established under section 1 of this act. On and after the
624 effective date of this section, any and all subsidiaries of the
625 Connecticut Health and Education Facilities Authority shall be a
626 subsidiary of the Connecticut Finance Collaborative.

627 (2) All notes, bonds or other obligations issued by the Connecticut
628 Health and Education Facilities Authority for the financing of any
629 project or projects shall be in accordance with their terms of full force
630 and effect and valid and binding upon the collaborative as the
631 successor to the Connecticut Health and Education Facilities Authority
632 and with respect to any resolution, contract, deed, trust agreement,
633 mortgage, conditional sale or loan agreement, commitment, obligation
634 or liability or other such document, public record, right, remedy,
635 special act or public act, obligation, liability or responsibility
636 pertaining thereto, the collaborative shall be, and shall be deemed to
637 be, the successor to the Connecticut Health and Education Facilities
638 Authority. All properties, rights in land, buildings and equipment and
639 any funds, moneys, revenues and receipts or assets of such authority
640 pledged or otherwise securing any such notes, bonds or other

641 obligations shall belong to the collaborative as successor to the
642 Connecticut Health and Education Facilities Authority, subject to such
643 pledges and other security arrangements and to agreements with the
644 holders of the outstanding notes, bonds or other obligations. Any
645 resolution with respect to the issuance of bonds of the authority for the
646 purposes of this act and any other action taken by the authority with
647 respect to assisting in the financing of any project shall be, or shall be
648 deemed to be, a resolution of the collaborative or an action taken by
649 the collaborative subject only to any agreements with the holders of
650 outstanding notes, bonds or other obligations of the commission.

651 (3) Whenever the term "Connecticut Health and Educational
652 Facilities Authority" is used or referred to in the general statutes, the
653 term "Connecticut Finance Collaborative" shall be substituted in lieu
654 thereof.

655 (d) (1) The Connecticut Finance Collaborative shall adopt operating
656 procedures pursuant to subsection (f) of section 1 of this act. Except to
657 the extent that existing procedures are inconsistent with this act, until
658 new procedures are adopted or July 1, 2007, whichever occurs first:

659 (2) The procedures of Connecticut Innovations, Incorporated,
660 adopted pursuant to section 1-121 of the general statutes, shall remain
661 in full force and effect with respect to any matter arising under the
662 provisions of chapter 581 of the general statutes;

663 (3) The procedures of the Connecticut Health and Education
664 Facilities Authority, adopted pursuant to section 1-121 of the general
665 statutes, shall remain in full force and effect with respect to any matter
666 arising under the provisions of chapter 187 of the general statutes; and

667 (4) The procedures of the Connecticut Development Authority,
668 adopted pursuant to section 1-121 of the general statutes, shall remain
669 in full force and effect with respect to any other matter before the
670 Connecticut Finance Collaborative.

671 (e) Except as expressly provided in this act, nothing in this act shall

672 be deemed to limit the powers exercised by the Connecticut
673 Development Authority, the Connecticut Health and Education
674 Facilities Authority or Connecticut Innovations, Incorporated prior to
675 the effective date of this act.

676 Sec. 8. (NEW) (*Effective July 1, 2006*) (a) During the period from July
677 1, 2006, to September 30, 2006, the Connecticut Development
678 Authority, Connecticut Innovations, Incorporated and the Connecticut
679 Health and Educational Facilities Authority are authorized to enter
680 into any agreements with the Connecticut Finance Collaborative that
681 are necessary to facilitate for the collaborative to assume its
682 responsibilities under sections 1 to 8, inclusive, of this act.

683 (b) The Connecticut Development Authority, Connecticut
684 Innovations, Incorporated and the Connecticut Health and Educational
685 Facilities Authority may provide professional and clerical support,
686 facilities, equipment and supplies to the Connecticut Finance
687 Collaborative during the period from July 1, 2006, to September 30,
688 2006, inclusive.

689 Sec. 9. Section 32-1b of the general statutes is repealed and the
690 following is substituted in lieu thereof (*Effective July 1, 2006*):

691 (a) There is established a Department of [Economic and Community
692 Development] Business and Employment. The department head
693 shall be the Commissioner of [Economic and Community
694 Development] Business and Employment, who shall be appointed by
695 the Governor in accordance with the provisions of sections 4-5 to 4-8,
696 inclusive, with the powers and duties prescribed in said sections 4-5 to
697 4-8, inclusive.

698 (b) Said department shall constitute a successor department to the
699 Department of [Housing in accordance with the provisions of sections
700 4-38d, 4-38e and 4-39.

701 (c) Said department shall constitute a successor department to the
702 Department of Economic Development] Economic and Community

703 Development in accordance with the provisions of sections 4-38d, 4-
704 38e and 4-39.

705 [(d)] (c) Whenever the term ["Commissioner of Housing"]
706 "Commissioner of Economic and Community Development" is used or
707 referred to in the general statutes, the term ["Commissioner of
708 Economic and Community Development"] "Commissioner of Business
709 and Development" shall be substituted in lieu thereof. Whenever the
710 term ["Department of Housing"] "Department of Economic and
711 Community Development" is used or referred to in the general
712 statutes, the term ["Department of Economic and Community
713 Development"] "Department of Business and Employment" shall be
714 substituted in lieu thereof.

715 [(e) Whenever the term "Commissioner of Economic Development"
716 is used or referred to in the general statutes, the term "Commissioner
717 of Economic and Community Development" shall be substituted in
718 lieu thereof. Whenever the term "Department of Economic
719 Development" is used or referred to in the general statutes, the term
720 "Department of Economic and Community Development" shall be
721 substituted in lieu thereof.]

722 [(f)] (d) If the term "Commissioner of Housing" or "Commissioner
723 of Economic Development" is used or referred to in any public or
724 special act of 1995 or 1996, or in any section of the general statutes
725 which is amended in 1995 or 1996, it shall be deemed to mean or refer
726 to the "Commissioner of Economic and Community Development".

727 [(g)] (e) If the term "Department of Housing" or "Department of
728 Economic Development" is used or referred to in any public or special
729 act of 1995 or 1996, or in any section of the general statutes which is
730 amended in 1995 or 1996, it shall be deemed to mean or refer to the
731 "Department of Economic and Community Development".

732 (f) If the term "Commissioner of Economic and Community
733 Development" is used or referred to in any public or special act of 2005
734 or 2006, or in any section of the general statutes which is amended in

735 2005 or 2006, it shall be deemed to mean or refer to the "Commissioner
736 of Business and Employment".

737 (g) If the term "Department of Economic and Community
738 Development" is used or referred to in any public or special act of 2005
739 or 2006, or in any section of the general statutes which is amended in
740 2005 or 2006, it shall be deemed to mean or refer to the "Department of
741 Business and Employment".

742 Sec. 10. (NEW) (*Effective July 1, 2006*) (a) The Labor Commissioner,
743 with the approval of the Commissioner of Business and Employment
744 and the Commissioner of Education, shall, within available
745 appropriations, establish and operate the Twenty-First Century Skills
746 Training Program the purpose of which shall be to: (1) Sustain high
747 growth occupation and economically vital industries identified by
748 such commissioners; and (2) assist workers in obtaining skills to start
749 or move up their career ladder. Such job training program may include
750 training designed to increase the basic skills of employees, including,
751 but not limited to, training in written and oral communication,
752 mathematics or science, or training in technical and technological skills
753 and such other training as commissioners determine is necessary to
754 meet the needs of the employer. No more than five per cent of the
755 appropriation for the program may be used for administrative
756 purposes.

757 (b) Not less than fifty per cent of the cost of such training shall be
758 borne by the employer requesting the training.

759 (c) The Labor Commissioner is authorized to adopt, pursuant to
760 chapter 54 of the general statutes any regulations required to carry out
761 this section.

762 Sec. 11. Section 32-505 of the general statutes is repealed and the
763 following is substituted in lieu thereof (*Effective July 1, 2006*):

764 (a) There shall be, within the Department of Business and
765 Employment, an Office of National and International Commerce which

766 shall be responsible for (1) marketing the state as a place to live , work
767 and do business; (2) providing information, assistance and support to
768 businesses considering locating in the state; (3) working with
769 businesses looking to expand in Connecticut or considering relocating
770 to or expanding in other states; and (4) encouraging trade between this
771 state and foreign nations.

772 [(a)] (b) The Commissioner of [Economic and Community
773 Development] Business and Employment may retain trade
774 representatives in foreign countries to assist Connecticut businesses in
775 finding (1) export customers, agents and distributors, and (2) foreign
776 companies to invest in Connecticut.

777 [(b)] (c) The commissioner shall, within available resources,
778 establish an international trade representative program to assist
779 Connecticut businesses in exporting their products to foreign markets.
780 On or before October 1, 1994, the commissioner shall establish a
781 registration process for businesses interested in participating in the
782 program. Such process shall include, but not be limited to, a
783 requirement that the business agree to pay, over a three-year period
784 beginning on the date of execution of a contract for an export sale, a
785 success fee of not more than three per cent of the price of the products
786 being sold under such transaction, excluding freight, handling and
787 insurance charges. The department shall deposit such fees in the
788 account established by section 32-504.

789 [(c)] (d) The commissioner shall keep a separate accounting of all
790 fees paid from such program and use such accounting as a
791 measurement of export sales achieved through the program. The
792 commissioner may utilize the services of an impartial third party to
793 monitor the sales of program participants.

794 Sec. 12. Section 32-15 of the general statutes is repealed and the
795 following is substituted in lieu thereof (*Effective October 1, 2006*):

796 All applications for insurance shall be [forwarded] submitted to the
797 collaborative, together with an application fee, if any, prescribed by the

798 [authority, to the executive director of the authority] collaborative. The
799 [executive director] chief executive officer of the collaborative, after
800 preparing necessary records for the [authority] collaborative, shall
801 prepare a report which may include, but shall not be limited to, such
802 facts about the company under consideration as its history, wage
803 standards, job opportunities, stability of employment, past and present
804 financial condition and structure, pro-forma income statements,
805 present and future markets and prospects, and integrity of
806 management. Such report shall conclude with a brief discussion and
807 opinion as to whether the applicant would contribute to the
808 development and advancement of the business prosperity and
809 economic welfare of the state of Connecticut. Such report shall be
810 submitted to the [authority through its executive director and]
811 collaborative shall be advisory in nature only. After receipt and
812 consideration of the above report and after such other action as is
813 deemed appropriate, the [authority] collaborative shall approve or
814 deny the application. The applicant shall be promptly notified of such
815 action by the [authority] collaborative. If the application is approved,
816 notice of such approval shall be transmitted to the proposed
817 mortgagee or lender chosen by the applicant. Such approval shall be
818 conditioned upon payment to the [authority] collaborative, within
819 such reasonable time after notification of approval as may be specified
820 by the [authority] collaborative, of a commitment fee prescribed by the
821 [authority] collaborative. No mortgage or loan shall be accepted for
822 insurance unless the [authority] collaborative finds that the project
823 with respect to which the mortgage or loan is executed is financially
824 sound.

825 Sec. 13. Section 32-23d of the general statutes is repealed and the
826 following is substituted in lieu thereof (*Effective October 1, 2006*):

827 For the purposes of this chapter, the following terms shall have the
828 following meanings unless the context indicates another meaning and
829 intent:

830 (a) "Department" means the Department of [Economic and

831 Community Development] Business and Employment or its successor
832 agency.

833 (b) "State" means the state of Connecticut.

834 (c) "Municipality" means any town, city or borough in the state.

835 (d) "Project" means any facility, plant, works, system, building,
836 structure, utility, fixture or other real property improvement located in
837 the state, any machinery, equipment, furniture, fixture or other
838 personal property to be located in the state and the land on which it is
839 located or which is reasonably necessary in connection therewith,
840 which is of a nature or which is to be used or occupied by any person
841 for purposes which would constitute it as an economic development
842 project, information technology project, public service project, urban
843 project, recreation project, commercial fishing project, health care
844 project, the convention center project, as defined in subdivision (3) of
845 section 32-600, nonprofit project or remediation project, and any real
846 property improvement reasonably related thereto. A project may be
847 acquired (1) directly, or (2) indirectly through the purchase of all or
848 substantially all of the stock of a corporation.

849 (e) "Eligible financial institution" means any trust company, bank,
850 savings bank, credit union, savings and loan association, insurance
851 company, investment company, mortgage banker, trustee, executor,
852 pension fund, retirement fund or other fiduciary or financial
853 institution, the state or, to the extent otherwise permitted by law, any
854 municipality, or any political subdivision, instrumentality, agency or
855 body politic and corporate thereof, which is approved by the authority
856 to participate in the financing of a project.

857 (f) "Cost of project" as determined by the authority means the cost or
858 fair market value of construction, lands, property rights, utility
859 extensions, disposal facilities, access roads, easements, franchises,
860 financing charges, interest, engineering and legal services, plans,
861 specifications, surveys, cost estimates, studies and other expenses
862 necessary or incident to the development, construction, financing and

863 placing in operation of a project and, subject to the provisions of
864 section 32-16, the cost or fair market value of machinery, equipment,
865 furniture, fixtures or other personal property of a project.

866 (g) "Insurance fund" means the Mortgage and Loan Insurance Fund
867 created by section 32-14.

868 (h) "Maturity date" means the date on which the mortgage
869 indebtedness would be extinguished if paid in accordance with
870 periodic payments provided for in the mortgage.

871 (i) "Mortgage" means a mortgage or lien on a project together with
872 credit instruments, if any, secured thereby, or any other agreement for
873 the extension of credit or making of a loan related to the financing of a
874 project or any portions thereof or interest therein, however evidenced,
875 including financing by means of a lease or a conditional or installment
876 sales agreement, or any pool of or interest in any of the foregoing
877 financed from any source.

878 (j) "Mortgagee" means the original lender or other provider of credit
879 under the mortgage or participants therein, and their successors and
880 assigns, approved by the authority and may include, but is not limited
881 to, all eligible financial institutions and, except as used in section 32-
882 17a, the authority as defined in subsection (w) of this section.

883 (k) "Mortgagor" includes the successors and assigns of the
884 mortgagor.

885 (l) "Mortgage payments" means payments called for by a mortgage,
886 and may include, but is not limited to, interest, installments of
887 principal, taxes and assessments, mortgage insurance premiums and
888 hazard insurance premiums.

889 (m) "Mortgage year" means the annual period measured by the date
890 or the anniversary of the date of the execution of the mortgage.

891 (n) "Principal obligation" means the sum total of all mortgage
892 payments due from the mortgagor.

893 (o) "Municipal planning commission" means a municipal planning
894 commission created under chapter 126.

895 (p) "Regional planning agency" means a regional planning agency
896 created under chapter 127.

897 (q) "Federal agency" means the United States, the president of the
898 United States and any department of, or corporation, agency or
899 instrumentality designated or established by, the United States.

900 (r) "Revenues" means receipts, revenues, service charges, rentals or
901 other payments to be received on account of lease, mortgage,
902 conditional sale, sale or loan agreements and payments and any other
903 income derived from the lease, sale or other disposition of a project,
904 moneys in such reserve and insurance funds or accounts or other
905 funds and accounts and income from the investment thereof,
906 established in connection with the issuance of bonds, notes or other
907 obligations for a project or projects, and fees, charges or other moneys
908 to be received by the authority in respect of projects and contracts with
909 persons.

910 (s) "Person" means any person, including individuals, firms,
911 partnerships, associations, cooperatives, limited liability companies or
912 corporations, public or private, for profit or nonprofit, organized or
913 existing under the laws of the state or any other state, and, to the
914 extent otherwise permitted by law, any municipality, district,
915 including any special district having taxing powers, agency, authority,
916 instrumentality, or other governmental entity or political subdivision
917 in the state.

918 (t) "Purposes of the authority", means the purposes of the authority
919 expressed in and pursuant to the authority legislation, including with
920 respect to the promotion, planning and designing, developing,
921 encouraging, assisting, acquiring, constructing, reconstructing,
922 improving, maintaining and equipping and furnishing of a project and
923 assisting directly or indirectly in the financing of the cost thereof.

924 (u) "Economic development project" means any project which is to
925 be used or occupied by any person for (1) manufacturing, industrial,
926 research, office or product warehousing or distribution purposes or
927 hydroponic or aquaponic food production purposes and which the
928 authority determines will tend to maintain or provide gainful
929 employment, maintain or increase the tax base of the economy, or
930 maintain, expand or diversify industry in the state, or (2) controlling,
931 abating, preventing or disposing land, water, air or other
932 environmental pollution, including without limitation thermal,
933 radiation, sewage, wastewater, solid waste, toxic waste, noise or
934 particulate pollution, except resources recovery facilities, as defined in
935 section 22a-219a, used for the principal purpose of processing
936 municipal solid waste and which are not expansions or additions to
937 resources recovery facilities operating on July 1, 1990, or (3) the
938 conservation of energy or the utilization of cogeneration technology or
939 solar, wind, hydro, biomass or other renewable sources to produce
940 energy for any industrial or commercial application, or (4) any other
941 purpose which the authority determines will materially contribute to
942 the economic base of the state by creating or retaining jobs, promoting
943 the export of products or services beyond state boundaries,
944 encouraging innovation in products or services, or otherwise
945 contributing to, supporting or enhancing existing activities that are
946 important to the economic base of the state.

947 (v) "Commissioner" means the Commissioner of [Economic and
948 Community Development] Business and Employment.

949 (w) "Authority" means the Connecticut [Development Authority]
950 Finance Collaborative or its successor as established and created under
951 [section 32-11a] sections 1 to 8, inclusive, of this act.

952 (x) "Capital reserve fund bond" means any bond of the authority
953 secured by a special capital reserve fund established pursuant to this
954 chapter.

955 (y) "Recreation project" means any project which is to be primarily

956 available for the use of the general public including without limitation
957 stadiums, sports complexes, amusement parks, museums, theaters,
958 civic, concert, cultural and exhibition centers, centers for the visual and
959 performing arts, hotels, motels, resorts, inns and other public lodging
960 accommodations and which the authority determines will tend to (1)
961 promote tourism, (2) provide a special enhancement of recreation
962 facilities in the state, or (3) contribute to the business or industrial
963 development of the state.

964 (z) "Public service project" means any project which is to be used or
965 occupied by a common carrier or public utility to provide bus, truck,
966 rail, limousine, water or air transportation services or water, sewer,
967 gas, electricity, or telephone utility services, and which the authority
968 determines will tend to assist the common carrier or public utility in
969 providing service to the general public in the state. A public service
970 project may include ferry boats or railroad rolling stock, but may not
971 include any other vehicle, aircraft or watercraft.

972 (aa) "Urban project" means any project which is to be used or
973 occupied by any person for commercial or retail sales or service
974 purposes located wholly or partly within an urban municipality in the
975 state and which the authority determines will tend (1) to maintain or
976 provide gainful construction or permanent employment, maintain or
977 expand the tax base of the economy or maintain, expand or diversify
978 industry in the state, or (2) to otherwise revitalize the economy of the
979 urban municipality. An "urban municipality", for the purposes of this
980 definition, means any municipality which is a "distressed
981 municipality" as defined in subsection (b) of section 32-9p.

982 (bb) "Commercial fishing project" means any project which is to be
983 used or occupied by any person for commercial fishing purposes or for
984 support, maintenance, storage, production, or manufacturing purposes
985 reasonably related to commercial fishing activity, including without
986 limitation commercial fishing vessels, docks, wharves, piers, land or
987 floating processing facilities, transportation terminals, facilities for the
988 maintenance, storage, and construction of vessels and equipment, and

989 fish storage and handling facilities.

990 (cc) "Health care project" means any project which is to be used or
991 occupied by any person for the providing of services in any residential
992 care home, nursing home or rest home, as defined in subsection (c) of
993 section 19a-490, as amended, or for the providing of living space for
994 physically handicapped persons or persons sixty years of age or older.

995 (dd) "Nonprofit project" means any project which (1) is to be used or
996 occupied by any person organized and operated not for profit but
997 exclusively for health, educational, charitable, community, cultural,
998 agricultural, consumer or other purposes benefiting the citizens of the
999 state, or as an agricultural or hospital cooperative or service
1000 organization or as a chamber of commerce or trade or professional
1001 association, and (2) which the authority determines satisfies a public
1002 need not adequately met by businesses operating for profit.

1003 (ee) "Information technology project" means any project (1)
1004 providing information technology intensive office or laboratory space,
1005 including, but not limited to, smart buildings, incubator facilities, or
1006 any project that is to be used or occupied by any person specializing in
1007 e-commerce technologies or other technologies using high-speed
1008 communications infrastructure, and (2) which the authority deems will
1009 materially contribute to the economic base of the state by creating or
1010 retaining jobs, promoting the export of products or services beyond
1011 state borders, encouraging innovation in products or services, or
1012 otherwise contributing to, supporting or enhancing existing activities
1013 that are important to the economic base of the state.

1014 (ff) "Incubator facilities" has the same meaning as incubator facilities
1015 in subdivision (5) of section 32-34.

1016 (gg) "Smart building" means a building that houses, for use by its
1017 tenants, an information or communications infrastructure capable of
1018 transmitting digital video, voice and data content over a high-speed
1019 wired, wireless or other communications intranet and provides the
1020 capability of delivering and receiving high-speed digital video, voice

1021 and data transmissions over the Internet.

1022 (hh) "Authority legislation" means this chapter, chapters 578, 584,
1023 588l, 588n, 588r and 588u, sections 8-134, 8-134a, 8-192, 8-192a, 25-33a,
1024 32-23zz, as amended by this act, and 32-68a, and any other provisions
1025 of the general statutes or any public or special act setting forth or
1026 governing the powers and duties of the [authority] collaborative.

1027 (ii) "Remediation project" means any project (1) involving the
1028 development, redevelopment or productive reuse of real property
1029 within this state that (A) has been subject to a spill, as defined in
1030 section 22a-452c, (B) is an establishment, as defined in subdivision (3)
1031 of section 22a-134, (C) is a facility, as defined in 42 USC 9601(9), or (D)
1032 is eligible to be treated as polluted real property for purposes of
1033 section 22a-133m or contaminated real property for purposes of section
1034 22a-133aa or section 22a-133bb, provided the development,
1035 redevelopment or productive reuse is undertaken pursuant to a
1036 remediation plan meeting all applicable standards and requirements of
1037 the Department of Environmental Protection, (2) that the authority
1038 determines will add or support significant new economic activity or
1039 employment in the municipality in which such project is located or
1040 will otherwise materially contribute to the economic base of the state
1041 or the municipality, and (3) for which assistance from the authority
1042 will be needed to attract necessary private investment.

1043 Sec. 14. Section 32-23e of the general statutes is repealed and the
1044 following is substituted in lieu thereof (*Effective October 1, 2006*):

1045 To accomplish the purposes of the [authority] collaborative, as
1046 defined in subsection (t) of section 32-23d, as amended by this act,
1047 which are hereby determined to be public purposes for which public
1048 funds may be expended, and in addition to any other powers provided
1049 by law, the [authority] collaborative shall have power to: (1) Determine
1050 the location and character of any project to be financed under the
1051 provisions of said chapters and sections, provided any financial
1052 assistance shall be approved in accordance with written procedures

1053 prepared pursuant to subdivision (14) of this section; (2) purchase,
1054 receive, by gift or otherwise, lease, exchange, or otherwise acquire, and
1055 construct, reconstruct, improve, maintain, equip and furnish one or
1056 more projects, including all real and personal property which the
1057 authority may deem necessary in connection therewith, and to enter
1058 into a contract with a person therefor upon such terms and conditions
1059 as the authority shall determine to be reasonable, including but not
1060 limited to reimbursement for the planning, designing, financing,
1061 construction, reconstruction, improvement, equipping, furnishing,
1062 operation and maintenance of the project and any claims arising
1063 therefrom and establishment and maintenance of reserve and
1064 insurance funds with respect to the financing of the project; (3) insure
1065 any or all payments to be made by the borrower under the terms of
1066 any agreement for the extension of credit or making of a loan by the
1067 authority in connection with any economic development project to be
1068 financed, wholly or in part, through the issuance of bonds or mortgage
1069 payments of any mortgage which is given by a mortgagor to the
1070 mortgagee who has provided the mortgage for an economic
1071 development project upon such terms and conditions as the authority
1072 may prescribe and as provided herein, and the faith and credit of the
1073 state are pledged thereto; (4) in connection with the insuring of
1074 payments of any mortgage, request for its guidance a finding of the
1075 municipal planning commission, or, if there is no planning
1076 commission, a finding of the municipal officers, of the municipality in
1077 which the economic development project is proposed to be located, or
1078 of the regional planning agency of which such municipality is a
1079 member, as to the expediency and advisability of the economic
1080 development project; (5) sell or lease to any person, all or any portion
1081 of a project, purchase from eligible financial institutions mortgages
1082 with respect to economic development projects, purchase or
1083 repurchase its own bonds, and sell, pledge or assign to any person any
1084 such bonds, mortgages, or other loans, notes, revenues or assets of the
1085 authority, or any interest therein, for such consideration and upon
1086 such terms as the authority may determine to be reasonable; (6)
1087 mortgage or otherwise encumber all or any portion of a project

1088 whenever it shall find such action to be in furtherance of the purposes
1089 of said chapters and sections; (7) enter into agreements with any
1090 person, including prospective mortgagees and mortgagors, for the
1091 purpose of planning, designing, constructing, acquiring, altering and
1092 financing projects, providing liquidity or a secondary market for
1093 mortgages or other financial obligations incurred with respect to
1094 facilities which would qualify as a project under this chapter,
1095 purchasing loans made by regional corporations under section 32-276,
1096 or for any other purpose in furtherance of any other power of the
1097 authority; (8) grant options to purchase or renew a lease for any of its
1098 projects on such terms as the authority may determine to be
1099 reasonable; (9) employ or retain attorneys, accountants and
1100 architectural, engineering and financial consultants and such other
1101 employees and agents and to fix their compensation and to employ the
1102 Connecticut Development Credit Corporation on a cost basis as it shall
1103 deem necessary to assist it in carrying out the purposes of said
1104 authority legislation; (10) borrow money or accept gifts, grants or loans
1105 of funds, property or service from any source, public or private, and
1106 comply, subject to the provisions of said authority legislation, with the
1107 terms and conditions thereof; (11) accept from a federal agency loans
1108 or grants for use in carrying out its purpose, and enter into agreements
1109 with such agency respecting any such loans or grants; (12) provide
1110 tenant lease guarantees and performance guarantees, invest in, extend
1111 credit or make loans to any person for the planning, designing,
1112 financing, acquiring, constructing, reconstructing, improving,
1113 expanding, continuing in operation, equipping and furnishing of a
1114 project and for the refinancing of existing indebtedness with respect to
1115 any facility or part thereof which would qualify as a project in order to
1116 facilitate substantial improvements thereto, which guarantees,
1117 investments, credits or loans may be secured by loan agreements, lease
1118 agreements, installment sale agreements, mortgages, contracts and all
1119 other instruments or fees and charges, upon such terms and conditions
1120 as the authority shall determine to be reasonable in connection with
1121 such loans, including provision for the establishment and maintenance
1122 of reserve and insurance funds and in the exercise of powers granted

1123 in this section in connection with a project for such person, to require
1124 the inclusion in any contract, loan agreement or other instrument, such
1125 provisions for the construction, use, operation and maintenance and
1126 financing of a project as the authority may deem necessary or
1127 desirable; (13) in connection with any application for assistance under
1128 said authority legislation, or commitments therefor, to make and
1129 collect such fees and charges as the authority shall determine to be
1130 reasonable; (14) adopt procedures, in accordance with the provisions
1131 of section 1-121, to carry out the provisions of said authority
1132 legislation, which may give priority to applications for financial
1133 assistance based upon the extent the project will materially contribute
1134 to the economic base of the state by creating or retaining jobs,
1135 providing increased wages or benefits to employees, promoting the
1136 export of products or services beyond the boundaries of the state,
1137 encouraging innovation in products or services, encouraging defense-
1138 dependent business to diversify to nondefense production, promoting
1139 standards of participation adopted by the Connecticut partnership
1140 compact pursuant to section 33-374g of the general statutes, revision of
1141 1958, revised to 1991, or will otherwise enhance existing activities that
1142 are important to the economic base of the state, provided regulation-
1143 making proceedings commenced before January 1, 1989, shall be
1144 governed by sections 4-166 to 4-174, inclusive; (15) adopt an official
1145 seal and alter the same at pleasure; (16) maintain an office at such place
1146 or places within the state as it may designate; (17) sue and be sued in
1147 its own name and plead and be impleaded, service of process in any
1148 action to be made by service upon the executive director of said
1149 authority either in hand or by leaving a copy of the process at the
1150 office of the authority with some person having charge thereof; (18)
1151 employ such assistants, agents and other employees as may be
1152 necessary or desirable for its purposes, which employees shall be
1153 exempt from the classified service and shall not be employees as
1154 defined in subsection (b) of section 5-270, as amended; establish all
1155 necessary or appropriate personnel practices and policies, including
1156 those relating to hiring, promotion, compensation, retirement and
1157 collective bargaining, which need not be in accordance with chapter 68

1158 and the authority shall not be an employer as defined in subsection (a)
1159 of section 5-270, as amended; contract for and engage appraisers of
1160 industrial machinery and equipment, consultants and property
1161 management services, and utilize the services of other governmental
1162 agencies; (19) when it becomes necessary or feasible for the authority
1163 to safeguard itself from losses, acquire, purchase, manage and operate,
1164 hold and dispose of real and personal property, take assignments of
1165 rentals and leases and make and enter into all contracts, leases,
1166 agreements and arrangements necessary or incidental to the
1167 performance of its duties; (20) in order to further the purposes of said
1168 authority legislation, or to assure the payment of the principal and
1169 interest on bonds or notes of the authority or to safeguard the
1170 mortgage insurance fund, purchase, acquire and take assignments of
1171 notes, mortgages and other forms of security and evidences of
1172 indebtedness, purchase, acquire, attach, seize, accept or take title to
1173 any project by conveyance or, by foreclosure, and sell, lease or rent any
1174 project for a use specified in said chapters and sections or in said
1175 chapter 579; (21) adopt rules for the conduct of its business; (22) invest
1176 any funds not needed for immediate use or disbursement, including
1177 any funds held in reserve, in obligations issued or guaranteed by the
1178 United States of America or the state of Connecticut and in other
1179 obligations which are legal investments for savings banks in this state;
1180 (23) do, or delegate, any and all things necessary or convenient to carry
1181 out the purposes and to exercise the powers given and granted in said
1182 authority legislation; provided, in all matters concerning the internal
1183 administrative functions of the authority which are funded by
1184 amounts appropriated by the state to the authority or to the
1185 department, the procedures of the state relating to office space,
1186 supplies, facilities, materials, equipment and professional services shall
1187 be followed, and provided further, that in the acquisition by the
1188 authority of real estate involving the use of appropriated funds or
1189 bonds supported by the full faith and credit of the state, the authority
1190 shall be subject to the provisions of section 4b-23, as amended; (24) to
1191 accept from the department: (A) Financial assistance, (B) revenues or
1192 the right to receive revenues with respect to any program under the

1193 supervision of the department, and (C) loan assets or equity interests
1194 in connection with any program under the supervision of the
1195 department; to make advances to and reimburse the department for
1196 any expenses incurred or to be incurred by it in the delivery of such
1197 assistance, revenues, rights, assets or amounts; to enter into
1198 agreements for the delivery of services by the authority, in
1199 consultation with the department [,] and the Connecticut Housing
1200 Finance Authority, [and Connecticut Innovations, Incorporated,] to
1201 third parties which agreements may include provisions for payment
1202 by the department to the authority for the delivery of such services;
1203 and to enter into agreements with the department or with the
1204 Connecticut Housing Finance Authority [or Connecticut Innovations,
1205 Incorporated] for the sharing of assistants, agents and other
1206 consultants, professionals and employees, and facilities and other real
1207 and personal property used in the conduct of the authority's affairs;
1208 and (25) to transfer to the department: (A) Financial assistance, (B)
1209 revenues or the right to receive revenues with respect to any program
1210 under the supervision of the authority, and (C) loan assets or equity
1211 interests in connection with any program under the supervision of the
1212 authority, provided the transfer of such financial assistance, revenues,
1213 rights, assets or interests is determined by the authority to be
1214 practicable, within the constraints and not inconsistent with the
1215 fiduciary obligations of the authority imposed upon or established
1216 upon the authority by any provision of the general statutes, the
1217 authority's bond resolutions or any other agreement or contract of the
1218 authority and to have no adverse effect on the tax-exempt status of any
1219 bonds of the authority or the state.

1220 Sec. 15. Section 32-23k of the general statutes is repealed and the
1221 following is substituted in lieu thereof (*Effective October 1, 2006*):

1222 The state of Connecticut does hereby pledge to and agree with the
1223 holders of any bonds and notes issued under the provisions of the
1224 authority legislation, as defined in subsection (hh) of section 32-23d,
1225 and with those parties who may enter into contracts with the
1226 Connecticut [Development Authority] Finance Collaborative or its

1227 successor agency pursuant to the provisions of such authority
1228 legislation, that the state will not limit or alter the rights hereby vested
1229 in the authority until such obligations, together with the interest
1230 thereon, are fully met and discharged and such contracts are fully
1231 performed on the part of the authority, provided nothing contained
1232 herein shall preclude such limitation or alteration if and when
1233 adequate provision shall be made by law for the protection of the
1234 holders of such bonds and notes of the authority or those entering into
1235 such contracts with the authority. The authority is authorized to
1236 include this pledge and undertaking for the state in such bonds and
1237 notes or contracts.

1238 Sec. 16. Subsection (b) of section 32-23o of the general statutes is
1239 repealed and the following is substituted in lieu thereof (*Effective*
1240 *October 1, 2006*):

1241 (b) Each such loan or extension of credit shall be authorized by the
1242 Connecticut [Development Authority] Finance Collaborative or, if the
1243 authority so determines, by a committee of the authority consisting of
1244 the chairman and either one other member of the authority or its
1245 [executive director] chief executive officer, as specified in the
1246 determination of the authority. Any administrative expenses incurred
1247 in carrying out the provisions of this section, to the extent not paid by
1248 the authority or from moneys appropriated to the department, shall be
1249 paid from the Small Contractors' Revolving Loan Fund. Payments
1250 from the Small Contractors' Revolving Loan Fund to small contractors
1251 or to pay such administrative expenses shall be made by the Treasurer
1252 upon certification by the Commissioner of [Economic and Community
1253 Development] Business and Employment that the payment is
1254 authorized under the provisions of this section, under the applicable
1255 rules and regulations of the department, and, if made to a small
1256 contractor, under the terms and conditions established by the authority
1257 or the duly appointed committee thereof in authorizing the making of
1258 the loan or the extension of credit.

1259 Sec. 17. Section 32-23q of the general statutes is repealed and the

1260 following is substituted in lieu thereof (*Effective October 1, 2006*):

1261 The provisions of sections 37-4 and 37-6 shall not apply to any bond,
1262 note or other obligation issued by the Connecticut [Development
1263 Authority] Finance Collaborative, or any loan, lease, sale agreement,
1264 note or other obligation evidencing a financial obligation to the
1265 authority.

1266 Sec. 18. Section 32-23r of the general statutes is repealed and the
1267 following is substituted in lieu thereof (*Effective October 1, 2006*):

1268 The Connecticut [Development Authority] Finance Collaborative
1269 shall require in all instances that a borrower or mortgagee shall enter
1270 into an agreement with the authority to give preference in employment
1271 to persons as set forth herein:

1272 (1) Where the funds involved are to be used for the purchase, lease
1273 or alteration of an existing facility which has been inoperative and the
1274 borrower or mortgagee intends to make, assemble or produce products
1275 and or services comparable to those previously made, assembled, or
1276 produced at such facility, preference shall be given to those previously
1277 employed at such facility within the twelve-month period immediately
1278 preceding its closing in the order of their total length of employment at
1279 the closed facility, provided that they can perform the work required
1280 by the borrower or mortgagee at such existing facility;

1281 (2) Where the funds involved are to be used for the purchase, lease
1282 or alteration of an existing facility which has been inoperative and the
1283 borrower or mortgagee intends to make, assemble or produce products
1284 different than those previously made, assembled or produced at the
1285 facility, preference in employment and training shall be given to those
1286 previously employed at such facility within the twelve-month period
1287 immediately preceding its closing in the order of their total length of
1288 employment at the closed facility, provided such training shall not
1289 exceed twelve weeks; and

1290 (3) Where the borrower or mortgagee is not the operating or

1291 producing entity at the facility being financed, the borrower or
1292 mortgagee shall be required to enter into an irrevocable agreement
1293 with the operating or producing entity containing the above
1294 requirements and proof of such agreement shall be provided to the
1295 authority before approval of any funds or insurance.

1296 Sec. 19. Section 32-23s of the general statutes is repealed and the
1297 following is substituted in lieu thereof (*Effective October 1, 2006*):

1298 The amendments to sections 32-11a, 32-16, 32-23c, 32-23d, as
1299 amended by this act, 32-23e, 32-23f and 32-23j effective on June 29,
1300 1981, are intended and shall be construed as a clarification and
1301 expansion of the powers of the Connecticut [Development Authority]
1302 Finance Collaborative, and shall not limit or impair any obligation
1303 incurred or right exercised by the authority under its powers prior to
1304 said date.

1305 Sec. 20. Section 32-23t of the general statutes is repealed and the
1306 following is substituted in lieu thereof (*Effective October 1, 2006*):

1307 It is hereby found and declared as a matter of legislative
1308 determination that there is a continuing need for stimulation and
1309 encouragement of the growth and development of the state economy
1310 through the provision of two comprehensive loan programs and the
1311 establishment of a locally administered business outreach center
1312 challenge grant program which address the economic needs of a wide
1313 variety of business enterprises located throughout the state, including,
1314 but not limited to, development corporations, small contractors, small
1315 manufacturers, small business investment companies, employee
1316 groups, small water companies, small exporters, businesses affected by
1317 emergencies or disasters, small farmers, small retailers or service firms,
1318 high risk small businesses, start-up businesses, businesses located in
1319 various regions of the state, and other businesses that may be unable to
1320 obtain adequate financing from conventional sources. It is further
1321 found and declared that consolidating many of the separate loan
1322 programs currently administered by the Department of [Economic and

1323 Community Development] Business and Employment into two
1324 revolving loan funds to be administered by the Connecticut
1325 [Development Authority] Finance Collaborative will enhance such
1326 programs for all borrowers, permit better targeting of state assistance
1327 to firms important to the economic base of the state, improve
1328 marketing, accounting and administration, alleviate certain
1329 administrative and technical problems created by changes in federal
1330 tax law, permit more effective use of existing resources and better
1331 enable the state to protect itself from losses through the establishment
1332 of a loan loss reserve and an improved loan work-out capability. It is
1333 further found and declared that major changes in the financial markets
1334 have altered the availability of capital to small and medium firms in
1335 the state, that assistance to high risk small and start-up businesses is
1336 important to the state economy and that such loan consolidation will
1337 better enable the Connecticut [Development Authority] Finance
1338 Collaborative to leverage state assistance through active participation
1339 of private sector investments in small businesses.

1340 Sec. 21. Subsection (a) of section 32-23v of the general statutes is
1341 repealed and the following is substituted in lieu thereof (*Effective*
1342 *October 1, 2006*):

1343 (a) As used in this section:

1344 (1) "Affiliate" means a business concern which directly controls or is
1345 controlled by another business concern, or a third party which controls
1346 both business concerns;

1347 (2) "Appraised value" means the cost or fair market value of an asset
1348 as determined in the discretion of the Connecticut [Development
1349 Authority] Finance Collaborative;

1350 (3) "Authority" means the Connecticut [Development Authority]
1351 Finance Collaborative established under section 32-11a or its successor;

1352 (4) "Department" means the Department of [Economic and
1353 Community Development] Business and Employment or its successor

1354 agency;

1355 (5) "Eligible borrower" means any person who, in the discretion of
1356 the authority, demonstrates (A) financial need by either its inability to
1357 obtain conventional financial assistance in satisfactory amounts or
1358 satisfactory terms, or to remain or locate or continue operations in this
1359 state without the assistance provided for in this section; and (B) that
1360 the project for which the assistance provided for in this section is being
1361 requested will materially contribute or provide support to the
1362 economic base of the state, as evidenced by one or more of the
1363 following criteria: (i) That such project will create or retain high quality
1364 jobs within the state and not simply replace existing jobs in other
1365 locations or businesses within the state; (ii) that such project will
1366 effectuate or facilitate the export of goods or services beyond the state
1367 boundaries; (iii) that such project represents a new product or service
1368 that has the potential for significant future contribution to the state's
1369 economic base; or (iv) that such project will significantly contribute to,
1370 support or enhance existing activities which are important to the
1371 economic base of the state;

1372 (6) "Loans" means (A) loans and extensions of lines of credit, (B) any
1373 and all forms of equity investments in any business entity and (C) any
1374 combination of such loans, lines of credit and equity investments;

1375 (7) "Person" means any person or entity, including affiliates,
1376 engaged in or for the purpose of acquiring a for-profit activity or
1377 activities in this state, and whose gross revenues, including revenues
1378 of affiliates, did not exceed twenty-five million dollars in its most
1379 recently completed fiscal year prior to the date of its application for
1380 assistance under this section, or if such person has not been in business
1381 for at least one year prior to the date of such application, if the
1382 authority determines in its discretion that such person's gross
1383 revenues, including revenues of affiliates, are not likely to exceed
1384 twenty-five million dollars in its first fiscal year;

1385 (8) "Small business investment company" means any entity defined

1386 in 15 USCA 662(3); and

1387 (9) "State or local development corporation" means any entity
1388 organized under the laws of this state which has the authority to
1389 promote and assist the growth and development of business concerns
1390 in the areas covered by their operations.

1391 Sec. 22. Subsection (g) of section 32-23v of the general statutes is
1392 repealed and the following is substituted in lieu thereof (*Effective*
1393 *October 1, 2006*):

1394 (g) Each loan may be authorized by the authority or, if the authority
1395 so determines, by a committee of the authority. [, one of whose
1396 members may be its executive director.] The rate of interest and other
1397 terms of each loan to the extent not specifically provided for herein
1398 shall be determined by the authority in its discretion.

1399 Sec. 23. Section 32-23x of the general statutes is repealed and the
1400 following is substituted in lieu thereof (*Effective October 1, 2006*):

1401 (a) As used in this section:

1402 (1) "Affiliate" means a business concern which directly controls or is
1403 controlled by another business concern, or a third party which controls
1404 both business concerns;

1405 (2) "Authority" means the Connecticut [Development Authority]
1406 Finance Collaborative established under section 32-11a or its successor;

1407 (3) "Department" means the Department of [Economic and
1408 Community Development] Business and Employment or its successor
1409 agency;

1410 (4) "Enterprise zone" has the same meaning as provided in section
1411 32-70;

1412 (5) "Impacted business" means any person impacted by (A) a
1413 disaster caused by natural forces including, but not limited to, floods

1414 or hurricanes or (B) an economic emergency including, but not limited
1415 to, an existing or threatened major plant shutdown, business
1416 disruption from a major road or bridge repair project or other existing
1417 or potential economic emergency, provided such disaster or
1418 emergency described in subparagraph (A) or (B) of this subdivision is
1419 proclaimed as such by declaration of the Commissioner of [Economic
1420 and Community Development] Business and Employment, with the
1421 consent of the Secretary of the Office of Policy and Management, upon
1422 a determination by the Commissioner of [Economic and Community
1423 Development] Business and Employment that such disaster or
1424 emergency is of a magnitude that could materially affect the health or
1425 well-being of the citizens of the impacted area and that the financial
1426 assistance provided for under this section is necessary to assure timely
1427 and effective relief and restoration;

1428 (6) "Loans" means loans and extensions of lines of credit;

1429 (7) "Minority business enterprise" means any person who meets the
1430 criteria contained in section 4a-60g and who is receiving a state
1431 contract award;

1432 (8) "Person" means any person or entity, including affiliates,
1433 engaged in a for-profit activity or activities in this state and who,
1434 except for an impacted business, is not an eligible borrower for
1435 assistance under the provisions of the Connecticut Growth Fund
1436 established under section 32-23v;

1437 (9) "Rate of interest" means the interest rate which the authority
1438 shall charge and collect on each loan made by the state under this
1439 section, which rate shall not exceed one per cent above the interest rate
1440 borne by the general obligation bonds of the state last issued prior to
1441 the date such loan is made, provided, such rate shall not exceed the
1442 maximum allowable under federal law;

1443 (10) "Small contractor" means any person who is a contractor,
1444 subcontractor, manufacturer or service company who has been in
1445 business for at least one year prior to the date of its application for

1446 assistance under this section and whose gross revenues, including
1447 revenues of affiliates, did not exceed three million dollars in its most
1448 recently completed fiscal year prior to the date of its application for
1449 assistance under this section;

1450 (11) "State or local development corporation" means any entity
1451 organized under the laws of this state which has the authority to
1452 promote and assist the growth and development of business concerns
1453 in the areas covered by their operations;

1454 (12) "Targeted business" means a person located in an enterprise
1455 zone whose gross revenues did not exceed three million dollars in its
1456 most recently completed fiscal year prior to the date of its application
1457 for assistance under this section, or if such person has not been in
1458 business for at least one year prior to the date of such application, if
1459 the authority determines in its discretion that such person's gross
1460 revenues, including revenues of affiliates, are not likely to exceed three
1461 million dollars in its first fiscal year;

1462 (13) "Water facilities" means (A) investor-owned water companies
1463 which supply water to at least twenty-five but less than ten thousand
1464 customers, (B) municipally-owned water companies, and (C) owners
1465 of privately and municipally-owned dams which the Commissioner of
1466 Environmental Protection has determined benefit the public.

1467 (b) In order to stimulate and encourage the growth and
1468 development of the state economy, the Comprehensive Business
1469 Assistance Fund is hereby created to provide financial assistance to
1470 targeted businesses, businesses impacted by economic emergencies
1471 and natural disasters, businesses located in certain regions of the state
1472 and certain industry sectors, including businesses located in
1473 entertainment districts designated under section 32-76 or established
1474 under section 2 of public act 93-311*, and to assist in the development
1475 of clean water facilities. The state, acting through the authority, may
1476 make or participate with private sector financial institutions in making
1477 loans from said fund to persons in accordance with the provisions of

1478 this section. Payments of principal and interest on such loans, and
1479 funds received by the authority from any other source for the purposes
1480 of the Comprehensive Business Assistance Fund, shall be deposited
1481 into said fund and shall be used to make additional loans and for such
1482 other purposes authorized by this section.

1483 (c) The state, acting through the authority, may make, or participate
1484 with private sector financial institutions in making loans from the
1485 Comprehensive Business Assistance Fund to any person who in the
1486 discretion of the authority, demonstrates financial need by either its
1487 inability to obtain conventional financial assistance in satisfactory
1488 amounts or on satisfactory terms in accordance with the following
1489 provisions:

1490 (1) The authority may make loans at the rate of interest to small
1491 contractors and minority business enterprises for the purpose of
1492 financing labor and material costs only. The aggregate outstanding
1493 amount of any loans made under this subdivision to any one person,
1494 including affiliates, shall not exceed two hundred fifty thousand
1495 dollars. The maximum term for repayment of any loan made under
1496 this subdivision shall not exceed one year.

1497 (2) The authority may make loans at the rate of interest to targeted
1498 businesses. The aggregate outstanding amount of any loans made
1499 under this subdivision to any one person, including affiliates, shall not
1500 exceed three hundred thousand dollars. The maximum term for
1501 repayment of any loan made under this subdivision shall not exceed
1502 (A) twenty years for real property; (B) ten years for machinery and
1503 equipment; and (C) seven years for working capital. For the purposes
1504 of this subdivision and subdivision (3), working capital may include,
1505 but shall not be limited to, capital for expansion or restructuring of a
1506 business.

1507 (3) The authority may make loans at the rate of interest to impacted
1508 businesses. The aggregate outstanding amount of any loans made
1509 under this subdivision to any one person, including affiliates, shall not

1510 exceed five hundred thousand dollars, except the authority, with the
1511 consent of the Secretary of the Office of Policy and Management, may
1512 increase the maximum loan amount under this subdivision to one
1513 million dollars if the authority in its discretion determines that the
1514 particular needs and conditions of such impacted business warrant
1515 such increase. The maximum term for repayment of any loan made
1516 under this subdivision shall not exceed (A) twenty years for real
1517 property; (B) ten years for machinery and equipment; and (C) seven
1518 years for working capital.

1519 (4) The authority may make loans at the rate of interest to water
1520 facilities. Such loans shall be used for the planning, design,
1521 modification or construction of drinking water facilities made
1522 necessary by the requirements of the Safe Water Act of 1974 or by an
1523 order of the Department of Public Health, which drinking water
1524 facilities shall include, but shall not be limited to, collection facilities,
1525 treatment facilities, wells, tanks, mains, pumps, transmission facilities
1526 and any other machinery and equipment necessary to meet the
1527 requirements of said act. Such loans shall also be used for the repair of
1528 dams subject to the jurisdiction of the Department of Environmental
1529 Protection under chapter 446j. For the purposes of this subdivision,
1530 repair costs include, but shall not be limited to, fees and expenses of
1531 architects, engineers, attorneys, accountants and other professional
1532 consultants, and costs of preparing surveys, studies, site plans and
1533 specifications for such repair. The aggregate outstanding amount of
1534 any loans made under this subdivision to any water facility, including
1535 affiliates, shall not exceed two hundred fifty thousand dollars. The
1536 maximum term for repayment of any loan made under this
1537 subdivision shall not exceed (A) twenty years for real property; and (B)
1538 ten years for machinery and equipment.

1539 (5) The authority may make loans at zero per cent interest to
1540 municipal economic development commissions established under
1541 section 7-136 or business outreach centers described in section 32-9qq,
1542 as amended, that establish or participate in loan pools that lend funds
1543 to (A) persons or groups of persons who complete entrepreneurial

1544 training programs funded or approved by the Commissioner of
1545 [Economic and Community Development] Business and Employment,
1546 or (B) business support groups. As used in this subdivision, "business
1547 support group" means a group of five or more persons, firms or
1548 corporations which plans to start or expand separate businesses, has
1549 community or other ties demonstrating a common mission or purpose,
1550 agrees to undergo an entrepreneurial training program funded or
1551 approved by the commissioner, and each member of which agrees to
1552 provide business support to other members of the group. The
1553 aggregate outstanding amount of any loans made under this
1554 subdivision to any one person, group of persons or business support
1555 group shall not exceed twenty-five thousand dollars. The maximum
1556 term for repayment of any loan made under this subdivision shall not
1557 exceed ten years.

1558 (6) The authority shall make loans at the rate of interest to
1559 entertainment or entertainment support service businesses located in
1560 the municipality with the pilot entertainment district established
1561 pursuant to section 2 of public act 93-311*, and on and after July 1,
1562 1995, may make loans at the rate of interest to entertainment or
1563 entertainment support service businesses located in municipalities
1564 with entertainment districts designated under section 32-76.

1565 (d) The state, acting through the authority, may make loans to state
1566 or local development corporations, for the purpose of providing funds
1567 to enable such state or local development corporations to make loans
1568 to any person eligible for assistance under subsection (c) hereof. The
1569 aggregate outstanding amount of any loan made under this subsection
1570 to a state or local development corporation for a loan with respect to
1571 any one project shall not exceed one million dollars.

1572 (e) To carry out the purposes of this section, the authority shall have
1573 those powers set forth in section 32-23e. The authority shall also have
1574 the power to take all reasonable steps and exercise all available
1575 remedies necessary or desirable to protect the obligations or interests
1576 of the authority including, but not limited to, the purchase or

1577 redemption on foreclosure proceedings, bankruptcy proceedings or in
1578 other judicial proceedings of any property on which it holds a
1579 mortgage or other lien or in which it has an interest, and for such
1580 purposes payment may be made from the Comprehensive Business
1581 Assistance Fund.

1582 (f) The borrower shall pay such costs of processing applications for
1583 loans made under this section, including closing costs, as the authority
1584 determines are reasonable and necessary. The department may assist
1585 the authority in carrying out the provisions of this section and any
1586 administrative expenses incurred by the department for services
1587 provided to the authority or expenses incurred by the authority in
1588 carrying out the provisions of this section to the extent not paid by the
1589 borrower or from moneys appropriated to the department or the
1590 authority for such purposes, may be paid from the Comprehensive
1591 Business Assistance Fund.

1592 (g) Each loan may be authorized by the authority or, if the authority
1593 so determines, by a committee of the authority. [, one of whose
1594 members may be its executive director.]

1595 (h) Payments from the Comprehensive Business Assistance Fund to
1596 eligible borrowers or to pay administrative expenses shall be made
1597 upon certification by the executive director of the authority that
1598 payment is authorized under the provisions of this section and under
1599 any applicable regulations or program criteria of the authority.

1600 (i) For the purposes of this section, the State Bond Commission shall
1601 have the power, from time to time, to authorize the issuance of bonds
1602 of the state in one or more series and in principal amounts not
1603 exceeding in the aggregate seventeen million three hundred fifty
1604 thousand dollars. The proceeds from the sale of said bonds shall be
1605 used by the department to make grants to the authority for deposit in
1606 the Comprehensive Business Assistance Fund for the purposes
1607 authorized under this section. The terms and conditions of said grants
1608 shall be governed in accordance with a grant contract entered into

1609 between the department and authority. All provisions of section 3-20,
1610 as amended, or the exercise of any right or power granted thereby
1611 which are not inconsistent with the provisions of this section are
1612 hereby adopted and shall apply to all bonds authorized by the State
1613 Bond Commission pursuant to this section, and temporary notes in
1614 anticipation of the money to be derived from the sale of any such
1615 bonds so authorized may be issued in accordance with said section 3-
1616 20, as amended, and from time to time renewed. Said bonds shall
1617 mature at such time or times not exceeding twenty years from their
1618 respective dates as may be provided in or pursuant to the resolution or
1619 resolutions of the State Bond Commission authorizing such bonds.
1620 None of such bonds shall be authorized except upon a finding by the
1621 State Bond Commission that there has been filed with it a request for
1622 such authorization, which is signed by or on behalf of the Secretary of
1623 the Office of Policy and Management and states such terms and
1624 conditions as said commission in its discretion may require. Said
1625 bonds issued pursuant to this section shall be general obligations of the
1626 state and the full faith and credit of the state of Connecticut are
1627 pledged for the payment of the principal of and interest on said bonds
1628 as the same become due, and accordingly and as part of the contract of
1629 the state with the holders of said bonds, appropriation of all amounts
1630 necessary for punctual payment of such principal and interest is
1631 hereby made, and the Treasurer shall pay such principal and interest
1632 as the same become due. Net earnings on any assets of the
1633 Comprehensive Business Assistance Fund, including investments or
1634 reinvestments of proceeds, accrued interest and premiums on the
1635 issuance of such bonds, after payment therefrom of expenses incurred
1636 by the Treasurer or State Bond Commission in connection with their
1637 issuance, shall become part of the Comprehensive Business Assistance
1638 Fund.

1639 Sec. 24. Section 32-23z of the general statutes is repealed and the
1640 following is substituted in lieu thereof (*Effective October 1, 2006*):

1641 (a) A Business Environmental Clean-Up Revolving Loan Fund is
1642 created. The state, acting through the Connecticut [Development

1643 Authority] Finance Collaborative, may provide loans or lines of credit
1644 from the Business Environmental Clean-Up Revolving Loan Fund (1)
1645 to businesses for the purposes of the containment and removal or
1646 mitigation of the discharge, spillage, uncontrolled loss, seepage or
1647 filtration of oil or petroleum or chemical liquids or solid, liquid or
1648 gaseous products or hazardous wastes and (2) to businesses which
1649 convert gas and diesel-powered motor vehicles to vehicles powered by
1650 either gas or diesel fuel and a clean-burning alternative fuel, including
1651 but not limited to, compressed natural gas or electricity. Loans or lines
1652 of credit under subdivision (2) shall be for working or development
1653 capital. For the purposes of this section, "business" means any business
1654 which (A) if applying for assistance under subdivision (1), has been in
1655 business for at least one year prior to the date of application for its loan
1656 or line of credit or, if applying for assistance under subdivision (2), has
1657 been in business for at least two years prior to such application date,
1658 (B) has gross revenues, including revenues of affiliates, less than three
1659 million dollars in the most recent fiscal year before the date of the
1660 application or has less than one hundred fifty employees and, if
1661 applying for assistance under subdivision (2), derived at least seventy-
1662 five per cent of its gross revenues in such year from motor vehicle fuel
1663 conversion activities, (C) if applying for assistance under subdivision
1664 (1), has been doing business and has maintained its principal office
1665 and place of business in the state for a period of at least one year prior
1666 to the date of its application for assistance under this section or, if
1667 applying for assistance under subdivision (2), has been doing business
1668 and has maintained such office and business in the state for a period of
1669 at least two years prior to such application date, and (D) demonstrates,
1670 to the satisfaction of the authority and in its sole discretion, that it is
1671 unable to obtain financing from conventional sources on reasonable
1672 terms or in reasonable amounts. The Connecticut [Development
1673 Authority] Finance Collaborative shall charge and collect interest on
1674 each such loan or line of credit at a rate to be determined in accordance
1675 with regulations adopted pursuant to subsection (b) of this section.
1676 The total amount of such loans or lines of credit provided to any single
1677 business in any period of twelve consecutive months shall not exceed

1678 two hundred thousand dollars. Payments made by businesses on all
1679 loans and lines of credit paid to the Treasurer for deposit in the
1680 Business Environmental Clean-Up Revolving Loan Fund shall be
1681 credited to such fund.

1682 (b) The authority shall take any reasonable action it deems
1683 appropriate to moderate losses on loans and lines of credit made under
1684 this section, including, but not limited to, development and
1685 implementation of written procedures, in accordance with section 1-
1686 121, and a strategy to manage the assets of the fund and any losses
1687 incurred.

1688 (c) The Connecticut [Development Authority] Finance Collaborative
1689 shall establish loan procedures, interest, repayment terms, security
1690 requirements, default and remedy provisions and such other terms
1691 and conditions as the authority shall deem appropriate.

1692 (d) Each such loan or extension of credit shall be authorized by the
1693 Connecticut [Development Authority] Finance Collaborative or, if the
1694 authority so determines, by a committee of the authority consisting of
1695 the chairman and either one other member of the authority or its
1696 [executive director] chief executive officer as specified in the
1697 determination of the authority. Any administrative expenses incurred
1698 in carrying out the provisions of this section, to the extent not paid by
1699 the authority, shall be paid from the Business Environmental Clean-Up
1700 Revolving Loan Fund. Payments from the Business Environmental
1701 Clean-Up Revolving Loan Fund to businesses or to pay such
1702 administrative expenses shall be made by the Treasurer upon
1703 certification by the executive director of the authority that the payment
1704 is authorized under the provisions of this section, under the applicable
1705 rules and regulations of the authority, and, if made to a business,
1706 under the terms and conditions established by the authority or the
1707 duly appointed committee thereof in authorizing the making of the
1708 loan or the extension of credit.

1709 Sec. 25. Section 32-23aa of the general statutes is repealed and the

1710 following is substituted in lieu thereof (*Effective October 1, 2006*):

1711 The Connecticut [Development Authority] Finance Collaborative
1712 shall not approve any application for financial assistance for any
1713 project unless such project complies with all state laws and regulations
1714 adopted thereunder.

1715 Sec. 26. Section 32-23hh of the general statutes is repealed and the
1716 following is substituted in lieu thereof (*Effective October 1, 2006*):

1717 As used in sections 32-23gg to 32-23ll, inclusive:

1718 (1) "Authority" means the Connecticut [Development Authority]
1719 Finance Collaborative, created under section 32-11a;

1720 [(2) "Executive director" means the executive director of the
1721 Connecticut Development Authority;]

1722 (2) "Chief executive officer" means the chief executive officer of the
1723 Connecticut Finance Collaborative;

1724 (3) "Financial assistance" means any and all forms of loans,
1725 extensions of credit, guarantees, equity investments or any other form
1726 of financing or refinancing to persons for the purchase, acquisition,
1727 construction, expansion, continued operation, reconstruction,
1728 financing, refinancing or placing in operation of an economic
1729 development project, including, but not limited to, fixed assets,
1730 working capital, equity participations and acquisitions, employee
1731 buyouts, refinancing, financial restructuring, and other purposes
1732 which the authority determines further the purposes of sections 32-
1733 23gg to 32-23ll, inclusive;

1734 (4) "Economic development project" means any project (A) which is
1735 to be used or occupied by any person for manufacturing, industrial,
1736 research or product warehousing or distribution purposes, or any
1737 combination thereof, and which the authority determines will tend to
1738 maintain or provide gainful employment, maintain or increase the tax
1739 base of the economy, or maintain, expand or diversify industry in the

1740 state, or for any other purpose which the authority determines will
1741 materially support the economic base of the state, by creating or
1742 retaining jobs, promoting the export of products or services beyond
1743 state boundaries, encouraging innovation in products or services, or
1744 otherwise contributing to, supporting or enhancing existing activities
1745 that are important to the economic base of the state, and (B) which is
1746 unable to obtain conventional financing in satisfactory amounts or on
1747 satisfactory terms in the sole judgment of the authority, or whose
1748 ability, in the judgment of the authority, to start, continue to operate,
1749 expand, or maintain operations or relocate to Connecticut, is
1750 dependent upon financial assistance;

1751 (5) "Person" means a person as defined in subsection (s) of section
1752 32-23d; and

1753 (6) "Return on investment" means any and all forms of principal or
1754 interest payments, insurance premiums or guarantee fees, equity
1755 participations, options, warrants, debentures and any or all other
1756 forms of remuneration to the authority in return for any financial
1757 assistance provided or offered.

1758 Sec. 27. Section 32-23qq of the general statutes is repealed and the
1759 following is substituted in lieu thereof (*Effective October 1, 2006*):

1760 (a) An Environmental Assistance Revolving Loan Fund is created.
1761 The state, acting through the Connecticut [Development Authority]
1762 Finance Collaborative, or any subsidiary of the authority may provide
1763 grants, loans, lines of credit or loan guarantees to municipalities or
1764 businesses from the Environmental Assistance Revolving Loan Fund
1765 for the purposes of pollution prevention activities, as defined in section
1766 32-23rr, for purchases and the costs associated with compliance with
1767 the Clean Air Act Amendments of 1990 (42 USC 7401, et seq.), as
1768 amended, or for remediation of contaminated real property. Within the
1769 Environmental Assistance Revolving Loan Fund, a loan subfund is
1770 created solely to provide loans and lines of credit as provided in this
1771 section, a guarantee subfund is created solely to provide loan

1772 guarantees as provided in this section and a grant subfund is created
1773 solely to provide grants as provided under this section. No financial
1774 assistance, nor any commitment to provide financial assistance, shall
1775 be provided by or entered into by the authority or any subsidiary of
1776 the authority pursuant to sections 32-23pp to 32-23ss, inclusive, which
1777 would cause the aggregate amount of all such financial assistance and
1778 commitments then outstanding to exceed the sum of the amounts in
1779 the applicable subfund of the Environmental Assistance Revolving
1780 Loan Fund plus the amount of any unpaid grants authorized to be
1781 made by the Department of [Economic and Community Development]
1782 Business and Employment to the authority or any subsidiary of the
1783 authority for deposit in the applicable subfund of the Environmental
1784 Assistance Revolving Loan Fund, provided the amount of financial
1785 assistance in the form of any guarantee shall be measured by the
1786 portion of unpaid loan principal which is guaranteed by the authority.
1787 Notwithstanding the above, the aggregate amount of financial
1788 assistance in the form of guarantees and commitments with respect
1789 thereto, calculated as above, may be up to four times the sum of the
1790 amounts available in the guarantee subfund of the Environmental
1791 Assistance Revolving Loan Fund plus the amount of any unpaid
1792 grants which remain available and are specifically designated by the
1793 department for purposes of such subfund pursuant to the bond
1794 authorization in section 32-23ss. For the purposes of this section,
1795 "business" means any business which (1) has gross revenues of less
1796 than twenty-five million dollars in its fiscal year ending prior to the
1797 application for any such loans, lines of credit or loan guarantees, or (2)
1798 has fewer than one hundred fifty employees. The Connecticut
1799 [Development Authority] Finance Collaborative or any subsidiary of
1800 the authority shall charge and collect interest on each such loan or line
1801 of credit at a rate to be determined in accordance with procedures
1802 adopted pursuant to subsection (b) of this section. Payments made by
1803 businesses on all loans, lines of credit and loan guarantees shall be
1804 paid to the authority or any subsidiary of the authority for deposit in
1805 the Environmental Assistance Revolving Loan Fund.

1806 (b) The Connecticut [Development Authority] Finance Collaborative
1807 and any subsidiary of the authority shall adopt written procedures, in
1808 accordance with the provisions of section 1-121, to carry out the
1809 provisions of this section. Such procedures shall establish requirements
1810 for grants, loans, guarantees, interest, repayment terms, security
1811 requirements, default and remedies and such other terms and
1812 conditions as the authority or any subsidiary of the authority shall
1813 deem appropriate.

1814 (c) Each such grant, loan, guarantee or extension of credit shall be
1815 authorized by the Connecticut [Development Authority] Finance
1816 Collaborative or any subsidiary of the authority or, if the authority or
1817 any subsidiary of the authority so determines, by a committee of the
1818 authority or any subsidiary of the authority consisting of the chairman
1819 and either one other member of the authority or subsidiary or its
1820 executive director, as specified in the determination of the authority or
1821 subsidiary. Any administrative expenses incurred in carrying out the
1822 provisions of this section, to the extent not paid by the authority or any
1823 subsidiary of the authority or from moneys appropriated to the
1824 authority or any subsidiary of the authority, shall be paid from the
1825 Environmental Assistance Revolving Loan Fund. Payments from the
1826 Environmental Assistance Revolving Loan Fund to businesses or
1827 municipalities or to pay such administrative expenses shall be made by
1828 the authority or any subsidiary of the authority upon certification by
1829 the chairman of the authority or such subsidiary that the payment is
1830 authorized under the provisions of this section, under the applicable
1831 rules and regulations of the authority or subsidiary, and, if made to a
1832 business or municipality under the terms and conditions established
1833 by the authority or subsidiary or the duly appointed committee thereof
1834 in authorizing the making of the grant, loan or the extension of credit.

1835 Sec. 28. Section 32-23ss of the general statutes is repealed and the
1836 following is substituted in lieu thereof (*Effective October 1, 2006*):

1837 (a) For the purposes described in subsection (b) of this section, the
1838 State Bond Commission shall have the power, from time to time to

1839 authorize the issuance of bonds of the state in one or more series and
1840 in principal amounts not exceeding in the aggregate two million
1841 dollars.

1842 (b) The proceeds of the sale of said bonds, to the extent of the
1843 amount stated in subsection (a) of this section, shall be used by the
1844 Department of [Economic and Community Development] Business
1845 and Employment to make grants to the Connecticut [Development
1846 Authority] Finance Collaborative for deposit in the Environmental
1847 Assistance Revolving Loan Fund to be used for the purpose of sections
1848 32-23pp to 32-23rr, inclusive, and this section. The terms and
1849 conditions of said grants shall be governed in accordance with a grant
1850 contract between the department and the authority.

1851 (c) All provisions of section 3-20, as amended, or the exercise of any
1852 right or power granted thereby which are not inconsistent with the
1853 provisions of this section are hereby adopted and shall apply to all
1854 bonds authorized by the State Bond Commission pursuant to this
1855 section, and temporary notes in anticipation of the money to be
1856 derived from the sale of any such bonds so authorized may be issued
1857 in accordance with said section 3-20, as amended, and from time to
1858 time renewed. Such bonds shall mature at such time or times not
1859 exceeding twenty years from their respective dates as may be provided
1860 in or pursuant to the resolution or resolutions of the State Bond
1861 Commission authorizing such bonds. None of said bonds shall be
1862 authorized except upon a finding by the State Bond Commission that
1863 there has been filed with it a request for such authorization, which is
1864 signed by or on behalf of the Secretary of the Office of Policy and
1865 Management and states such terms and conditions as said commission,
1866 in its discretion, may require. Said bonds issued pursuant to this
1867 section shall be general obligations of the state and the full faith and
1868 credit of the state of Connecticut are pledged for the payment of the
1869 principal of and interest on said bonds as the same become due, and
1870 accordingly and as part of the contract of the state with the holders of
1871 said bonds, appropriation of all amounts necessary for punctual
1872 payment of such principal and interest is hereby made, and the

1873 Treasurer shall pay such principal and interest as the same become
1874 due.

1875 Sec. 29. Section 32-23tt of the general statutes is repealed and the
1876 following is substituted in lieu thereof (*Effective October 1, 2006*):

1877 As used in section 32-23ll, this section, and sections 32-23uu,
1878 32-23vv and 32-235, as amended:

1879 (1) "Authority" means the Connecticut [Development Authority]
1880 Finance Collaborative established under the provisions of this chapter;

1881 (2) "Educational upgrades" means (A) programs designed to
1882 increase the basic skills of workers and production workers including,
1883 but not limited to training, in written and oral communication,
1884 mathematics or science, or (B) training in innovative production
1885 methods and workplace oriented computer technical skills;

1886 (3) "Financial assistance" means grants, loans, loan guarantees or
1887 interest rate subsidies or any combination thereof;

1888 (4) "Manufacturing or economic base business" means a business
1889 defined under subsection (l) of section 32-222;

1890 (5) "Production worker" means an employee of a manufacturer
1891 whose principal duties are located within the state, and consist of the
1892 assembly or construction of the manufacturer's product or a portion
1893 thereof; and

1894 (6) "Worker" means an employee of a manufacturing or economic-
1895 based business whose principal duties are located within the state.

1896 Sec. 30. Subsection (a) of section 32-23yy of the general statutes is
1897 repealed and the following is substituted in lieu thereof (*Effective*
1898 *October 1, 2006*):

1899 (a) As used in this section, the following terms shall have the
1900 following meanings unless the context indicates another meaning and

1901 intent:

1902 (1) "Authority" means the Connecticut [Development Authority]
1903 Finance Collaborative, created under section 32-11a, and any of its
1904 subsidiaries or affiliates;

1905 [(2) "Executive Director" means the executive director of the
1906 Connecticut Development Authority;]

1907 (2) "Chief executive officer" means the chief executive officer of the
1908 Connecticut Finance Collaborative;

1909 (3) "Financial assistance" means any and all forms of grants, loans,
1910 extensions of credit, guarantees, equity investments or other forms of
1911 financing or refinancing to persons for the purchase, acquisition,
1912 leasing, construction, expansion, continued operation, reconstruction,
1913 financing, refinancing or placing in operation of an information
1914 technology project, including, but not limited to, fixed assets, working
1915 capital, equity participations and acquisitions, employee buyouts,
1916 refinancing, lease guarantees, financial restructuring and other
1917 purposes which the authority determines further the purposes of this
1918 section. For purposes of this section financial assistance shall not be
1919 considered financial assistance under the provisions of section 32-462;

1920 (4) "Information technology project" means an information
1921 technology project, as defined in section 32-23d, as amended by this
1922 act;

1923 (5) "Person" means a person, as defined in subsection (s) of section
1924 32-23d, as amended by this act;

1925 (6) "Return on investment" means any and all forms of principal or
1926 interest payments, guarantee fees, equity participations, options,
1927 warrants, debentures and any or all other forms of remuneration to the
1928 authority in return for any financial assistance provided or offered.

1929 Sec. 31. Section 32-23zz of the 2006 supplement to the general
1930 statutes is repealed and the following is substituted in lieu thereof

1931 (Effective October 1, 2006):

1932 (a) For the purpose of assisting (1) any information technology
1933 project, as defined in subsection (ee) of section 32-23d, which is located
1934 in an eligible municipality, as defined in subdivision (12) of subsection
1935 (a) of section 32-9t, as amended by this act, or (2) any remediation
1936 project, as defined in subsection (ii) of section 32-23d, as amended by
1937 this act, the Connecticut [Development Authority] Finance
1938 Collaborative may, upon a resolution of the legislative body of a
1939 municipality, issue and administer bonds which are payable solely or
1940 in part from and secured by: (A) A pledge of and lien upon any and all
1941 of the income, proceeds, revenues and property of such a project,
1942 including the proceeds of grants, loans, advances or contributions from
1943 the federal government, the state or any other source, including
1944 financial assistance furnished by the municipality or any other public
1945 body, (B) taxes or payments or grants in lieu of taxes allocated to and
1946 payable into a special fund of the Connecticut [Development
1947 Authority] Finance Collaborative pursuant to the provisions of
1948 subsection (b) of this section, or (C) any combination of the foregoing.
1949 Any such bonds of the Connecticut [Development Authority] Finance
1950 Collaborative shall mature at such time or times not exceeding thirty
1951 years from their date of issuance and shall be subject to the general
1952 terms and provisions of law applicable to the issuance of bonds by the
1953 Connecticut [Development Authority] Finance Collaborative, except
1954 that such bonds shall be issued without a special capital reserve fund
1955 as provided in subsection (b) of section 32-23j and, for purposes of
1956 section 32-23f, only the approval of the board of directors of the
1957 authority shall be required for the issuance and sale of such bonds.
1958 Any pledge made by the municipality or the Connecticut
1959 [Development Authority] Finance Collaborative for bonds issued as
1960 provided in this section shall be valid and binding from the time when
1961 the pledge is made, and revenues and other receipts, funds or moneys
1962 so pledged and thereafter received by the municipality or the
1963 Connecticut [Development Authority] Finance Collaborative shall be
1964 subject to the lien of such pledge without any physical delivery thereof

1965 or further act. The lien of such pledge shall be valid and binding
1966 against all parties having claims of any kind in tort, contract or
1967 otherwise against the municipality or the Connecticut [Development
1968 Authority] Finance Collaborative, even if the parties have no notice of
1969 such lien. Recording of the resolution or any other instrument by
1970 which such a pledge is created shall not be required. In connection
1971 with any such assignment of taxes or payments in lieu of taxes, the
1972 Connecticut [Development Authority] Finance Collaborative may, if
1973 the resolution so provides, exercise the rights provided for in section
1974 12-195h of an assignee for consideration of any lien filed to secure the
1975 payment of such taxes or payments in lieu of taxes. All expenses
1976 incurred in providing such assistance may be treated as project costs.

1977 (b) Any proceedings authorizing the issuance of bonds under this
1978 section may contain a provision that taxes or a specified portion
1979 thereof, if any, identified in such authorizing proceedings and levied
1980 upon taxable real or personal property, or both, in a project each year,
1981 or payments or grants in lieu of such taxes or a specified portion
1982 thereof, by or for the benefit of any one or more municipalities,
1983 districts or other public taxing agencies, as the case may be, shall be
1984 divided as follows: (1) In each fiscal year that portion of the taxes or
1985 payments or grants in lieu of taxes which would be produced by
1986 applying the then current tax rate of each of the taxing agencies to the
1987 total sum of the assessed value of the taxable property in the project on
1988 the date of such authorizing proceedings, adjusted in the case of grants
1989 in lieu of taxes to reflect the applicable statutory rate of
1990 reimbursement, shall be allocated to and when collected shall be paid
1991 into the funds of the respective taxing agencies in the same manner as
1992 taxes by or for said taxing agencies on all other property are paid; and
1993 (2) that portion of the assessed taxes or the payments or grants in lieu
1994 of taxes, or both, each fiscal year in excess of the amount referred to in
1995 subdivision (1) of this subsection shall be allocated to and when
1996 collected shall be paid into a special fund of the Connecticut
1997 [Development Authority] Finance Collaborative to be used in each
1998 fiscal year, in the discretion of the Connecticut [Development

1999 Authority] Finance Collaborative, to pay the principal of and interest
2000 due in such fiscal year on bonds issued by the Connecticut
2001 [Development Authority] Finance Collaborative to finance, refinance
2002 or otherwise assist such project, to purchase bonds issued for such
2003 project, or to reimburse the provider of or reimbursement party with
2004 respect to any guarantee, letter of credit, policy of bond insurance,
2005 funds deposited in a debt service reserve fund, funds deposited as
2006 capitalized interest or other credit enhancement device used to secure
2007 payment of debt service on any bonds issued by the Connecticut
2008 [Development Authority] Finance Collaborative to finance, refinance
2009 or otherwise assist such project, to the extent of any payments of debt
2010 service made therefrom. Unless and until the total assessed valuation
2011 of the taxable property in a project exceeds the total assessed value of
2012 the taxable property in such project as shown by the last assessment
2013 list referred to in subdivision (1) of this subsection, all of the taxes
2014 levied and collected and all of the payments or grants in lieu of taxes
2015 due and collected upon the taxable property in such project shall be
2016 paid into the funds of the respective taxing agencies. When such bonds
2017 and interest thereof, and such debt service reimbursement to the
2018 provider of or reimbursement party with respect to such credit
2019 enhancement, have been paid in full, all moneys thereafter received
2020 from taxes or payments or grants in lieu of taxes upon the taxable
2021 property in such development project shall be paid into the funds of
2022 the respective taxing agencies in the same manner as taxes on all other
2023 property are paid. The total amount of bonds issued pursuant to this
2024 section which are payable from grants in lieu of taxes payable by the
2025 state shall not exceed an amount of bonds, the debt service on which in
2026 any state fiscal year is, in total, equal to one million dollars.

2027 (c) The authority may make grants or provide loans or other forms
2028 of financial assistance from the proceeds of special or general
2029 obligation notes or bonds of the authority issued without the security
2030 of a special capital reserve fund within the meaning of subsection (b)
2031 of section 32-23j, which bonds are payable from and secured by, in
2032 whole or in part, the pledge and security provided for in section 8-134,

2033 8-192, 32-227 or this section, all on such terms and conditions,
2034 including such agreements with the municipality and the developer of
2035 the project, as the authority determines to be appropriate in the
2036 circumstances, provided any such project in an area designated as an
2037 enterprise zone pursuant to section 32-70 receiving such financial
2038 assistance shall be ineligible for any fixed assessment pursuant to
2039 section 32-71, and the authority, as a condition of such grant, loan or
2040 other financial assistance, may require the waiver, in whole or in part,
2041 of any property tax exemption with respect to such project otherwise
2042 available under subsection (59) or (60) of section 12-81, as amended.

2043 (d) As used in this section, "bonds" means any bonds, including
2044 refunding bonds, notes, temporary notes, interim certificates,
2045 debentures or other obligations; "legislative body" has the meaning
2046 provided in subsection (y) of section 32-222; and "municipality" means
2047 a town, city, consolidated town or city or consolidated town and
2048 borough.

2049 (e) For purposes of this section, references to the Connecticut
2050 [Development Authority] Finance Collaborative shall include any
2051 subsidiary of the Connecticut [Development Authority] Finance
2052 Collaborative established pursuant to subsection (l) of section 32-11a,
2053 and a municipality may act by and through its implementing agency,
2054 as defined in subsection (k) of section 32-222.

2055 (f) No commitments for new projects shall be approved by the
2056 authority under this section on or after July 1, 2008.

2057 (g) In the case of a remediation project, as defined in subsection (ii)
2058 of section 32-23d, as amended by this act, that involves buildings that
2059 are vacant, underutilized or in deteriorating condition and as to which
2060 municipal real property taxes are delinquent, in whole or in part, for
2061 more than one fiscal year, the amount determined in accordance with
2062 subdivision (1) of subsection (b) of this section may, if the resolution of
2063 the municipality so provides, be established at an amount less than the
2064 amount so determined, but not less than the amount of municipal

2065 property taxes actually paid during the most recently completed fiscal
2066 year. If the Connecticut [Development Authority] Finance
2067 Collaborative issues bonds for the remediation project, the amount
2068 established in the resolution shall be used for all purposes of
2069 subsection (a) of this section.

2070 Sec. 32. Section 32-34 of the general statutes is repealed and the
2071 following is substituted in lieu thereof (*Effective October 1, 2006*):

2072 As used in this chapter, the following terms shall have the following
2073 meanings unless the context clearly indicates another meaning and
2074 intent:

2075 [(1) "Corporation" means Connecticut Innovations, Incorporated as
2076 created under section 32-35;]

2077 (1) "Authority" means the Connecticut Finance Collaborative
2078 established under section 1 of this act;

2079 (2) "Entrepreneur" means any person who seeks to organize, operate
2080 and assume the risk for a business enterprise, or who organizes,
2081 operates and assumes the risk for a business enterprise;

2082 [(3) "Finance committee" means a committee or subcommittee
2083 organized by the corporation and having the authority to approve or
2084 deny applications for financial aid and to enter into agreements on
2085 behalf of the corporation to provide financial aid;]

2086 [(4)] (3) "Financial aid" means the infusion of capital to persons, in
2087 any form whatsoever, including, but not limited to, grants, loans,
2088 equity, leases, guarantees, royalty arrangements, other risk capital and
2089 other types of financial assistance;

2090 [(5)] (4) "Incubator facilities" means a building, structure or complex
2091 designed, constructed, renovated or developed to house and provide
2092 research and other services to assist small technology-based
2093 companies;

2094 [(6)] (5) "Invention" means any new product without regard to
2095 whether a patent has been or could be granted;

2096 [(7)] (6) "Person" means any individual, general or limited
2097 partnership, corporation, limited liability company, institution of
2098 higher education, governmental entity or joint venture conducting
2099 research into ideas with commercial potential or carrying on business,
2100 or proposing to carry on business, within the state which (A) in the
2101 case of an individual, general or limited partnership, corporation,
2102 limited liability company or joint venture, demonstrates to the
2103 corporation the inability (i) to obtain conventional financing in
2104 satisfactory amounts or on satisfactory terms or (ii) to locate or
2105 continue operations in the state without assistance as provided in this
2106 chapter, and (B) demonstrates to the corporation that any project for
2107 research into or the development of specific technologies, products,
2108 devices, techniques or procedures or the marketing of services based
2109 on the use of such technologies, products, devices, techniques or
2110 procedures for which assistance under this chapter, is sought, (i) will
2111 create new or retain existing jobs in the state, (ii) will result in an
2112 increase in the amount of goods or services exported from the state,
2113 (iii) will help to strengthen the economy of the state, or (iv) will
2114 promote the development and utilization of technology in the state;

2115 [(8)] (7) "Product" means any technology, device, technique, service
2116 or process, which is or may be exploitable commercially; such term
2117 shall not refer to pure research but shall be construed to apply to such
2118 technologies, products, devices, techniques, services or processes
2119 which have advanced beyond the theoretic stage and are readily
2120 capable of being, or have been, reduced to practice;

2121 [(9)] (8) "Research" means the scientific and engineering analysis,
2122 investigation, collection of ideas and inquiry into concepts, processes
2123 and techniques, the purpose of which is intended to result in a
2124 commercially feasible product, process or technique;

2125 [(10)] (9) "Seed venture" means a business or other entity in the early

2126 stage of development;

2127 [(11)] (10) "Technical peer review committee" means a committee,
2128 subcommittee or other entity organized by the corporation to provide
2129 advice and counsel concerning the technological, marketing and
2130 management feasibility of projects in connection with each application
2131 for financial and technical assistance;

2132 [(12)] (11) "Technology" means the conversion of basic scientific
2133 research into processes, techniques and products which may have
2134 commercial potential;

2135 [(13)] (12) "Advanced technology center" means a cooperative
2136 research center in a specified field of science and technology
2137 established and funded, subject to the requirements in sections 32-40a,
2138 32-40b and 32-40c, through an academic, industrial and governmental
2139 partnership for purposes of technological research with a direct
2140 relationship to economic development in the state;

2141 [(14)] (13) "Venture" means, without limitation, any contractual
2142 arrangement with any person whereby the corporation obtains rights
2143 from or in an invention or product or proceeds therefrom, or rights to
2144 obtain from any person any and all forms of equity instruments
2145 including, but not limited to, common and preferred stock, warrants,
2146 options, convertible debentures and similar types of instruments
2147 exercisable or convertible into capital stock, in exchange for the
2148 granting of financial aid to such person;

2149 [(15)] (14) "Venture lease" means a lease by the corporation to a
2150 technology company of any real or personal property, on such terms,
2151 including lease payments, lease term and purchase options, as the
2152 corporation shall determine;

2153 [(16)] (15) "Affiliate" means any person that directly or indirectly
2154 through one or more intermediaries, controls or is controlled by or is
2155 under common control with, another person, including, but not
2156 limited to, any corporation, general or limited partnership or limited

2157 liability company controlled, directly or indirectly, by such other
2158 person or the corporation, provided, in addition to other means of
2159 being controlled, a general or limited partnership or limited liability
2160 company shall be deemed to be controlled by the corporation if the
2161 corporation or one of its affiliates acts as a general partner or a
2162 manager of such general or limited partnership or limited liability
2163 company;

2164 [(17)] (16) "Capital initiative" means providing financial aid through
2165 one or more affiliates and raising the capital for such affiliates, in
2166 whole or in part, from sources other than the state.

2167 Sec. 33. Section 32-39c of the general statutes is repealed and the
2168 following is substituted in lieu thereof (*Effective October 1, 2006*):

2169 (a) With respect to any affiliate created pursuant to section 32-39,
2170 liability shall be limited solely to the assets and revenues or other
2171 resources of any such affiliate and without recourse liability to
2172 [Connecticut Innovations, Incorporated] the Connecticut Finance
2173 Collaborative, its other funds or any other assets of the corporation,
2174 except to the extent of any express written guarantees by the
2175 corporation or any investments made or committed to by the
2176 corporation.

2177 (b) The provisions of sections 32-47, as amended by this act, and 1-
2178 125 shall apply to any officer, director, designee or employee serving at
2179 the request of the corporation as a member, director or officer or
2180 advisor of any such affiliate. Any such person so appointed shall not
2181 be personally liable for the debts, obligations or liabilities of any such
2182 affiliate as provided in said section 1-125. Any affiliate shall and the
2183 corporation may provide the indemnification to protect, save harmless
2184 and indemnify such officer, director, designee or employee as
2185 provided in said section 1-125.

2186 Sec. 34. Section 32-39d of the general statutes is repealed and the
2187 following is substituted in lieu thereof (*Effective October 1, 2006*):

2188 Guarantees issued by [Connecticut Innovations, Incorporated] the
2189 Connecticut Finance Collaborative, and all equity instruments and
2190 obligations, any of which include a guarantee of a return of capital or
2191 principal by the corporation or the collaborative, under the provisions
2192 of this chapter, are hereby made securities in which all public officers
2193 and public bodies of the state and its political subdivisions, all
2194 insurance companies, state banks and trust companies, national
2195 banking associations, savings banks, savings and loan associations,
2196 investment companies, executors, administrators, trustees and other
2197 fiduciaries may properly and legally invest funds, including capital in
2198 their control or belonging to them. Such instruments and obligations
2199 are hereby made securities which may properly and legally be
2200 deposited with and received by any state or municipal officer or any
2201 agency or political subdivision of the state for any purpose for which
2202 the deposit of bonds or obligations of the state is now or may hereafter
2203 be authorized by law.

2204 Sec. 35. Section 32-39e of the general statutes is repealed and the
2205 following is substituted in lieu thereof (*Effective October 1, 2006*):

2206 (a) If, in the exercise of its powers under section 32-39, [Connecticut
2207 Innovations, Incorporated] the Connecticut Finance Collaborative
2208 finds that the use of a certain technology, product or process would
2209 promote public health and safety, environmental protection or
2210 economic development and such technology, product or process was
2211 developed by a business domiciled in this state to which the
2212 corporation has provided financial assistance or in which the
2213 corporation has invested, the corporation, upon application of such
2214 business, may recommend to the Secretary of the Office of Policy and
2215 Management that an agency of the state be directed to test such
2216 technology, product or process by employing it in the operations of
2217 such agency on a trial basis. The purpose of such test program shall be
2218 to validate the commercial viability of such technology, product or
2219 process provided no business in which [Connecticut Innovations,
2220 Incorporated] the Connecticut Finance Collaborative has invested shall
2221 be required to participate in such program. No such recommendation

2222 may be made unless such business has submitted a viable business
2223 plan for manufacturing and marketing such technology, product or
2224 process and such business (1) will manufacture or produce such
2225 technology, product or process in this state, (2) demonstrates that the
2226 usage of such technology, product or process by the state agency will
2227 not adversely affect safety, (3) demonstrates that sufficient research
2228 and development has occurred to warrant participation in the test
2229 program, and (4) demonstrates that the technology, product or process
2230 has potential for commercialization not later than two years following
2231 the completion of any test program involving a state agency under this
2232 section.

2233 (b) If the Secretary of the Office of Policy and Management finds
2234 that employing such technology, product or process would be feasible
2235 in the operations of a state agency and would not have any detrimental
2236 effect on such operations, said secretary, notwithstanding the
2237 requirement of chapter 58, may direct an agency of the state to accept
2238 delivery of such technology, product or process and to undertake such
2239 a test program. Any costs associated with the acquisition and use of
2240 such technology, product or process by the testing agency shall be
2241 borne by [Connecticut Innovations, Incorporated] the Connecticut
2242 Finance Collaborative, the business or by any investor or participant in
2243 such business. The acquisition of any technology, product or process
2244 for purposes of the test program established pursuant to this section
2245 shall not be deemed to be a purchase under the provisions of the state
2246 procurement policy. The testing agency, on behalf of [Connecticut
2247 Innovations, Incorporated] the Connecticut Finance Collaborative,
2248 shall maintain records related to such test program, as requested by
2249 [Connecticut Innovations, Incorporated] the Connecticut Finance
2250 Collaborative and shall make such records and any other information
2251 derived from such test program available to [Connecticut Innovations,
2252 Incorporated] the Connecticut Finance Collaborative and the business.
2253 Any proprietary information derived from such test program shall be
2254 exempt from the provisions of subsection (a) of section 1-210, as
2255 amended.

2256 (c) The Secretary of the Office of Policy and Management and
2257 [Connecticut Innovations, Incorporated] the Connecticut Finance
2258 Collaborative may develop a program to recognize state agencies that
2259 help to promote public health and safety, environmental protection or
2260 economic development by participating in a testing program under
2261 this section. Such program may include the creation of a fund
2262 established with savings accrued by the testing agency during its
2263 participation in the testing program established under this section.
2264 Such fund shall only be used to implement the program of recognition
2265 established by the Secretary of the Office of Policy and Management
2266 and [Connecticut Innovations, Incorporated] the Connecticut Finance
2267 Collaborative, under the provisions of this subsection.

2268 Sec. 36. Section 32-40 of the general statutes is repealed and the
2269 following is substituted in lieu thereof (*Effective October 1, 2006*):

2270 (a) All applications for financial aid shall be forwarded, together
2271 with an application fee prescribed by the [corporation] collaborative, to
2272 the [executive director of the corporation] collaborative. Each such
2273 application shall be processed in accordance with the written
2274 procedures adopted by the [corporation] collaborative under
2275 subdivision (5) of subsection (d) of section 32-35. The [finance
2276 committee] board of directors of the [corporation] collaborative shall
2277 approve or deny each application recommended by the [executive
2278 director] chief executive officer. If the [finance committee] board of
2279 directors approves an application, [such committee] it may authorize
2280 the [corporation] collaborative to enter into an agreement or
2281 agreements on behalf of the [corporation] collaborative to provide
2282 financial aid to the applicant. The applicant shall be promptly notified
2283 of such action by the [corporation] collaborative.

2284 (b) In making the decision as to approval or denial of an application,
2285 the [finance committee of the corporation] board of directors shall give
2286 priority to those applicants (1) whose businesses are defense-
2287 dependent, or are located in municipalities which the Commissioner of
2288 [Economic and Community Development] Business and Employment

2289 has declared have been severely impacted by prime defense contract
2290 cutbacks pursuant to section 32-56, and (2) whose proposed research
2291 and development activity, technology, product or invention is to be
2292 used to convert all or a portion of the applicant's business to non-
2293 defense-related industrial or commercial activity, or to create a new
2294 non-defense-related industrial or commercial business. For purposes of
2295 this section, a defense-dependent business is any business that derives
2296 over fifty per cent of its gross income, generated from operations
2297 within the state, from prime defense contracts or from subcontracts
2298 entered into in connection with prime defense contracts, a significant
2299 portion of whose facilities and equipment are designed specifically for
2300 defense production and cannot be converted to nondefense uses
2301 without substantial investment.

2302 (c) All financial and credit information and all trade secrets
2303 contained in any application for financial aid submitted to the
2304 [corporation] collaborative or obtained by the [corporation]
2305 collaborative concerning any applicant, project, activity, technology,
2306 product or invention shall be exempt from the provisions of subsection
2307 (a) of section 1-210, as amended.

2308 Sec. 37. Section 32-40a of the general statutes is repealed and the
2309 following is substituted in lieu thereof (*Effective October 1, 2006*):

2310 Any advanced technology center, as defined in section 32-34, shall
2311 be established for purposes of conducting research characterized by
2312 reasonable prospects of stimulating development of new business and
2313 industry utilizing such advanced technology and augmenting the
2314 application of advanced technology by existing business and industry
2315 in the state. [Connecticut Innovations, Incorporated] The Connecticut
2316 Finance Collaborative, hereinafter referred to as ["the corporation"]
2317 "the collaborative" shall require any applicant for state funding with
2318 respect to a proposed advanced technology center to submit a
2319 complete description of the organization of such center, plans for
2320 research and proposed funding from sources other than the state of
2321 Connecticut, subject to the provisions of section 32-40c, including, but

2322 not limited to the following:

2323 (1) The specific technological research to be undertaken and the
2324 proposed business and industry involvement in the development and
2325 application of such research;

2326 (2) A detailed description of the organization of such center for
2327 administrative and research purposes, including (A) name and
2328 qualifications of the person to serve as director of the center, and (B) a
2329 proposed advisory board for such center which shall include members
2330 from the academic institution involved and private business;

2331 (3) Proposed arrangements with the corporation, concerning
2332 financial benefits to the state of Connecticut as a result of patents,
2333 royalty payments or similar rights developing from research at such
2334 center; and

2335 (4) Details concerning the organization and content of an annual
2336 report to be submitted to the corporation by such center reviewing the
2337 progress of research, with the understanding that funding shall be
2338 contingent upon satisfactory performance evaluations.

2339 Sec. 38. Section 32-40b of the general statutes is repealed and the
2340 following is substituted in lieu thereof (*Effective October 1, 2006*):

2341 In approving the application of an advanced technology center, as
2342 defined in section 32-34, for state funding, [Connecticut Innovations,
2343 Incorporated,] the Connecticut Finance Collaborative shall assess
2344 scientific, economic, management and financial factors, including, but
2345 not limited to the following:

2346 (1) The likelihood that the research proposal will result in
2347 fundamental technological advances transferable to commercial
2348 application and the means that the center proposes to make these
2349 transfers;

2350 (2) The potential of the research proposal to stimulate technological
2351 advances in existing businesses, new business creation and long-term

2352 job growth in Connecticut;

2353 (3) Evidence of significant financial commitment by academic and
2354 industrial participants and the likelihood that the center will become
2355 self-sufficient by the end of the state's financial commitment period;

2356 (4) Evidence that the state will receive a financial return
2357 commensurate with its investment in the center;

2358 (5) The level of representation by all financial participants in the
2359 center's proposed management structure;

2360 (6) The planned involvement of small businesses and academic
2361 institutions in the center's activities;

2362 (7) The center's plan to involve minority students and minority-
2363 owned businesses in its activities; and

2364 (8) The adequacy of the center's proposed mechanisms for
2365 evaluating its progress.

2366 Sec. 39. Section 32-40c of the general statutes is repealed and the
2367 following is substituted in lieu thereof (*Effective October 1, 2006*):

2368 Funds from the state of Connecticut for purposes of any advanced
2369 technology center, as defined in section 32-34, shall not be allotted for
2370 such purpose unless documentation, satisfactory to the Secretary of the
2371 Office of Policy and Management, has been submitted to [Connecticut
2372 Innovations, Incorporated] the Connecticut Finance Collaborative,
2373 certifying that such funds are accepted in accordance with a plan of
2374 proposed funding for such advanced technology center during a
2375 period of five years, commencing with the year of the initial state grant
2376 for such purpose. Such proposed funding shall include, in addition to
2377 the proposed amounts from the state of Connecticut, funds from other
2378 sources in an amount not less than the total proposed funds from the
2379 state during such five-year period.

2380 Sec. 40. Section 32-41a of the general statutes is repealed and the

2381 following is substituted in lieu thereof (*Effective October 1, 2006*):

2382 (a) There is hereby created a "Connecticut Innovations [,
2383 Incorporated] Fund". Proceeds from the sale of bonds authorized by
2384 the State Bond Commission in accordance with [section] sections 32-41
2385 and [section] 32-41b, as amended by this act, shall be paid directly to
2386 the Treasurer of the state as agent of the corporation and the Treasurer
2387 shall deposit all such amounts in the [Connecticut Innovations,
2388 Incorporated Fund] fund. The moneys in said fund shall be paid by
2389 checks signed by the Treasurer of the state or by his deputy appointed
2390 pursuant to section 3-12 on requisition of the [executive director of the
2391 corporation or his designee] the chief executive officer of the
2392 Connecticut Finance Collaborative.

2393 (b) Any funds or revenues of [Connecticut Innovations,
2394 Incorporated] the Connecticut Finance Collaborative derived from
2395 application fees, royalty payments, investment income and loan
2396 repayments received by the corporation in connection with its
2397 programs under this chapter shall be held, administered and invested
2398 by the corporation or deposited with and invested by any institution as
2399 may be designated by the corporation at its sole discretion and paid as
2400 the corporation shall direct. All moneys in such accounts shall be used
2401 and applied to carry out the purposes of the corporation. The
2402 corporation may make payments from such accounts to the Treasurer
2403 of the state for deposit in the Connecticut Innovations [, Incorporated]
2404 Fund for use in accordance with subsection (c) of this section.

2405 (c) The moneys in the Connecticut Innovations [, Incorporated]
2406 Fund (1) shall be used to carry out the purposes of the [corporation]
2407 collaborative and for the repayment of state bonds in such amounts as
2408 may be required by the State Bond Commission pursuant to said
2409 [section] sections 32-41 and [section] 32-41b, as amended by this act,
2410 and (2) may be used as state matching funds for federal funds
2411 available to the state for defense conversion projects or other projects
2412 consistent with a defense conversion strategy.

2413 Sec. 41. Section 32-41b of the general statutes is repealed and the
2414 following is substituted in lieu thereof (*Effective October 1, 2006*):

2415 The State Bond Commission shall have power in accordance with
2416 the provisions of section 3-20, as amended, to authorize the issuance of
2417 bonds of the state in one or more series and in principal amounts not
2418 exceeding in the aggregate sixty-one million four hundred forty-five
2419 thousand six hundred dollars, to carry out the purposes of this section
2420 as follows: (1) Loans for the development and marketing of products in
2421 the high technology field within the state, not exceeding thirty-four
2422 million dollars; (2) royalty financing for start-up costs and product
2423 development costs of high technology products and procedures in the
2424 state, not exceeding seven million four hundred forty-five thousand six
2425 hundred dollars; and (3) financial aid for biotechnology and other high
2426 technology laboratories, facilities and equipment, not exceeding
2427 twenty million dollars. Any loans originated under subdivision (1) of
2428 this section shall bear interest at a rate to be determined in accordance
2429 with subsection (t) of said section 3-20, as amended. The principal and
2430 interest of said bonds shall be payable at such place or places as may
2431 be determined by the State Treasurer and shall bear such date or dates,
2432 mature at such time or times, bear interest at such rate or different or
2433 varying rates, be payable at such time or times, be in such
2434 denominations, be in such form with or without interest coupons
2435 attached, carry such registration and transfer privileges, be payable in
2436 such medium of payment and be subject to such terms of redemption
2437 with or without premium as, irrespective of the provisions of said
2438 section 3-20, as amended, may be provided by the authorization of the
2439 State Bond Commission or fixed in accordance therewith. The
2440 proceeds of the sale of said bonds, after deducting therefrom all
2441 expenses of issuance and sale, shall be paid to the Connecticut
2442 Innovations [, Incorporated] Fund created under section 32-41a, as
2443 amended by this act. When the State Bond Commission has acted to
2444 issue such bonds or a portion thereof, the Treasurer may, pending the
2445 issue of such bonds, issue, in the name of the state, temporary notes in
2446 anticipation of the money to be received from the sale of such bonds.

2447 In issuing the bonds authorized hereunder, the State Bond
2448 Commission may require repayment of such bonds by the corporation
2449 as shall seem desirable consistent with the purposes of this section and
2450 said section 32-41a. Such terms for repayment may include a
2451 forgiveness of interest, a holiday in the repayment of interest or
2452 principal or both.

2453 Sec. 42. Section 32-41i of the general statutes is repealed and the
2454 following is substituted in lieu thereof (*Effective October 1, 2006*):

2455 As used in sections 32-41g to 32-41o, inclusive:

2456 (1) "Act" means the Technology Deployment Act of 1993;

2457 (2) "Advanced available technology" means a technology or process
2458 that can be applied to a manufacturing operation without substantial
2459 modification;

2460 (3) "Technology deployment" means (A) activities that assist
2461 businesses in applying advanced available technologies in their
2462 existing operations, or (B) activities that assist businesses in the
2463 development and manufacture of new products derived from
2464 advanced available technologies;

2465 [(4) "Corporation" means Connecticut Innovations, Incorporated;]

2466 (4) "Collaborative" means the Connecticut Finance Collaborative
2467 established under section 1 of this act;

2468 (5) "Eligible institution" means an institution within the Connecticut
2469 State University system which is operating a technology deployment
2470 program on July 1, 1993;

2471 (6) "Eligible deployment research consortium" means a multitype,
2472 nonprofit coalition which is representative of the business, academic
2473 and government communities in an economically distressed area of the
2474 state which on or before July 1, 1993, is dependent upon labor
2475 intensive, less technologically advanced manufacturing;

2476 (7) "Eligible business consortium" means a nonprofit business-led
2477 consortium organized for the purpose of technology deployment in the
2478 fields of biotechnology, ergonomics, environmental and energy
2479 technologies or educational and job training technologies;

2480 (8) "Eligible grant recipient" means one or more state institutions of
2481 higher education or a nonprofit business-led consortium organized for
2482 the purpose of technology deployment in advanced materials, marine
2483 sciences, photonics, pharmaceutical and environmental technologies;

2484 (9) "Small and medium-sized business" means a manufacturing
2485 business with fewer than five hundred employees.

2486 Sec. 43. Section 32-41j of the general statutes is repealed and the
2487 following is substituted in lieu thereof (*Effective October 1, 2006*):

2488 (a) There is established a university-based manufacturing
2489 application center program to be administered by the [corporation]
2490 collaborative for the purpose of promoting technology deployment by
2491 linking Connecticut's higher education system with small and
2492 medium-sized businesses. During the three-month period beginning
2493 on July 1, 1993, the [corporation] collaborative shall accept applications
2494 from eligible institutions in a form and manner prescribed by the
2495 corporation for state funding for the operation of a manufacturing
2496 application center.

2497 (b) On or before January 1, 1994, the [corporation] collaborative
2498 shall review all applications timely received pursuant to this section
2499 and shall approve one such application. In approving such application
2500 the [corporation] collaborative shall assess scientific and economic
2501 factors concerning the proposed manufacturing application center,
2502 including but not limited to the following:

2503 (1) The eligible institution's experience with manufacturing
2504 applications, including computer-integrated manufacturing,
2505 computer-aided drafting and design, just-in-time manufacturing and
2506 total quality management;

2507 (2) The center's plan to provide follow-up employee training to
2508 center users;

2509 (3) The center's plan to involve urban-based businesses, minority
2510 students or minority-owned businesses in its activities; and

2511 (4) The adequacy of the center's proposed mechanisms for
2512 evaluating its progress.

2513 (c) The center's responsibilities shall include, but not be limited to,
2514 providing training for manufacturing businesses in high performance
2515 work practices.

2516 Sec. 44. Section 32-41k of the general statutes is repealed and the
2517 following is substituted in lieu thereof (*Effective October 1, 2006*):

2518 (a) There is established a nonprofit deployment research program to
2519 be administered by the [corporation] collaborative for the purpose of
2520 identifying emerging advanced available technologies in economically
2521 distressed manufacturing or former manufacturing regions of the state.
2522 During the six-month period beginning on July 1, 1993, the
2523 [corporation] collaborative shall accept applications from eligible
2524 deployment research consortia in a form and manner prescribed by the
2525 corporation for state funding for technology deployment research.

2526 (b) On or before July 1, 1994, the [corporation] collaborative shall
2527 review all applications timely received pursuant to this section and
2528 shall approve one such application. In approving such application the
2529 corporation shall assess scientific and economic factors concerning the
2530 proposed technology deployment research, including, but not limited
2531 to the following:

2532 (1) The extent to which the research will identify advanced available
2533 technologies for future deployment;

2534 (2) The extent to which the research enhances existing
2535 manufacturing in Connecticut industry;

2536 (3) The eligible research consortium's plan to involve minority
2537 students or minority owned businesses in its activities; and

2538 (4) The adequacy of the eligible research consortium's proposed
2539 mechanisms for evaluating its progress.

2540 (c) The center's responsibilities shall include, but not be limited to,
2541 providing training for businesses in high performance work practices.

2542 Sec. 45. Section 32-411 of the general statutes is repealed and the
2543 following is substituted in lieu thereof (*Effective October 1, 2006*):

2544 (a) There is established a Connecticut energy and environmental
2545 technologies deployment center program to be administered by the
2546 [corporation] collaborative for the purpose of promoting a nonprofit
2547 business consortium for technology deployment in two critical
2548 technologies where the state possesses unique scientific and human
2549 resources. During the three-month period beginning on July 1, 1993,
2550 the [corporation] collaborative shall accept applications from eligible
2551 business consortia in a form and manner prescribed by the corporation
2552 for state funding for the operation of an energy and environmental
2553 technologies application center.

2554 (b) On or before January 1, 1994, the [corporation] collaborative
2555 shall review all applications timely received pursuant to this section
2556 and shall approve one such application. In approving such application
2557 the corporation shall assess scientific and economic factors concerning
2558 the proposed Connecticut energy and environmental technologies
2559 deployment center, including but not limited to the following:

2560 (1) Participation in the center by multiple private enterprises
2561 including defense and non-defense-based firms with an expertise in
2562 environmental and energy technologies;

2563 (2) Participation in the center by more than one public or private
2564 institution of higher education;

2565 (3) The center's plan to involve minority students or minority-

2566 owned businesses in its activities; and

2567 (4) The adequacy of the center's proposed mechanisms for
2568 evaluating its progress.

2569 Sec. 46. Section 32-41m of the general statutes is repealed and the
2570 following is substituted in lieu thereof (*Effective October 1, 2006*):

2571 (a) There is established a Connecticut educational and job training
2572 technologies deployment center program to be administered by the
2573 [corporation] collaborative for the purpose of promoting a nonprofit
2574 business-led consortium for technology deployment in a critical
2575 technology in which the state possesses unique scientific and human
2576 resources. During the three-month period beginning on July 1, 1993,
2577 the [corporation] collaborative shall accept applications from eligible
2578 business consortia in a form and manner prescribed by the
2579 [corporation] collaborative for state funding for the operation of an
2580 educational and job training technologies deployment center.

2581 (b) On or before January 1, 1994, the [corporation] collaborative
2582 shall review all applications timely received pursuant to this section
2583 and shall approve one such application. In approving such application
2584 the corporation shall assess scientific and economic factors concerning
2585 the proposed Connecticut educational and job training technologies
2586 deployment center, including, but not limited to the following:

2587 (1) The center's plan to provide educational and job training
2588 technologies to industry, the state's public schools, and state agencies;

2589 (2) The center's plan to deploy educational and job training
2590 software, hardware and state of the art telecommunications
2591 technologies;

2592 (3) The center's plan to involve minority students or minority-
2593 owned businesses in its activities; and

2594 (4) The adequacy of the center's proposed mechanisms for
2595 evaluating its progress.

2596 Sec. 47. Section 32-41n of the general statutes is repealed and the
2597 following is substituted in lieu thereof (*Effective October 1, 2006*):

2598 (a) There is established a critical technologies grant program to be
2599 administered by the [corporation] collaborative for the purpose of
2600 promoting technology deployment in advanced materials, marine
2601 sciences, photonics, pharmaceutical and environmental technologies.
2602 During the twelve-month period beginning on July 1, 1993, the
2603 [corporation] collaborative shall accept applications from eligible grant
2604 recipients in a form and manner prescribed by the [corporation]
2605 collaborative for state grants for the purpose of promoting technology
2606 deployment in such technologies.

2607 (b) On or before January 1, 1995, the [corporation] collaborative
2608 shall review all applications timely received pursuant to this section,
2609 may approve such applications and provide approved grant recipients
2610 such financial assistance as it may determine will promote technology
2611 deployment in advanced materials, marine sciences, photonics,
2612 pharmaceutical and environmental technologies. In approving such
2613 application the [corporation] collaborative shall assess scientific and
2614 economic factors concerning the uses of the proposed grant, including,
2615 but not limited to the following:

2616 (1) The formal participation in the program proposed by businesses
2617 actively engaged in the commercial use of advanced materials, marine
2618 sciences, photonics, pharmaceutical and environmental technologies;

2619 (2) The likelihood that the program proposed will result in
2620 substantial and timely deployment of advanced available technologies
2621 in one or more of the following: Advanced materials, marine sciences,
2622 photonics, pharmaceutical and environmental technologies;

2623 (3) The proposal's plan to involve minority students or minority-
2624 owned businesses in its activities; and

2625 (4) The adequacy of the program's mechanisms for evaluating its
2626 progress.

2627 Sec. 48. Section 32-41o of the general statutes is repealed and the
2628 following is substituted in lieu thereof (*Effective October 1, 2006*):

2629 (a) For the purposes described in subsection (b) of this section, the
2630 State Bond Commission shall have the power, from time to time, to
2631 authorize the issuance of bonds of the state in one or more series and
2632 in principal amounts not exceeding in the aggregate five million five
2633 hundred thousand dollars.

2634 (b) The proceeds of the sale of said bonds, to the extent of the
2635 amount stated in subsection (a) of this section, shall be used by the
2636 [corporation] collaborative as follows: (1) Three million dollars for the
2637 program established in section 32-41j; (2) five hundred thousand
2638 dollars for the program established in section 32-41k; (3) one million
2639 two hundred fifty thousand dollars for the program established and
2640 for the eligible business consortium approved in section 32-41l; and (4)
2641 seven hundred fifty thousand dollars for the program established and
2642 for the eligible business consortium approved in section 32-41m.

2643 (c) All provisions of section 3-20, as amended, or the exercise of any
2644 right or power granted thereby which are not inconsistent with the
2645 provisions of this section are hereby adopted and shall apply to all
2646 bonds authorized by the State Bond Commission pursuant to this
2647 section, and temporary notes in anticipation of the money to be
2648 derived from the sale of any such bonds so authorized may be issued
2649 in accordance with said section 3-20, as amended, and from time to
2650 time renewed. Such bonds shall mature at such time or times not
2651 exceeding twenty years from their respective dates as may be provided
2652 in or pursuant to the resolution or resolutions of the State Bond
2653 Commission authorizing such bonds. None of said bonds shall be
2654 authorized except upon a finding by the State Bond Commission that
2655 there has been filed with it a request for such authorization, which is
2656 signed by or on behalf of the Secretary of the Office of Policy and
2657 Management and states such terms and conditions as said commission,
2658 in its discretion, may require. Said bonds issued pursuant to this
2659 section shall be general obligations of the state and the full faith and

2660 credit of the state of Connecticut are pledged for the payment of the
2661 principal of and interest on said bonds as the same become due, and
2662 accordingly and as part of the contract of the state with the holders of
2663 said bonds, appropriation of all amounts necessary for punctual
2664 payment of such principal and interest is hereby made, and the
2665 Treasurer shall pay such principal and interest as the same become
2666 due.

2667 Sec. 49. Section 32-41p of the general statutes is repealed and the
2668 following is substituted in lieu thereof (*Effective October 1, 2006*):

2669 (a) There is established a workplace center of excellence program to
2670 be administered by [Connecticut Innovations, Incorporated] the
2671 Connecticut Finance Collaborative for the purpose of developing and
2672 deploying ergonomic technology solutions and knowledge. During the
2673 three-month period beginning on July 1, 1994, the [corporation]
2674 collaborative shall accept applications from eligible institutions in a
2675 form and manner prescribed by the corporation for state funding for
2676 the establishment and operation of a workplace center of excellence.

2677 (b) On or before January 1, 1995, the [corporation] collaborative
2678 shall review all applications timely received pursuant to this section,
2679 approve one such application and provide the approved institution
2680 with such financial assistance as the [corporation] collaborative may
2681 determine will promote the purposes of this section. In approving such
2682 application the corporation shall assess scientific and economic factors
2683 concerning the proposed center, including but not limited to, the
2684 following:

2685 (1) The formal participation in, and financial support of, the center
2686 by employers, insurers, and enterprises actively engaged in
2687 developing and deploying ergonomics solutions and related activities;

2688 (2) The likelihood that the center will result in substantial and
2689 timely deployment of advanced technology solutions to existing
2690 businesses in the state;

2691 (3) The center's plan to involve employers, labor, institutions of
2692 higher education and other interested parties in its decision-making;

2693 (4) The adequacy of the center's financial plan, including the
2694 matching of any state grant funds to implement specific projects with
2695 at least an equal amount of funding from private sources;

2696 (5) The center's plan to involve urban residents and urban-based
2697 businesses; and

2698 (6) The adequacy of the center's mechanisms for evaluating its
2699 progress.

2700 Sec. 50. Section 32-41q of the general statutes is repealed and the
2701 following is substituted in lieu thereof (*Effective October 1, 2006*):

2702 (a) As used in this section "critical industry" means an industry that
2703 uses emerging technologies, including but not limited to, fuel cell
2704 technology, to develop and manufacture nondefense products for
2705 future sale, has the potential to create or retain jobs in the state and is
2706 critical to the state economy.

2707 (b) There is established an account to be known as the critical
2708 industries development account, which shall be a separate, nonlapsing
2709 account within the General Fund. The account shall contain any
2710 moneys invested pursuant to the provisions of this section.
2711 [Connecticut Innovations, Incorporated] The Connecticut Finance
2712 Collaborative may use funds from the account to provide loans, loan
2713 guarantees, interest rate subsidies and other forms of loan assistance to
2714 customers of businesses in critical industries which businesses are
2715 based in the state. [Connecticut Innovations, Incorporated] The
2716 Connecticut Finance Collaborative may solicit and receive funds from
2717 any public and private sources for the program. Such funds may
2718 include, without limitation, federal funds, state bond proceeds, private
2719 venture capital and investments by persons, firms or corporations.
2720 Private capital investments may be made either in the account as a
2721 whole or in one or more individual technologies or projects.

2722 (c) No product may receive assistance under this section unless its
2723 manufacturer agrees to enter into a contract to: (1) Carry out a
2724 specified percentage of the development and manufacturing work for
2725 the product in the state; and (2) when subcontracting is required, to
2726 conduct a specified percentage of such work with companies based in
2727 the state. [Connecticut Innovations, Incorporated] The Connecticut
2728 Finance Collaborative shall determine such percentage for the
2729 purposes of this program.

2730 (d) Any person who, or firm or corporation which, invests funds in
2731 the critical industries development account pursuant to this section
2732 shall receive a portion of the interest paid and principal repayment by
2733 the recipient of the loan in proportion to the ratio of the amount of the
2734 investment of such person, firm or corporation to the total loan
2735 amount.

2736 (e) The Commissioner of [Economic and Community Development]
2737 Business and Employment may adopt regulations in accordance with
2738 the provisions of chapter 54 to carry out the purposes of this section.

2739 Sec. 51. Section 32-41s of the general statutes is repealed and the
2740 following is substituted in lieu thereof (*Effective October 1, 2006*):

2741 (a) As used in this section:

2742 (1) "Eligible business" means a business which (A) has not more
2743 than three hundred employees at any time during the preceding
2744 twelve months and (B) is engaged in biotechnology, pharmaceutical or
2745 photonics research, development or production in the state; and

2746 (2) "Eligible commercial property" means (A) real or personal
2747 property which an eligible business has (i) owned or leased and (ii)
2748 utilized at all times during the preceding twelve months or (B) real
2749 property which the Commissioner of [Economic and Community
2750 Development or Connecticut Innovations, Incorporated] Business and
2751 Employment or the Connecticut Finance Collaborative has certified as
2752 newly constructed or substantially renovated and expanded primarily

2753 for occupancy by one or more eligible businesses.

2754 (b) On and after July 1, 1997, eligible businesses and eligible
2755 commercial property located in any municipality which has (1) a major
2756 research university with programs in biotechnology, pharmaceuticals
2757 or photonics and (2) an enterprise zone, shall be entitled to the same
2758 benefits, subject to the same conditions, under the general statutes for
2759 which businesses located in an enterprise zone qualify.

2760 (c) [Connecticut Innovations, Incorporated] The Connecticut
2761 Finance Collaborative may provide lease guarantees or other financial
2762 aid for facilities, improvements and equipment, to benefit any eligible
2763 business which is unable to secure financing for such items on
2764 commercially reasonable terms.

2765 (d) [Connecticut Innovations, Incorporated] The Connecticut
2766 Finance Collaborative may recommend regulations to carry out the
2767 purposes of this section, which the Commissioner of [Economic and
2768 Community Development] Business and Employment shall adopt in
2769 accordance with chapter 54.

2770 (e) [Connecticut Innovations, Incorporated] The Connecticut
2771 Finance Collaborative shall evaluate the feasibility of establishing a
2772 bio-processing facility within this state. If determined to be feasible,
2773 [Connecticut Innovations, Incorporated] the collaborative shall
2774 facilitate the formation of a business consortium, in which it may
2775 participate, to launch and operate such facility.

2776 Sec. 52. Section 32-41t of the general statutes is repealed and the
2777 following is substituted in lieu thereof (*Effective October 1, 2006*):

2778 As used in this section and section 32-41u, as amended by this act:

2779 [(1) "Corporation" means Connecticut Innovations, Incorporated as
2780 created under section 32-35]

2781 (1) "Collaborative" means the Connecticut Finance Collaborative
2782 established under section 1 of this act; and

2783 (2) "Eligible participant" means a member of the faculty or a
2784 researcher engaged in applied research and development at any
2785 Connecticut college or university that agrees to participate in a high
2786 technology research and development program established by the
2787 corporation.

2788 Sec. 53. Section 32-41u of the general statutes is repealed and the
2789 following is substituted in lieu thereof (*Effective October 1, 2006*):

2790 (a) There is established a high technology research and development
2791 program to be administered by the corporation for the purpose of
2792 promoting collaboration between businesses and colleges and
2793 universities in this state in advanced materials, aerospace, bioscience,
2794 energy and environmental systems, information technology, applied
2795 optics, microelectronics and other high technology fields. The
2796 [corporation] collaborative may accept applications to the program
2797 from eligible participants in a form and manner prescribed by the
2798 [corporation] collaborative.

2799 (b) In approving any application the [corporation] collaborative
2800 shall assess the collaborative nature of the proposal as well as scientific
2801 and economic factors, including, but not limited to, the following:

2802 (1) The formal participation in the proposal by businesses actively
2803 engaged in the commercial use of advanced materials, aerospace,
2804 bioscience, energy and environmental systems, information
2805 technology, applied optics, microelectronics and other high technology
2806 fields;

2807 (2) The likelihood that a proposal will result in the development or
2808 commercialization of high technology products or processes in this
2809 state; and

2810 (3) The likelihood that a proposal will result in long-term,
2811 sustainable economic growth for this state.

2812 (c) The [corporation] collaborative shall provide financial aid, as

2813 defined in subdivision (4) of section 32-34, to eligible participants
2814 whose proposals have been approved by the [corporation]
2815 collaborative as provided in subsections (a) and (b) of this section.

2816 (d) The [corporation] collaborative may establish other programs,
2817 including financial programs, in order to attract and retain residents
2818 with postsecondary education in science, engineering, mathematics
2819 and other disciplines that are essential or advisable to the development
2820 and application of technology.

2821 Sec. 54. Section 32-43 of the general statutes is repealed and the
2822 following is substituted in lieu thereof (*Effective October 1, 2006*):

2823 The state of Connecticut does hereby pledge to and agree with any
2824 person with whom the [corporation] collaborative may enter into
2825 contracts pursuant to the provisions of this chapter that the state will
2826 not limit or alter the rights hereby vested in the [corporation]
2827 collaborative until such contracts and the obligations thereunder are
2828 fully met and performed on the part of the [corporation] collaborative,
2829 provided nothing herein contained shall preclude such limitation or
2830 alteration if adequate provision shall be made by law for the protection
2831 of such persons entering into contracts with the [corporation]
2832 collaborative.

2833 Sec. 55. Section 32-47 of the general statutes is repealed and the
2834 following is substituted in lieu thereof (*Effective October 1, 2006*):

2835 (a) Neither the directors of the Connecticut [Innovations,
2836 Incorporated] Finance Collaborative nor any person acting on behalf of
2837 said [corporation] collaborative executing any notes, bonds, contracts,
2838 agreements or other obligations issued pursuant to this chapter shall
2839 be liable personally on such notes, bonds, contracts, agreements or
2840 obligations, or be subject to any personal liability or accountability by
2841 reason of the issuance thereof.

2842 (b) No director shall be personally liable for damage or injury, not
2843 wanton or wilful, caused in the performance of his duties and within

2844 the scope of his employment. Any person having a complaint for such
2845 damage or injury shall present it as a claim against the state under the
2846 provisions of chapter 53.

2847 Sec. 56. Section 32-47a of the general statutes is repealed and the
2848 following is substituted in lieu thereof (*Effective October 1, 2006*):

2849 Not later than January first in each year, [Connecticut Innovations,
2850 Incorporated] the Connecticut Finance Collaborative shall submit a
2851 business plan containing a summary of its projected operations under
2852 this chapter for the year to the joint standing committees of the General
2853 Assembly having cognizance of matters relating to the Department of
2854 [Economic and Community Development] Business and Employment,
2855 appropriations and capital bonding. Not later than November first,
2856 annually, the [corporation] collaborative shall submit a report to the
2857 Commissioner of [Economic and Community Development] Business
2858 and Employment, the Auditors of Public Accounts and said joint
2859 standing committees, which shall include the following information
2860 with respect to new and outstanding financial assistance provided by
2861 the [corporation] collaborative during the twelve-month period ending
2862 on June thirtieth next preceding the date of the report for each financial
2863 assistance program administered by the [corporation] collaborative: (1)
2864 A list of the names, addresses and locations of all recipients of such
2865 assistance, (2) for each such recipient: (A) The business activities, (B)
2866 the Standard Industrial Classification Manual codes, (C) the gross
2867 revenues during the recipient's most recent fiscal year, (D) the number
2868 of employees at the time of application, (E) whether the recipient is a
2869 minority or woman-owned business, (F) a summary of the terms and
2870 conditions for the assistance, including the type and amount of state
2871 financial assistance, job creation or retention requirements, and
2872 anticipated wage rates, and (G) the amount of investments from
2873 private and other nonstate sources that have been leveraged by the
2874 assistance, (3) the economic benefit criteria used in determining which
2875 applications have been approved or disapproved, and (4) for each
2876 recipient of assistance on or after July 1, 1991, a comparison between
2877 the number of jobs to be created, the number of jobs to be retained and

2878 the average wage rates for each such category of jobs, as projected in
2879 the recipient's application, versus the actual number of jobs created,
2880 the actual number of jobs retained and the average wage rates for each
2881 such category. The report shall also indicate the actual number of full-
2882 time jobs and the actual number of part-time jobs in each such category
2883 and the benefit levels for each such subcategory. The November first
2884 report shall include a summary of the activities of the [corporation]
2885 collaborative, including all activities to assist small businesses and
2886 minority business enterprises, as defined in section 4a-60g, a complete
2887 operating and financial statement and recommendations for legislation
2888 to promote the purposes of the [corporation] collaborative. The
2889 [corporation] collaborative shall furnish such additional information
2890 upon the written request of any such committee at such times as the
2891 committee may request.

2892 Sec. 57. Section 10a-178 of the 2006 supplement to the general
2893 statutes is repealed and the following is substituted in lieu thereof
2894 (*Effective October 1, 2006*):

2895 As used in this chapter, the following words and terms shall have
2896 the following meanings unless the context indicates another or
2897 different meaning or intent:

2898 [(a) "Authority"] (1) "Collaborative" means the [State of Connecticut
2899 Health and Educational Facilities Authority created by section 10a-179]
2900 Connecticut Finance Collaborative established under section 1 of this
2901 act or any board, body, commission, department or officer succeeding
2902 to the principal functions thereof or to whom the powers conferred
2903 upon the [authority] collaborative by this chapter shall be given by
2904 law;

2905 [(b)] (2) "Project", in the case of a participating institution for higher
2906 education, means a structure suitable for use as a dormitory or other
2907 housing facility, including housing for staff members, employees or
2908 students at such institution of higher education, dining hall, student
2909 union, administration building, academic building, library, laboratory,

2910 research facility, classroom, athletic facility, health care facility, and
2911 maintenance, storage or utility facility and other structures or facilities
2912 related thereto or required or useful for the instruction of students or
2913 the conducting of research or the operation of an institution for higher
2914 education, including parking and other facilities or structures essential
2915 or convenient for the orderly conduct of such institution for higher
2916 education, also including equipment and machinery and other similar
2917 items necessary or convenient for the operation of a particular facility
2918 or structure in the manner for which its use is intended or for the
2919 operation of a participating institution for higher education, or any
2920 combination thereof, but shall not include such items as books, fuel,
2921 supplies or other items the purchase of which is customarily deemed
2922 to result in a current operating charge; in the case of a participating
2923 health care institution, means a structure suitable for use as a hospital,
2924 clinic, or other health care facility, laboratory, laundry, residence
2925 facility, including housing for nurses, interns, staff members,
2926 employees or students at such health care institution and their
2927 immediate families and for physically or mentally handicapped
2928 persons, administration building, research facility, and maintenance,
2929 storage or utility facility and other structures or facilities related
2930 thereto or required or useful for the operation of the project, including
2931 parking and other facilities or structures essential or convenient for the
2932 orderly operation of such project, also including equipment and
2933 machinery and other similar items necessary or convenient for the
2934 operation of the project in the manner for which its use is intended or
2935 for the operation of a participating health care institution, or any
2936 combination thereof, but shall not include such items as fuel, supplies
2937 or other items the purchase of which is customarily deemed to result in
2938 a current operating charge; in the case of a participating qualified
2939 nonprofit organization, means a structure or facility owned in its
2940 entirety by, or suitable for use in accordance with the charitable or
2941 nonprofit status of the qualified nonprofit organization, also including
2942 equipment and machinery and other similar items necessary or
2943 convenient for the operation of the project in the manner for which its
2944 use is intended or for the operation of a participating qualified

2945 nonprofit corporation; and, in the case of a participating nursing home,
2946 means a structure or facility suitable for use as a nursing home,
2947 residential care home, rest home, health care facility for the
2948 handicapped, mental health facility or independent living facility
2949 subject to the licensing requirements of chapter 368v and appurtenant
2950 facilities, equipment and machinery and other similar items necessary
2951 or convenient for the operation of a particular facility or structure in
2952 the manner for which its use is intended or for the operation of a
2953 participating nursing home;

2954 [(c)] (3) "Cost" as applied to a project or any portion thereof financed
2955 under the provisions of this chapter embraces all or any part of the cost
2956 of construction and acquisition of all lands, structures, real or personal
2957 property, rights, rights-of-way, franchises, easements and interests
2958 acquired or used for a project, the cost of demolishing or removing any
2959 buildings or structures on land so acquired, including the cost of
2960 acquiring any lands to which such buildings or structures may be
2961 moved, the cost of all machinery and equipment, financing charges,
2962 interest prior to, during and for a period after completion of such
2963 construction, provisions for working capital, reserves for principal and
2964 interest and for extensions, enlargements, additions, replacements,
2965 renovations and improvements, cost of engineering, financial and legal
2966 services, plans, specifications, studies, surveys, estimates of cost and of
2967 revenues, administrative expenses, expenses necessary or incident to
2968 determining the feasibility or practicability of constructing the project
2969 and such other expenses as may be necessary or incident to the
2970 construction and acquisition of the project, the financing of such
2971 construction and acquisition and the placing of the project in
2972 operation;

2973 [(d)] (4) "Bonds" means bonds of the authority issued under the
2974 provisions of this chapter, including refunding bonds,
2975 notwithstanding that the same may be secured by mortgage or the full
2976 faith and credit of the authority or the full faith and credit of a
2977 participating institution for higher education or of a participating
2978 hospital or any other lawfully pledged security of a participating

2979 institution for higher education or of a participating hospital;

2980 [(e)] (5) "Institution for higher education" means (1) an educational
2981 institution situated within this state which by virtue of law or charter
2982 is a nonprofit educational institution empowered to provide a program
2983 of education beyond the high school level; (2) a public educational
2984 institution, which, shall be the state colleges, known collectively as
2985 Connecticut State University;

2986 [(f)] (6) "Participating institution for higher education" means an
2987 institution for higher education which, pursuant to the provisions of
2988 this chapter, shall undertake the financing and construction or
2989 acquisition of a project or shall undertake the refunding or refinancing
2990 of obligations or of a mortgage, or advances made or given for the
2991 costs of a project, as provided in and permitted by this chapter;

2992 [(g)] (7) "Health care institution" means (i) any nonprofit, state-aided
2993 hospital or other health care institution, including The University of
2994 Connecticut Health Center, which is entitled, under the laws of the
2995 state, to receive assistance from the state by means of a grant made
2996 pursuant to a budgetary appropriation made by the general assembly,
2997 (ii) any other hospital or other health care institution which is licensed,
2998 or any nonprofit, nonstock corporation which shall receive financing
2999 or shall undertake to construct or acquire a project which is or will be
3000 eligible to be licensed, as an institution under the provisions of sections
3001 19a-490 to 19a-503, inclusive, as amended, or any nonprofit, nonstock,
3002 nonsectarian facility which is exempt from taxation under the
3003 provisions of section 12-81, as amended, or 38a-188 and which is a
3004 health care center under the provisions of sections 38a-175 to 38a-191,
3005 inclusive, or (iii) any nonprofit corporation wholly owned by two or
3006 more hospitals or other health care institutions which operates for and
3007 on behalf of such hospitals or other health care institutions a project as
3008 defined in subsection (b) hereof or is a nursing home;

3009 [(h)] (8) "Nursing home" means any institution which is or will be
3010 eligible to be licensed as an institution under sections 19a-490 to 19a-

3011 503, inclusive, as amended, or a facility which (1) provides chronic and
3012 convalescent nursing care, (2) is a rest home with nursing facilities, (3)
3013 provides health care facilities for the handicapped, (4) is a home for
3014 elderly persons or physically handicapped or mentally handicapped
3015 persons, or (5) is a continuing care facility registered with the
3016 Department of Social Services, pursuant to chapter 319f;

3017 [(i)] (9) "Participating nursing home" means a nursing home which,
3018 pursuant to the provisions of this chapter, undertakes the financing
3019 and construction or acquisition of a project or undertakes the
3020 refunding or refinancing of obligations or of a mortgage, loans or
3021 advances made or given for the costs of a project as provided in and
3022 permitted by this chapter;

3023 [(j)] (10) "Participating health care institution" means a health care
3024 institution which, pursuant to the provisions of this chapter,
3025 undertakes the financing and construction or acquisition of a project or
3026 undertakes the refunding or refinancing of obligations or of a
3027 mortgage, loan or advances made or given for the cost of a project as
3028 provided in and permitted by this chapter;

3029 [(k)] (11) "Participating corporation" means any nonprofit
3030 corporation created by a participating health care institution or a
3031 participating institution for higher education, or by one or more of
3032 them in combination, and to which there has been or will be
3033 transferred all right, title and interest in a project for the sole purpose
3034 of operating such project on behalf of such participating institution or
3035 institutions for the life of the bonds issued to finance such project,
3036 provided upon retirement of all of such bonds, all right, title and
3037 interest in the project shall revert to and vest in the participating
3038 institution for higher education or the participating health care
3039 institution or jointly in both such institutions;

3040 [(l)] (12) "Federally guaranteed security" means any security,
3041 investment or evidence of indebtedness which is either directly or
3042 indirectly insured or guaranteed, in whole or in part, as to the payment

3043 of principal and interest, by the United States of America or any
3044 agency or instrumentality thereof;

3045 [(m)] (13) "Federally insured mortgage loan" means any loan
3046 secured by a mortgage from any participating institution for higher
3047 education or participating health care institution or participating
3048 nursing home which is either directly or indirectly insured or
3049 guaranteed, in whole or in part, as to the repayment of principal and
3050 interest, by the United States of America or any agency or
3051 instrumentality thereof, or by any commitment by the United States of
3052 America or any agency or instrumentality thereof to so insure or
3053 guarantee;

3054 [(n)] (14) "Qualified nonprofit organization" means any private,
3055 nonprofit organization qualified under Section 501(c)(3) of the Internal
3056 Revenue Code of 1986, as the same may be amended from time to
3057 time, other than a health care institution, nursing home or institution
3058 for higher education;

3059 [(o)] (15) "Participating qualified nonprofit organization" means a
3060 qualified nonprofit organization which, pursuant to the provisions of
3061 this chapter, shall undertake the financing and construction or
3062 acquisition of a project or shall undertake the refunding or refinancing
3063 of obligations, or of a mortgage, loan or advances made or given to it
3064 to finance, in anticipation of permanent financing or donation from an
3065 outside source, the cost of a project, as provided in and permitted by
3066 this chapter.

3067 Sec. 58. Section 10a-186b of the general statutes is repealed and the
3068 following is substituted in lieu thereof (*Effective October 1, 2006*):

3069 (a) As used in this section [,] and section 10a-186c, [and subsection
3070 (k) of section 10a-179,] the following words and terms shall have the
3071 following meanings unless the context indicates another or different
3072 meaning or intent:

3073 (1) "Amount available for debt service" means, for any accounting

3074 period, the net revenues available for debt service for such period
3075 reduced by the qualified expenditures for such period;

3076 (2) ["Authority"] "Collaborative" means the [State of Connecticut
3077 Health and Educational Facilities Authority as defined in section 10a-
3078 178] Connecticut Finance Collaborative established under section 1 of
3079 this act;

3080 (3) "Bonds" means revenue bonds of the authority issued to finance
3081 a project at a participating nursing home, as defined in section 10a-178,
3082 as amended, which are secured by a special capital reserve fund;

3083 (4) "Bond documents" means all documents related to an issue of
3084 bonds including, but not limited to, the trust indenture, the loan
3085 agreement, the bonds, the mortgage and any other documents
3086 included in the closing transcript;

3087 (5) "Deficiency" as used in connection with any bonds, means the
3088 total of the following: (A) For any completed accounting period, the
3089 difference between the amount available for debt service for such
3090 period and the payment required to be made to the subject special
3091 capital reserve fund during such period so that the subject special
3092 capital reserve fund is in compliance with the applicable bond
3093 documents; (B) the projected amount necessary, after taking into
3094 account the estimated amount available for debt service, to avoid a
3095 draw on the special capital reserve funds or such higher amount as
3096 provided in the bond documents for the period selected by the
3097 authority so that the state has no obligation to make payments to such
3098 special capital reserve fund; and (C) such additional amounts as the
3099 authority may deem advisable to prevent the state from being
3100 obligated to make any payment to the applicable special capital
3101 reserve fund;

3102 (6) "Deficiency loan" means a loan made by the authority to a
3103 qualified nursing home to fund all or a portion of the deficiency. The
3104 principal amount of the deficiency loan shall not exceed the deficiency
3105 for the qualified nursing home receiving the deficiency loan. All other

3106 terms and conditions of the deficiency loan including the rate of
3107 interest, if any, shall be set by the authority as it deems appropriate;

3108 (7) "Net revenues available for debt service" means, for any
3109 accounting period, the excess of operating and nonoperating revenues
3110 of the qualified nursing home, including the proceeds of business
3111 interruption insurance over the operating and nonoperating expenses
3112 of the qualified nursing home for such period. For the purposes of this
3113 subdivision such revenues and expenses shall exclude any
3114 depreciation, amortization and current interest expense, as determined
3115 in accordance with generally accepted accounting principles, using
3116 either accrual or cash basis accounting, subject, to such adjustment for
3117 extraordinary, nonrecurrent, capital and other expenditures as the
3118 authority deems appropriate to determine actual funds available for
3119 debt service;

3120 (8) "Qualified expenditures" means all expenditures of any kind and
3121 type of a qualified nursing home, including capital expenditures and
3122 repayment of debt, which are necessary or advisable for the continued
3123 operation of a qualified nursing home in compliance with all
3124 applicable laws;

3125 (9) "Qualified nursing home" means a nursing home financed by
3126 bonds issued by the authority and secured by a special capital reserve
3127 fund pursuant to applicable bond documents;

3128 (10) "Special capital reserve funds" means the funds authorized
3129 under section 10a-186a, as amended, and as incorporated in the bond
3130 documents;

3131 (11) "Subject special capital reserve fund" means the special capital
3132 reserve fund to which a specific qualified nursing home is required to
3133 make payments under applicable bond documents.

3134 (b) There is established, within the office of the State Treasurer, a
3135 program to be known as the "nursing home debt service assistance
3136 program". The State Treasurer may, upon request of the [Connecticut

3137 Health and Educational Facilities Authority] collaborative advance
3138 funds to the authority from amounts appropriated from the General
3139 Fund for debt service or appropriated for said program, for a
3140 deficiency loan or payment of debt service on nursing home bonds
3141 issued by the authority and secured by a special capital reserve fund.
3142 The State Treasurer shall not advance funds unless there has been
3143 delivered to the State Treasurer in connection with such advance, a
3144 certificate of the executive director of the authority or any officer of the
3145 authority certifying: (1) That the board of directors of the authority has
3146 authorized the deficiency loan to be funded and made all findings
3147 required by public act 97-11 of the June 18 special session*; (2) the
3148 principal amount of the deficiency loan; (3) the requested amount of
3149 the advance from the nursing home debt service assistance program;
3150 and (4) the amount of all previous advances made in respect of such
3151 deficiency loan. Upon receipt of such certificate, to the extent funds are
3152 available, the State Treasurer is authorized to make the appropriate
3153 payment to the authority for the purpose of funding the deficiency
3154 loan.

3155 (c) The [authority] collaborative is authorized from time to time to
3156 extend deficiency loans to qualified nursing homes. Deficiency loans
3157 may be advanced in one or more installments and multiple deficiency
3158 loans may be extended to the same qualified nursing home. The terms
3159 and conditions of each deficiency loan shall be set forth in the
3160 authorizing resolution of the board of directors of the [authority]
3161 collaborative provided the board may delegate the power to set such
3162 terms and conditions to the executive director and any managing
3163 director of the [authority] collaborative. Prior to approving a
3164 deficiency loan, the board of directors of the [authority] collaborative
3165 shall reasonably determine, based upon the projections and other
3166 information presented to it that (1) there is a deficiency, and (2) any
3167 principal amount of the deficiency loan does not exceed the amount of
3168 the deficiency. All proceeds of a deficiency loan shall be made by the
3169 [authority] collaborative directly to the trustee of the bonds.

3170 (d) The [authority] collaborative shall have all powers, right and

3171 authority granted to it by this chapter or otherwise to administer and
3172 enforce any deficiency loan including the right to waive defaults and
3173 payments, extend maturities and release collateral. Subject to the
3174 approval of the State Treasurer, the [authority] collaborative is
3175 specifically empowered in its discretion, to forgive up to one-half of
3176 the principal amount of a deficiency loan if it finds that the financial
3177 condition of the qualified nursing home has substantially improved
3178 and the risk that the state will be required to make payments to restore
3179 the subject special capital reserve fund has been substantially reduced.
3180 All repayments made on deficiency loans shall be paid by the
3181 [authority] collaborative to the State Treasurer for deposit in the
3182 General Fund.

3183 Sec. 59. Section 10a-194c of the general statutes is repealed and the
3184 following is substituted in lieu thereof (*Effective October 1, 2006*):

3185 (a) The Connecticut [Health and Educational Facilities Authority]
3186 Finance Collaborative shall establish a program to finance low interest
3187 loans for child care and child development centers, family resource
3188 centers and Head Start programs that shall be known as the
3189 Connecticut Child Care Facilities Program. Loans shall be made for the
3190 purpose of new construction or renovation of existing centers or
3191 complying with federal, state and local child care requirements,
3192 including health and safety standards. For purposes of this section,
3193 "child development center" means a building used by a nonprofit
3194 school readiness program, as defined in section 10-16p, as amended,
3195 and "child care center" means a nonprofit facility that is licensed by the
3196 Department of Public Health as a child day care center or a group day
3197 care home, both as defined in section 19a-77, as amended.

3198 (b) The [authority] collaborative may issue bonds pursuant to
3199 section 10a-185, as amended, for the purpose of funding loans to child
3200 care and child development centers for the purposes provided in
3201 subsection (a) of this section, including for two or more child care or
3202 child development centers jointly, which bonds may be secured, in
3203 whole or in part, by a pledge of revenues to be derived from the

3204 operation or use of a child care or child development center, including
3205 third party payments made on behalf of children served by any such
3206 center to the extent permitted by law. In carrying out the purposes of
3207 this section, the authority shall have and may exercise the powers
3208 provided in section 10a-180.

3209 Sec. 60. Section 10a-194d of the general statutes is repealed and the
3210 following is substituted in lieu thereof (*Effective October 1, 2006*):

3211 (a) The Connecticut [Health and Educational Facilities Authority]
3212 Finance Collaborative may establish a subsidiary which shall be
3213 deemed a quasi-public agency for purposes of chapter 12, for the
3214 purpose of improving access to high-quality child care in the state by
3215 coordinating expertise in finance, government, architecture,
3216 construction and child care, and may transfer to such subsidiary any
3217 moneys, real or personal property, of any child care or child
3218 development center financed by the authority and acquired as a result
3219 of a foreclosure or otherwise. Such subsidiary shall have all the
3220 privileges, immunities, tax exemptions and other exemptions of the
3221 authority. Such subsidiary shall be subject to suit and liability solely
3222 from the assets, revenues and resources of the subsidiary and without
3223 recourse to the general funds, revenues, resources or any other assets
3224 of the authority. Such subsidiary is authorized to assume or take title
3225 to any real property, including a child care or child development
3226 center, subject to any existing mortgage and to mortgage, convey or
3227 dispose of its assets and pledge its revenues in order to secure any
3228 borrowing, for the purpose of developing, acquiring, constructing,
3229 refinancing, rehabilitating or improving its assets, provided each such
3230 borrowing or mortgage, unless otherwise provided by the board or the
3231 subsidiary, shall be a special obligation of the subsidiary, which
3232 obligation may be in the form of bonds, bond anticipation notes or
3233 other obligations which evidence an indebtedness to the extent
3234 permitted under this chapter to fund, refinance and refund the same
3235 and provide for the rights of holders thereof, and to secure the same by
3236 pledge of revenues, notes and mortgages of others, and which shall be
3237 payable solely from the assets, revenues and other resources of the

3238 subsidiary and in no event shall such bonds be secured by a special
3239 capital reserve fund of any kind which is in any way contributed to by
3240 the state. The subsidiary shall have the purposes as provided by
3241 resolution of the [authority's] collaborative's board of directors, which
3242 purposes shall be consistent with this chapter. No further action is
3243 required for the establishment of the subsidiary, except the adoption of
3244 a resolution for the subsidiary.

3245 (b) The board of directors of the subsidiary shall be the board of
3246 directors of the [authority] collaborative.

3247 (c) To the extent necessary or appropriate to assure that the interest
3248 on any of its bonds, notes or other obligations are or continue to be
3249 excluded from the gross income of the recipients for federal income tax
3250 purposes, the [authority] collaborative or subsidiary shall take such
3251 actions to comply with the provisions of the Internal Revenue Code of
3252 1986 or any subsequent corresponding internal revenue code of the
3253 United States, as from time to time amended, if necessary, to qualify
3254 and maintain such subsidiary as a corporation exempt from taxation
3255 under said Internal Revenue Code.

3256 Sec. 61. Section 10a-194f of the general statutes is repealed and the
3257 following is substituted in lieu thereof (*Effective October 1, 2006*):

3258 (a) The Connecticut [Health and Educational Facilities Authority]
3259 Finance Collaborative shall allocate from its reserves an amount not to
3260 exceed one million five hundred thousand dollars in the aggregate for
3261 a period not to exceed three years to establish a Captive Insurance
3262 Demonstration Program Grant Fund. The fund shall be used to
3263 provide grants to nonprofit hospitals that establish a captive insurer or
3264 expand coverage offered by an existing captive insurer in order to
3265 provide medical malpractice indemnity or insurance to physicians and
3266 surgeons who enjoy privileges at the hospitals. The fund may cover
3267 legal, actuarial, consulting and other costs associated with providing
3268 such indemnity or insurance. Any amount in the fund that is not
3269 expended at the end of the three-year period shall revert to the

3270 [authority's] collaborative's reserves.

3271 (b) Grants shall be awarded based on the size and financial
3272 resources of the hospitals. Grants shall not exceed seven hundred fifty
3273 thousand dollars per captive insurer and shall not be used to establish
3274 or expand more than two captive insurers. No hospital shall be eligible
3275 for a grant under this section unless it agrees to provide the [authority]
3276 collaborative, on a periodic basis as determined by the authority but
3277 not less than annually, information on the captive insurer's
3278 performance including, but not limited to, premiums charged, captive
3279 insurer operating costs, claims experience, the estimated savings over
3280 methods of insurance used by the hospital prior to the creation of the
3281 captive insurer, and other information required by the [authority]
3282 collaborative.

3283 (c) Not later than February 1, 2005, and annually thereafter until
3284 February 1, 2008, the [authority] collaborative shall complete a report
3285 that includes an analysis of the information submitted to the
3286 [authority] collaborative by hospitals that receive a grant pursuant to
3287 this section. The report shall be made available to the public and the
3288 [authority] collaborative shall annually submit the report to the
3289 General Assembly in accordance with section 11-4a.

3290 Sec. 62. Section 10a-194g of the general statutes is repealed and the
3291 following is substituted in lieu thereof (*Effective October 1, 2006*):

3292 The Connecticut [Health and Educational Facilities Authority]
3293 Finance Collaborative shall establish, within available resources, a
3294 program to allow nonprofit hospitals to access leases in order to
3295 finance costs associated with the digitization of patient records if such
3296 costs are exempt from taxation pursuant to the Internal Revenue Code
3297 of 1986, or any subsequent corresponding internal revenue code of the
3298 United States, as from time to time amended. Such leases may be made
3299 available to hospitals on an individual or group basis.

3300 Sec. 63. Section 10a-194h of the general statutes is repealed and the
3301 following is substituted in lieu thereof (*Effective October 1, 2006*):

3302 (a) For the purposes of the program described in this section,
3303 municipalities, local boards of education with the approval of the
3304 municipal legislative body, regional school districts and regional
3305 educational service centers shall be deemed to be "participating
3306 qualified nonprofit organizations". For the purposes of this section,
3307 "preschool project" means the acquisition, construction, improvement,
3308 extension, furnishing or equipping of a structure or facility suitable for
3309 use for, required or useful for nonprofit educational programs for
3310 three-year-old or four-year-old children, including, but not limited to,
3311 school readiness and Head Start programs, or the acquisition of
3312 fixtures, equipment or machinery for such a structure or facility;
3313 "bonds" means any bonds, including refunding bonds, notes,
3314 temporary notes, interim certificates, debentures or other obligations
3315 of indebtedness; and "municipality" means a town, city, consolidated
3316 town or city or consolidated town and borough.

3317 (b) The Connecticut [Health and Educational Facilities Authority]
3318 Finance Collaborative may issue bonds pursuant to section 10a-185, as
3319 amended, for the purpose of funding loans to a participating qualified
3320 nonprofit organization for preschool projects, including for two or
3321 more preschool projects jointly, which bonds may be secured, in whole
3322 or in part, by a pledge of revenues to be derived from the operation or
3323 use of a preschool project, including fees, charges, tuition or other
3324 revenues or third party payments made on behalf of children served
3325 by such preschool project to the extent permitted by law. In carrying
3326 out the purposes of this section, the authority shall have and may
3327 exercise the powers provided in section 10a-180.

3328 (c) Participating qualified nonprofit organizations may borrow
3329 money from the Connecticut [Health and Educational Facilities
3330 Authority] Finance Collaborative for any preschool project for which
3331 the authority is authorized to make loans pursuant to this section. In
3332 connection with such borrowing, participating qualified nonprofit
3333 organizations may enter into any loan or other agreement and make
3334 such covenants, representations and indemnities as such participating
3335 qualified nonprofit organization deems necessary or desirable to

3336 obtain such loans from the authority or to facilitate the issue of bonds
3337 by the authority to finance such loans, including agreements with
3338 providers of letters of credit, insurance or other credit facilities for such
3339 financings. The Department of Education, in consultation with the
3340 Department of Social Services and the Connecticut [Health and
3341 Educational Facilities Authority] Finance Collaborative, shall establish
3342 priorities for financing facilities based on need and quality
3343 determinants.

3344 (d) Any bonds issued pursuant to this section shall not constitute
3345 indebtedness within the meaning of any statutory limitation on the
3346 indebtedness of any participating municipality, or of the municipality
3347 or member municipality if the borrower is a local board of education
3348 or regional school district. Bonds issued pursuant to this section shall
3349 be special obligations of the municipality and shall not be payable
3350 from nor charged upon any funds other than revenues pledged to the
3351 payment thereof, nor shall the municipality be subject to any liability
3352 thereon except to the extent of any pledged revenues. No holder or
3353 holders of any bonds shall have the right to compel any exercise of the
3354 taxing power of the municipality to pay any bonds or the interest
3355 thereon, or to enforce payment thereon against any property of the
3356 municipality except property encumbered under the provisions and
3357 for the purposes of this section. The bonds shall not constitute a
3358 charge, lien or encumbrance, legal or equitable, upon any property of
3359 the municipality except property encumbered under the provisions
3360 and for the purposes of this section.

3361 (e) The [authority] collaborative shall adopt procedures to carry out
3362 the purposes of this section.

3363 Sec. 64. Section 1-120 of the general statutes is repealed and the
3364 following is substituted in lieu thereof (*Effective October 1, 2006*):

3365 As used in sections 1-120 to 1-123, inclusive:

3366 (1) "Quasi-public agency" means the Connecticut [Development
3367 Authority, Connecticut Innovations, Incorporated, Connecticut Health

3368 and Educational Facilities Authority] Finance Collaborative,
3369 Connecticut Higher Education Supplemental Loan Authority,
3370 Connecticut Housing Finance Authority, Connecticut Housing
3371 Authority, Connecticut Resources Recovery Authority, Connecticut
3372 Hazardous Waste Management Service, Capital City Economic
3373 Development Authority and Connecticut Lottery Corporation.

3374 (2) "Procedure" means each statement, by a quasi-public agency, of
3375 general applicability, without regard to its designation, that
3376 implements, interprets or prescribes law or policy, or describes the
3377 organization or procedure of any such agency. The term includes the
3378 amendment or repeal of a prior regulation, but does not include,
3379 unless otherwise provided by any provision of the general statutes, (A)
3380 statements concerning only the internal management of any agency
3381 and not affecting procedures available to the public, and (B) intra-
3382 agency memoranda.

3383 (3) "Proposed procedure" means a proposal by a quasi-public
3384 agency under the provisions of section 1-121 for a new procedure or
3385 for a change in, addition to or repeal of an existing procedure.

3386 Sec. 65. Section 32-41 of the general statutes is repealed and the
3387 following is substituted in lieu thereof (*Effective July 1, 2006*):

3388 The State Bond Commission shall have power in accordance with
3389 the provisions of section 3-20, as amended, to authorize the issuance of
3390 bonds of the state in one or more series and in principal amounts not
3391 exceeding in the aggregate [forty-seven] seventy-two million eight
3392 hundred fifty-four thousand nine hundred dollars to carry out the
3393 purposes of sections 32-32 to [32-41] 32-41u, inclusive. The principal
3394 and interest of said bonds shall be payable at such place or places as
3395 may be determined by the State Treasurer and shall bear such date or
3396 dates, mature at such time or times, bear interest at such rate or
3397 different or varying rates, be payable at such time or times, be in such
3398 denominations, be in such form with or without interest coupons
3399 attached, carry such registration and transfer privileges, be payable in

3400 such medium of payment and be subject to such terms of redemption
3401 with or without premium as, irrespective of the provisions of said
3402 section 3-20, may be provided by the authorization of the State Bond
3403 Commission or fixed in accordance therewith. The proceeds of the sale
3404 of such bonds, after deducting therefrom all expenses of issuance and
3405 sale, shall be paid to the Connecticut Innovations, Incorporated Fund,
3406 or its successor, created under section 32-41a. When the State Bond
3407 Commission has acted to issue such bonds or a portion thereof, the
3408 Treasurer may, pending the issue of such bonds, issue, in the name of
3409 the state, temporary notes in anticipation of the money to be received
3410 from the sale of such bonds. In issuing the bonds authorized
3411 hereunder, the State Bond Commission may require repayment of such
3412 bonds by the corporation as shall seem desirable consistent with the
3413 purposes of sections 32-32 to 32-41, inclusive. Such terms for
3414 repayment may include a forgiveness of interest, a holiday in the
3415 repayment of interest or principal or both.

3416 Sec. 66. Sections 10a-179, 32-11a, 32-35, 32-37 and 32-42 of the
3417 general statutes are repealed. (*Effective October 1, 2006*)"