



General Assembly

Amendment

February Session, 2006

LCO No. 5490

HB0527905490SRO

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 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective July 1, 2006*) (a) As used in this section
4 and sections 502 to 508, 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 502 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 502 to 508, 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 502 to 508, inclusive, of this act may be authorized by
104 resolution at any regular or special meeting, and each such resolution
105 shall take 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. 502. (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 501 to 508, inclusive, of this act, chapters 187, 578, 579, 581,
125 584, 588*l*, 588*n*, 588*r* and 588*u* 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 501 to 508, inclusive, of this act.

268 Sec. 503. (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. 504. (NEW) (*Effective July 1, 2006*) (a) The board of directors of
407 the 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 501 to
416 508, inclusive, of this act and chapters 187, 578, 579, 581, 584, 588l,
417 588n, 588r and 588u of the general statutes. The chief executive officer
418 shall attend all meetings of the board, keep a record of the proceedings
419 of the board and shall maintain and be custodian of all books,
420 documents and papers filed with the collaborative and of the minute
421 book or journal of the collaborative and of its official seal. He may
422 cause copies to be made of all minutes and other records and
423 documents of the collaborative and may give certificates under the
424 official seal of the collaborative to the effect that such copies are true
425 copies, and all persons dealing with the collaborative may rely upon
426 such certificates.

427 Sec. 505. (NEW) (*Effective July 1, 2006*) The exercise of the powers
428 vested in the Connecticut Finance Collaborative shall constitute the
429 performance of an essential governmental function and the
430 collaborative shall not be required to pay any taxes or assessments
431 upon or in respect of a project, or any property or moneys of the
432 collaborative, levied by any municipality or political subdivision or
433 special district having taxing powers of the state, nor shall the
434 collaborative be required to pay state taxes of any kind, and the
435 collaborative, its projects, property and moneys and any bonds and
436 notes issued under the provisions of sections 501 to 508, inclusive, of

437 this act and chapters 187, 578, 579, 581, 584, 588l, 588n, 588r and 588u
438 of the general statutes, their transfer and the income therefrom,
439 including any profit made on the sale thereof, shall at all times be free
440 from taxation of every kind by the state except for estate or succession
441 taxes and by the municipalities and all other political subdivisions or
442 special districts having taxing powers of the state; provided any
443 person leasing a project from the collaborative shall pay to the
444 municipality, or other political subdivision or special district having
445 taxing powers in which such project is located, a payment in lieu of
446 taxes which shall equal the taxes on real and personal property,
447 including water and sewer assessments, which such lessee would have
448 been required to pay had it been the owner of such property during
449 the period for which such payment is made and neither the
450 collaborative nor its projects, properties, money or bonds and notes
451 shall be obligated, liable or subject to lien of any kind for the
452 enforcement, collection or payment thereof. The sale of tangible
453 personal property or services by the collaborative is exempt from the
454 sales tax under chapter 219 of the general statutes, and the storage, use
455 or other consumption in this state of tangible personal property or
456 services purchased from the collaborative is exempt from the use tax
457 under said chapter 219. If and to the extent the proceedings under
458 which the bonds authorized to be issued under the provisions of said
459 chapters and sections so provide, the collaborative may agree to
460 cooperate with the lessee of a project in connection with any
461 administrative or judicial proceedings for determining the validity or
462 amount of such payments and may agree to appoint or designate and
463 reserve the right in and for such lessee to take all action which the
464 collaborative may lawfully take in respect of such payments and all
465 matters relating thereto, provided such lessee shall bear and pay all
466 costs and expenses of the collaborative thereby incurred at the request
467 of such lessee or by reason of any such action taken by such lessee in
468 behalf of the collaborative. Any lessee of a project which has paid the
469 amounts in lieu of taxes required by this section to be paid shall not be
470 required to pay any such taxes in which a payment in lieu thereof has
471 been made to the state or to any such municipality or other political

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

483 Sec. 506. (NEW) (*Effective July 1, 2006*) (a) Not later than November
484 first, annually, the Connecticut Finance Collaborative shall submit a
485 report to the Governor, the Commissioner of Business and
486 Employment, the Auditors of Public Accounts and the joint standing
487 committees of the General Assembly having cognizance of matters
488 relating to the Department of Business and Employment,
489 appropriations and the budgets of state agencies and capital bonding,
490 which shall include the following information with respect to new and
491 outstanding financial assistance provided by the collaborative during
492 the twelve-month period ending on June thirtieth next preceding the
493 date of the report for each financial assistance program administered
494 by the collaborative: (1) A list of the names, addresses and locations of
495 all recipients of such assistance, (2) for each recipient: (A) The business
496 activities, (B) the Standard Industrial Classification Manual codes, (C)
497 the gross revenues during the recipient's most recent fiscal year, (D)
498 the number of employees at the time of application, (E) whether the
499 recipient is a minority or woman-owned business, (F) a summary of
500 the terms and conditions for the assistance, including the type and
501 amount of state financial assistance, job creation or retention
502 requirements, and anticipated wage rates, and (G) the amount of
503 investments from private and other nonstate sources that have been
504 leveraged by the assistance, (3) the economic benefit criteria used in
505 determining which applications have been approved or disapproved,

506 and (4) for each recipient of assistance, a comparison between the
507 number of jobs to be created, the number of jobs to be retained and the
508 average wage rates for each such category of jobs, as projected in the
509 recipient's application, versus the actual number of jobs created, the
510 actual number of jobs retained and the average wage rates for each
511 such category. The report shall also indicate the actual number of full-
512 time jobs and the actual number of part-time jobs in each such category
513 and the benefit levels for each such subcategory. In addition, the report
514 shall state (A) for each final application approved during the twelve-
515 month period covered by the report, (i) the date that the final
516 application was received by the collaborative, and (ii) the date of such
517 approval; (B) for each final application withdrawn during the twelve-
518 month period covered by the report, (i) the municipality in which the
519 applicant is located, (ii) the Standard Industrial Classification Manual
520 code for the applicant, (iii) the date that the final application was
521 received by the collaborative, and (iv) the date of such withdrawal; (C)
522 for each final application disapproved during the twelve-month period
523 covered by the report, (i) the municipality in which the applicant is
524 located, (ii) the Standard Industrial Classification Manual code for the
525 applicant, (iii) the date that the final application was received by the
526 collaborative, and (iv) the date of such disapproval; and (D) for each
527 final application on which no action has been taken by the applicant or
528 the agency in the twelve-month period covered by the report and for
529 which no report has been submitted under this subsection, (i) the
530 municipality in which the applicant is located, (ii) the Standard
531 Industrial Classification Manual code for the applicant, and (iii) the
532 date that the final application was received by the collaborative. The
533 provisions of this subsection shall not apply to activities of the
534 collaborative under the provisions of chapter 581 of the general
535 statutes which shall continue to be reported on as provided in section
536 32-47a of the general statutes, as amended by this act.

537 (b) The November first report shall also include a summary of the
538 activities of the collaborative, including all activities to assist small
539 businesses and minority business enterprises, as defined in section 4a-

540 60g of the general statutes, a complete operating and financial
541 statement and recommendations for legislation to promote the
542 purposes of the collaborative.

543 Sec. 507. (NEW) (*Effective October 1, 2006*) (a) (1) In accordance with
544 the provisions of section 4-38d of the general statutes, all powers and
545 duties of the Connecticut Development Authority under the provisions
546 of chapter 579 of the general statutes, shall be transferred to the
547 Connecticut Finance Collaborative established under section 501 of this
548 act. On and after the effective date of this section, the Connecticut
549 Brownfields Redevelopment Authority, a subsidiary of the
550 Connecticut Development Authority created pursuant to subsection (l)
551 of section 32-11a of the general statutes, shall be a subsidiary of the
552 Connecticut Finance Collaborative.

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

574 collaborative subject only to any agreements with the holders of
575 outstanding notes, bonds or other obligations of the authority.

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

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

603 (b) (1) In accordance with the provisions of section 4-38d of the
604 general statutes, all powers, duties and personnel of Connecticut
605 Innovations, Incorporated under the provisions of chapter 581 of the
606 general statutes shall be transferred to the Connecticut Finance

607 Collaborative established under section 501 of this act. All cash, notes,
608 receivables, liabilities, appropriations, authorizations, allocations, and
609 all other assets and properties of Connecticut Innovations,
610 Incorporated shall be transferred to the Connecticut Finance
611 Collaborative. Such transfer shall not affect the validity, enforceability
612 or binding nature of any contract or agreement for financial aid made
613 by Connecticut Innovations, Incorporated under the authorization of
614 this act prior to the effective date of this act. On and after the effective
615 date of this section, any and all subsidiaries of the Connecticut
616 Innovations, Incorporated shall be subsidiaries of the Connecticut
617 Finance Collaborative.

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

621 (c) (1) In accordance with the provisions of section 4-38d of the
622 general statutes, all powers and duties of the Connecticut Health and
623 Education Facilities Authority under the provisions of chapter 187 of
624 the general statutes, shall be transferred to the Connecticut Finance
625 Collaborative established under section 501 of this act. On and after the
626 effective date of this section, any and all subsidiaries of the
627 Connecticut Health and Education Facilities Authority shall be a
628 subsidiary of the Connecticut Finance Collaborative.

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

640 Authority. All properties, rights in land, buildings and equipment and
641 any funds, moneys, revenues and receipts or assets of such authority
642 pledged or otherwise securing any such notes, bonds or other
643 obligations shall belong to the collaborative as successor to the
644 Connecticut Health and Education Facilities Authority, subject to such
645 pledges and other security arrangements and to agreements with the
646 holders of the outstanding notes, bonds or other obligations. Any
647 resolution with respect to the issuance of bonds of the authority for the
648 purposes of this act and any other action taken by the authority with
649 respect to assisting in the financing of any project shall be, or shall be
650 deemed to be, a resolution of the collaborative or an action taken by
651 the collaborative subject only to any agreements with the holders of
652 outstanding notes, bonds or other obligations of the commission.

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

657 (d) (1) The Connecticut Finance Collaborative shall adopt operating
658 procedures pursuant to subsection (f) of section 501 of this act. Except
659 to the extent that existing procedures are inconsistent with this act,
660 until new procedures are adopted or July 1, 2007, whichever occurs
661 first:

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

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

670 (4) The procedures of the Connecticut Development Authority,
671 adopted pursuant to section 1-121 of the general statutes, shall remain

672 in full force and effect with respect to any other matter before the
673 Connecticut Finance Collaborative.

674 (e) Except as expressly provided in this act, nothing in this act shall
675 be deemed to limit the powers exercised by the Connecticut
676 Development Authority, the Connecticut Health and Education
677 Facilities Authority or Connecticut Innovations, Incorporated prior to
678 the effective date of this act.

679 Sec. 508. (NEW) (*Effective July 1, 2006*) (a) During the period from
680 July 1, 2006, to September 30, 2006, the Connecticut Development
681 Authority, Connecticut Innovations, Incorporated and the Connecticut
682 Health and Educational Facilities Authority are authorized to enter
683 into any agreements with the Connecticut Finance Collaborative that
684 are necessary to facilitate for the collaborative to assume its
685 responsibilities under sections 501 to 508, inclusive, of this act.

686 (b) The Connecticut Development Authority, Connecticut
687 Innovations, Incorporated and the Connecticut Health and Educational
688 Facilities Authority may provide professional and clerical support,
689 facilities, equipment and supplies to the Connecticut Finance
690 Collaborative during the period from July 1, 2006, to September 30,
691 2006, inclusive.

692 Sec. 509. Section 32-1b of the general statutes is repealed and the
693 following is substituted in lieu thereof (*Effective July 1, 2006*):

694 (a) There is established a Department of [Economic and Community
695 Development] Business and Employment. The department head
696 shall be the Commissioner of [Economic and Community
697 Development] Business and Employment, who shall be appointed by
698 the Governor in accordance with the provisions of sections 4-5 to 4-8,
699 inclusive, with the powers and duties prescribed in said sections 4-5 to
700 4-8, inclusive.

701 (b) Said department shall constitute a successor department to the
702 Department of [Housing in accordance with the provisions of sections

703 4-38d, 4-38e and 4-39.

704 (c) Said department shall constitute a successor department to the
705 Department of Economic Development] Economic and Community
706 Development in accordance with the provisions of sections 4-38d, 4-
707 38e and 4-39.

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

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

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

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

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

740 (g) If the term "Department of Economic and Community
741 Development" is used or referred to in any public or special act of 2005
742 or 2006, or in any section of the general statutes which is amended in
743 2005 or 2006, it shall be deemed to mean or refer to the "Department of
744 Business and Employment".

745 Sec. 510. (NEW) (*Effective July 1, 2006*) (a) The Labor Commissioner,
746 with the approval of the Commissioner of Business and Employment
747 and the Commissioner of Education, shall, within available
748 appropriations, establish and operate the Twenty-First Century Skills
749 Training Program the purpose of which shall be to: (1) Sustain high
750 growth occupation and economically vital industries identified by
751 such commissioners; and (2) assist workers in obtaining skills to start
752 or move up their career ladder. Such job training program may include
753 training designed to increase the basic skills of employees, including,
754 but not limited to, training in written and oral communication,
755 mathematics or science, or training in technical and technological skills
756 and such other training as commissioners determine is necessary to
757 meet the needs of the employer. No more than five per cent of the
758 appropriation for the program may be used for administrative
759 purposes.

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

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

765 Sec. 511. Section 32-505 of the general statutes is repealed and the
766 following is substituted in lieu thereof (*Effective July 1, 2006*):

767 (a) There shall be, within the Department of Business and
768 Employment, an Office of National and International Commerce which
769 shall be responsible for (1) marketing the state as a place to live, work
770 and do business; (2) providing information, assistance and support to
771 businesses considering locating in the state; (3) working with
772 businesses looking to expand in Connecticut or considering relocating
773 to or expanding in other states; and (4) encouraging trade between this
774 state and foreign nations.

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

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

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

797 Sec. 512. Section 32-15 of the general statutes is repealed and the
798 following is substituted in lieu thereof (*Effective October 1, 2006*):

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

828 Sec. 513. Section 32-23d of the general statutes is repealed and the
829 following is substituted in lieu thereof (*Effective October 1, 2006*):

830 For the purposes of this chapter, the following terms shall have the
831 following meanings unless the context indicates another meaning and
832 intent:

833 (a) "Department" means the Department of [Economic and
834 Community Development] Business and Employment or its successor
835 agency.

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

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

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

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

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

865 necessary or incident to the development, construction, financing and
866 placing in operation of a project and, subject to the provisions of
867 section 32-16, the cost or fair market value of machinery, equipment,
868 furniture, fixtures or other personal property of a project.

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

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

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

881 (j) "Mortgagee" means the original lender or other provider of credit
882 under the mortgage or participants therein, and their successors and
883 assigns, approved by the authority and may include, but is not limited
884 to, all eligible financial institutions and, except as used in section 32-
885 17a, the authority as defined in subsection (w) of this section.

886 (k) "Mortgagor" includes the successors and assigns of the
887 mortgagor.

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

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

894 (n) "Principal obligation" means the sum total of all mortgage

895 payments due from the mortgagor.

896 (o) "Municipal planning commission" means a municipal planning
897 commission created under chapter 126.

898 (p) "Regional planning agency" means a regional planning agency
899 created under chapter 127.

900 (q) "Federal agency" means the United States, the president of the
901 United States and any department of, or corporation, agency or
902 instrumentality designated or established by, the United States.

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

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

921 (t) "Purposes of the authority", means the purposes of the authority
922 expressed in and pursuant to the authority legislation, including with
923 respect to the promotion, planning and designing, developing,
924 encouraging, assisting, acquiring, constructing, reconstructing,
925 improving, maintaining and equipping and furnishing of a project and

926 assisting directly or indirectly in the financing of the cost thereof.

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

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

952 (w) "Authority" means the Connecticut [Development Authority]
953 Finance Collaborative or its successor as established and created under
954 [section 32-11a] sections 501 to 508, inclusive, of this act.

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

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

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

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

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

991 maintenance, storage, and construction of vessels and equipment, and
992 fish storage and handling facilities.

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

998 (dd) "Nonprofit project" means any project which (1) is to be used or
999 occupied by any person organized and operated not for profit but
1000 exclusively for health, educational, charitable, community, cultural,
1001 agricultural, consumer or other purposes benefiting the citizens of the
1002 state, or as an agricultural or hospital cooperative or service
1003 organization or as a chamber of commerce or trade or professional
1004 association, and (2) which the authority determines satisfies a public
1005 need not adequately met by businesses operating for profit.

1006 (ee) "Information technology project" means any project (1)
1007 providing information technology intensive office or laboratory space,
1008 including, but not limited to, smart buildings, incubator facilities, or
1009 any project that is to be used or occupied by any person specializing in
1010 e-commerce technologies or other technologies using high-speed
1011 communications infrastructure, and (2) which the authority deems will
1012 materially contribute to the economic base of the state by creating or
1013 retaining jobs, promoting the export of products or services beyond
1014 state borders, encouraging innovation in products or services, or
1015 otherwise contributing to, supporting or enhancing existing activities
1016 that are important to the economic base of the state.

1017 (ff) "Incubator facilities" has the same meaning as incubator facilities
1018 in subdivision (5) of section 32-34.

1019 (gg) "Smart building" means a building that houses, for use by its
1020 tenants, an information or communications infrastructure capable of
1021 transmitting digital video, voice and data content over a high-speed
1022 wired, wireless or other communications intranet and provides the

1023 capability of delivering and receiving high-speed digital video, voice
1024 and data transmissions over the Internet.

1025 (hh) "Authority legislation" means this chapter, chapters 578, 584,
1026 588l, 588n, 588r and 588u, sections 8-134, 8-134a, 8-192, 8-192a, 25-33a,
1027 32-23zz, as amended by this act, and 32-68a, and any other provisions
1028 of the general statutes or any public or special act setting forth or
1029 governing the powers and duties of the [authority] collaborative.

1030 (ii) "Remediation project" means any project (1) involving the
1031 development, redevelopment or productive reuse of real property
1032 within this state that (A) has been subject to a spill, as defined in
1033 section 22a-452c, (B) is an establishment, as defined in subdivision (3)
1034 of section 22a-134, (C) is a facility, as defined in 42 USC 9601(9), or (D)
1035 is eligible to be treated as polluted real property for purposes of
1036 section 22a-133m or contaminated real property for purposes of section
1037 22a-133aa or section 22a-133bb, provided the development,
1038 redevelopment or productive reuse is undertaken pursuant to a
1039 remediation plan meeting all applicable standards and requirements of
1040 the Department of Environmental Protection, (2) that the authority
1041 determines will add or support significant new economic activity or
1042 employment in the municipality in which such project is located or
1043 will otherwise materially contribute to the economic base of the state
1044 or the municipality, and (3) for which assistance from the authority
1045 will be needed to attract necessary private investment.

1046 Sec. 514. Section 32-23e of the general statutes is repealed and the
1047 following is substituted in lieu thereof (*Effective October 1, 2006*):

1048 To accomplish the purposes of the [authority] collaborative, as
1049 defined in subsection (t) of section 32-23d, as amended by this act,
1050 which are hereby determined to be public purposes for which public
1051 funds may be expended, and in addition to any other powers provided
1052 by law, the [authority] collaborative shall have power to: (1) Determine
1053 the location and character of any project to be financed under the
1054 provisions of said chapters and sections, provided any financial

1055 assistance shall be approved in accordance with written procedures
1056 prepared pursuant to subdivision (14) of this section; (2) purchase,
1057 receive, by gift or otherwise, lease, exchange, or otherwise acquire, and
1058 construct, reconstruct, improve, maintain, equip and furnish one or
1059 more projects, including all real and personal property which the
1060 authority may deem necessary in connection therewith, and to enter
1061 into a contract with a person therefor upon such terms and conditions
1062 as the authority shall determine to be reasonable, including but not
1063 limited to reimbursement for the planning, designing, financing,
1064 construction, reconstruction, improvement, equipping, furnishing,
1065 operation and maintenance of the project and any claims arising
1066 therefrom and establishment and maintenance of reserve and
1067 insurance funds with respect to the financing of the project; (3) insure
1068 any or all payments to be made by the borrower under the terms of
1069 any agreement for the extension of credit or making of a loan by the
1070 authority in connection with any economic development project to be
1071 financed, wholly or in part, through the issuance of bonds or mortgage
1072 payments of any mortgage which is given by a mortgagor to the
1073 mortgagee who has provided the mortgage for an economic
1074 development project upon such terms and conditions as the authority
1075 may prescribe and as provided herein, and the faith and credit of the
1076 state are pledged thereto; (4) in connection with the insuring of
1077 payments of any mortgage, request for its guidance a finding of the
1078 municipal planning commission, or, if there is no planning
1079 commission, a finding of the municipal officers, of the municipality in
1080 which the economic development project is proposed to be located, or
1081 of the regional planning agency of which such municipality is a
1082 member, as to the expediency and advisability of the economic
1083 development project; (5) sell or lease to any person, all or any portion
1084 of a project, purchase from eligible financial institutions mortgages
1085 with respect to economic development projects, purchase or
1086 repurchase its own bonds, and sell, pledge or assign to any person any
1087 such bonds, mortgages, or other loans, notes, revenues or assets of the
1088 authority, or any interest therein, for such consideration and upon
1089 such terms as the authority may determine to be reasonable; (6)

1090 mortgage or otherwise encumber all or any portion of a project
1091 whenever it shall find such action to be in furtherance of the purposes
1092 of said chapters and sections; (7) enter into agreements with any
1093 person, including prospective mortgagees and mortgagors, for the
1094 purpose of planning, designing, constructing, acquiring, altering and
1095 financing projects, providing liquidity or a secondary market for
1096 mortgages or other financial obligations incurred with respect to
1097 facilities which would qualify as a project under this chapter,
1098 purchasing loans made by regional corporations under section 32-276,
1099 or for any other purpose in furtherance of any other power of the
1100 authority; (8) grant options to purchase or renew a lease for any of its
1101 projects on such terms as the authority may determine to be
1102 reasonable; (9) employ or retain attorneys, accountants and
1103 architectural, engineering and financial consultants and such other
1104 employees and agents and to fix their compensation and to employ the
1105 Connecticut Development Credit Corporation on a cost basis as it shall
1106 deem necessary to assist it in carrying out the purposes of said
1107 authority legislation; (10) borrow money or accept gifts, grants or loans
1108 of funds, property or service from any source, public or private, and
1109 comply, subject to the provisions of said authority legislation, with the
1110 terms and conditions thereof; (11) accept from a federal agency loans
1111 or grants for use in carrying out its purpose, and enter into agreements
1112 with such agency respecting any such loans or grants; (12) provide
1113 tenant lease guarantees and performance guarantees, invest in, extend
1114 credit or make loans to any person for the planning, designing,
1115 financing, acquiring, constructing, reconstructing, improving,
1116 expanding, continuing in operation, equipping and furnishing of a
1117 project and for the refinancing of existing indebtedness with respect to
1118 any facility or part thereof which would qualify as a project in order to
1119 facilitate substantial improvements thereto, which guarantees,
1120 investments, credits or loans may be secured by loan agreements, lease
1121 agreements, installment sale agreements, mortgages, contracts and all
1122 other instruments or fees and charges, upon such terms and conditions
1123 as the authority shall determine to be reasonable in connection with
1124 such loans, including provision for the establishment and maintenance

1125 of reserve and insurance funds and in the exercise of powers granted
1126 in this section in connection with a project for such person, to require
1127 the inclusion in any contract, loan agreement or other instrument, such
1128 provisions for the construction, use, operation and maintenance and
1129 financing of a project as the authority may deem necessary or
1130 desirable; (13) in connection with any application for assistance under
1131 said authority legislation, or commitments therefor, to make and
1132 collect such fees and charges as the authority shall determine to be
1133 reasonable; (14) adopt procedures, in accordance with the provisions
1134 of section 1-121, to carry out the provisions of said authority
1135 legislation, which may give priority to applications for financial
1136 assistance based upon the extent the project will materially contribute
1137 to the economic base of the state by creating or retaining jobs,
1138 providing increased wages or benefits to employees, promoting the
1139 export of products or services beyond the boundaries of the state,
1140 encouraging innovation in products or services, encouraging defense-
1141 dependent business to diversify to nondefense production, promoting
1142 standards of participation adopted by the Connecticut partnership
1143 compact pursuant to section 33-374g of the general statutes, revision of
1144 1958, revised to 1991, or will otherwise enhance existing activities that
1145 are important to the economic base of the state, provided regulation-
1146 making proceedings commenced before January 1, 1989, shall be
1147 governed by sections 4-166 to 4-174, inclusive; (15) adopt an official
1148 seal and alter the same at pleasure; (16) maintain an office at such place
1149 or places within the state as it may designate; (17) sue and be sued in
1150 its own name and plead and be impleaded, service of process in any
1151 action to be made by service upon the executive director of said
1152 authority either in hand or by leaving a copy of the process at the
1153 office of the authority with some person having charge thereof; (18)
1154 employ such assistants, agents and other employees as may be
1155 necessary or desirable for its purposes, which employees shall be
1156 exempt from the classified service and shall not be employees as
1157 defined in subsection (b) of section 5-270, as amended; establish all
1158 necessary or appropriate personnel practices and policies, including
1159 those relating to hiring, promotion, compensation, retirement and

1160 collective bargaining, which need not be in accordance with chapter 68
1161 and the authority shall not be an employer as defined in subsection (a)
1162 of section 5-270, as amended; contract for and engage appraisers of
1163 industrial machinery and equipment, consultants and property
1164 management services, and utilize the services of other governmental
1165 agencies; (19) when it becomes necessary or feasible for the authority
1166 to safeguard itself from losses, acquire, purchase, manage and operate,
1167 hold and dispose of real and personal property, take assignments of
1168 rentals and leases and make and enter into all contracts, leases,
1169 agreements and arrangements necessary or incidental to the
1170 performance of its duties; (20) in order to further the purposes of said
1171 authority legislation, or to assure the payment of the principal and
1172 interest on bonds or notes of the authority or to safeguard the
1173 mortgage insurance fund, purchase, acquire and take assignments of
1174 notes, mortgages and other forms of security and evidences of
1175 indebtedness, purchase, acquire, attach, seize, accept or take title to
1176 any project by conveyance or, by foreclosure, and sell, lease or rent any
1177 project for a use specified in said chapters and sections or in said
1178 chapter 579; (21) adopt rules for the conduct of its business; (22) invest
1179 any funds not needed for immediate use or disbursement, including
1180 any funds held in reserve, in obligations issued or guaranteed by the
1181 United States of America or the state of Connecticut and in other
1182 obligations which are legal investments for savings banks in this state;
1183 (23) do, or delegate, any and all things necessary or convenient to carry
1184 out the purposes and to exercise the powers given and granted in said
1185 authority legislation; provided, in all matters concerning the internal
1186 administrative functions of the authority which are funded by
1187 amounts appropriated by the state to the authority or to the
1188 department, the procedures of the state relating to office space,
1189 supplies, facilities, materials, equipment and professional services shall
1190 be followed, and provided further, that in the acquisition by the
1191 authority of real estate involving the use of appropriated funds or
1192 bonds supported by the full faith and credit of the state, the authority
1193 shall be subject to the provisions of section 4b-23, as amended; (24) to
1194 accept from the department: (A) Financial assistance, (B) revenues or

1195 the right to receive revenues with respect to any program under the
1196 supervision of the department, and (C) loan assets or equity interests
1197 in connection with any program under the supervision of the
1198 department; to make advances to and reimburse the department for
1199 any expenses incurred or to be incurred by it in the delivery of such
1200 assistance, revenues, rights, assets or amounts; to enter into
1201 agreements for the delivery of services by the authority, in
1202 consultation with the department [] and the Connecticut Housing
1203 Finance Authority, [and Connecticut Innovations, Incorporated,] to
1204 third parties which agreements may include provisions for payment
1205 by the department to the authority for the delivery of such services;
1206 and to enter into agreements with the department or with the
1207 Connecticut Housing Finance Authority [or Connecticut Innovations,
1208 Incorporated] for the sharing of assistants, agents and other
1209 consultants, professionals and employees, and facilities and other real
1210 and personal property used in the conduct of the authority's affairs;
1211 and (25) to transfer to the department: (A) Financial assistance, (B)
1212 revenues or the right to receive revenues with respect to any program
1213 under the supervision of the authority, and (C) loan assets or equity
1214 interests in connection with any program under the supervision of the
1215 authority, provided the transfer of such financial assistance, revenues,
1216 rights, assets or interests is determined by the authority to be
1217 practicable, within the constraints and not inconsistent with the
1218 fiduciary obligations of the authority imposed upon or established
1219 upon the authority by any provision of the general statutes, the
1220 authority's bond resolutions or any other agreement or contract of the
1221 authority and to have no adverse effect on the tax-exempt status of any
1222 bonds of the authority or the state.

1223 Sec. 515. Section 32-23k of the general statutes is repealed and the
1224 following is substituted in lieu thereof (*Effective October 1, 2006*):

1225 The state of Connecticut does hereby pledge to and agree with the
1226 holders of any bonds and notes issued under the provisions of the
1227 authority legislation, as defined in subsection (hh) of section 32-23d,
1228 and with those parties who may enter into contracts with the

1229 Connecticut [Development Authority] Finance Collaborative or its
1230 successor agency pursuant to the provisions of such authority
1231 legislation, that the state will not limit or alter the rights hereby vested
1232 in the authority until such obligations, together with the interest
1233 thereon, are fully met and discharged and such contracts are fully
1234 performed on the part of the authority, provided nothing contained
1235 herein shall preclude such limitation or alteration if and when
1236 adequate provision shall be made by law for the protection of the
1237 holders of such bonds and notes of the authority or those entering into
1238 such contracts with the authority. The authority is authorized to
1239 include this pledge and undertaking for the state in such bonds and
1240 notes or contracts.

1241 Sec. 516. Subsection (b) of section 32-230 of the general statutes is
1242 repealed and the following is substituted in lieu thereof (*Effective*
1243 *October 1, 2006*):

1244 (b) Each such loan or extension of credit shall be authorized by the
1245 Connecticut [Development Authority] Finance Collaborative or, if the
1246 authority so determines, by a committee of the authority consisting of
1247 the chairman and either one other member of the authority or its
1248 [executive director] chief executive officer, as specified in the
1249 determination of the authority. Any administrative expenses incurred
1250 in carrying out the provisions of this section, to the extent not paid by
1251 the authority or from moneys appropriated to the department, shall be
1252 paid from the Small Contractors' Revolving Loan Fund. Payments
1253 from the Small Contractors' Revolving Loan Fund to small contractors
1254 or to pay such administrative expenses shall be made by the Treasurer
1255 upon certification by the Commissioner of [Economic and Community
1256 Development] Business and Employment that the payment is
1257 authorized under the provisions of this section, under the applicable
1258 rules and regulations of the department, and, if made to a small
1259 contractor, under the terms and conditions established by the authority
1260 or the duly appointed committee thereof in authorizing the making of
1261 the loan or the extension of credit.

1262 Sec. 517. Section 32-23q of the general statutes is repealed and the
1263 following is substituted in lieu thereof (*Effective October 1, 2006*):

1264 The provisions of sections 37-4 and 37-6 shall not apply to any bond,
1265 note or other obligation issued by the Connecticut [Development
1266 Authority] Finance Collaborative, or any loan, lease, sale agreement,
1267 note or other obligation evidencing a financial obligation to the
1268 authority.

1269 Sec. 518. Section 32-23r of the general statutes is repealed and the
1270 following is substituted in lieu thereof (*Effective October 1, 2006*):

1271 The Connecticut [Development Authority] Finance Collaborative
1272 shall require in all instances that a borrower or mortgagee shall enter
1273 into an agreement with the authority to give preference in employment
1274 to persons as set forth herein:

1275 (1) Where the funds involved are to be used for the purchase, lease
1276 or alteration of an existing facility which has been inoperative and the
1277 borrower or mortgagee intends to make, assemble or produce products
1278 and or services comparable to those previously made, assembled, or
1279 produced at such facility, preference shall be given to those previously
1280 employed at such facility within the twelve-month period immediately
1281 preceding its closing in the order of their total length of employment at
1282 the closed facility, provided that they can perform the work required
1283 by the borrower or mortgagee at such existing facility;

1284 (2) Where the funds involved are to be used for the purchase, lease
1285 or alteration of an existing facility which has been inoperative and the
1286 borrower or mortgagee intends to make, assemble or produce products
1287 different than those previously made, assembled or produced at the
1288 facility, preference in employment and training shall be given to those
1289 previously employed at such facility within the twelve-month period
1290 immediately preceding its closing in the order of their total length of
1291 employment at the closed facility, provided such training shall not
1292 exceed twelve weeks; and

1293 (3) Where the borrower or mortgagee is not the operating or
1294 producing entity at the facility being financed, the borrower or
1295 mortgagee shall be required to enter into an irrevocable agreement
1296 with the operating or producing entity containing the above
1297 requirements and proof of such agreement shall be provided to the
1298 authority before approval of any funds or insurance.

1299 Sec. 519. Section 32-23s of the general statutes is repealed and the
1300 following is substituted in lieu thereof (*Effective October 1, 2006*):

1301 The amendments to sections 32-11a, 32-16, 32-23c, 32-23d, as
1302 amended by this act, 32-23e, 32-23f and 32-23j effective on June 29,
1303 1981, are intended and shall be construed as a clarification and
1304 expansion of the powers of the Connecticut [Development Authority]
1305 Finance Collaborative, and shall not limit or impair any obligation
1306 incurred or right exercised by the authority under its powers prior to
1307 said date.

1308 Sec. 520. Section 32-23t of the general statutes is repealed and the
1309 following is substituted in lieu thereof (*Effective October 1, 2006*):

1310 It is hereby found and declared as a matter of legislative
1311 determination that there is a continuing need for stimulation and
1312 encouragement of the growth and development of the state economy
1313 through the provision of two comprehensive loan programs and the
1314 establishment of a locally administered business outreach center
1315 challenge grant program which address the economic needs of a wide
1316 variety of business enterprises located throughout the state, including,
1317 but not limited to, development corporations, small contractors, small
1318 manufacturers, small business investment companies, employee
1319 groups, small water companies, small exporters, businesses affected by
1320 emergencies or disasters, small farmers, small retailers or service firms,
1321 high risk small businesses, start-up businesses, businesses located in
1322 various regions of the state, and other businesses that may be unable to
1323 obtain adequate financing from conventional sources. It is further
1324 found and declared that consolidating many of the separate loan

1325 programs currently administered by the Department of [Economic and
1326 Community Development] Business and Employment into two
1327 revolving loan funds to be administered by the Connecticut
1328 [Development Authority] Finance Collaborative will enhance such
1329 programs for all borrowers, permit better targeting of state assistance
1330 to firms important to the economic base of the state, improve
1331 marketing, accounting and administration, alleviate certain
1332 administrative and technical problems created by changes in federal
1333 tax law, permit more effective use of existing resources and better
1334 enable the state to protect itself from losses through the establishment
1335 of a loan loss reserve and an improved loan work-out capability. It is
1336 further found and declared that major changes in the financial markets
1337 have altered the availability of capital to small and medium firms in
1338 the state, that assistance to high risk small and start-up businesses is
1339 important to the state economy and that such loan consolidation will
1340 better enable the Connecticut [Development Authority] Finance
1341 Collaborative to leverage state assistance through active participation
1342 of private sector investments in small businesses.

1343 Sec. 521. Subsection (a) of section 32-23v of the general statutes is
1344 repealed and the following is substituted in lieu thereof (*Effective*
1345 *October 1, 2006*):

1346 (a) As used in this section:

1347 (1) "Affiliate" means a business concern which directly controls or is
1348 controlled by another business concern, or a third party which controls
1349 both business concerns;

1350 (2) "Appraised value" means the cost or fair market value of an asset
1351 as determined in the discretion of the Connecticut [Development
1352 Authority] Finance Collaborative;

1353 (3) "Authority" means the Connecticut [Development Authority]
1354 Finance Collaborative established under section 32-11a or its successor;

1355 (4) "Department" means the Department of [Economic and

1356 Community Development] Business and Employment or its successor
1357 agency;

1358 (5) "Eligible borrower" means any person who, in the discretion of
1359 the authority, demonstrates (A) financial need by either its inability to
1360 obtain conventional financial assistance in satisfactory amounts or
1361 satisfactory terms, or to remain or locate or continue operations in this
1362 state without the assistance provided for in this section; and (B) that
1363 the project for which the assistance provided for in this section is being
1364 requested will materially contribute or provide support to the
1365 economic base of the state, as evidenced by one or more of the
1366 following criteria: (i) That such project will create or retain high quality
1367 jobs within the state and not simply replace existing jobs in other
1368 locations or businesses within the state; (ii) that such project will
1369 effectuate or facilitate the export of goods or services beyond the state
1370 boundaries; (iii) that such project represents a new product or service
1371 that has the potential for significant future contribution to the state's
1372 economic base; or (iv) that such project will significantly contribute to,
1373 support or enhance existing activities which are important to the
1374 economic base of the state;

1375 (6) "Loans" means (A) loans and extensions of lines of credit, (B) any
1376 and all forms of equity investments in any business entity and (C) any
1377 combination of such loans, lines of credit and equity investments;

1378 (7) "Person" means any person or entity, including affiliates,
1379 engaged in or for the purpose of acquiring a for-profit activity or
1380 activities in this state, and whose gross revenues, including revenues
1381 of affiliates, did not exceed twenty-five million dollars in its most
1382 recently completed fiscal year prior to the date of its application for
1383 assistance under this section, or if such person has not been in business
1384 for at least one year prior to the date of such application, if the
1385 authority determines in its discretion that such person's gross
1386 revenues, including revenues of affiliates, are not likely to exceed
1387 twenty-five million dollars in its first fiscal year;

1388 (8) "Small business investment company" means any entity defined
1389 in 15 USCA 662(3); and

1390 (9) "State or local development corporation" means any entity
1391 organized under the laws of this state which has the authority to
1392 promote and assist the growth and development of business concerns
1393 in the areas covered by their operations.

1394 Sec. 522. Subsection (g) of section 32-23v of the general statutes is
1395 repealed and the following is substituted in lieu thereof (*Effective*
1396 *October 1, 2006*):

1397 (g) Each loan may be authorized by the authority or, if the authority
1398 so determines, by a committee of the authority. [, one of whose
1399 members may be its executive director.] The rate of interest and other
1400 terms of each loan to the extent not specifically provided for herein
1401 shall be determined by the authority in its discretion.

1402 Sec. 523. Section 32-23x of the general statutes is repealed and the
1403 following is substituted in lieu thereof (*Effective October 1, 2006*):

1404 (a) As used in this section:

1405 (1) "Affiliate" means a business concern which directly controls or is
1406 controlled by another business concern, or a third party which controls
1407 both business concerns;

1408 (2) "Authority" means the Connecticut [Development Authority]
1409 Finance Collaborative established under section 32-11a or its successor;

1410 (3) "Department" means the Department of [Economic and
1411 Community Development] Business and Employment or its successor
1412 agency;

1413 (4) "Enterprise zone" has the same meaning as provided in section
1414 32-70;

1415 (5) "Impacted business" means any person impacted by (A) a

1416 disaster caused by natural forces including, but not limited to, floods
1417 or hurricanes or (B) an economic emergency including, but not limited
1418 to, an existing or threatened major plant shutdown, business
1419 disruption from a major road or bridge repair project or other existing
1420 or potential economic emergency, provided such disaster or
1421 emergency described in subparagraph (A) or (B) of this subdivision is
1422 proclaimed as such by declaration of the Commissioner of [Economic
1423 and Community Development] Business and Employment, with the
1424 consent of the Secretary of the Office of Policy and Management, upon
1425 a determination by the Commissioner of [Economic and Community
1426 Development] Business and Employment that such disaster or
1427 emergency is of a magnitude that could materially affect the health or
1428 well-being of the citizens of the impacted area and that the financial
1429 assistance provided for under this section is necessary to assure timely
1430 and effective relief and restoration;

1431 (6) "Loans" means loans and extensions of lines of credit;

1432 (7) "Minority business enterprise" means any person who meets the
1433 criteria contained in section 4a-60g and who is receiving a state
1434 contract award;

1435 (8) "Person" means any person or entity, including affiliates,
1436 engaged in a for-profit activity or activities in this state and who,
1437 except for an impacted business, is not an eligible borrower for
1438 assistance under the provisions of the Connecticut Growth Fund
1439 established under section 32-23v;

1440 (9) "Rate of interest" means the interest rate which the authority
1441 shall charge and collect on each loan made by the state under this
1442 section, which rate shall not exceed one per cent above the interest rate
1443 borne by the general obligation bonds of the state last issued prior to
1444 the date such loan is made, provided, such rate shall not exceed the
1445 maximum allowable under federal law;

1446 (10) "Small contractor" means any person who is a contractor,
1447 subcontractor, manufacturer or service company who has been in

1448 business for at least one year prior to the date of its application for
1449 assistance under this section and whose gross revenues, including
1450 revenues of affiliates, did not exceed three million dollars in its most
1451 recently completed fiscal year prior to the date of its application for
1452 assistance under this section;

1453 (11) "State or local development corporation" means any entity
1454 organized under the laws of this state which has the authority to
1455 promote and assist the growth and development of business concerns
1456 in the areas covered by their operations;

1457 (12) "Targeted business" means a person located in an enterprise
1458 zone whose gross revenues did not exceed three million dollars in its
1459 most recently completed fiscal year prior to the date of its application
1460 for assistance under this section, or if such person has not been in
1461 business for at least one year prior to the date of such application, if
1462 the authority determines in its discretion that such person's gross
1463 revenues, including revenues of affiliates, are not likely to exceed three
1464 million dollars in its first fiscal year;

1465 (13) "Water facilities" means (A) investor-owned water companies
1466 which supply water to at least twenty-five but less than ten thousand
1467 customers, (B) municipally-owned water companies, and (C) owners
1468 of privately and municipally-owned dams which the Commissioner of
1469 Environmental Protection has determined benefit the public.

1470 (b) In order to stimulate and encourage the growth and
1471 development of the state economy, the Comprehensive Business
1472 Assistance Fund is hereby created to provide financial assistance to
1473 targeted businesses, businesses impacted by economic emergencies
1474 and natural disasters, businesses located in certain regions of the state
1475 and certain industry sectors, including businesses located in
1476 entertainment districts designated under section 32-76 or established
1477 under section 2 of public act 93-311*, and to assist in the development
1478 of clean water facilities. The state, acting through the authority, may
1479 make or participate with private sector financial institutions in making

1480 loans from said fund to persons in accordance with the provisions of
1481 this section. Payments of principal and interest on such loans, and
1482 funds received by the authority from any other source for the purposes
1483 of the Comprehensive Business Assistance Fund, shall be deposited
1484 into said fund and shall be used to make additional loans and for such
1485 other purposes authorized by this section.

1486 (c) The state, acting through the authority, may make, or participate
1487 with private sector financial institutions in making loans from the
1488 Comprehensive Business Assistance Fund to any person who in the
1489 discretion of the authority, demonstrates financial need by either its
1490 inability to obtain conventional financial assistance in satisfactory
1491 amounts or on satisfactory terms in accordance with the following
1492 provisions:

1493 (1) The authority may make loans at the rate of interest to small
1494 contractors and minority business enterprises for the purpose of
1495 financing labor and material costs only. The aggregate outstanding
1496 amount of any loans made under this subdivision to any one person,
1497 including affiliates, shall not exceed two hundred fifty thousand
1498 dollars. The maximum term for repayment of any loan made under
1499 this subdivision shall not exceed one year.

1500 (2) The authority may make loans at the rate of interest to targeted
1501 businesses. The aggregate outstanding amount of any loans made
1502 under this subdivision to any one person, including affiliates, shall not
1503 exceed three hundred thousand dollars. The maximum term for
1504 repayment of any loan made under this subdivision shall not exceed
1505 (A) twenty years for real property; (B) ten years for machinery and
1506 equipment; and (C) seven years for working capital. For the purposes
1507 of this subdivision and subdivision (3), working capital may include,
1508 but shall not be limited to, capital for expansion or restructuring of a
1509 business.

1510 (3) The authority may make loans at the rate of interest to impacted
1511 businesses. The aggregate outstanding amount of any loans made

1512 under this subdivision to any one person, including affiliates, shall not
1513 exceed five hundred thousand dollars, except the authority, with the
1514 consent of the Secretary of the Office of Policy and Management, may
1515 increase the maximum loan amount under this subdivision to one
1516 million dollars if the authority in its discretion determines that the
1517 particular needs and conditions of such impacted business warrant
1518 such increase. The maximum term for repayment of any loan made
1519 under this subdivision shall not exceed (A) twenty years for real
1520 property; (B) ten years for machinery and equipment; and (C) seven
1521 years for working capital.

1522 (4) The authority may make loans at the rate of interest to water
1523 facilities. Such loans shall be used for the planning, design,
1524 modification or construction of drinking water facilities made
1525 necessary by the requirements of the Safe Water Act of 1974 or by an
1526 order of the Department of Public Health, which drinking water
1527 facilities shall include, but shall not be limited to, collection facilities,
1528 treatment facilities, wells, tanks, mains, pumps, transmission facilities
1529 and any other machinery and equipment necessary to meet the
1530 requirements of said act. Such loans shall also be used for the repair of
1531 dams subject to the jurisdiction of the Department of Environmental
1532 Protection under chapter 446j. For the purposes of this subdivision,
1533 repair costs include, but shall not be limited to, fees and expenses of
1534 architects, engineers, attorneys, accountants and other professional
1535 consultants, and costs of preparing surveys, studies, site plans and
1536 specifications for such repair. The aggregate outstanding amount of
1537 any loans made under this subdivision to any water facility, including
1538 affiliates, shall not exceed two hundred fifty thousand dollars. The
1539 maximum term for repayment of any loan made under this
1540 subdivision shall not exceed (A) twenty years for real property; and (B)
1541 ten years for machinery and equipment.

1542 (5) The authority may make loans at zero per cent interest to
1543 municipal economic development commissions established under
1544 section 7-136 or business outreach centers described in section 32-9qq,
1545 as amended, that establish or participate in loan pools that lend funds

1546 to (A) persons or groups of persons who complete entrepreneurial
1547 training programs funded or approved by the Commissioner of
1548 [Economic and Community Development] Business and Employment,
1549 or (B) business support groups. As used in this subdivision, "business
1550 support group" means a group of five or more persons, firms or
1551 corporations which plans to start or expand separate businesses, has
1552 community or other ties demonstrating a common mission or purpose,
1553 agrees to undergo an entrepreneurial training program funded or
1554 approved by the commissioner, and each member of which agrees to
1555 provide business support to other members of the group. The
1556 aggregate outstanding amount of any loans made under this
1557 subdivision to any one person, group of persons or business support
1558 group shall not exceed twenty-five thousand dollars. The maximum
1559 term for repayment of any loan made under this subdivision shall not
1560 exceed ten years.

1561 (6) The authority shall make loans at the rate of interest to
1562 entertainment or entertainment support service businesses located in
1563 the municipality with the pilot entertainment district established
1564 pursuant to section 2 of public act 93-311*, and on and after July 1,
1565 1995, may make loans at the rate of interest to entertainment or
1566 entertainment support service businesses located in municipalities
1567 with entertainment districts designated under section 32-76.

1568 (d) The state, acting through the authority, may make loans to state
1569 or local development corporations, for the purpose of providing funds
1570 to enable such state or local development corporations to make loans
1571 to any person eligible for assistance under subsection (c) hereof. The
1572 aggregate outstanding amount of any loan made under this subsection
1573 to a state or local development corporation for a loan with respect to
1574 any one project shall not exceed one million dollars.

1575 (e) To carry out the purposes of this section, the authority shall have
1576 those powers set forth in section 32-23e. The authority shall also have
1577 the power to take all reasonable steps and exercise all available
1578 remedies necessary or desirable to protect the obligations or interests

1579 of the authority including, but not limited to, the purchase or
1580 redemption on foreclosure proceedings, bankruptcy proceedings or in
1581 other judicial proceedings of any property on which it holds a
1582 mortgage or other lien or in which it has an interest, and for such
1583 purposes payment may be made from the Comprehensive Business
1584 Assistance Fund.

1585 (f) The borrower shall pay such costs of processing applications for
1586 loans made under this section, including closing costs, as the authority
1587 determines are reasonable and necessary. The department may assist
1588 the authority in carrying out the provisions of this section and any
1589 administrative expenses incurred by the department for services
1590 provided to the authority or expenses incurred by the authority in
1591 carrying out the provisions of this section to the extent not paid by the
1592 borrower or from moneys appropriated to the department or the
1593 authority for such purposes, may be paid from the Comprehensive
1594 Business Assistance Fund.

1595 (g) Each loan may be authorized by the authority or, if the authority
1596 so determines, by a committee of the authority. [one of whose
1597 members may be its executive director.]

1598 (h) Payments from the Comprehensive Business Assistance Fund to
1599 eligible borrowers or to pay administrative expenses shall be made
1600 upon certification by the executive director of the authority that
1601 payment is authorized under the provisions of this section and under
1602 any applicable regulations or program criteria of the authority.

1603 (i) For the purposes of this section, the State Bond Commission shall
1604 have the power, from time to time, to authorize the issuance of bonds
1605 of the state in one or more series and in principal amounts not
1606 exceeding in the aggregate seventeen million three hundred fifty
1607 thousand dollars. The proceeds from the sale of said bonds shall be
1608 used by the department to make grants to the authority for deposit in
1609 the Comprehensive Business Assistance Fund for the purposes
1610 authorized under this section. The terms and conditions of said grants

1611 shall be governed in accordance with a grant contract entered into
1612 between the department and authority. All provisions of section 3-20,
1613 as amended, or the exercise of any right or power granted thereby
1614 which are not inconsistent with the provisions of this section are
1615 hereby adopted and shall apply to all bonds authorized by the State
1616 Bond Commission pursuant to this section, and temporary notes in
1617 anticipation of the money to be derived from the sale of any such
1618 bonds so authorized may be issued in accordance with said section 3-
1619 20, as amended, and from time to time renewed. Said bonds shall
1620 mature at such time or times not exceeding twenty years from their
1621 respective dates as may be provided in or pursuant to the resolution or
1622 resolutions of the State Bond Commission authorizing such bonds.
1623 None of such bonds shall be authorized except upon a finding by the
1624 State Bond Commission that there has been filed with it a request for
1625 such authorization, which is signed by or on behalf of the Secretary of
1626 the Office of Policy and Management and states such terms and
1627 conditions as said commission in its discretion may require. Said
1628 bonds issued pursuant to this section shall be general obligations of the
1629 state and the full faith and credit of the state of Connecticut are
1630 pledged for the payment of the principal of and interest on said bonds
1631 as the same become due, and accordingly and as part of the contract of
1632 the state with the holders of said bonds, appropriation of all amounts
1633 necessary for punctual payment of such principal and interest is
1634 hereby made, and the Treasurer shall pay such principal and interest
1635 as the same become due. Net earnings on any assets of the
1636 Comprehensive Business Assistance Fund, including investments or
1637 reinvestments of proceeds, accrued interest and premiums on the
1638 issuance of such bonds, after payment therefrom of expenses incurred
1639 by the Treasurer or State Bond Commission in connection with their
1640 issuance, shall become part of the Comprehensive Business Assistance
1641 Fund.

1642 Sec. 524. Section 32-23z of the general statutes is repealed and the
1643 following is substituted in lieu thereof (*Effective October 1, 2006*):

1644 (a) A Business Environmental Clean-Up Revolving Loan Fund is

1645 created. The state, acting through the Connecticut [Development
1646 Authority] Finance Collaborative, may provide loans or lines of credit
1647 from the Business Environmental Clean-Up Revolving Loan Fund (1)
1648 to businesses for the purposes of the containment and removal or
1649 mitigation of the discharge, spillage, uncontrolled loss, seepage or
1650 filtration of oil or petroleum or chemical liquids or solid, liquid or
1651 gaseous products or hazardous wastes and (2) to businesses which
1652 convert gas and diesel-powered motor vehicles to vehicles powered by
1653 either gas or diesel fuel and a clean-burning alternative fuel, including
1654 but not limited to, compressed natural gas or electricity. Loans or lines
1655 of credit under subdivision (2) shall be for working or development
1656 capital. For the purposes of this section, "business" means any business
1657 which (A) if applying for assistance under subdivision (1), has been in
1658 business for at least one year prior to the date of application for its loan
1659 or line of credit or, if applying for assistance under subdivision (2), has
1660 been in business for at least two years prior to such application date,
1661 (B) has gross revenues, including revenues of affiliates, less than three
1662 million dollars in the most recent fiscal year before the date of the
1663 application or has less than one hundred fifty employees and, if
1664 applying for assistance under subdivision (2), derived at least seventy-
1665 five per cent of its gross revenues in such year from motor vehicle fuel
1666 conversion activities, (C) if applying for assistance under subdivision
1667 (1), has been doing business and has maintained its principal office
1668 and place of business in the state for a period of at least one year prior
1669 to the date of its application for assistance under this section or, if
1670 applying for assistance under subdivision (2), has been doing business
1671 and has maintained such office and business in the state for a period of
1672 at least two years prior to such application date, and (D) demonstrates,
1673 to the satisfaction of the authority and in its sole discretion, that it is
1674 unable to obtain financing from conventional sources on reasonable
1675 terms or in reasonable amounts. The Connecticut [Development
1676 Authority] Finance Collaborative shall charge and collect interest on
1677 each such loan or line of credit at a rate to be determined in accordance
1678 with regulations adopted pursuant to subsection (b) of this section.
1679 The total amount of such loans or lines of credit provided to any single

1680 business in any period of twelve consecutive months shall not exceed
1681 two hundred thousand dollars. Payments made by businesses on all
1682 loans and lines of credit paid to the Treasurer for deposit in the
1683 Business Environmental Clean-Up Revolving Loan Fund shall be
1684 credited to such fund.

1685 (b) The authority shall take any reasonable action it deems
1686 appropriate to moderate losses on loans and lines of credit made under
1687 this section, including, but not limited to, development and
1688 implementation of written procedures, in accordance with section 1-
1689 121, and a strategy to manage the assets of the fund and any losses
1690 incurred.

1691 (c) The Connecticut [Development Authority] Finance Collaborative
1692 shall establish loan procedures, interest, repayment terms, security
1693 requirements, default and remedy provisions and such other terms
1694 and conditions as the authority shall deem appropriate.

1695 (d) Each such loan or extension of credit shall be authorized by the
1696 Connecticut [Development Authority] Finance Collaborative or, if the
1697 authority so determines, by a committee of the authority consisting of
1698 the chairman and either one other member of the authority or its
1699 [executive director] chief executive officer as specified in the
1700 determination of the authority. Any administrative expenses incurred
1701 in carrying out the provisions of this section, to the extent not paid by
1702 the authority, shall be paid from the Business Environmental Clean-Up
1703 Revolving Loan Fund. Payments from the Business Environmental
1704 Clean-Up Revolving Loan Fund to businesses or to pay such
1705 administrative expenses shall be made by the Treasurer upon
1706 certification by the executive director of the authority that the payment
1707 is authorized under the provisions of this section, under the applicable
1708 rules and regulations of the authority, and, if made to a business,
1709 under the terms and conditions established by the authority or the
1710 duly appointed committee thereof in authorizing the making of the
1711 loan or the extension of credit.

1712 Sec. 525. Section 32-23aa of the general statutes is repealed and the
1713 following is substituted in lieu thereof (*Effective October 1, 2006*):

1714 The Connecticut [Development Authority] Finance Collaborative
1715 shall not approve any application for financial assistance for any
1716 project unless such project complies with all state laws and regulations
1717 adopted thereunder.

1718 Sec. 526. Section 32-23hh of the general statutes is repealed and the
1719 following is substituted in lieu thereof (*Effective October 1, 2006*):

1720 As used in sections 32-23gg to 32-23ll, inclusive:

1721 (1) "Authority" means the Connecticut [Development Authority]
1722 Finance Collaborative, created under section 32-11a;

1723 [(2) "Executive director" means the executive director of the
1724 Connecticut Development Authority;]

1725 (2) "Chief executive officer" means the chief executive officer of the
1726 Connecticut Finance Collaborative;

1727 (3) "Financial assistance" means any and all forms of loans,
1728 extensions of credit, guarantees, equity investments or any other form
1729 of financing or refinancing to persons for the purchase, acquisition,
1730 construction, expansion, continued operation, reconstruction,
1731 financing, refinancing or placing in operation of an economic
1732 development project, including, but not limited to, fixed assets,
1733 working capital, equity participations and acquisitions, employee
1734 buyouts, refinancing, financial restructuring, and other purposes
1735 which the authority determines further the purposes of sections 32-
1736 23gg to 32-23ll, inclusive;

1737 (4) "Economic development project" means any project (A) which is
1738 to be used or occupied by any person for manufacturing, industrial,
1739 research or product warehousing or distribution purposes, or any
1740 combination thereof, and which the authority determines will tend to
1741 maintain or provide gainful employment, maintain or increase the tax

1742 base of the economy, or maintain, expand or diversify industry in the
1743 state, or for any other purpose which the authority determines will
1744 materially support the economic base of the state, by creating or
1745 retaining jobs, promoting the export of products or services beyond
1746 state boundaries, encouraging innovation in products or services, or
1747 otherwise contributing to, supporting or enhancing existing activities
1748 that are important to the economic base of the state, and (B) which is
1749 unable to obtain conventional financing in satisfactory amounts or on
1750 satisfactory terms in the sole judgment of the authority, or whose
1751 ability, in the judgment of the authority, to start, continue to operate,
1752 expand, or maintain operations or relocate to Connecticut, is
1753 dependent upon financial assistance;

1754 (5) "Person" means a person as defined in subsection (s) of section
1755 32-23d; and

1756 (6) "Return on investment" means any and all forms of principal or
1757 interest payments, insurance premiums or guarantee fees, equity
1758 participations, options, warrants, debentures and any or all other
1759 forms of remuneration to the authority in return for any financial
1760 assistance provided or offered.

1761 Sec. 527. Section 32-23qq of the general statutes is repealed and the
1762 following is substituted in lieu thereof (*Effective October 1, 2006*):

1763 (a) An Environmental Assistance Revolving Loan Fund is created.
1764 The state, acting through the Connecticut [Development Authority]
1765 Finance Collaborative, or any subsidiary of the authority may provide
1766 grants, loans, lines of credit or loan guarantees to municipalities or
1767 businesses from the Environmental Assistance Revolving Loan Fund
1768 for the purposes of pollution prevention activities, as defined in section
1769 32-23rr, for purchases and the costs associated with compliance with
1770 the Clean Air Act Amendments of 1990 (42 USC 7401, et seq.), as
1771 amended, or for remediation of contaminated real property. Within the
1772 Environmental Assistance Revolving Loan Fund, a loan subfund is
1773 created solely to provide loans and lines of credit as provided in this

1774 section, a guarantee subfund is created solely to provide loan
1775 guarantees as provided in this section and a grant subfund is created
1776 solely to provide grants as provided under this section. No financial
1777 assistance, nor any commitment to provide financial assistance, shall
1778 be provided by or entered into by the authority or any subsidiary of
1779 the authority pursuant to sections 32-23pp to 32-23ss, inclusive, which
1780 would cause the aggregate amount of all such financial assistance and
1781 commitments then outstanding to exceed the sum of the amounts in
1782 the applicable subfund of the Environmental Assistance Revolving
1783 Loan Fund plus the amount of any unpaid grants authorized to be
1784 made by the Department of [Economic and Community Development]
1785 Business and Employment to the authority or any subsidiary of the
1786 authority for deposit in the applicable subfund of the Environmental
1787 Assistance Revolving Loan Fund, provided the amount of financial
1788 assistance in the form of any guarantee shall be measured by the
1789 portion of unpaid loan principal which is guaranteed by the authority.
1790 Notwithstanding the above, the aggregate amount of financial
1791 assistance in the form of guarantees and commitments with respect
1792 thereto, calculated as above, may be up to four times the sum of the
1793 amounts available in the guarantee subfund of the Environmental
1794 Assistance Revolving Loan Fund plus the amount of any unpaid
1795 grants which remain available and are specifically designated by the
1796 department for purposes of such subfund pursuant to the bond
1797 authorization in section 32-23ss. For the purposes of this section,
1798 "business" means any business which (1) has gross revenues of less
1799 than twenty-five million dollars in its fiscal year ending prior to the
1800 application for any such loans, lines of credit or loan guarantees, or (2)
1801 has fewer than one hundred fifty employees. The Connecticut
1802 [Development Authority] Finance Collaborative or any subsidiary of
1803 the authority shall charge and collect interest on each such loan or line
1804 of credit at a rate to be determined in accordance with procedures
1805 adopted pursuant to subsection (b) of this section. Payments made by
1806 businesses on all loans, lines of credit and loan guarantees shall be
1807 paid to the authority or any subsidiary of the authority for deposit in
1808 the Environmental Assistance Revolving Loan Fund.

1809 (b) The Connecticut [Development Authority] Finance Collaborative
1810 and any subsidiary of the authority shall adopt written procedures, in
1811 accordance with the provisions of section 1-121, to carry out the
1812 provisions of this section. Such procedures shall establish requirements
1813 for grants, loans, guarantees, interest, repayment terms, security
1814 requirements, default and remedies and such other terms and
1815 conditions as the authority or any subsidiary of the authority shall
1816 deem appropriate.

1817 (c) Each such grant, loan, guarantee or extension of credit shall be
1818 authorized by the Connecticut [Development Authority] Finance
1819 Collaborative or any subsidiary of the authority or, if the authority or
1820 any subsidiary of the authority so determines, by a committee of the
1821 authority or any subsidiary of the authority consisting of the chairman
1822 and either one other member of the authority or subsidiary or its
1823 executive director, as specified in the determination of the authority or
1824 subsidiary. Any administrative expenses incurred in carrying out the
1825 provisions of this section, to the extent not paid by the authority or any
1826 subsidiary of the authority or from moneys appropriated to the
1827 authority or any subsidiary of the authority, shall be paid from the
1828 Environmental Assistance Revolving Loan Fund. Payments from the
1829 Environmental Assistance Revolving Loan Fund to businesses or
1830 municipalities or to pay such administrative expenses shall be made by
1831 the authority or any subsidiary of the authority upon certification by
1832 the chairman of the authority or such subsidiary that the payment is
1833 authorized under the provisions of this section, under the applicable
1834 rules and regulations of the authority or subsidiary, and, if made to a
1835 business or municipality under the terms and conditions established
1836 by the authority or subsidiary or the duly appointed committee thereof
1837 in authorizing the making of the grant, loan or the extension of credit.

1838 Sec. 528. Section 32-23ss of the general statutes is repealed and the
1839 following is substituted in lieu thereof (*Effective October 1, 2006*):

1840 (a) For the purposes described in subsection (b) of this section, the
1841 State Bond Commission shall have the power, from time to time to

1842 authorize the issuance of bonds of the state in one or more series and
1843 in principal amounts not exceeding in the aggregate two million
1844 dollars.

1845 (b) The proceeds of the sale of said bonds, to the extent of the
1846 amount stated in subsection (a) of this section, shall be used by the
1847 Department of [Economic and Community Development] Business
1848 and Employment to make grants to the Connecticut [Development
1849 Authority] Finance Collaborative for deposit in the Environmental
1850 Assistance Revolving Loan Fund to be used for the purpose of sections
1851 32-23pp to 32-23rr, inclusive, and this section. The terms and
1852 conditions of said grants shall be governed in accordance with a grant
1853 contract between the department and the authority.

1854 (c) All provisions of section 3-20, as amended, or the exercise of any
1855 right or power granted thereby which are not inconsistent with the
1856 provisions of this section are hereby adopted and shall apply to all
1857 bonds authorized by the State Bond Commission pursuant to this
1858 section, and temporary notes in anticipation of the money to be
1859 derived from the sale of any such bonds so authorized may be issued
1860 in accordance with said section 3-20, as amended, and from time to
1861 time renewed. Such bonds shall mature at such time or times not
1862 exceeding twenty years from their respective dates as may be provided
1863 in or pursuant to the resolution or resolutions of the State Bond
1864 Commission authorizing such bonds. None of said bonds shall be
1865 authorized except upon a finding by the State Bond Commission that
1866 there has been filed with it a request for such authorization, which is
1867 signed by or on behalf of the Secretary of the Office of Policy and
1868 Management and states such terms and conditions as said commission,
1869 in its discretion, may require. Said bonds issued pursuant to this
1870 section shall be general obligations of the state and the full faith and
1871 credit of the state of Connecticut are pledged for the payment of the
1872 principal of and interest on said bonds as the same become due, and
1873 accordingly and as part of the contract of the state with the holders of
1874 said bonds, appropriation of all amounts necessary for punctual
1875 payment of such principal and interest is hereby made, and the

1876 Treasurer shall pay such principal and interest as the same become
1877 due.

1878 Sec. 529. Section 32-23tt of the general statutes is repealed and the
1879 following is substituted in lieu thereof (*Effective October 1, 2006*):

1880 As used in section 32-23ll, this section, and sections 32-23uu,
1881 32-23vv and 32-235, as amended:

1882 (1) "Authority" means the Connecticut [Development Authority]
1883 Finance Collaborative established under the provisions of this chapter;

1884 (2) "Educational upgrades" means (A) programs designed to
1885 increase the basic skills of workers and production workers including,
1886 but not limited to training, in written and oral communication,
1887 mathematics or science, or (B) training in innovative production
1888 methods and workplace oriented computer technical skills;

1889 (3) "Financial assistance" means grants, loans, loan guarantees or
1890 interest rate subsidies or any combination thereof;

1891 (4) "Manufacturing or economic base business" means a business
1892 defined under subsection (l) of section 32-222;

1893 (5) "Production worker" means an employee of a manufacturer
1894 whose principal duties are located within the state, and consist of the
1895 assembly or construction of the manufacturer's product or a portion
1896 thereof; and

1897 (6) "Worker" means an employee of a manufacturing or economic-
1898 based business whose principal duties are located within the state.

1899 Sec. 530. Subsection (a) of section 32-23yy of the general statutes is
1900 repealed and the following is substituted in lieu thereof (*Effective*
1901 *October 1, 2006*):

1902 (a) As used in this section, the following terms shall have the
1903 following meanings unless the context indicates another meaning and

1904 intent:

1905 (1) "Authority" means the Connecticut [Development Authority]
1906 Finance Collaborative, created under section 32-11a, and any of its
1907 subsidiaries or affiliates;

1908 [(2) "Executive Director" means the executive director of the
1909 Connecticut Development Authority;]

1910 (2) "Chief executive officer" means the chief executive officer of the
1911 Connecticut Finance Collaborative;

1912 (3) "Financial assistance" means any and all forms of grants, loans,
1913 extensions of credit, guarantees, equity investments or other forms of
1914 financing or refinancing to persons for the purchase, acquisition,
1915 leasing, construction, expansion, continued operation, reconstruction,
1916 financing, refinancing or placing in operation of an information
1917 technology project, including, but not limited to, fixed assets, working
1918 capital, equity participations and acquisitions, employee buyouts,
1919 refinancing, lease guarantees, financial restructuring and other
1920 purposes which the authority determines further the purposes of this
1921 section. For purposes of this section financial assistance shall not be
1922 considered financial assistance under the provisions of section 32-462;

1923 (4) "Information technology project" means an information
1924 technology project, as defined in section 32-23d, as amended by this
1925 act;

1926 (5) "Person" means a person, as defined in subsection (s) of section
1927 32-23d, as amended by this act;

1928 (6) "Return on investment" means any and all forms of principal or
1929 interest payments, guarantee fees, equity participations, options,
1930 warrants, debentures and any or all other forms of remuneration to the
1931 authority in return for any financial assistance provided or offered.

1932 Sec. 531. Section 32-23zz of the 2006 supplement to the general
1933 statutes is repealed and the following is substituted in lieu thereof

1934 (Effective October 1, 2006):

1935 (a) For the purpose of assisting (1) any information technology
1936 project, as defined in subsection (ee) of section 32-23d, which is located
1937 in an eligible municipality, as defined in subdivision (12) of subsection
1938 (a) of section 32-9t, as amended by this act, or (2) any remediation
1939 project, as defined in subsection (ii) of section 32-23d, as amended by
1940 this act, the Connecticut [Development Authority] Finance
1941 Collaborative may, upon a resolution of the legislative body of a
1942 municipality, issue and administer bonds which are payable solely or
1943 in part from and secured by: (A) A pledge of and lien upon any and all
1944 of the income, proceeds, revenues and property of such a project,
1945 including the proceeds of grants, loans, advances or contributions from
1946 the federal government, the state or any other source, including
1947 financial assistance furnished by the municipality or any other public
1948 body, (B) taxes or payments or grants in lieu of taxes allocated to and
1949 payable into a special fund of the Connecticut [Development
1950 Authority] Finance Collaborative pursuant to the provisions of
1951 subsection (b) of this section, or (C) any combination of the foregoing.
1952 Any such bonds of the Connecticut [Development Authority] Finance
1953 Collaborative shall mature at such time or times not exceeding thirty
1954 years from their date of issuance and shall be subject to the general
1955 terms and provisions of law applicable to the issuance of bonds by the
1956 Connecticut [Development Authority] Finance Collaborative, except
1957 that such bonds shall be issued without a special capital reserve fund
1958 as provided in subsection (b) of section 32-23j and, for purposes of
1959 section 32-23f, only the approval of the board of directors of the
1960 authority shall be required for the issuance and sale of such bonds.
1961 Any pledge made by the municipality or the Connecticut
1962 [Development Authority] Finance Collaborative for bonds issued as
1963 provided in this section shall be valid and binding from the time when
1964 the pledge is made, and revenues and other receipts, funds or moneys
1965 so pledged and thereafter received by the municipality or the
1966 Connecticut [Development Authority] Finance Collaborative shall be
1967 subject to the lien of such pledge without any physical delivery thereof

1968 or further act. The lien of such pledge shall be valid and binding
1969 against all parties having claims of any kind in tort, contract or
1970 otherwise against the municipality or the Connecticut [Development
1971 Authority] Finance Collaborative, even if the parties have no notice of
1972 such lien. Recording of the resolution or any other instrument by
1973 which such a pledge is created shall not be required. In connection
1974 with any such assignment of taxes or payments in lieu of taxes, the
1975 Connecticut [Development Authority] Finance Collaborative may, if
1976 the resolution so provides, exercise the rights provided for in section
1977 12-195h of an assignee for consideration of any lien filed to secure the
1978 payment of such taxes or payments in lieu of taxes. All expenses
1979 incurred in providing such assistance may be treated as project costs.

1980 (b) Any proceedings authorizing the issuance of bonds under this
1981 section may contain a provision that taxes or a specified portion
1982 thereof, if any, identified in such authorizing proceedings and levied
1983 upon taxable real or personal property, or both, in a project each year,
1984 or payments or grants in lieu of such taxes or a specified portion
1985 thereof, by or for the benefit of any one or more municipalities,
1986 districts or other public taxing agencies, as the case may be, shall be
1987 divided as follows: (1) In each fiscal year that portion of the taxes or
1988 payments or grants in lieu of taxes which would be produced by
1989 applying the then current tax rate of each of the taxing agencies to the
1990 total sum of the assessed value of the taxable property in the project on
1991 the date of such authorizing proceedings, adjusted in the case of grants
1992 in lieu of taxes to reflect the applicable statutory rate of
1993 reimbursement, shall be allocated to and when collected shall be paid
1994 into the funds of the respective taxing agencies in the same manner as
1995 taxes by or for said taxing agencies on all other property are paid; and
1996 (2) that portion of the assessed taxes or the payments or grants in lieu
1997 of taxes, or both, each fiscal year in excess of the amount referred to in
1998 subdivision (1) of this subsection shall be allocated to and when
1999 collected shall be paid into a special fund of the Connecticut
2000 [Development Authority] Finance Collaborative to be used in each
2001 fiscal year, in the discretion of the Connecticut [Development

2002 Authority] Finance Collaborative, to pay the principal of and interest
2003 due in such fiscal year on bonds issued by the Connecticut
2004 [Development Authority] Finance Collaborative to finance, refinance
2005 or otherwise assist such project, to purchase bonds issued for such
2006 project, or to reimburse the provider of or reimbursement party with
2007 respect to any guarantee, letter of credit, policy of bond insurance,
2008 funds deposited in a debt service reserve fund, funds deposited as
2009 capitalized interest or other credit enhancement device used to secure
2010 payment of debt service on any bonds issued by the Connecticut
2011 [Development Authority] Finance Collaborative to finance, refinance
2012 or otherwise assist such project, to the extent of any payments of debt
2013 service made therefrom. Unless and until the total assessed valuation
2014 of the taxable property in a project exceeds the total assessed value of
2015 the taxable property in such project as shown by the last assessment
2016 list referred to in subdivision (1) of this subsection, all of the taxes
2017 levied and collected and all of the payments or grants in lieu of taxes
2018 due and collected upon the taxable property in such project shall be
2019 paid into the funds of the respective taxing agencies. When such bonds
2020 and interest thereof, and such debt service reimbursement to the
2021 provider of or reimbursement party with respect to such credit
2022 enhancement, have been paid in full, all moneys thereafter received
2023 from taxes or payments or grants in lieu of taxes upon the taxable
2024 property in such development project shall be paid into the funds of
2025 the respective taxing agencies in the same manner as taxes on all other
2026 property are paid. The total amount of bonds issued pursuant to this
2027 section which are payable from grants in lieu of taxes payable by the
2028 state shall not exceed an amount of bonds, the debt service on which in
2029 any state fiscal year is, in total, equal to one million dollars.

2030 (c) The authority may make grants or provide loans or other forms
2031 of financial assistance from the proceeds of special or general
2032 obligation notes or bonds of the authority issued without the security
2033 of a special capital reserve fund within the meaning of subsection (b)
2034 of section 32-23j, which bonds are payable from and secured by, in
2035 whole or in part, the pledge and security provided for in section 8-134,

2036 8-192, 32-227 or this section, all on such terms and conditions,
2037 including such agreements with the municipality and the developer of
2038 the project, as the authority determines to be appropriate in the
2039 circumstances, provided any such project in an area designated as an
2040 enterprise zone pursuant to section 32-70 receiving such financial
2041 assistance shall be ineligible for any fixed assessment pursuant to
2042 section 32-71, and the authority, as a condition of such grant, loan or
2043 other financial assistance, may require the waiver, in whole or in part,
2044 of any property tax exemption with respect to such project otherwise
2045 available under subsection (59) or (60) of section 12-81, as amended.

2046 (d) As used in this section, "bonds" means any bonds, including
2047 refunding bonds, notes, temporary notes, interim certificates,
2048 debentures or other obligations; "legislative body" has the meaning
2049 provided in subsection (y) of section 32-222; and "municipality" means
2050 a town, city, consolidated town or city or consolidated town and
2051 borough.

2052 (e) For purposes of this section, references to the Connecticut
2053 [Development Authority] Finance Collaborative shall include any
2054 subsidiary of the Connecticut [Development Authority] Finance
2055 Collaborative established pursuant to subsection (l) of section 32-11a,
2056 and a municipality may act by and through its implementing agency,
2057 as defined in subsection (k) of section 32-222.

2058 (f) No commitments for new projects shall be approved by the
2059 authority under this section on or after July 1, 2008.

2060 (g) In the case of a remediation project, as defined in subsection (ii)
2061 of section 32-23d, as amended by this act, that involves buildings that
2062 are vacant, underutilized or in deteriorating condition and as to which
2063 municipal real property taxes are delinquent, in whole or in part, for
2064 more than one fiscal year, the amount determined in accordance with
2065 subdivision (1) of subsection (b) of this section may, if the resolution of
2066 the municipality so provides, be established at an amount less than the
2067 amount so determined, but not less than the amount of municipal

2068 property taxes actually paid during the most recently completed fiscal
2069 year. If the Connecticut [Development Authority] Finance
2070 Collaborative issues bonds for the remediation project, the amount
2071 established in the resolution shall be used for all purposes of
2072 subsection (a) of this section.

2073 Sec. 532. Section 32-34 of the general statutes is repealed and the
2074 following is substituted in lieu thereof (*Effective October 1, 2006*):

2075 As used in this chapter, the following terms shall have the following
2076 meanings unless the context clearly indicates another meaning and
2077 intent:

2078 [(1) "Corporation" means Connecticut Innovations, Incorporated as
2079 created under section 32-35;]

2080 (1) "Authority" means the Connecticut Finance Collaborative
2081 established under section 501 of this act;

2082 (2) "Entrepreneur" means any person who seeks to organize, operate
2083 and assume the risk for a business enterprise, or who organizes,
2084 operates and assumes the risk for a business enterprise;

2085 [(3) "Finance committee" means a committee or subcommittee
2086 organized by the corporation and having the authority to approve or
2087 deny applications for financial aid and to enter into agreements on
2088 behalf of the corporation to provide financial aid;]

2089 [(4)] (3) "Financial aid" means the infusion of capital to persons, in
2090 any form whatsoever, including, but not limited to, grants, loans,
2091 equity, leases, guarantees, royalty arrangements, other risk capital and
2092 other types of financial assistance;

2093 [(5)] (4) "Incubator facilities" means a building, structure or complex
2094 designed, constructed, renovated or developed to house and provide
2095 research and other services to assist small technology-based
2096 companies;

2097 [(6)] (5) "Invention" means any new product without regard to
2098 whether a patent has been or could be granted;

2099 [(7)] (6) "Person" means any individual, general or limited
2100 partnership, corporation, limited liability company, institution of
2101 higher education, governmental entity or joint venture conducting
2102 research into ideas with commercial potential or carrying on business,
2103 or proposing to carry on business, within the state which (A) in the
2104 case of an individual, general or limited partnership, corporation,
2105 limited liability company or joint venture, demonstrates to the
2106 corporation the inability (i) to obtain conventional financing in
2107 satisfactory amounts or on satisfactory terms or (ii) to locate or
2108 continue operations in the state without assistance as provided in this
2109 chapter, and (B) demonstrates to the corporation that any project for
2110 research into or the development of specific technologies, products,
2111 devices, techniques or procedures or the marketing of services based
2112 on the use of such technologies, products, devices, techniques or
2113 procedures for which assistance under this chapter, is sought, (i) will
2114 create new or retain existing jobs in the state, (ii) will result in an
2115 increase in the amount of goods or services exported from the state,
2116 (iii) will help to strengthen the economy of the state, or (iv) will
2117 promote the development and utilization of technology in the state;

2118 [(8)] (7) "Product" means any technology, device, technique, service
2119 or process, which is or may be exploitable commercially; such term
2120 shall not refer to pure research but shall be construed to apply to such
2121 technologies, products, devices, techniques, services or processes
2122 which have advanced beyond the theoretic stage and are readily
2123 capable of being, or have been, reduced to practice;

2124 [(9)] (8) "Research" means the scientific and engineering analysis,
2125 investigation, collection of ideas and inquiry into concepts, processes
2126 and techniques, the purpose of which is intended to result in a
2127 commercially feasible product, process or technique;

2128 [(10)] (9) "Seed venture" means a business or other entity in the early

2129 stage of development;

2130 [(11)] (10) "Technical peer review committee" means a committee,
2131 subcommittee or other entity organized by the corporation to provide
2132 advice and counsel concerning the technological, marketing and
2133 management feasibility of projects in connection with each application
2134 for financial and technical assistance;

2135 [(12)] (11) "Technology" means the conversion of basic scientific
2136 research into processes, techniques and products which may have
2137 commercial potential;

2138 [(13)] (12) "Advanced technology center" means a cooperative
2139 research center in a specified field of science and technology
2140 established and funded, subject to the requirements in sections 32-40a,
2141 32-40b and 32-40c, through an academic, industrial and governmental
2142 partnership for purposes of technological research with a direct
2143 relationship to economic development in the state;

2144 [(14)] (13) "Venture" means, without limitation, any contractual
2145 arrangement with any person whereby the corporation obtains rights
2146 from or in an invention or product or proceeds therefrom, or rights to
2147 obtain from any person any and all forms of equity instruments
2148 including, but not limited to, common and preferred stock, warrants,
2149 options, convertible debentures and similar types of instruments
2150 exercisable or convertible into capital stock, in exchange for the
2151 granting of financial aid to such person;

2152 [(15)] (14) "Venture lease" means a lease by the corporation to a
2153 technology company of any real or personal property, on such terms,
2154 including lease payments, lease term and purchase options, as the
2155 corporation shall determine;

2156 [(16)] (15) "Affiliate" means any person that directly or indirectly
2157 through one or more intermediaries, controls or is controlled by or is
2158 under common control with, another person, including, but not
2159 limited to, any corporation, general or limited partnership or limited

2160 liability company controlled, directly or indirectly, by such other
2161 person or the corporation, provided, in addition to other means of
2162 being controlled, a general or limited partnership or limited liability
2163 company shall be deemed to be controlled by the corporation if the
2164 corporation or one of its affiliates acts as a general partner or a
2165 manager of such general or limited partnership or limited liability
2166 company;

2167 [(17)] (16) "Capital initiative" means providing financial aid through
2168 one or more affiliates and raising the capital for such affiliates, in
2169 whole or in part, from sources other than the state.

2170 Sec. 533. Section 32-39c of the general statutes is repealed and the
2171 following is substituted in lieu thereof (*Effective October 1, 2006*):

2172 (a) With respect to any affiliate created pursuant to section 32-39,
2173 liability shall be limited solely to the assets and revenues or other
2174 resources of any such affiliate and without recourse liability to
2175 [Connecticut Innovations, Incorporated] the Connecticut Finance
2176 Collaborative, its other funds or any other assets of the corporation,
2177 except to the extent of any express written guarantees by the
2178 corporation or any investments made or committed to by the
2179 corporation.

2180 (b) The provisions of sections 32-47, as amended by this act, and 1-
2181 125 shall apply to any officer, director, designee or employee serving at
2182 the request of the corporation as a member, director or officer or
2183 advisor of any such affiliate. Any such person so appointed shall not
2184 be personally liable for the debts, obligations or liabilities of any such
2185 affiliate as provided in said section 1-125. Any affiliate shall and the
2186 corporation may provide the indemnification to protect, save harmless
2187 and indemnify such officer, director, designee or employee as
2188 provided in said section 1-125.

2189 Sec. 534. Section 32-39d of the general statutes is repealed and the
2190 following is substituted in lieu thereof (*Effective October 1, 2006*):

2191 Guarantees issued by [Connecticut Innovations, Incorporated] the
2192 Connecticut Finance Collaborative, and all equity instruments and
2193 obligations, any of which include a guarantee of a return of capital or
2194 principal by the corporation or the collaborative, under the provisions
2195 of this chapter, are hereby made securities in which all public officers
2196 and public bodies of the state and its political subdivisions, all
2197 insurance companies, state banks and trust companies, national
2198 banking associations, savings banks, savings and loan associations,
2199 investment companies, executors, administrators, trustees and other
2200 fiduciaries may properly and legally invest funds, including capital in
2201 their control or belonging to them. Such instruments and obligations
2202 are hereby made securities which may properly and legally be
2203 deposited with and received by any state or municipal officer or any
2204 agency or political subdivision of the state for any purpose for which
2205 the deposit of bonds or obligations of the state is now or may hereafter
2206 be authorized by law.

2207 Sec. 535. Section 32-39e of the general statutes is repealed and the
2208 following is substituted in lieu thereof (*Effective October 1, 2006*):

2209 (a) If, in the exercise of its powers under section 32-39, [Connecticut
2210 Innovations, Incorporated] the Connecticut Finance Collaborative
2211 finds that the use of a certain technology, product or process would
2212 promote public health and safety, environmental protection or
2213 economic development and such technology, product or process was
2214 developed by a business domiciled in this state to which the
2215 corporation has provided financial assistance or in which the
2216 corporation has invested, the corporation, upon application of such
2217 business, may recommend to the Secretary of the Office of Policy and
2218 Management that an agency of the state be directed to test such
2219 technology, product or process by employing it in the operations of
2220 such agency on a trial basis. The purpose of such test program shall be
2221 to validate the commercial viability of such technology, product or
2222 process provided no business in which [Connecticut Innovations,
2223 Incorporated] the Connecticut Finance Collaborative has invested shall
2224 be required to participate in such program. No such recommendation

2225 may be made unless such business has submitted a viable business
2226 plan for manufacturing and marketing such technology, product or
2227 process and such business (1) will manufacture or produce such
2228 technology, product or process in this state, (2) demonstrates that the
2229 usage of such technology, product or process by the state agency will
2230 not adversely affect safety, (3) demonstrates that sufficient research
2231 and development has occurred to warrant participation in the test
2232 program, and (4) demonstrates that the technology, product or process
2233 has potential for commercialization not later than two years following
2234 the completion of any test program involving a state agency under this
2235 section.

2236 (b) If the Secretary of the Office of Policy and Management finds
2237 that employing such technology, product or process would be feasible
2238 in the operations of a state agency and would not have any detrimental
2239 effect on such operations, said secretary, notwithstanding the
2240 requirement of chapter 58, may direct an agency of the state to accept
2241 delivery of such technology, product or process and to undertake such
2242 a test program. Any costs associated with the acquisition and use of
2243 such technology, product or process by the testing agency shall be
2244 borne by [Connecticut Innovations, Incorporated] the Connecticut
2245 Finance Collaborative, the business or by any investor or participant in
2246 such business. The acquisition of any technology, product or process
2247 for purposes of the test program established pursuant to this section
2248 shall not be deemed to be a purchase under the provisions of the state
2249 procurement policy. The testing agency, on behalf of [Connecticut
2250 Innovations, Incorporated] the Connecticut Finance Collaborative,
2251 shall maintain records related to such test program, as requested by
2252 [Connecticut Innovations, Incorporated] the Connecticut Finance
2253 Collaborative and shall make such records and any other information
2254 derived from such test program available to [Connecticut Innovations,
2255 Incorporated] the Connecticut Finance Collaborative and the business.
2256 Any proprietary information derived from such test program shall be
2257 exempt from the provisions of subsection (a) of section 1-210, as
2258 amended.

2259 (c) The Secretary of the Office of Policy and Management and
2260 [Connecticut Innovations, Incorporated] the Connecticut Finance
2261 Collaborative may develop a program to recognize state agencies that
2262 help to promote public health and safety, environmental protection or
2263 economic development by participating in a testing program under
2264 this section. Such program may include the creation of a fund
2265 established with savings accrued by the testing agency during its
2266 participation in the testing program established under this section.
2267 Such fund shall only be used to implement the program of recognition
2268 established by the Secretary of the Office of Policy and Management
2269 and [Connecticut Innovations, Incorporated] the Connecticut Finance
2270 Collaborative, under the provisions of this subsection.

2271 Sec. 536. Section 32-40 of the general statutes is repealed and the
2272 following is substituted in lieu thereof (*Effective October 1, 2006*):

2273 (a) All applications for financial aid shall be forwarded, together
2274 with an application fee prescribed by the [corporation] collaborative, to
2275 the [executive director of the corporation] collaborative. Each such
2276 application shall be processed in accordance with the written
2277 procedures adopted by the [corporation] collaborative under
2278 subdivision (5) of subsection (d) of section 32-35. The [finance
2279 committee] board of directors of the [corporation] collaborative shall
2280 approve or deny each application recommended by the [executive
2281 director] chief executive officer. If the [finance committee] board of
2282 directors approves an application, [such committee] it may authorize
2283 the [corporation] collaborative to enter into an agreement or
2284 agreements on behalf of the [corporation] collaborative to provide
2285 financial aid to the applicant. The applicant shall be promptly notified
2286 of such action by the [corporation] collaborative.

2287 (b) In making the decision as to approval or denial of an application,
2288 the [finance committee of the corporation] board of directors shall give
2289 priority to those applicants (1) whose businesses are defense-
2290 dependent, or are located in municipalities which the Commissioner of
2291 [Economic and Community Development] Business and Employment

2292 has declared have been severely impacted by prime defense contract
2293 cutbacks pursuant to section 32-56, and (2) whose proposed research
2294 and development activity, technology, product or invention is to be
2295 used to convert all or a portion of the applicant's business to non-
2296 defense-related industrial or commercial activity, or to create a new
2297 non-defense-related industrial or commercial business. For purposes of
2298 this section, a defense-dependent business is any business that derives
2299 over fifty per cent of its gross income, generated from operations
2300 within the state, from prime defense contracts or from subcontracts
2301 entered into in connection with prime defense contracts, a significant
2302 portion of whose facilities and equipment are designed specifically for
2303 defense production and cannot be converted to nondefense uses
2304 without substantial investment.

2305 (c) All financial and credit information and all trade secrets
2306 contained in any application for financial aid submitted to the
2307 [corporation] collaborative or obtained by the [corporation]
2308 collaborative concerning any applicant, project, activity, technology,
2309 product or invention shall be exempt from the provisions of subsection
2310 (a) of section 1-210, as amended.

2311 Sec. 537. Section 32-40a of the general statutes is repealed and the
2312 following is substituted in lieu thereof (*Effective October 1, 2006*):

2313 Any advanced technology center, as defined in section 32-34, shall
2314 be established for purposes of conducting research characterized by
2315 reasonable prospects of stimulating development of new business and
2316 industry utilizing such advanced technology and augmenting the
2317 application of advanced technology by existing business and industry
2318 in the state. [Connecticut Innovations, Incorporated] The Connecticut
2319 Finance Collaborative, hereinafter referred to as ["the corporation"]
2320 "the collaborative" shall require any applicant for state funding with
2321 respect to a proposed advanced technology center to submit a
2322 complete description of the organization of such center, plans for
2323 research and proposed funding from sources other than the state of
2324 Connecticut, subject to the provisions of section 32-40c, including, but

2325 not limited to the following:

2326 (1) The specific technological research to be undertaken and the
2327 proposed business and industry involvement in the development and
2328 application of such research;

2329 (2) A detailed description of the organization of such center for
2330 administrative and research purposes, including (A) name and
2331 qualifications of the person to serve as director of the center, and (B) a
2332 proposed advisory board for such center which shall include members
2333 from the academic institution involved and private business;

2334 (3) Proposed arrangements with the corporation, concerning
2335 financial benefits to the state of Connecticut as a result of patents,
2336 royalty payments or similar rights developing from research at such
2337 center; and

2338 (4) Details concerning the organization and content of an annual
2339 report to be submitted to the corporation by such center reviewing the
2340 progress of research, with the understanding that funding shall be
2341 contingent upon satisfactory performance evaluations.

2342 Sec. 538. Section 32-40b of the general statutes is repealed and the
2343 following is substituted in lieu thereof (*Effective October 1, 2006*):

2344 In approving the application of an advanced technology center, as
2345 defined in section 32-34, for state funding, [Connecticut Innovations,
2346 Incorporated,] the Connecticut Finance Collaborative shall assess
2347 scientific, economic, management and financial factors, including, but
2348 not limited to the following:

2349 (1) The likelihood that the research proposal will result in
2350 fundamental technological advances transferable to commercial
2351 application and the means that the center proposes to make these
2352 transfers;

2353 (2) The potential of the research proposal to stimulate technological
2354 advances in existing businesses, new business creation and long-term

2355 job growth in Connecticut;

2356 (3) Evidence of significant financial commitment by academic and
2357 industrial participants and the likelihood that the center will become
2358 self-sufficient by the end of the state's financial commitment period;

2359 (4) Evidence that the state will receive a financial return
2360 commensurate with its investment in the center;

2361 (5) The level of representation by all financial participants in the
2362 center's proposed management structure;

2363 (6) The planned involvement of small businesses and academic
2364 institutions in the center's activities;

2365 (7) The center's plan to involve minority students and minority-
2366 owned businesses in its activities; and

2367 (8) The adequacy of the center's proposed mechanisms for
2368 evaluating its progress.

2369 Sec. 539. Section 32-40c of the general statutes is repealed and the
2370 following is substituted in lieu thereof (*Effective October 1, 2006*):

2371 Funds from the state of Connecticut for purposes of any advanced
2372 technology center, as defined in section 32-34, shall not be allotted for
2373 such purpose unless documentation, satisfactory to the Secretary of the
2374 Office of Policy and Management, has been submitted to [Connecticut
2375 Innovations, Incorporated] the Connecticut Finance Collaborative,
2376 certifying that such funds are accepted in accordance with a plan of
2377 proposed funding for such advanced technology center during a
2378 period of five years, commencing with the year of the initial state grant
2379 for such purpose. Such proposed funding shall include, in addition to
2380 the proposed amounts from the state of Connecticut, funds from other
2381 sources in an amount not less than the total proposed funds from the
2382 state during such five-year period.

2383 Sec. 540. Section 32-41a of the general statutes is repealed and the

2384 following is substituted in lieu thereof (*Effective October 1, 2006*):

2385 (a) There is hereby created a "Connecticut Innovations [,
2386 Incorporated] Fund". Proceeds from the sale of bonds authorized by
2387 the State Bond Commission in accordance with [section] sections 32-41
2388 and [section] 32-41b, as amended by this act, shall be paid directly to
2389 the Treasurer of the state as agent of the corporation and the Treasurer
2390 shall deposit all such amounts in the [Connecticut Innovations,
2391 Incorporated Fund] fund. The moneys in said fund shall be paid by
2392 checks signed by the Treasurer of the state or by his deputy appointed
2393 pursuant to section 3-12 on requisition of the [executive director of the
2394 corporation or his designee] the chief executive officer of the
2395 Connecticut Finance Collaborative.

2396 (b) Any funds or revenues of [Connecticut Innovations,
2397 Incorporated] the Connecticut Finance Collaborative derived from
2398 application fees, royalty payments, investment income and loan
2399 repayments received by the corporation in connection with its
2400 programs under this chapter shall be held, administered and invested
2401 by the corporation or deposited with and invested by any institution as
2402 may be designated by the corporation at its sole discretion and paid as
2403 the corporation shall direct. All moneys in such accounts shall be used
2404 and applied to carry out the purposes of the corporation. The
2405 corporation may make payments from such accounts to the Treasurer
2406 of the state for deposit in the Connecticut Innovations [, Incorporated]
2407 Fund for use in accordance with subsection (c) of this section.

2408 (c) The moneys in the Connecticut Innovations [, Incorporated]
2409 Fund (1) shall be used to carry out the purposes of the [corporation]
2410 collaborative and for the repayment of state bonds in such amounts as
2411 may be required by the State Bond Commission pursuant to said
2412 [section] sections 32-41 and [section] 32-41b, as amended by this act,
2413 and (2) may be used as state matching funds for federal funds
2414 available to the state for defense conversion projects or other projects
2415 consistent with a defense conversion strategy.

2416 Sec. 541. Section 32-41b of the general statutes is repealed and the
2417 following is substituted in lieu thereof (*Effective October 1, 2006*):

2418 The State Bond Commission shall have power in accordance with
2419 the provisions of section 3-20, as amended, to authorize the issuance of
2420 bonds of the state in one or more series and in principal amounts not
2421 exceeding in the aggregate sixty-one million four hundred forty-five
2422 thousand six hundred dollars, to carry out the purposes of this section
2423 as follows: (1) Loans for the development and marketing of products in
2424 the high technology field within the state, not exceeding thirty-four
2425 million dollars; (2) royalty financing for start-up costs and product
2426 development costs of high technology products and procedures in the
2427 state, not exceeding seven million four hundred forty-five thousand six
2428 hundred dollars; and (3) financial aid for biotechnology and other high
2429 technology laboratories, facilities and equipment, not exceeding
2430 twenty million dollars. Any loans originated under subdivision (1) of
2431 this section shall bear interest at a rate to be determined in accordance
2432 with subsection (t) of said section 3-20, as amended. The principal and
2433 interest of said bonds shall be payable at such place or places as may
2434 be determined by the State Treasurer and shall bear such date or dates,
2435 mature at such time or times, bear interest at such rate or different or
2436 varying rates, be payable at such time or times, be in such
2437 denominations, be in such form with or without interest coupons
2438 attached, carry such registration and transfer privileges, be payable in
2439 such medium of payment and be subject to such terms of redemption
2440 with or without premium as, irrespective of the provisions of said
2441 section 3-20, as amended, may be provided by the authorization of the
2442 State Bond Commission or fixed in accordance therewith. The
2443 proceeds of the sale of said bonds, after deducting therefrom all
2444 expenses of issuance and sale, shall be paid to the Connecticut
2445 Innovations [, Incorporated] Fund created under section 32-41a, as
2446 amended by this act. When the State Bond Commission has acted to
2447 issue such bonds or a portion thereof, the Treasurer may, pending the
2448 issue of such bonds, issue, in the name of the state, temporary notes in
2449 anticipation of the money to be received from the sale of such bonds.

2450 In issuing the bonds authorized hereunder, the State Bond
2451 Commission may require repayment of such bonds by the corporation
2452 as shall seem desirable consistent with the purposes of this section and
2453 said section 32-41a. Such terms for repayment may include a
2454 forgiveness of interest, a holiday in the repayment of interest or
2455 principal or both.

2456 Sec. 542. Section 32-41i of the general statutes is repealed and the
2457 following is substituted in lieu thereof (*Effective October 1, 2006*):

2458 As used in sections 32-41g to 32-41o, inclusive:

2459 (1) "Act" means the Technology Deployment Act of 1993;

2460 (2) "Advanced available technology" means a technology or process
2461 that can be applied to a manufacturing operation without substantial
2462 modification;

2463 (3) "Technology deployment" means (A) activities that assist
2464 businesses in applying advanced available technologies in their
2465 existing operations, or (B) activities that assist businesses in the
2466 development and manufacture of new products derived from
2467 advanced available technologies;

2468 [(4) "Corporation" means Connecticut Innovations, Incorporated;]

2469 (4) "Collaborative" means the Connecticut Finance Collaborative
2470 established under section 501 of this act;

2471 (5) "Eligible institution" means an institution within the Connecticut
2472 State University system which is operating a technology deployment
2473 program on July 1, 1993;

2474 (6) "Eligible deployment research consortium" means a multitype,
2475 nonprofit coalition which is representative of the business, academic
2476 and government communities in an economically distressed area of the
2477 state which on or before July 1, 1993, is dependent upon labor
2478 intensive, less technologically advanced manufacturing;

2479 (7) "Eligible business consortium" means a nonprofit business-led
2480 consortium organized for the purpose of technology deployment in the
2481 fields of biotechnology, ergonomics, environmental and energy
2482 technologies or educational and job training technologies;

2483 (8) "Eligible grant recipient" means one or more state institutions of
2484 higher education or a nonprofit business-led consortium organized for
2485 the purpose of technology deployment in advanced materials, marine
2486 sciences, photonics, pharmaceutical and environmental technologies;

2487 (9) "Small and medium-sized business" means a manufacturing
2488 business with fewer than five hundred employees.

2489 Sec. 543. Section 32-41j of the general statutes is repealed and the
2490 following is substituted in lieu thereof (*Effective October 1, 2006*):

2491 (a) There is established a university-based manufacturing
2492 application center program to be administered by the [corporation]
2493 collaborative for the purpose of promoting technology deployment by
2494 linking Connecticut's higher education system with small and
2495 medium-sized businesses. During the three-month period beginning
2496 on July 1, 1993, the [corporation] collaborative shall accept applications
2497 from eligible institutions in a form and manner prescribed by the
2498 corporation for state funding for the operation of a manufacturing
2499 application center.

2500 (b) On or before January 1, 1994, the [corporation] collaborative
2501 shall review all applications timely received pursuant to this section
2502 and shall approve one such application. In approving such application
2503 the [corporation] collaborative shall assess scientific and economic
2504 factors concerning the proposed manufacturing application center,
2505 including but not limited to the following:

2506 (1) The eligible institution's experience with manufacturing
2507 applications, including computer-integrated manufacturing,
2508 computer-aided drafting and design, just-in-time manufacturing and
2509 total quality management;

2510 (2) The center's plan to provide follow-up employee training to
2511 center users;

2512 (3) The center's plan to involve urban-based businesses, minority
2513 students or minority-owned businesses in its activities; and

2514 (4) The adequacy of the center's proposed mechanisms for
2515 evaluating its progress.

2516 (c) The center's responsibilities shall include, but not be limited to,
2517 providing training for manufacturing businesses in high performance
2518 work practices.

2519 Sec. 544. Section 32-41k of the general statutes is repealed and the
2520 following is substituted in lieu thereof (*Effective October 1, 2006*):

2521 (a) There is established a nonprofit deployment research program to
2522 be administered by the [corporation] collaborative for the purpose of
2523 identifying emerging advanced available technologies in economically
2524 distressed manufacturing or former manufacturing regions of the state.
2525 During the six-month period beginning on July 1, 1993, the
2526 [corporation] collaborative shall accept applications from eligible
2527 deployment research consortia in a form and manner prescribed by the
2528 corporation for state funding for technology deployment research.

2529 (b) On or before July 1, 1994, the [corporation] collaborative shall
2530 review all applications timely received pursuant to this section and
2531 shall approve one such application. In approving such application the
2532 corporation shall assess scientific and economic factors concerning the
2533 proposed technology deployment research, including, but not limited
2534 to the following:

2535 (1) The extent to which the research will identify advanced available
2536 technologies for future deployment;

2537 (2) The extent to which the research enhances existing
2538 manufacturing in Connecticut industry;

2539 (3) The eligible research consortium's plan to involve minority
2540 students or minority owned businesses in its activities; and

2541 (4) The adequacy of the eligible research consortium's proposed
2542 mechanisms for evaluating its progress.

2543 (c) The center's responsibilities shall include, but not be limited to,
2544 providing training for businesses in high performance work practices.

2545 Sec. 545. Section 32-41l of the general statutes is repealed and the
2546 following is substituted in lieu thereof (*Effective October 1, 2006*):

2547 (a) There is established a Connecticut energy and environmental
2548 technologies deployment center program to be administered by the
2549 [corporation] collaborative for the purpose of promoting a nonprofit
2550 business consortium for technology deployment in two critical
2551 technologies where the state possesses unique scientific and human
2552 resources. During the three-month period beginning on July 1, 1993,
2553 the [corporation] collaborative shall accept applications from eligible
2554 business consortia in a form and manner prescribed by the corporation
2555 for state funding for the operation of an energy and environmental
2556 technologies application center.

2557 (b) On or before January 1, 1994, the [corporation] collaborative
2558 shall review all applications timely received pursuant to this section
2559 and shall approve one such application. In approving such application
2560 the corporation shall assess scientific and economic factors concerning
2561 the proposed Connecticut energy and environmental technologies
2562 deployment center, including but not limited to the following:

2563 (1) Participation in the center by multiple private enterprises
2564 including defense and non-defense-based firms with an expertise in
2565 environmental and energy technologies;

2566 (2) Participation in the center by more than one public or private
2567 institution of higher education;

2568 (3) The center's plan to involve minority students or minority-

2569 owned businesses in its activities; and

2570 (4) The adequacy of the center's proposed mechanisms for
2571 evaluating its progress.

2572 Sec. 546. Section 32-41m of the general statutes is repealed and the
2573 following is substituted in lieu thereof (*Effective October 1, 2006*):

2574 (a) There is established a Connecticut educational and job training
2575 technologies deployment center program to be administered by the
2576 [corporation] collaborative for the purpose of promoting a nonprofit
2577 business-led consortium for technology deployment in a critical
2578 technology in which the state possesses unique scientific and human
2579 resources. During the three-month period beginning on July 1, 1993,
2580 the [corporation] collaborative shall accept applications from eligible
2581 business consortia in a form and manner prescribed by the
2582 [corporation] collaborative for state funding for the operation of an
2583 educational and job training technologies deployment center.

2584 (b) On or before January 1, 1994, the [corporation] collaborative
2585 shall review all applications timely received pursuant to this section
2586 and shall approve one such application. In approving such application
2587 the corporation shall assess scientific and economic factors concerning
2588 the proposed Connecticut educational and job training technologies
2589 deployment center, including, but not limited to the following:

2590 (1) The center's plan to provide educational and job training
2591 technologies to industry, the state's public schools, and state agencies;

2592 (2) The center's plan to deploy educational and job training
2593 software, hardware and state of the art telecommunications
2594 technologies;

2595 (3) The center's plan to involve minority students or minority-
2596 owned businesses in its activities; and

2597 (4) The adequacy of the center's proposed mechanisms for
2598 evaluating its progress.

2599 Sec. 547. Section 32-41n of the general statutes is repealed and the
2600 following is substituted in lieu thereof (*Effective October 1, 2006*):

2601 (a) There is established a critical technologies grant program to be
2602 administered by the [corporation] collaborative for the purpose of
2603 promoting technology deployment in advanced materials, marine
2604 sciences, photonics, pharmaceutical and environmental technologies.
2605 During the twelve-month period beginning on July 1, 1993, the
2606 [corporation] collaborative shall accept applications from eligible grant
2607 recipients in a form and manner prescribed by the [corporation]
2608 collaborative for state grants for the purpose of promoting technology
2609 deployment in such technologies.

2610 (b) On or before January 1, 1995, the [corporation] collaborative
2611 shall review all applications timely received pursuant to this section,
2612 may approve such applications and provide approved grant recipients
2613 such financial assistance as it may determine will promote technology
2614 deployment in advanced materials, marine sciences, photonics,
2615 pharmaceutical and environmental technologies. In approving such
2616 application the [corporation] collaborative shall assess scientific and
2617 economic factors concerning the uses of the proposed grant, including,
2618 but not limited to the following:

2619 (1) The formal participation in the program proposed by businesses
2620 actively engaged in the commercial use of advanced materials, marine
2621 sciences, photonics, pharmaceutical and environmental technologies;

2622 (2) The likelihood that the program proposed will result in
2623 substantial and timely deployment of advanced available technologies
2624 in one or more of the following: Advanced materials, marine sciences,
2625 photonics, pharmaceutical and environmental technologies;

2626 (3) The proposal's plan to involve minority students or minority-
2627 owned businesses in its activities; and

2628 (4) The adequacy of the program's mechanisms for evaluating its
2629 progress.

2630 Sec. 548. Section 32-41o of the general statutes is repealed and the
2631 following is substituted in lieu thereof (*Effective October 1, 2006*):

2632 (a) For the purposes described in subsection (b) of this section, the
2633 State Bond Commission shall have the power, from time to time, to
2634 authorize the issuance of bonds of the state in one or more series and
2635 in principal amounts not exceeding in the aggregate five million five
2636 hundred thousand dollars.

2637 (b) The proceeds of the sale of said bonds, to the extent of the
2638 amount stated in subsection (a) of this section, shall be used by the
2639 [corporation] collaborative as follows: (1) Three million dollars for the
2640 program established in section 32-41j; (2) five hundred thousand
2641 dollars for the program established in section 32-41k; (3) one million
2642 two hundred fifty thousand dollars for the program established and
2643 for the eligible business consortium approved in section 32-41l; and (4)
2644 seven hundred fifty thousand dollars for the program established and
2645 for the eligible business consortium approved in section 32-41m.

2646 (c) All provisions of section 3-20, as amended, or the exercise of any
2647 right or power granted thereby which are not inconsistent with the
2648 provisions of this section are hereby adopted and shall apply to all
2649 bonds authorized by the State Bond Commission pursuant to this
2650 section, and temporary notes in anticipation of the money to be
2651 derived from the sale of any such bonds so authorized may be issued
2652 in accordance with said section 3-20, as amended, and from time to
2653 time renewed. Such bonds shall mature at such time or times not
2654 exceeding twenty years from their respective dates as may be provided
2655 in or pursuant to the resolution or resolutions of the State Bond
2656 Commission authorizing such bonds. None of said bonds shall be
2657 authorized except upon a finding by the State Bond Commission that
2658 there has been filed with it a request for such authorization, which is
2659 signed by or on behalf of the Secretary of the Office of Policy and
2660 Management and states such terms and conditions as said commission,
2661 in its discretion, may require. Said bonds issued pursuant to this
2662 section shall be general obligations of the state and the full faith and

2663 credit of the state of Connecticut are pledged for the payment of the
2664 principal of and interest on said bonds as the same become due, and
2665 accordingly and as part of the contract of the state with the holders of
2666 said bonds, appropriation of all amounts necessary for punctual
2667 payment of such principal and interest is hereby made, and the
2668 Treasurer shall pay such principal and interest as the same become
2669 due.

2670 Sec. 549. Section 32-41p of the general statutes is repealed and the
2671 following is substituted in lieu thereof (*Effective October 1, 2006*):

2672 (a) There is established a workplace center of excellence program to
2673 be administered by [Connecticut Innovations, Incorporated] the
2674 Connecticut Finance Collaborative for the purpose of developing and
2675 deploying ergonomic technology solutions and knowledge. During the
2676 three-month period beginning on July 1, 1994, the [corporation]
2677 collaborative shall accept applications from eligible institutions in a
2678 form and manner prescribed by the corporation for state funding for
2679 the establishment and operation of a workplace center of excellence.

2680 (b) On or before January 1, 1995, the [corporation] collaborative
2681 shall review all applications timely received pursuant to this section,
2682 approve one such application and provide the approved institution
2683 with such financial assistance as the [corporation] collaborative may
2684 determine will promote the purposes of this section. In approving such
2685 application the corporation shall assess scientific and economic factors
2686 concerning the proposed center, including but not limited to, the
2687 following:

2688 (1) The formal participation in, and financial support of, the center
2689 by employers, insurers, and enterprises actively engaged in
2690 developing and deploying ergonomics solutions and related activities;

2691 (2) The likelihood that the center will result in substantial and
2692 timely deployment of advanced technology solutions to existing
2693 businesses in the state;

2694 (3) The center's plan to involve employers, labor, institutions of
2695 higher education and other interested parties in its decision-making;

2696 (4) The adequacy of the center's financial plan, including the
2697 matching of any state grant funds to implement specific projects with
2698 at least an equal amount of funding from private sources;

2699 (5) The center's plan to involve urban residents and urban-based
2700 businesses; and

2701 (6) The adequacy of the center's mechanisms for evaluating its
2702 progress.

2703 Sec. 550. Section 32-41q of the general statutes is repealed and the
2704 following is substituted in lieu thereof (*Effective October 1, 2006*):

2705 (a) As used in this section "critical industry" means an industry that
2706 uses emerging technologies, including but not limited to, fuel cell
2707 technology, to develop and manufacture nondefense products for
2708 future sale, has the potential to create or retain jobs in the state and is
2709 critical to the state economy.

2710 (b) There is established an account to be known as the critical
2711 industries development account, which shall be a separate, nonlapsing
2712 account within the General Fund. The account shall contain any
2713 moneys invested pursuant to the provisions of this section.
2714 [Connecticut Innovations, Incorporated] The Connecticut Finance
2715 Collaborative may use funds from the account to provide loans, loan
2716 guarantees, interest rate subsidies and other forms of loan assistance to
2717 customers of businesses in critical industries which businesses are
2718 based in the state. [Connecticut Innovations, Incorporated] The
2719 Connecticut Finance Collaborative may solicit and receive funds from
2720 any public and private sources for the program. Such funds may
2721 include, without limitation, federal funds, state bond proceeds, private
2722 venture capital and investments by persons, firms or corporations.
2723 Private capital investments may be made either in the account as a
2724 whole or in one or more individual technologies or projects.

2725 (c) No product may receive assistance under this section unless its
2726 manufacturer agrees to enter into a contract to: (1) Carry out a
2727 specified percentage of the development and manufacturing work for
2728 the product in the state; and (2) when subcontracting is required, to
2729 conduct a specified percentage of such work with companies based in
2730 the state. [Connecticut Innovations, Incorporated] The Connecticut
2731 Finance Collaborative shall determine such percentage for the
2732 purposes of this program.

2733 (d) Any person who, or firm or corporation which, invests funds in
2734 the critical industries development account pursuant to this section
2735 shall receive a portion of the interest paid and principal repayment by
2736 the recipient of the loan in proportion to the ratio of the amount of the
2737 investment of such person, firm or corporation to the total loan
2738 amount.

2739 (e) The Commissioner of [Economic and Community Development]
2740 Business and Employment may adopt regulations in accordance with
2741 the provisions of chapter 54 to carry out the purposes of this section.

2742 Sec. 551. Section 32-41s of the general statutes is repealed and the
2743 following is substituted in lieu thereof (*Effective October 1, 2006*):

2744 (a) As used in this section:

2745 (1) "Eligible business" means a business which (A) has not more
2746 than three hundred employees at any time during the preceding
2747 twelve months and (B) is engaged in biotechnology, pharmaceutical or
2748 photonics research, development or production in the state; and

2749 (2) "Eligible commercial property" means (A) real or personal
2750 property which an eligible business has (i) owned or leased and (ii)
2751 utilized at all times during the preceding twelve months or (B) real
2752 property which the Commissioner of [Economic and Community
2753 Development or Connecticut Innovations, Incorporated] Business and
2754 Employment or the Connecticut Finance Collaborative has certified as
2755 newly constructed or substantially renovated and expanded primarily

2756 for occupancy by one or more eligible businesses.

2757 (b) On and after July 1, 1997, eligible businesses and eligible
2758 commercial property located in any municipality which has (1) a major
2759 research university with programs in biotechnology, pharmaceuticals
2760 or photonics and (2) an enterprise zone, shall be entitled to the same
2761 benefits, subject to the same conditions, under the general statutes for
2762 which businesses located in an enterprise zone qualify.

2763 (c) [Connecticut Innovations, Incorporated] The Connecticut
2764 Finance Collaborative may provide lease guarantees or other financial
2765 aid for facilities, improvements and equipment, to benefit any eligible
2766 business which is unable to secure financing for such items on
2767 commercially reasonable terms.

2768 (d) [Connecticut Innovations, Incorporated] The Connecticut
2769 Finance Collaborative may recommend regulations to carry out the
2770 purposes of this section, which the Commissioner of [Economic and
2771 Community Development] Business and Employment shall adopt in
2772 accordance with chapter 54.

2773 (e) [Connecticut Innovations, Incorporated] The Connecticut
2774 Finance Collaborative shall evaluate the feasibility of establishing a
2775 bio-processing facility within this state. If determined to be feasible,
2776 [Connecticut Innovations, Incorporated] the collaborative shall
2777 facilitate the formation of a business consortium, in which it may
2778 participate, to launch and operate such facility.

2779 Sec. 552. Section 32-41t of the general statutes is repealed and the
2780 following is substituted in lieu thereof (*Effective October 1, 2006*):

2781 As used in this section and section 32-41u, as amended by this act:

2782 [(1) "Corporation" means Connecticut Innovations, Incorporated as
2783 created under section 32-35]

2784 (1) "Collaborative" means the Connecticut Finance Collaborative
2785 established under section 501 of this act; and

2786 (2) "Eligible participant" means a member of the faculty or a
2787 researcher engaged in applied research and development at any
2788 Connecticut college or university that agrees to participate in a high
2789 technology research and development program established by the
2790 corporation.

2791 Sec. 553. Section 32-41u of the general statutes is repealed and the
2792 following is substituted in lieu thereof (*Effective October 1, 2006*):

2793 (a) There is established a high technology research and development
2794 program to be administered by the corporation for the purpose of
2795 promoting collaboration between businesses and colleges and
2796 universities in this state in advanced materials, aerospace, bioscience,
2797 energy and environmental systems, information technology, applied
2798 optics, microelectronics and other high technology fields. The
2799 [corporation] collaborative may accept applications to the program
2800 from eligible participants in a form and manner prescribed by the
2801 [corporation] collaborative.

2802 (b) In approving any application the [corporation] collaborative
2803 shall assess the collaborative nature of the proposal as well as scientific
2804 and economic factors, including, but not limited to, the following:

2805 (1) The formal participation in the proposal by businesses actively
2806 engaged in the commercial use of advanced materials, aerospace,
2807 bioscience, energy and environmental systems, information
2808 technology, applied optics, microelectronics and other high technology
2809 fields;

2810 (2) The likelihood that a proposal will result in the development or
2811 commercialization of high technology products or processes in this
2812 state; and

2813 (3) The likelihood that a proposal will result in long-term,
2814 sustainable economic growth for this state.

2815 (c) The [corporation] collaborative shall provide financial aid, as

2816 defined in subdivision (4) of section 32-34, to eligible participants
2817 whose proposals have been approved by the [corporation]
2818 collaborative as provided in subsections (a) and (b) of this section.

2819 (d) The [corporation] collaborative may establish other programs,
2820 including financial programs, in order to attract and retain residents
2821 with postsecondary education in science, engineering, mathematics
2822 and other disciplines that are essential or advisable to the development
2823 and application of technology.

2824 Sec. 554. Section 32-43 of the general statutes is repealed and the
2825 following is substituted in lieu thereof (*Effective October 1, 2006*):

2826 The state of Connecticut does hereby pledge to and agree with any
2827 person with whom the [corporation] collaborative may enter into
2828 contracts pursuant to the provisions of this chapter that the state will
2829 not limit or alter the rights hereby vested in the [corporation]
2830 collaborative until such contracts and the obligations thereunder are
2831 fully met and performed on the part of the [corporation] collaborative,
2832 provided nothing herein contained shall preclude such limitation or
2833 alteration if adequate provision shall be made by law for the protection
2834 of such persons entering into contracts with the [corporation]
2835 collaborative.

2836 Sec. 555. Section 32-47 of the general statutes is repealed and the
2837 following is substituted in lieu thereof (*Effective October 1, 2006*):

2838 (a) Neither the directors of the Connecticut [Innovations,
2839 Incorporated] Finance Collaborative nor any person acting on behalf of
2840 said [corporation] collaborative executing any notes, bonds, contracts,
2841 agreements or other obligations issued pursuant to this chapter shall
2842 be liable personally on such notes, bonds, contracts, agreements or
2843 obligations, or be subject to any personal liability or accountability by
2844 reason of the issuance thereof.

2845 (b) No director shall be personally liable for damage or injury, not
2846 wanton or wilful, caused in the performance of his duties and within

2847 the scope of his employment. Any person having a complaint for such
2848 damage or injury shall present it as a claim against the state under the
2849 provisions of chapter 53.

2850 Sec. 556. Section 32-47a of the general statutes is repealed and the
2851 following is substituted in lieu thereof (*Effective October 1, 2006*):

2852 Not later than January first in each year, [Connecticut Innovations,
2853 Incorporated] the Connecticut Finance Collaborative shall submit a
2854 business plan containing a summary of its projected operations under
2855 this chapter for the year to the joint standing committees of the General
2856 Assembly having cognizance of matters relating to the Department of
2857 [Economic and Community Development] Business and Employment,
2858 appropriations and capital bonding. Not later than November first,
2859 annually, the [corporation] collaborative shall submit a report to the
2860 Commissioner of [Economic and Community Development] Business
2861 and Employment, the Auditors of Public Accounts and said joint
2862 standing committees, which shall include the following information
2863 with respect to new and outstanding financial assistance provided by
2864 the [corporation] collaborative during the twelve-month period ending
2865 on June thirtieth next preceding the date of the report for each financial
2866 assistance program administered by the [corporation] collaborative: (1)
2867 A list of the names, addresses and locations of all recipients of such
2868 assistance, (2) for each such recipient: (A) The business activities, (B)
2869 the Standard Industrial Classification Manual codes, (C) the gross
2870 revenues during the recipient's most recent fiscal year, (D) the number
2871 of employees at the time of application, (E) whether the recipient is a
2872 minority or woman-owned business, (F) a summary of the terms and
2873 conditions for the assistance, including the type and amount of state
2874 financial assistance, job creation or retention requirements, and
2875 anticipated wage rates, and (G) the amount of investments from
2876 private and other nonstate sources that have been leveraged by the
2877 assistance, (3) the economic benefit criteria used in determining which
2878 applications have been approved or disapproved, and (4) for each
2879 recipient of assistance on or after July 1, 1991, a comparison between
2880 the number of jobs to be created, the number of jobs to be retained and

2881 the average wage rates for each such category of jobs, as projected in
2882 the recipient's application, versus the actual number of jobs created,
2883 the actual number of jobs retained and the average wage rates for each
2884 such category. The report shall also indicate the actual number of full-
2885 time jobs and the actual number of part-time jobs in each such category
2886 and the benefit levels for each such subcategory. The November first
2887 report shall include a summary of the activities of the [corporation]
2888 collaborative, including all activities to assist small businesses and
2889 minority business enterprises, as defined in section 4a-60g, a complete
2890 operating and financial statement and recommendations for legislation
2891 to promote the purposes of the [corporation] collaborative. The
2892 [corporation] collaborative shall furnish such additional information
2893 upon the written request of any such committee at such times as the
2894 committee may request.

2895 Sec. 557. Section 10a-178 of the 2006 supplement to the general
2896 statutes is repealed and the following is substituted in lieu thereof
2897 (*Effective October 1, 2006*):

2898 As used in this chapter, the following words and terms shall have
2899 the following meanings unless the context indicates another or
2900 different meaning or intent:

2901 [(a) "Authority"] (1) "Collaborative" means the [State of Connecticut
2902 Health and Educational Facilities Authority created by section 10a-179]
2903 Connecticut Finance Collaborative established under section 501 of this
2904 act or any board, body, commission, department or officer succeeding
2905 to the principal functions thereof or to whom the powers conferred
2906 upon the [authority] collaborative by this chapter shall be given by
2907 law;

2908 [(b)] (2) "Project", in the case of a participating institution for higher
2909 education, means a structure suitable for use as a dormitory or other
2910 housing facility, including housing for staff members, employees or
2911 students at such institution of higher education, dining hall, student
2912 union, administration building, academic building, library, laboratory,

2913 research facility, classroom, athletic facility, health care facility, and
2914 maintenance, storage or utility facility and other structures or facilities
2915 related thereto or required or useful for the instruction of students or
2916 the conducting of research or the operation of an institution for higher
2917 education, including parking and other facilities or structures essential
2918 or convenient for the orderly conduct of such institution for higher
2919 education, also including equipment and machinery and other similar
2920 items necessary or convenient for the operation of a particular facility
2921 or structure in the manner for which its use is intended or for the
2922 operation of a participating institution for higher education, or any
2923 combination thereof, but shall not include such items as books, fuel,
2924 supplies or other items the purchase of which is customarily deemed
2925 to result in a current operating charge; in the case of a participating
2926 health care institution, means a structure suitable for use as a hospital,
2927 clinic, or other health care facility, laboratory, laundry, residence
2928 facility, including housing for nurses, interns, staff members,
2929 employees or students at such health care institution and their
2930 immediate families and for physically or mentally handicapped
2931 persons, administration building, research facility, and maintenance,
2932 storage or utility facility and other structures or facilities related
2933 thereto or required or useful for the operation of the project, including
2934 parking and other facilities or structures essential or convenient for the
2935 orderly operation of such project, also including equipment and
2936 machinery and other similar items necessary or convenient for the
2937 operation of the project in the manner for which its use is intended or
2938 for the operation of a participating health care institution, or any
2939 combination thereof, but shall not include such items as fuel, supplies
2940 or other items the purchase of which is customarily deemed to result in
2941 a current operating charge; in the case of a participating qualified
2942 nonprofit organization, means a structure or facility owned in its
2943 entirety by, or suitable for use in accordance with the charitable or
2944 nonprofit status of the qualified nonprofit organization, also including
2945 equipment and machinery and other similar items necessary or
2946 convenient for the operation of the project in the manner for which its
2947 use is intended or for the operation of a participating qualified

2948 nonprofit corporation; and, in the case of a participating nursing home,
2949 means a structure or facility suitable for use as a nursing home,
2950 residential care home, rest home, health care facility for the
2951 handicapped, mental health facility or independent living facility
2952 subject to the licensing requirements of chapter 368v and appurtenant
2953 facilities, equipment and machinery and other similar items necessary
2954 or convenient for the operation of a particular facility or structure in
2955 the manner for which its use is intended or for the operation of a
2956 participating nursing home;

2957 [(c)] (3) "Cost" as applied to a project or any portion thereof financed
2958 under the provisions of this chapter embraces all or any part of the cost
2959 of construction and acquisition of all lands, structures, real or personal
2960 property, rights, rights-of-way, franchises, easements and interests
2961 acquired or used for a project, the cost of demolishing or removing any
2962 buildings or structures on land so acquired, including the cost of
2963 acquiring any lands to which such buildings or structures may be
2964 moved, the cost of all machinery and equipment, financing charges,
2965 interest prior to, during and for a period after completion of such
2966 construction, provisions for working capital, reserves for principal and
2967 interest and for extensions, enlargements, additions, replacements,
2968 renovations and improvements, cost of engineering, financial and legal
2969 services, plans, specifications, studies, surveys, estimates of cost and of
2970 revenues, administrative expenses, expenses necessary or incident to
2971 determining the feasibility or practicability of constructing the project
2972 and such other expenses as may be necessary or incident to the
2973 construction and acquisition of the project, the financing of such
2974 construction and acquisition and the placing of the project in
2975 operation;

2976 [(d)] (4) "Bonds" means bonds of the authority issued under the
2977 provisions of this chapter, including refunding bonds,
2978 notwithstanding that the same may be secured by mortgage or the full
2979 faith and credit of the authority or the full faith and credit of a
2980 participating institution for higher education or of a participating
2981 hospital or any other lawfully pledged security of a participating

2982 institution for higher education or of a participating hospital;

2983 [(e)] (5) "Institution for higher education" means (1) an educational
2984 institution situated within this state which by virtue of law or charter
2985 is a nonprofit educational institution empowered to provide a program
2986 of education beyond the high school level; (2) a public educational
2987 institution, which, shall be the state colleges, known collectively as
2988 Connecticut State University;

2989 [(f)] (6) "Participating institution for higher education" means an
2990 institution for higher education which, pursuant to the provisions of
2991 this chapter, shall undertake the financing and construction or
2992 acquisition of a project or shall undertake the refunding or refinancing
2993 of obligations or of a mortgage, or advances made or given for the
2994 costs of a project, as provided in and permitted by this chapter;

2995 [(g)] (7) "Health care institution" means (i) any nonprofit, state-aided
2996 hospital or other health care institution, including The University of
2997 Connecticut Health Center, which is entitled, under the laws of the
2998 state, to receive assistance from the state by means of a grant made
2999 pursuant to a budgetary appropriation made by the general assembly,
3000 (ii) any other hospital or other health care institution which is licensed,
3001 or any nonprofit, nonstock corporation which shall receive financing
3002 or shall undertake to construct or acquire a project which is or will be
3003 eligible to be licensed, as an institution under the provisions of sections
3004 19a-490 to 19a-503, inclusive, as amended, or any nonprofit, nonstock,
3005 nonsectarian facility which is exempt from taxation under the
3006 provisions of section 12-81, as amended, or 38a-188 and which is a
3007 health care center under the provisions of sections 38a-175 to 38a-191,
3008 inclusive, or (iii) any nonprofit corporation wholly owned by two or
3009 more hospitals or other health care institutions which operates for and
3010 on behalf of such hospitals or other health care institutions a project as
3011 defined in subsection (b) hereof or is a nursing home;

3012 [(h)] (8) "Nursing home" means any institution which is or will be
3013 eligible to be licensed as an institution under sections 19a-490 to 19a-

3014 503, inclusive, as amended, or a facility which (1) provides chronic and
3015 convalescent nursing care, (2) is a rest home with nursing facilities, (3)
3016 provides health care facilities for the handicapped, (4) is a home for
3017 elderly persons or physically handicapped or mentally handicapped
3018 persons, or (5) is a continuing care facility registered with the
3019 Department of Social Services, pursuant to chapter 319f;

3020 [(i)] (9) "Participating nursing home" means a nursing home which,
3021 pursuant to the provisions of this chapter, undertakes the financing
3022 and construction or acquisition of a project or undertakes the
3023 refunding or refinancing of obligations or of a mortgage, loans or
3024 advances made or given for the costs of a project as provided in and
3025 permitted by this chapter;

3026 [(j)] (10) "Participating health care institution" means a health care
3027 institution which, pursuant to the provisions of this chapter,
3028 undertakes the financing and construction or acquisition of a project or
3029 undertakes the refunding or refinancing of obligations or of a
3030 mortgage, loan or advances made or given for the cost of a project as
3031 provided in and permitted by this chapter;

3032 [(k)] (11) "Participating corporation" means any nonprofit
3033 corporation created by a participating health care institution or a
3034 participating institution for higher education, or by one or more of
3035 them in combination, and to which there has been or will be
3036 transferred all right, title and interest in a project for the sole purpose
3037 of operating such project on behalf of such participating institution or
3038 institutions for the life of the bonds issued to finance such project,
3039 provided upon retirement of all of such bonds, all right, title and
3040 interest in the project shall revert to and vest in the participating
3041 institution for higher education or the participating health care
3042 institution or jointly in both such institutions;

3043 [(l)] (12) "Federally guaranteed security" means any security,
3044 investment or evidence of indebtedness which is either directly or
3045 indirectly insured or guaranteed, in whole or in part, as to the payment

3046 of principal and interest, by the United States of America or any
3047 agency or instrumentality thereof;

3048 [(m)] (13) "Federally insured mortgage loan" means any loan
3049 secured by a mortgage from any participating institution for higher
3050 education or participating health care institution or participating
3051 nursing home which is either directly or indirectly insured or
3052 guaranteed, in whole or in part, as to the repayment of principal and
3053 interest, by the United States of America or any agency or
3054 instrumentality thereof, or by any commitment by the United States of
3055 America or any agency or instrumentality thereof to so insure or
3056 guarantee;

3057 [(n)] (14) "Qualified nonprofit organization" means any private,
3058 nonprofit organization qualified under Section 501(c)(3) of the Internal
3059 Revenue Code of 1986, as the same may be amended from time to
3060 time, other than a health care institution, nursing home or institution
3061 for higher education;

3062 [(o)] (15) "Participating qualified nonprofit organization" means a
3063 qualified nonprofit organization which, pursuant to the provisions of
3064 this chapter, shall undertake the financing and construction or
3065 acquisition of a project or shall undertake the refunding or refinancing
3066 of obligations, or of a mortgage, loan or advances made or given to it
3067 to finance, in anticipation of permanent financing or donation from an
3068 outside source, the cost of a project, as provided in and permitted by
3069 this chapter.

3070 Sec. 558. Section 10a-186b of the general statutes is repealed and the
3071 following is substituted in lieu thereof (*Effective October 1, 2006*):

3072 (a) As used in this section [,] and section 10a-186c, [and subsection
3073 (k) of section 10a-179,] the following words and terms shall have the
3074 following meanings unless the context indicates another or different
3075 meaning or intent:

3076 (1) "Amount available for debt service" means, for any accounting

3077 period, the net revenues available for debt service for such period
3078 reduced by the qualified expenditures for such period;

3079 (2) ["Authority"] "Collaborative" means the [State of Connecticut
3080 Health and Educational Facilities Authority as defined in section 10a-
3081 178] Connecticut Finance Collaborative established under section 501
3082 of this act;

3083 (3) "Bonds" means revenue bonds of the authority issued to finance
3084 a project at a participating nursing home, as defined in section 10a-178,
3085 as amended, which are secured by a special capital reserve fund;

3086 (4) "Bond documents" means all documents related to an issue of
3087 bonds including, but not limited to, the trust indenture, the loan
3088 agreement, the bonds, the mortgage and any other documents
3089 included in the closing transcript;

3090 (5) "Deficiency" as used in connection with any bonds, means the
3091 total of the following: (A) For any completed accounting period, the
3092 difference between the amount available for debt service for such
3093 period and the payment required to be made to the subject special
3094 capital reserve fund during such period so that the subject special
3095 capital reserve fund is in compliance with the applicable bond
3096 documents; (B) the projected amount necessary, after taking into
3097 account the estimated amount available for debt service, to avoid a
3098 draw on the special capital reserve funds or such higher amount as
3099 provided in the bond documents for the period selected by the
3100 authority so that the state has no obligation to make payments to such
3101 special capital reserve fund; and (C) such additional amounts as the
3102 authority may deem advisable to prevent the state from being
3103 obligated to make any payment to the applicable special capital
3104 reserve fund;

3105 (6) "Deficiency loan" means a loan made by the authority to a
3106 qualified nursing home to fund all or a portion of the deficiency. The
3107 principal amount of the deficiency loan shall not exceed the deficiency
3108 for the qualified nursing home receiving the deficiency loan. All other

3109 terms and conditions of the deficiency loan including the rate of
3110 interest, if any, shall be set by the authority as it deems appropriate;

3111 (7) "Net revenues available for debt service" means, for any
3112 accounting period, the excess of operating and nonoperating revenues
3113 of the qualified nursing home, including the proceeds of business
3114 interruption insurance over the operating and nonoperating expenses
3115 of the qualified nursing home for such period. For the purposes of this
3116 subdivision such revenues and expenses shall exclude any
3117 depreciation, amortization and current interest expense, as determined
3118 in accordance with generally accepted accounting principles, using
3119 either accrual or cash basis accounting, subject, to such adjustment for
3120 extraordinary, nonrecurrent, capital and other expenditures as the
3121 authority deems appropriate to determine actual funds available for
3122 debt service;

3123 (8) "Qualified expenditures" means all expenditures of any kind and
3124 type of a qualified nursing home, including capital expenditures and
3125 repayment of debt, which are necessary or advisable for the continued
3126 operation of a qualified nursing home in compliance with all
3127 applicable laws;

3128 (9) "Qualified nursing home" means a nursing home financed by
3129 bonds issued by the authority and secured by a special capital reserve
3130 fund pursuant to applicable bond documents;

3131 (10) "Special capital reserve funds" means the funds authorized
3132 under section 10a-186a, as amended, and as incorporated in the bond
3133 documents;

3134 (11) "Subject special capital reserve fund" means the special capital
3135 reserve fund to which a specific qualified nursing home is required to
3136 make payments under applicable bond documents.

3137 (b) There is established, within the office of the State Treasurer, a
3138 program to be known as the "nursing home debt service assistance
3139 program". The State Treasurer may, upon request of the [Connecticut

3140 Health and Educational Facilities Authority] collaborative advance
3141 funds to the authority from amounts appropriated from the General
3142 Fund for debt service or appropriated for said program, for a
3143 deficiency loan or payment of debt service on nursing home bonds
3144 issued by the authority and secured by a special capital reserve fund.
3145 The State Treasurer shall not advance funds unless there has been
3146 delivered to the State Treasurer in connection with such advance, a
3147 certificate of the executive director of the authority or any officer of the
3148 authority certifying: (1) That the board of directors of the authority has
3149 authorized the deficiency loan to be funded and made all findings
3150 required by public act 97-11 of the June 18 special session*; (2) the
3151 principal amount of the deficiency loan; (3) the requested amount of
3152 the advance from the nursing home debt service assistance program;
3153 and (4) the amount of all previous advances made in respect of such
3154 deficiency loan. Upon receipt of such certificate, to the extent funds are
3155 available, the State Treasurer is authorized to make the appropriate
3156 payment to the authority for the purpose of funding the deficiency
3157 loan.

3158 (c) The [authority] collaborative is authorized from time to time to
3159 extend deficiency loans to qualified nursing homes. Deficiency loans
3160 may be advanced in one or more installments and multiple deficiency
3161 loans may be extended to the same qualified nursing home. The terms
3162 and conditions of each deficiency loan shall be set forth in the
3163 authorizing resolution of the board of directors of the [authority]
3164 collaborative provided the board may delegate the power to set such
3165 terms and conditions to the executive director and any managing
3166 director of the [authority] collaborative. Prior to approving a
3167 deficiency loan, the board of directors of the [authority] collaborative
3168 shall reasonably determine, based upon the projections and other
3169 information presented to it that (1) there is a deficiency, and (2) any
3170 principal amount of the deficiency loan does not exceed the amount of
3171 the deficiency. All proceeds of a deficiency loan shall be made by the
3172 [authority] collaborative directly to the trustee of the bonds.

3173 (d) The [authority] collaborative shall have all powers, right and

3174 authority granted to it by this chapter or otherwise to administer and
3175 enforce any deficiency loan including the right to waive defaults and
3176 payments, extend maturities and release collateral. Subject to the
3177 approval of the State Treasurer, the [authority] collaborative is
3178 specifically empowered in its discretion, to forgive up to one-half of
3179 the principal amount of a deficiency loan if it finds that the financial
3180 condition of the qualified nursing home has substantially improved
3181 and the risk that the state will be required to make payments to restore
3182 the subject special capital reserve fund has been substantially reduced.
3183 All repayments made on deficiency loans shall be paid by the
3184 [authority] collaborative to the State Treasurer for deposit in the
3185 General Fund.

3186 Sec. 559. Section 10a-194c of the general statutes is repealed and the
3187 following is substituted in lieu thereof (*Effective October 1, 2006*):

3188 (a) The Connecticut [Health and Educational Facilities Authority]
3189 Finance Collaborative shall establish a program to finance low interest
3190 loans for child care and child development centers, family resource
3191 centers and Head Start programs that shall be known as the
3192 Connecticut Child Care Facilities Program. Loans shall be made for the
3193 purpose of new construction or renovation of existing centers or
3194 complying with federal, state and local child care requirements,
3195 including health and safety standards. For purposes of this section,
3196 "child development center" means a building used by a nonprofit
3197 school readiness program, as defined in section 10-16p, as amended,
3198 and "child care center" means a nonprofit facility that is licensed by the
3199 Department of Public Health as a child day care center or a group day
3200 care home, both as defined in section 19a-77, as amended.

3201 (b) The [authority] collaborative may issue bonds pursuant to
3202 section 10a-185, as amended, for the purpose of funding loans to child
3203 care and child development centers for the purposes provided in
3204 subsection (a) of this section, including for two or more child care or
3205 child development centers jointly, which bonds may be secured, in
3206 whole or in part, by a pledge of revenues to be derived from the

3207 operation or use of a child care or child development center, including
3208 third party payments made on behalf of children served by any such
3209 center to the extent permitted by law. In carrying out the purposes of
3210 this section, the authority shall have and may exercise the powers
3211 provided in section 10a-180.

3212 Sec. 560. Section 10a-194d of the general statutes is repealed and the
3213 following is substituted in lieu thereof (*Effective October 1, 2006*):

3214 (a) The Connecticut [Health and Educational Facilities Authority]
3215 Finance Collaborative may establish a subsidiary which shall be
3216 deemed a quasi-public agency for purposes of chapter 12, for the
3217 purpose of improving access to high-quality child care in the state by
3218 coordinating expertise in finance, government, architecture,
3219 construction and child care, and may transfer to such subsidiary any
3220 moneys, real or personal property, of any child care or child
3221 development center financed by the authority and acquired as a result
3222 of a foreclosure or otherwise. Such subsidiary shall have all the
3223 privileges, immunities, tax exemptions and other exemptions of the
3224 authority. Such subsidiary shall be subject to suit and liability solely
3225 from the assets, revenues and resources of the subsidiary and without
3226 recourse to the general funds, revenues, resources or any other assets
3227 of the authority. Such subsidiary is authorized to assume or take title
3228 to any real property, including a child care or child development
3229 center, subject to any existing mortgage and to mortgage, convey or
3230 dispose of its assets and pledge its revenues in order to secure any
3231 borrowing, for the purpose of developing, acquiring, constructing,
3232 refinancing, rehabilitating or improving its assets, provided each such
3233 borrowing or mortgage, unless otherwise provided by the board or the
3234 subsidiary, shall be a special obligation of the subsidiary, which
3235 obligation may be in the form of bonds, bond anticipation notes or
3236 other obligations which evidence an indebtedness to the extent
3237 permitted under this chapter to fund, refinance and refund the same
3238 and provide for the rights of holders thereof, and to secure the same by
3239 pledge of revenues, notes and mortgages of others, and which shall be
3240 payable solely from the assets, revenues and other resources of the

3241 subsidiary and in no event shall such bonds be secured by a special
3242 capital reserve fund of any kind which is in any way contributed to by
3243 the state. The subsidiary shall have the purposes as provided by
3244 resolution of the [authority's] collaborative's board of directors, which
3245 purposes shall be consistent with this chapter. No further action is
3246 required for the establishment of the subsidiary, except the adoption of
3247 a resolution for the subsidiary.

3248 (b) The board of directors of the subsidiary shall be the board of
3249 directors of the [authority] collaborative.

3250 (c) To the extent necessary or appropriate to assure that the interest
3251 on any of its bonds, notes or other obligations are or continue to be
3252 excluded from the gross income of the recipients for federal income tax
3253 purposes, the [authority] collaborative or subsidiary shall take such
3254 actions to comply with the provisions of the Internal Revenue Code of
3255 1986 or any subsequent corresponding internal revenue code of the
3256 United States, as from time to time amended, if necessary, to qualify
3257 and maintain such subsidiary as a corporation exempt from taxation
3258 under said Internal Revenue Code.

3259 Sec. 561. Section 10a-194f of the general statutes is repealed and the
3260 following is substituted in lieu thereof (*Effective October 1, 2006*):

3261 (a) The Connecticut [Health and Educational Facilities Authority]
3262 Finance Collaborative shall allocate from its reserves an amount not to
3263 exceed one million five hundred thousand dollars in the aggregate for
3264 a period not to exceed three years to establish a Captive Insurance
3265 Demonstration Program Grant Fund. The fund shall be used to
3266 provide grants to nonprofit hospitals that establish a captive insurer or
3267 expand coverage offered by an existing captive insurer in order to
3268 provide medical malpractice indemnity or insurance to physicians and
3269 surgeons who enjoy privileges at the hospitals. The fund may cover
3270 legal, actuarial, consulting and other costs associated with providing
3271 such indemnity or insurance. Any amount in the fund that is not
3272 expended at the end of the three-year period shall revert to the

3273 [authority's] collaborative's reserves.

3274 (b) Grants shall be awarded based on the size and financial
3275 resources of the hospitals. Grants shall not exceed seven hundred fifty
3276 thousand dollars per captive insurer and shall not be used to establish
3277 or expand more than two captive insurers. No hospital shall be eligible
3278 for a grant under this section unless it agrees to provide the [authority]
3279 collaborative, on a periodic basis as determined by the authority but
3280 not less than annually, information on the captive insurer's
3281 performance including, but not limited to, premiums charged, captive
3282 insurer operating costs, claims experience, the estimated savings over
3283 methods of insurance used by the hospital prior to the creation of the
3284 captive insurer, and other information required by the [authority]
3285 collaborative.

3286 (c) Not later than February 1, 2005, and annually thereafter until
3287 February 1, 2008, the [authority] collaborative shall complete a report
3288 that includes an analysis of the information submitted to the
3289 [authority] collaborative by hospitals that receive a grant pursuant to
3290 this section. The report shall be made available to the public and the
3291 [authority] collaborative shall annually submit the report to the
3292 General Assembly in accordance with section 11-4a.

3293 Sec. 562. Section 10a-194g of the general statutes is repealed and the
3294 following is substituted in lieu thereof (*Effective October 1, 2006*):

3295 The Connecticut [Health and Educational Facilities Authority]
3296 Finance Collaborative shall establish, within available resources, a
3297 program to allow nonprofit hospitals to access leases in order to
3298 finance costs associated with the digitization of patient records if such
3299 costs are exempt from taxation pursuant to the Internal Revenue Code
3300 of 1986, or any subsequent corresponding internal revenue code of the
3301 United States, as from time to time amended. Such leases may be made
3302 available to hospitals on an individual or group basis.

3303 Sec. 563. Section 10a-194h of the general statutes is repealed and the
3304 following is substituted in lieu thereof (*Effective October 1, 2006*):

3305 (a) For the purposes of the program described in this section,
3306 municipalities, local boards of education with the approval of the
3307 municipal legislative body, regional school districts and regional
3308 educational service centers shall be deemed to be "participating
3309 qualified nonprofit organizations". For the purposes of this section,
3310 "preschool project" means the acquisition, construction, improvement,
3311 extension, furnishing or equipping of a structure or facility suitable for
3312 use for, required or useful for nonprofit educational programs for
3313 three-year-old or four-year-old children, including, but not limited to,
3314 school readiness and Head Start programs, or the acquisition of
3315 fixtures, equipment or machinery for such a structure or facility;
3316 "bonds" means any bonds, including refunding bonds, notes,
3317 temporary notes, interim certificates, debentures or other obligations
3318 of indebtedness; and "municipality" means a town, city, consolidated
3319 town or city or consolidated town and borough.

3320 (b) The Connecticut [Health and Educational Facilities Authority]
3321 Finance Collaborative may issue bonds pursuant to section 10a-185, as
3322 amended, for the purpose of funding loans to a participating qualified
3323 nonprofit organization for preschool projects, including for two or
3324 more preschool projects jointly, which bonds may be secured, in whole
3325 or in part, by a pledge of revenues to be derived from the operation or
3326 use of a preschool project, including fees, charges, tuition or other
3327 revenues or third party payments made on behalf of children served
3328 by such preschool project to the extent permitted by law. In carrying
3329 out the purposes of this section, the authority shall have and may
3330 exercise the powers provided in section 10a-180.

3331 (c) Participating qualified nonprofit organizations may borrow
3332 money from the Connecticut [Health and Educational Facilities
3333 Authority] Finance Collaborative for any preschool project for which
3334 the authority is authorized to make loans pursuant to this section. In
3335 connection with such borrowing, participating qualified nonprofit
3336 organizations may enter into any loan or other agreement and make
3337 such covenants, representations and indemnities as such participating
3338 qualified nonprofit organization deems necessary or desirable to

3339 obtain such loans from the authority or to facilitate the issue of bonds
3340 by the authority to finance such loans, including agreements with
3341 providers of letters of credit, insurance or other credit facilities for such
3342 financings. The Department of Education, in consultation with the
3343 Department of Social Services and the Connecticut [Health and
3344 Educational Facilities Authority] Finance Collaborative, shall establish
3345 priorities for financing facilities based on need and quality
3346 determinants.

3347 (d) Any bonds issued pursuant to this section shall not constitute
3348 indebtedness within the meaning of any statutory limitation on the
3349 indebtedness of any participating municipality, or of the municipality
3350 or member municipality if the borrower is a local board of education
3351 or regional school district. Bonds issued pursuant to this section shall
3352 be special obligations of the municipality and shall not be payable
3353 from nor charged upon any funds other than revenues pledged to the
3354 payment thereof, nor shall the municipality be subject to any liability
3355 thereon except to the extent of any pledged revenues. No holder or
3356 holders of any bonds shall have the right to compel any exercise of the
3357 taxing power of the municipality to pay any bonds or the interest
3358 thereon, or to enforce payment thereon against any property of the
3359 municipality except property encumbered under the provisions and
3360 for the purposes of this section. The bonds shall not constitute a
3361 charge, lien or encumbrance, legal or equitable, upon any property of
3362 the municipality except property encumbered under the provisions
3363 and for the purposes of this section.

3364 (e) The [authority] collaborative shall adopt procedures to carry out
3365 the purposes of this section.

3366 Sec. 564. Section 1-120 of the general statutes is repealed and the
3367 following is substituted in lieu thereof (*Effective October 1, 2006*):

3368 As used in sections 1-120 to 1-123, inclusive:

3369 (1) "Quasi-public agency" means the Connecticut [Development
3370 Authority, Connecticut Innovations, Incorporated, Connecticut Health

3371 and Educational Facilities Authority] Finance Collaborative,
3372 Connecticut Higher Education Supplemental Loan Authority,
3373 Connecticut Housing Finance Authority, Connecticut Housing
3374 Authority, Connecticut Resources Recovery Authority, Connecticut
3375 Hazardous Waste Management Service, Capital City Economic
3376 Development Authority and Connecticut Lottery Corporation.

3377 (2) "Procedure" means each statement, by a quasi-public agency, of
3378 general applicability, without regard to its designation, that
3379 implements, interprets or prescribes law or policy, or describes the
3380 organization or procedure of any such agency. The term includes the
3381 amendment or repeal of a prior regulation, but does not include,
3382 unless otherwise provided by any provision of the general statutes, (A)
3383 statements concerning only the internal management of any agency
3384 and not affecting procedures available to the public, and (B) intra-
3385 agency memoranda.

3386 (3) "Proposed procedure" means a proposal by a quasi-public
3387 agency under the provisions of section 1-121 for a new procedure or
3388 for a change in, addition to or repeal of an existing procedure.

3389 Sec. 565. Section 32-41 of the general statutes is repealed and the
3390 following is substituted in lieu thereof (*Effective July 1, 2006*):

3391 The State Bond Commission shall have power in accordance with
3392 the provisions of section 3-20, as amended, to authorize the issuance of
3393 bonds of the state in one or more series and in principal amounts not
3394 exceeding in the aggregate [forty-seven] seventy-two million eight
3395 hundred fifty-four thousand nine hundred dollars to carry out the
3396 purposes of sections 32-32 to [32-41] 32-41u, inclusive. The principal
3397 and interest of said bonds shall be payable at such place or places as
3398 may be determined by the State Treasurer and shall bear such date or
3399 dates, mature at such time or times, bear interest at such rate or
3400 different or varying rates, be payable at such time or times, be in such
3401 denominations, be in such form with or without interest coupons
3402 attached, carry such registration and transfer privileges, be payable in

3403 such medium of payment and be subject to such terms of redemption
3404 with or without premium as, irrespective of the provisions of said
3405 section 3-20, may be provided by the authorization of the State Bond
3406 Commission or fixed in accordance therewith. The proceeds of the sale
3407 of such bonds, after deducting therefrom all expenses of issuance and
3408 sale, shall be paid to the Connecticut Innovations, Incorporated Fund,
3409 or its successor, created under section 32-41a. When the State Bond
3410 Commission has acted to issue such bonds or a portion thereof, the
3411 Treasurer may, pending the issue of such bonds, issue, in the name of
3412 the state, temporary notes in anticipation of the money to be received
3413 from the sale of such bonds. In issuing the bonds authorized
3414 hereunder, the State Bond Commission may require repayment of such
3415 bonds by the corporation as shall seem desirable consistent with the
3416 purposes of sections 32-32 to 32-41, inclusive. Such terms for
3417 repayment may include a forgiveness of interest, a holiday in the
3418 repayment of interest or principal or both.

3419 Sec. 566. Sections 10a-179, 32-11a, 32-35, 32-37 and 32-42 of the
3420 general statutes are repealed. (*Effective October 1, 2006*)"