New Copy

Senate

General Assembly

File No. 159

February Session, 2010

Substitute Senate Bill No. 308

Senate, March 29, 2010

The Committee on Program Review and Investigations reported through SEN. KISSEL of the 7th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE CONCERNING CONNECTICUT'S ECONOMIC COMPETITIVENESS.

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

Section 1. (NEW) (*Effective July 1, 2010*) (a) There is established a Connecticut Economic Development Authority. The department head shall be the executive director, who shall be appointed in accordance with the provisions of section 2 of this act, with the powers and duties therein prescribed.

(b) The Connecticut Economic Development Authority shall constitute a successor agency to the Department of Economic and Community Development in accordance with the provisions of sections 4-38d and 4-39 of the general statutes.

(c) Wherever the words "Commissioner of Economic and Community Development" are used in the general statutes, the words

"executive director of the Connecticut Economic Development Authority" shall be substituted in lieu thereof.

(d) Any order or regulation of the Department of Economic and Community Development which is in force on July 1, 2010, shall continue in force and effect as an order or regulation of the Connecticut Economic Development Authority until amended, repealed or superseded pursuant to law. Where any order or regulation of said departments conflict, the executive director of the Connecticut Economic Development Authority may implement policies and procedures in accordance with section 1-121 of the general statutes consistent with the provisions of this act.

Sec. 2. (NEW) (*Effective July 1, 2010*) (a) As used in this section and sections 3 to 10, inclusive, of this act:

(1) "Authority" means the Connecticut Economic Development Authority; and

(2) "Executive director" means the executive director of the Connecticut Economic Development Authority.

(b) There is hereby created as a body politic and corporate, constituting a public instrumentality and political subdivision of the state created for the performance of an essential public and governmental function, the Connecticut Economic Development Authority which is empowered to carry out the purposes of the authority, as provided in section 3 of this act, which are determined to be public purposes for which public funds may be expended. The Connecticut Economic Development Authority shall not be construed to be a department, institution or agency of the state.

(c) The board of directors of the authority shall consist of the State Treasurer and the Secretary of the Office of Policy and Management, or their respective designees, five members appointed by the Governor and four members appointed as follows: One by the president pro tempore of the Senate, one by the minority leader of the Senate, one by

the speaker of the House of Representatives and one by the minority leader of the House of Representatives. Each ex-officio member shall have full powers to vote, and member may designate a deputy or any member of the agency staff to represent the member at meetings of the authority with full powers to act and vote on the member's behalf. Each member appointed by the Governor shall serve at the pleasure of the Governor but no longer than the term of office of the Governor or until the member's successor is appointed and qualified, whichever is longer. Each member appointed by a member of the General Assembly shall serve in accordance with the provisions of section 4-1a of the general statutes. Members shall receive no compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties. Any vacancy on the board shall be filled for the unexpired term by the appointing authority of such member. Any member of the board may be removed by the Governor for misfeasance, malfeasance or wilful neglect of duty.

(d) Each member of the authority, before entering upon his or her duties, shall take and subscribe the oath or affirmation required by article XI, section 1, of the State Constitution. A record of each such oath shall be filed in the office of the Secretary of the State. Each member of the board of directors of the authority shall execute a surety bond in the penal sum of fifty thousand dollars, or, in lieu thereof, the chairperson of the board shall execute a blanket position bond covering each member and the chief executive officer and the employees of the authority, each surety bond to be conditioned upon the faithful performance of the duties of the office or offices covered, to be executed by a surety company authorized to transact business in this state as surety and to be approved by the Attorney General and filed in the office of the Secretary of the State. The cost of each such bond shall be paid by the authority.

(e) Notwithstanding any provision of the law, it shall not constitute a conflict of interest for a trustee, director, partner or officer of any person, firm or corporation or any individual having a financial interest in a person, firm or corporation to serve as a member of the

board of directors of the authority; provided such trustee, director, partner or officer of any person, firm or corporation or any individual having a financial interest in a person, firm or corporation shall file with the authority a record of his or her capacity with or interest in such person, firm or corporation and abstain and absent himself or herself from any deliberation, action and vote by the board in specific respect to such person, firm or corporation.

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

(g) The board of directors of the authority shall adopt written procedures, in accordance with the provisions of section 1-121 of the general statutes, for: (1) Adopting an annual budget and plan of operations, including a requirement of board approval before the budget or plan may take effect; (2) hiring, promoting and compensating employees of the authority, including an affirmative action policy and a requirement of board approval before a position may be created; (3) purchasing, leasing or acquiring real and personal property and personal services, including a requirement of board approval for any nonbudgeted expenditure in excess of five thousand dollars; (4) contracting for financial, legal, bond underwriting and other professional services, including a requirement that the authority solicit proposals at least once every three years for each such service which it uses; (5) issuing and retiring bonds, bond anticipation notes and other obligations of the authority; (6) awarding loans, grants and other financial assistance, including eligibility criteria, the application process and the role played by the authority's staff and board of directors and including deadlines for the approval or disapproval of applications for such assistance by the authority; and (7) the use of surplus funds to the extent authorized under this section and sections 3 to 10, inclusive, of this act.

110 (h) Neither members of the board of directors of the authority nor
111 any person executing the notes and bonds shall be liable personally on
112 the notes or bonds or be subject to any personal liability or
113 accountability by reason of the issuance thereof.

114 (i) The powers of the authority shall be vested in and exercised by
115 not less than seven of the members of the board of directors then in
116 office. Such number of members shall constitute a quorum and the
117 affirmative vote of a majority of the members present at a meeting of
118 the board shall be necessary for any action taken by the authority. No
119 vacancy in the membership of the board shall impair the right to
120 exercise all the rights and perform all the duties of the authority. Any
121 action taken by the board under the provisions of this section and
122 sections 3 to 10, inclusive, of this act may be authorized by resolution
123 at any regular or special meeting, and each such resolution shall take
124 effect immediately and need not be published or posted. The authority
125 shall be exempt from the provisions of section 4-9a of the general
126 statutes.

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

130 (k) The authority shall continue as long as it shall have bonds or
131 other obligations outstanding and until its existence is terminated by
132 law. Upon the termination of the existence of the authority, all its
133 rights and properties shall pass to and be vested in the state.

134 (l) The authority shall be subject to examination by the State
135 Treasurer. The accounts of the authority shall be subject to annual
136 audits by the State Auditors of Public Accounts.

137 Sec. 3. (NEW) (*Effective July 1, 2010*) (a) The purposes of the
138 Connecticut Economic Development Authority shall be:

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

(2) To discharge the responsibilities of the authority under sections 2 to 10, inclusive, of this act, chapters 578, 579, 581, 584, 588*l*, 588n, 588r and 588u of the general statutes, and any other provisions of the general statutes or any public or special act setting forth or governing the powers and duties of the authority;

(3) To stimulate and encourage the research and development of new technologies and products;

(4) To encourage the creation and transfer of new technologies;

(5) To assist existing businesses in adopting current and innovative technological processes;

(6) To stimulate and provide services to industry that will advance the adoption and utilization of technology;

(7) To achieve improvements in the quality of products and services;

(8) To stimulate and encourage the development and operation of new and existing science parks and incubator facilities; and

(9) To promote science, engineering, mathematics and other disciplines that are essential to the development and application of technology within Connecticut by the infusion of financial aid for research, invention and innovation in situations in which such financial aid would not otherwise be reasonably available from commercial or other sources;

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

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

(2) To solicit, receive and accept aid, grants or contributions from any source of money, property or labor or other things of value, to be

held, used and applied to carry out the purposes of the authority, subject to the conditions upon which such grants and contributions may be made, including, but not limited to, gifts or grants from any department or agency of the United States or the state;

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

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

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

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

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

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

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

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

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

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

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

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

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

(16) To insure any or all payments to be made by the borrower

under the terms of any agreement for the extension of credit or making of a loan by the authority in connection with any economic development project to be financed, wholly or in part, through the issuance of bonds or mortgage payments of any mortgage which is given by a mortgagor to the mortgagee who has provided the mortgage for an economic development project upon such terms and conditions as the authority may prescribe and as provided herein, and the faith and credit of the state are pledged thereto;

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

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

(19) To do all acts and things necessary and convenient to carry out the purposes of sections 2 to 10, inclusive, of this act.

Sec. 4. (NEW) (*Effective July 1, 2010*) The exercise of the powers vested in the Connecticut Economic Development Authority, and any subsidiary of such authority, shall constitute the performance of an essential governmental function and the authority shall not be required to pay any taxes or assessments upon or in respect of a project, or any property or moneys of the authority, levied by the state, any municipality or political subdivision or special district having taxing powers of the state.

Sec. 5. (NEW) (*Effective July 1, 2010*) (a) (1) The Connecticut Economic Development Authority, established pursuant to section 2 of

this act, may form one or more subsidiaries to carry out the public purposes of the authority and may transfer to any such subsidiary any moneys and real or personal property of any kind or nature. Any such subsidiary may be organized as a stock or nonstock corporation or a limited liability company. Each such subsidiary shall have and may exercise such powers of the authority as are set forth in the resolution of the authority prescribing the purposes for which such subsidiary is formed and such other powers provided to it by law.

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

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

(4) Each such subsidiary shall be deemed a quasi-public agency for purposes of chapter 12 of the general statutes and shall have all the privileges, immunities, tax exemptions and other exemptions of the authority, including the privileges, immunities, tax exemptions and other exemptions provided under the general statutes for special capital reserve funds. Each such subsidiary shall be subject to suit provided its liability shall be limited solely to the assets, revenues and resources of the subsidiary and without recourse to the general funds, revenues, resources or any other assets of the authority. Each such subsidiary is authorized to assume or take title to property subject to any existing lien, encumbrance or mortgage and to mortgage, convey

297 or dispose of its assets and pledge its revenues in order to secure any
298 borrowing, provided each such borrowing or mortgage shall be a
299 special obligation of the subsidiary, which obligation may be in the
300 form of bonds, bond anticipation notes and other obligations to the
301 extent permitted under sections 2 to 9, inclusive, of this act to fund and
302 refund the same and provide for the rights of the holders thereof, and
303 to secure the same by pledge or revenues, notes and other assets and
304 which shall be payable solely from the assets, revenues and other
305 resources of the subsidiary. The authority shall have the power to
306 assign to a subsidiary any rights, moneys or other assets it has under
307 any governmental program including the nursing home loan program.
308 No borrowing shall be undertaken by a subsidiary of the authority
309 without the approval of the authority.

310 (b) (1) The authority may establish one or more subsidiaries to
311 stimulate, encourage and carry out the remediation, development and
312 financing of contaminated property within this state, in coordination
313 with the Department of Environmental Protection, and to provide
314 financial, developmental and environmental expertise to others
315 including, but not limited to, municipalities, interested in or
316 undertaking such remediation, development or financing which are
317 determined to be public purposes for which public funds may be
318 expended. Each subsidiary shall be deemed a quasi-public agency for
319 purposes of chapter 12 of the general statutes. The authority may
320 transfer to any such subsidiary any moneys and real or personal
321 property. Each such subsidiary shall have all the privileges,
322 immunities, tax exemptions and other exemptions of the authority.

323 (2) Each such subsidiary may sue and shall be subject to suit
324 provided the liability of each such subsidiary shall be limited solely to
325 the assets, revenues and resources of such subsidiary and without
326 recourse to the general funds, revenues, resources or any other assets
327 of the authority or any other subsidiary. No such subsidiary may
328 provide for any bonded indebtedness of the state for the cost of any
329 liability or contingent liability for the remediation of contaminated real
330 property unless such indebtedness is specifically authorized by an act

of the General Assembly. Each such subsidiary shall have the power to do all acts and things necessary or convenient to carry out the purposes of this subsection, section 12-81r of the general statutes, subsection (h) of section 22a-133m of the general statutes, subsection (a) of section 22a-133x of the general statutes, sections 22a-133aa, 22a-133bb and 22a-133dd of the general statutes, subsection (l) of section 22a-134a of the general statutes, and sections 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive, of the general statutes, including, but not limited to, (A) solicit, receive and accept aid, grants or contributions from any source of money, property or labor or other things of value, to be held, used and applied to carry out the purposes of this subsection, section 12-81r of the general statutes, subsection (h) of section 22a-133m of the general statutes, subsection (a) of section 22a-133x of the general statutes, sections 22a-133aa, 22a-133bb and 22a-133dd of the general statutes, subsection (l) of section 22a-134a of the general statutes, and sections 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive, of the general statutes, subject to the conditions upon which such grants and contributions may be made, including, but not limited to, gifts, grants or loans, from any department, agency or quasi-public agency of the United States or the state; (B) enter into agreements with persons upon such terms and conditions as are consistent with the purposes of such subsidiary to acquire or facilitate the remediation, development or financing of contaminated real or personal property; (C) to acquire, take title, lease, purchase, own, manage, hold and dispose of real and personal property and lease, convey or deal in or enter into agreements with respect to such property; (D) examine, inspect, rehabilitate, remediate or improve real or personal property or engage others to do so on such subsidiary's behalf, or enter into contracts therefor; (E) mortgage, convey or dispose of its assets and pledge its revenues in order to secure any borrowing, for the purpose of financing, refinancing, rehabilitating, remediating, improving or developing its assets, provided each such borrowing or mortgage shall be a special obligation of such subsidiary, which obligation may be in the form of notes, bonds, bond anticipation notes and other obligations issued by or to such subsidiary to the extent permitted under sections 2

366 to 9, inclusive, of this act to fund and refund the same and provide for
367 the rights of the holders thereof, and to secure the same by pledge of
368 revenues, notes or other assets and which shall be payable solely from
369 the assets, revenues and other resources of such subsidiary; (F) to
370 create real estate investment trusts or similar entities or to become a
371 member of a limited liability company or to become a partner in
372 limited or general partnerships or establish other contractual
373 arrangements with private and public sector entities as such subsidiary
374 deems necessary to remediate, develop or finance environmentally
375 contaminated property in the state; and (G) any other powers
376 necessary or appropriate to carry out the purposes of this subsection,
377 subsection (h) of section 22a-133m of the general statutes, subsection
378 (a) of section 22a-133x of the general statutes, sections 22a-133aa, 22a-
379 133bb and 22a-133dd of the general statutes, subsection (l) of section
380 22a-134a of the general statutes, and sections 22a-452f, 32-7e and 32-
381 23pp to 32-23rr, inclusive, of the general statutes. The board of
382 directors, executive director, officers and staff of the authority may
383 serve as members of any advisory or other board which may be
384 established to carry out the purposes of this subsection, subsection (h)
385 of section 22a-133m of the general statutes, subsection (a) of section
386 22a-133x of the general statutes, sections 22a-133aa, 22a-133bb and 22a-
387 133dd of the general statutes, subsection (l) of section 22a-134a of the
388 general statutes, and sections 22a-452f, 32-7e and 32-23pp to 32-23rr,
389 inclusive, of the general statutes.

390 (c) Each such subsidiary shall act through its board of directors, at
391 least one-half of which shall be members of the board of directors of
392 the authority, or their designees, or officers or employees of the
393 authority. A resolution of the authority shall prescribe the purposes for
394 which each such subsidiary is formed.

395 (d) The provisions of section 1-125 of the general statutes and this
396 subsection shall apply to any officer, director, designee or employee
397 appointed as a member, director or officer of any such subsidiary. Any
398 such persons so appointed shall not be personally liable for the debts,
399 obligations or liabilities of any such subsidiary as provided in said

section 1-125. The subsidiary shall, and the authority may, provide for the indemnification to protect, save harmless and indemnify such officer, director, designee or employee as provided by said section 1-125.

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

(f) The authority may make loans to each such subsidiary, following standard authority procedures, from its assets and the proceeds of its bonds, notes and other obligations, provided the source and security for the repayment of such loans is derived from the assets, revenues and resources of the subsidiary.

Sec. 6. (NEW) (*Effective July 1, 2010*) (a) The board of directors of the Connecticut Economic Development Authority, established pursuant to section 2 of this act, shall appoint an executive director who shall not be a member of the board and such other officers as it determines. Such officers shall be exempt from classified service, serve at the pleasure of the board and receive such compensation as shall be fixed by the board.

(b) The executive director shall direct and supervise administrative affairs and technical activities in accordance with the directives of the board. He or she shall perform such other duties as may be directed by the board in carrying out the purposes of sections 2 to 10, inclusive, of this act and chapters 578, 579, 581, 584, 588*l*, 588n, 588r and 588u of the general statutes. The executive director shall attend all meetings of the board, keep a record of the proceedings of the board and shall maintain and be custodian of all books, documents and papers filed with the authority and of the minute book or journal of the authority and of its official seal. He or she may cause copies to be made of all minutes and other records and documents of the authority and may

433 give certificates under the official seal of the authority to the effect that
434 such copies are true copies, and all persons dealing with the authority
435 may rely upon such certificates.

436 Sec. 7. (NEW) (*Effective July 1, 2010*) (a) Not later than November 1,
437 2010, and annually thereafter, the Connecticut Economic Development
438 Authority, established pursuant to section 2 of this act, shall submit a
439 report, in accordance with the provisions of section 11-4a of the general
440 statutes, to the Governor, the Auditors of Public Accounts and the joint
441 standing committees of the General Assembly having cognizance of
442 matters relating to commerce, appropriations and the budgets of state
443 agencies and finance, revenue and capital bonding, which shall include
444 the following information with respect to new and outstanding
445 financial assistance provided by the authority during the twelve-
446 month period ending on June thirtieth next preceding the date of the
447 report for each financial assistance program administered by the
448 authority: (1) A list of the names, addresses and locations of all
449 recipients of such assistance, (2) for each recipient: (A) The business
450 activities, (B) the North American Industry, Classification System
451 codes, (C) the gross revenues during the recipient's most recent fiscal
452 year, (D) the number of employees at the time of application, (E)
453 whether the recipient is a minority or woman-owned business, (F) a
454 summary of the terms and conditions for the assistance, including the
455 type and amount of state financial assistance, job creation or retention
456 requirements, and anticipated wage rates, and (G) the amount of
457 investments from private and other nonstate sources that have been
458 leveraged by the assistance, (3) the economic benefit criteria used in
459 determining which applications have been approved or disapproved,
460 and (4) for each recipient of assistance, a comparison between the
461 number of jobs to be created, the number of jobs to be retained and the
462 average wage rates for each such category of jobs, as projected in the
463 recipient's application, versus the actual number of jobs created, the
464 actual number of jobs retained and the average wage rates for each
465 such category. The report shall also indicate the actual number of full-
466 time jobs and the actual number of part-time jobs in each such category
467 and the benefit levels for each such subcategory. In addition, the report

468 shall state (i) for each final application approved during the twelve-
469 month period covered by the report, (I) the date that the final
470 application was received by the authority, and (II) the date of such
471 approval; (ii) for each final application withdrawn during the twelve-
472 month period covered by the report, (I) the municipality in which the
473 applicant is located, (II) the North American Industry Classification
474 System code for the applicant, (III) the date that the final application
475 was received by the authority, and (IV) the date of such withdrawal;
476 (iii) for each final application disapproved during the twelve-month
477 period covered by the report, (I) the municipality in which the
478 applicant is located, (II) the North American Industry Classification
479 System code for the applicant, (III) the date that the final application
480 was received by the authority, and (IV) the date of such disapproval;
481 and (v) for each final application on which no action has been taken by
482 the applicant or the agency in the twelve-month period covered by the
483 report and for which no report has been submitted under this
484 subsection, (I) the municipality in which the applicant is located, (II)
485 the North American Industry Classification System code for the
486 applicant, and (III) the date that the final application was received by
487 the authority. The provisions of this subsection shall not apply to
488 activities of the authority under the provisions of chapter 581 of the
489 general statutes which shall continue to be reported on as provided in
490 section 32-47a of the general statutes.

491 (b) The November first report shall also include a summary of the
492 activities of the authority, including all activities to assist small
493 businesses and minority business enterprises, as defined in section 4a-
494 60g of the general statutes, a complete operating and financial
495 statement and recommendations for legislation to promote the
496 purposes of the authority.

497 Sec. 8. (NEW) (*Effective July 1, 2010*) (a) (1) In accordance with the
498 provisions of section 4-38d of the general statutes, all powers and
499 duties of the Connecticut Development Authority under the provisions
500 of chapter 579 of the general statutes, shall be transferred to the
501 Connecticut Economic Development Authority established pursuant to

section 2 of this act. On and after the effective date of this section, the Connecticut Brownfields Redevelopment Authority, a subsidiary of the Connecticut Development Authority created pursuant to subsection (l) of section 32-11a of the general statutes, shall be a subsidiary of the Connecticut Economic Development Authority.

(2) All notes, bonds or other obligations issued by the Connecticut Development Authority for the financing of any project or projects shall be in accordance with their terms of full force and effect and valid and binding upon the Connecticut Economic Development Authority as the successor to the Connecticut Development Authority and with respect to any resolution, contract, deed, trust agreement, mortgage, conditional sale or loan agreement, commitment, obligation or liability or other such document, public record, right, remedy, special act or public act, obligation, liability or responsibility pertaining thereto, the Connecticut Economic Development Authority shall be, and shall be deemed to be, the successor to the Connecticut Development Authority. All properties, rights in land, buildings and equipment and any funds, moneys, revenues and receipts or assets of such authority pledged or otherwise securing any such notes, bonds or other obligations shall belong to the Connecticut Economic Development Authority as successor to the Connecticut Development Authority, subject to such pledges and other security arrangements and to agreements with the holders of the outstanding notes, bonds or other obligations. Any resolution with respect to the issuance of bonds of Connecticut Development Authority for the purposes of sections 2 to 9, inclusive, of this act and any other action taken by the Connecticut Economic Development Authority with respect to assisting in the financing of any project shall be, or shall be deemed to be, a resolution of the Connecticut Economic Development Authority or an action taken by the Connecticut Economic Development Authority subject only to any agreements with the holders of outstanding notes, bonds or other obligations of the authority.

(3) Whenever the term "Connecticut Development Authority" is used or referred to in the general statutes, the term "Connecticut

Economic Development Authority" shall be substituted in lieu thereof.

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

(b) (1) In accordance with the provisions of section 4-38d of the general statutes, all powers, duties and personnel of Connecticut Innovations, Incorporated, under the provisions of chapter 581 of the general statutes shall be transferred to the Connecticut Economic Development Authority established pursuant to section 2 of this act. All cash, notes, receivables, liabilities, appropriations, authorizations, allocations, and all other assets and properties of Connecticut Innovations, Incorporated, shall be transferred to the Connecticut Economic Development Authority. Such transfer shall not affect the validity, enforceability or binding nature of any contract or agreement for financial aid made by Connecticut Innovations, Incorporated, under the authorization of this act before the effective date of this act. On and after the effective date of this section, any and all subsidiaries of the Connecticut Innovations, Incorporated, shall be subsidiaries of the Connecticut Economic Development Authority.

(2) All notes, bonds or other obligations issued by Connecticut Economic Innovations, Incorporated for the financing of any project or projects shall be in accordance with their terms of full force and effect and valid and binding upon the Connecticut Economic Development Authority as the successor to Connecticut Innovations, Incorporated and with respect to any resolution, contract, deed, trust agreement, mortgage, conditional sale or loan agreement, commitment, obligation or liability or other such document, public record, right, remedy, special act or public act, obligation, liability or responsibility pertaining thereto, the Connecticut Economic Development Authority shall be, and shall be deemed to be, the successor to Connecticut Innovations, Incorporated. All properties, rights in land, buildings and equipment and any funds, moneys, revenues and receipts or assets of

569 such commission pledged or otherwise securing any such notes, bonds
570 or other obligations shall belong to the Connecticut Economic
571 Development Authority as successor to Connecticut Innovations,
572 Incorporated, subject to such pledges and other security arrangements
573 and to agreements with the holders of the outstanding notes, bonds or
574 other obligations. Any resolution with respect to the issuance of bonds
575 of the Connecticut Economic Development Authority for the purposes
576 of sections 2 to 9, inclusive, of this act and any other action taken by
577 the Connecticut Economic Development Authority with respect to
578 assisting in the financing of any project shall be, or shall be deemed to
579 be, a resolution of the Connecticut Economic Development Authority
580 or an action taken by the Connecticut Economic Development
581 Authority subject only to any agreements with the holders of
582 outstanding notes, bonds or other obligations of the authority.

583 (3) Whenever the term "Connecticut Innovations, Incorporated" is
584 used or referred to in the general statutes, the term "Connecticut
585 Economic Development Authority" shall be substituted in lieu thereof.

586 (4) The procedures of Connecticut Innovations, Incorporated,
587 adopted pursuant to section 1-121 of the general statutes, shall remain
588 in full force and effect with respect to any matter arising under the
589 provisions of chapter 581 of the general statutes.

590 (c) Except as expressly provided in this act, nothing in this act shall
591 be deemed to limit the powers exercised by the Connecticut
592 Development Authority or Connecticut Innovations, Incorporated,
593 before the effective date of this act.

594 Sec. 9. (NEW) (*Effective July 1, 2010*) (a) During the period from July
595 1, 2010, to September 30, 2010, the Connecticut Development Authority
596 and Connecticut Innovations, Incorporated, may enter into any
597 agreements with the Connecticut Economic Development Authority
598 that are necessary to facilitate the assumption by the Connecticut
599 Economic Development Authority of the responsibilities pursuant to
600 sections 2 to 10, inclusive, of this act.

601 (b) The Connecticut Development Authority and Connecticut
602 Innovations, Incorporated, shall provide professional and clerical
603 support, facilities, equipment and supplies to the Connecticut
604 Economic Development Authority during the period from July 1, 2010,
605 to September 30, 2010, inclusive.

606 Sec. 10. Subsection (l) of section 1-79 of the general statutes is
607 repealed and the following is substituted in lieu thereof (*Effective July*
608 *1, 2010*):

609 (l) "Quasi-public agency" means the **[**Connecticut Development
610 Authority, Connecticut Innovations, Incorporated**]** Connecticut
611 Economic Development Authority, or any subsidiary thereof,
612 Connecticut Health and Education Facilities Authority, Connecticut
613 Higher Education Supplemental Loan Authority, Connecticut Housing
614 Finance Authority, Connecticut Housing Authority, Connecticut
615 Resources Recovery Authority, Lower Fairfield County Convention
616 Center Authority, Capital City Economic Development Authority and
617 Connecticut Lottery Corporation.

618 Sec. 11. Section 1-120 of the general statutes is repealed and the
619 following is substituted in lieu thereof (*Effective July 1, 2010*):

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

621 (1) "Quasi-public agency" means the **[**Connecticut Development
622 Authority, Connecticut Innovations, Incorporated**]** Connecticut
623 Economic Development Authority, Connecticut Health and
624 Educational Facilities Authority, Connecticut Higher Education
625 Supplemental Loan Authority, Connecticut Housing Finance
626 Authority, Connecticut Housing Authority, Connecticut Resources
627 Recovery Authority, Capital City Economic Development Authority
628 and Connecticut Lottery Corporation.

629 (2) "Procedure" means each statement, by a quasi-public agency, of
630 general applicability, without regard to its designation, that
631 implements, interprets or prescribes law or policy, or describes the

organization or procedure of any such agency. The term includes the amendment or repeal of a prior regulation, but does not include, unless otherwise provided by any provision of the general statutes, (A) statements concerning only the internal management of any agency and not affecting procedures available to the public, and (B) intra-agency memoranda.

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

Sec. 12. Section 1-124 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) The **[**Connecticut Development Authority**]** Connecticut Economic Development Authority, the Connecticut Health and Educational Facilities Authority, the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Housing Finance Authority, the Connecticut Housing Authority, the Connecticut Resources Recovery Authority and the Capital City Economic Development Authority shall not borrow any money or issue any bonds or notes which are guaranteed by the state of Connecticut or for which there is a capital reserve fund of any kind which is in any way contributed to or guaranteed by the state of Connecticut until and unless such borrowing or issuance is approved by the State Treasurer or the Deputy State Treasurer appointed pursuant to section 3-12. The approval of the State Treasurer or said deputy shall be based on documentation provided by the authority that it has sufficient revenues to (1) pay the principal of and interest on the bonds and notes issued, (2) establish, increase and maintain any reserves deemed by the authority to be advisable to secure the payment of the principal of and interest on such bonds and notes, (3) pay the cost of maintaining, servicing and properly insuring the purpose for which the proceeds of the bonds and notes have been issued, if applicable, and (4) pay such other costs as may be required.

(b) To the extent the **[**Connecticut Development Authority**]**

Connecticut Economic Development Authority, Connecticut Innovations, Incorporated, Connecticut Higher Education Supplemental Loan Authority, Connecticut Housing Finance Authority, Connecticut Housing Authority, Connecticut Resources Recovery Authority, Connecticut Health and Educational Facilities Authority or the Capital City Economic Development Authority is permitted by statute and determines to exercise any power to moderate interest rate fluctuations or enter into any investment or program of investment or contract respecting interest rates, currency, cash flow or other similar agreement, including, but not limited to, interest rate or currency swap agreements, the effect of which is to subject a capital reserve fund which is in any way contributed to or guaranteed by the state of Connecticut, to potential liability, such determination shall not be effective until and unless the State Treasurer or his or her deputy appointed pursuant to section 3-12 has approved such agreement or agreements. The approval of the State Treasurer or his or her deputy shall be based on documentation provided by the authority that it has sufficient revenues to meet the financial obligations associated with the agreement or agreements.

Sec. 13. Section 1-125 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

The directors, officers and employees of the **[**Connecticut Development Authority, Connecticut Innovations, Incorporated**]** Connecticut Economic Development Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Housing Finance Authority, Connecticut Housing Authority, Connecticut Resources Recovery Authority, including ad hoc members of the Connecticut Resources Recovery Authority, Connecticut Health and Educational Facilities Authority, Capital City Economic Development Authority and Connecticut Lottery Corporation and any person executing the bonds or notes of the agency shall not be liable personally on such bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof, nor shall any director or employee of the agency, including ad hoc members of

699 the Connecticut Resources Recovery Authority, be personally liable for
700 damage or injury, not wanton, reckless, wilful or malicious, caused in
701 the performance of his or her duties and within the scope of his or her
702 employment or appointment as such director, officer or employee,
703 including ad hoc members of the Connecticut Resources Recovery
704 Authority. The agency shall protect, save harmless and indemnify its
705 directors, officers or employees, including ad hoc members of the
706 Connecticut Resources Recovery Authority, from financial loss and
707 expense, including legal fees and costs, if any, arising out of any claim,
708 demand, suit or judgment by reason of alleged negligence or alleged
709 deprivation of any person's civil rights or any other act or omission
710 resulting in damage or injury, if the director, officer or employee,
711 including ad hoc members of the Connecticut Resources Recovery
712 Authority, is found to have been acting in the discharge of his or her
713 duties or within the scope of his or her employment and such act or
714 omission is found not to have been wanton, reckless, wilful or
715 malicious.

716 Sec. 14. Section 3-24d of the general statutes is repealed and the
717 following is substituted in lieu thereof (*Effective July 1, 2010*):

718 The Treasurer may also sell participation certificates or securities of
719 the Tax-Exempt Proceeds Fund to the Connecticut Housing Finance
720 Authority, the Connecticut Resources Recovery Authority, the
721 **[**Connecticut Development Authority**]** <u>Connecticut Economic</u>
722 <u>Development Authority</u>, the Connecticut Health and Educational
723 Facilities Authority, the Connecticut Student Loan Foundation, any
724 municipalities within the state and any other authorities, agencies,
725 instrumentalities and political subdivisions of the state or of any
726 municipality within the state. The participation certificates or securities
727 shall bear and pay such interest and be issued subject to such terms
728 and conditions as shall be determined and established by the
729 Treasurer.

730 Sec. 15. Section 3-24f of the general statutes is repealed and the
731 following is substituted in lieu thereof (*Effective July 1, 2010*):

732 Participation certificates or securities of the Tax-Exempt Proceeds
733 Fund issued by the Treasurer under the provisions of sections 3-24a to
734 3-24h, inclusive, are hereby made legal investments for the Connecticut
735 Housing Finance Authority, the Connecticut Resources Recovery
736 Authority, the [Connecticut Development Authority] Connecticut
737 Economic Development Authority, the Connecticut Health and
738 Educational Facilities Authority, the Connecticut Student Loan
739 Foundation, all municipalities within the state, and all other
740 authorities, agencies, instrumentalities and political subdivisions of the
741 state or of any municipality within the state.

742 Sec. 16. Section 4-124ff of the general statutes is repealed and the
743 following is substituted in lieu thereof (*Effective July 1, 2010*):

744 (a) The Office of Workforce Competitiveness shall, within available
745 appropriations and in consultation with the council established under
746 subsection (b) of this section, establish a competitive "Innovation
747 Challenge Grant" program to promote and encourage partnerships
748 and collaborations involving technology-based business and industry
749 with institutions of higher education and regional vocational-technical
750 schools for the development of educational programs in emerging and
751 interdisciplinary technology fields and to address related issues.

752 (b) There is established a Council of Advisors on Strategies for the
753 Knowledge Economy to promote the formation of university-industry
754 partnerships, identify benchmarks for technology-based workforce
755 innovation and competitiveness and advise the award process (1) for
756 innovation challenge grants to public postsecondary schools and their
757 business partners, and (2) grants under section 4-124hh. The council
758 shall be chaired by the director of the Office of Workforce
759 Competitiveness and shall include the Secretary of the Office of Policy
760 and Management, the Commissioners of Economic and Community
761 Development and Higher Education, the Labor Commissioner, the
762 executive [directors] director of [Connecticut Innovations,
763 Incorporated and] the [Connecticut Development Authority]
764 Connecticut Economic Development Authority and four

765 representatives from the technology industry, one of whom shall be
766 appointed by the president pro tempore of the Senate, one of whom
767 shall be appointed by the speaker of the House of Representatives, one
768 of whom shall be appointed by the minority leader of the Senate and
769 one of whom shall be appointed by the minority leader of the House of
770 Representatives.

771 Sec. 17. Section 8-134 of the general statutes is repealed and the
772 following is substituted in lieu thereof (*Effective July 1, 2010*):

773 For the purpose of carrying out or administering a redevelopment
774 plan or other functions authorized under this chapter, a municipality,
775 acting by and through its redevelopment agency, is hereby authorized,
776 subject only to the limitations and procedures set forth in this section,
777 to issue from time to time bonds of the municipality which are payable
778 solely from and secured by: (a) A pledge of and lien upon any or all of
779 the income, proceeds, revenues and property of redevelopment
780 projects, including the proceeds of grants, loans, advances or
781 contributions from the federal government, the state or other source,
782 including financial assistance furnished by the municipality or any
783 other public body pursuant to section 8-135; (b) taxes or payments in
784 lieu of taxes, or both, in whole or in part, allocated to and paid into a
785 special fund of the municipality pursuant to the provisions of section
786 8-134a; or (c) any combination of the methods in subsections (a) and (b)
787 of this section. For the purposes of a specified project only, the
788 **[**Connecticut Development Authority**]** Connecticut Economic
789 Development Authority may, upon a resolution with respect to such
790 project adopted by the legislative body of the municipality, issue and
791 administer bonds which are payable solely or in part from and secured
792 by the pledge and security provided for in this section subject to the
793 general terms and provisions of law applicable to the issuance of
794 bonds by the **[**Connecticut Development Authority**]** Connecticut
795 Economic Development Authority, except that the provisions of
796 subsection (b) of section 32-23j shall not apply. Any bonds payable and
797 secured as provided in this section shall be authorized by a resolution
798 adopted by the legislative body of the municipality, notwithstanding

the provisions of any other statute, local law or charter governing the authorization and issuance of bonds generally by the municipality. No such resolution shall be adopted until after a public hearing has been held upon such authorization. Notice of such hearing shall be published not less than five days prior to such hearing in a newspaper having a general circulation in the municipality. Such bonds shall be issued and sold in such manner; bear interest at such rate or rates, including variable rates to be determined in such manner as set forth in the proceedings authorizing the issuance of the bonds; provide for the payment of interest on such dates, whether before or at maturity; be issued at, above or below par; mature at such time or times not exceeding forty years from their date in the case of bonds issued to finance housing and facilities related thereto or thirty years from their date in all other cases; have such rank or priority; be payable in such medium of payment; be issued in such form, including, without limitation, registered or book-entry form, carry such registration and transfer privileges and be made subject to purchase or redemption before maturity at such price or prices and under such terms and conditions, including the condition that such bonds be subject to purchase or redemption on the demand of the owner thereof; and contain such other terms and particulars as the legislative body of the municipality or the officers delegated such authority by the legislative body of the municipality body shall determine. The proceedings under which bonds are authorized to be issued may, subject to the provisions of the general statutes, contain any or all of the following: (1) Provisions respecting custody of the proceeds from the sale of the bonds and any bond anticipation notes, including any requirements that such proceeds be held separate from or not be commingled with other funds of the municipality; (2) provisions for the investment and reinvestment of bond proceeds until such proceeds are used to pay project costs and for the disposition of any excess bond proceeds or investment earnings thereon; (3) provisions for the execution of reimbursement agreements, or similar agreements, in connection with credit facilities, including, but not limited to, letters of credit or policies of bond insurance, remarketing agreements and agreements for the

834 purpose of moderating interest rate fluctuations; (4) provisions for the
835 collection, custody, investment, reinvestment and use of the pledged
836 revenues or other receipts, funds or moneys pledged for payment of
837 bonds as provided in this section; (5) provisions regarding the
838 establishment and maintenance of reserves, sinking funds and any
839 other funds and accounts as shall be approved by the legislative body
840 of the municipality in such amounts as may be established by the
841 legislative body of the municipality and the regulation and disposition
842 thereof, including requirements that any such funds and accounts be
843 held separate from or not be commingled with other funds of the
844 municipality; (6) covenants for the establishment of maintenance
845 requirements with respect to facilities and properties; (7) provisions for
846 the issuance of additional bonds on a parity with bonds issued prior to
847 the issuance of such additional bonds, including establishment of
848 coverage requirements with respect to such bonds as herein provided;
849 (8) provisions regarding the rights and remedies available to the bond
850 owners, note owners or any trustee under any contract, loan
851 agreement, document, instrument or trust indenture in case of a
852 default, including the right to appoint a trustee to represent their
853 interests upon occurrence of any event of default, as defined in any
854 such default proceedings, provided that if any bonds or bond
855 anticipation notes are secured by a trust indenture, the respective
856 owners of such bonds or notes shall have no authority except as set
857 forth in such trust indenture to appoint a separate trustee to represent
858 them; and (9) other provisions or covenants of like or different
859 character from the foregoing which are consistent with this section and
860 which the legislative body of the municipality determines in such
861 proceedings are necessary, convenient or desirable in order to better
862 secure the bonds or bond anticipation notes, or will tend to make the
863 bonds or bond anticipation notes more marketable, and which are in
864 the best interests of the municipality. Any provisions which may be
865 included in proceedings authorizing the issuance of bonds under this
866 section may be included in an indenture of trust duly approved in
867 accordance with this section which secures the bonds and any notes
868 issued in anticipation thereof, and in such case the provisions of such

indenture shall be deemed to be a part of such proceedings as though they were expressly included therein. Any pledge made by the municipality shall be valid and binding from the time when the pledge is made, and any revenues or other receipts, funds or moneys so pledged and thereafter received by the municipality shall be subject immediately to the lien of such pledge without any physical delivery thereof or further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the municipality, irrespective of whether such parties have notice of such lien. Neither the resolution nor any other instrument by which a pledge is created need be recorded. The legislative body of the municipality may enter into a trust indenture by and between the municipality and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the municipality. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bond owners and note owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the municipality in relation to the exercise of its powers pursuant to this section and the custody, safeguarding and application of all moneys. The municipality may provide by such trust indenture for the payment of the pledged revenues or other receipts, funds or moneys to the trustee under such trust indenture or to any other depository, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust indenture may be treated as project costs. Such bonds shall not be included in computing the aggregate indebtedness of the municipality, provided, if such bonds are made payable, in whole or in part, from funds contracted to be advanced by the municipality, the aggregate amount of such funds not yet appropriated to such purpose shall be included in computing the aggregate indebtedness of the municipality. As used in this section, "bonds" means any bonds, including refunding bonds, notes, interim certificates, debentures or other obligations. For purposes of this section and section 8-134a, references to the **[**Connecticut Development Authority**]** Connecticut

Economic Development Authority shall include any subsidiary of the [Connecticut Development Authority] Connecticut Economic Development Authority established pursuant to [subsection (l) of section 32-11a] section 2 of this act.

Sec. 18. Section 8-134a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

Any redevelopment plan authorized under this chapter or any proceedings authorizing the issuance of bonds under this chapter may contain a provision that taxes, if any, identified in such plan or such authorizing proceedings and levied upon taxable real or personal property, or both, in a redevelopment project each year, or payments in lieu of such taxes authorized pursuant to chapter 114, or both, by or for the benefit of any one or more municipalities, districts, or other public taxing agencies after the effective date of the ordinance approving the redevelopment plan or such bond authorizing proceedings, as the case may be, shall be divided as follows: (1) In each fiscal year that portion of the taxes or payments in lieu of taxes, or both, which would be produced by applying the then current tax rate of each of the taxing agencies to the total sum of the assessed value of the taxable property in the redevelopment project on the effective date of such ordinance or the date of such authorizing proceedings, as the case may be, or on any date between such two dates which is identified in such proceedings, shall be allocated to and when collected shall be paid into the funds of the respective taxing agencies in the same manner as taxes by or for said taxing agencies on all other property are paid; and (2) that portion of the assessed taxes or payments in lieu of taxes, or both, each fiscal year in excess of the amount referred to in subdivision (1) of this section shall be allocated to and when collected shall be paid into a special fund of the municipality or the [Connecticut Development Authority] Connecticut Economic Development Authority as issuer of such bonds to be used in each fiscal year, first to pay the principal of and interest due in such fiscal year on loans, moneys advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, incurred by such

938 municipality or the [Connecticut Development Authority] Connecticut
939 Economic Development Authority as issuer of such bonds to finance or
940 refinance in whole or in part, such redevelopment project, and then, at
941 the option of the municipality or the [Connecticut Development
942 Authority] Connecticut Economic Development Authority as issuer of
943 such bonds, to purchase bonds issued for the project which has
944 generated the increments in taxes or payments in lieu of taxes and
945 then, at the option of the municipality or the [Connecticut
946 Development Authority] Connecticut Economic Development
947 Authority as issuer of such bonds, to reimburse the provider of or
948 reimbursement party with respect to any guarantee, letter of credit,
949 policy of bond insurance, funds deposited in a debt service reserve
950 fund, funds deposited as capitalized interest or other credit
951 enhancement device used to secure payment of debt service on any
952 bonds, notes or other indebtedness of a municipality or the
953 [Connecticut Development Authority] Connecticut Economic
954 Development Authority as issuer of such bonds issued pursuant to
955 section 8-134 to finance or refinance such redevelopment project, to the
956 extent of any payments of debt service made therefrom. Unless and
957 until the total assessed valuation of the taxable property in a
958 redevelopment project exceeds the total assessed value of the taxable
959 property in such project as shown by the last assessment list, referred
960 to in subdivision (1) of this section, all of the taxes levied and collected
961 and all of the payments in lieu of taxes due and collected upon the
962 taxable property in such redevelopment project shall be paid into the
963 funds of the respective taxing agencies. When such loans, advances,
964 and indebtedness, if any, and interest thereon, and such debt service
965 reimbursement to the provider of or reimbursement party with respect
966 to such credits, have been paid, in full, all moneys thereafter received
967 from taxes or payments in lieu of taxes, or both, upon the taxable
968 property in such redevelopment project shall be paid into the funds of
969 the respective taxing agencies in the same manner as taxes on all other
970 property are paid.

971 Sec. 19. Subsection (w) of section 32-23d of the general statutes is
972 repealed and the following is substituted in lieu thereof (*Effective July*

973 *1, 2010*):

974 (w) "Authority" means the **[**Connecticut Development Authority or
975 its successor as established and created under section 32-11a**]**
976 Connecticut Economic Development Authority established pursuant to
977 section 2 of this act.

978 Sec. 20. Section 32-23k of the general statutes is repealed and the
979 following is substituted in lieu thereof (*Effective July 1, 2010*):

980 The state of Connecticut does hereby pledge to and agree with the
981 holders of any bonds and notes issued under the provisions of the
982 authority legislation, as defined in subsection (hh) of section 32-23d,
983 and with those parties who may enter into contracts with the
984 **[**Connecticut Development Authority**]** Connecticut Economic
985 Development Authority or its successor agency pursuant to the
986 provisions of such authority legislation, that the state will not limit or
987 alter the rights hereby vested in the authority until such obligations,
988 together with the interest thereon, are fully met and discharged and
989 such contracts are fully performed on the part of the authority,
990 provided nothing contained herein shall preclude such limitation or
991 alteration if and when adequate provision shall be made by law for the
992 protection of the holders of such bonds and notes of the authority or
993 those entering into such contracts with the authority. The authority is
994 authorized to include this pledge and undertaking for the state in such
995 bonds and notes or contracts.

996 Sec. 21. Section 32-23q of the general statutes is repealed and the
997 following is substituted in lieu thereof (*Effective July 1, 2010*):

998 The provisions of sections 37-4 and 37-6 shall not apply to any bond,
999 note or other obligation issued by the **[**Connecticut Development
1000 Authority**]** Connecticut Economic Development Authority, or any
1001 loan, lease, sale agreement, note or other obligation evidencing a
1002 financial obligation to the authority.

1003 Sec. 22. Section 32-23r of the general statutes is repealed and the

following is substituted in lieu thereof (*Effective July 1, 2010*):

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

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

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

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

Sec. 23. Section 32-23t of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

It is hereby found and declared as a matter of legislative determination that there is a continuing need for stimulation and encouragement of the growth and development of the state economy through the provision of two comprehensive loan programs and the establishment of a locally administered business outreach center challenge grant program which address the economic needs of a wide variety of business enterprises located throughout the state, including, but not limited to, development corporations, small contractors, small manufacturers, small business investment companies, employee groups, small water companies, small exporters, businesses affected by emergencies or disasters, small farmers, small retailers or service firms, high risk small businesses, start-up businesses, businesses located in various regions of the state, and other businesses that may be unable to obtain adequate financing from conventional sources. It is further found and declared that consolidating many of the separate loan programs currently administered by the Department of Economic and Community Development into two revolving loan funds to be administered by the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority will enhance such programs for all borrowers, permit better targeting of state assistance to firms important to the economic base of the state, improve marketing, accounting and administration, alleviate certain administrative and technical problems created by changes in federal tax law, permit more effective use of existing resources and better enable the state to protect itself from losses through the establishment of a loan loss reserve and an improved loan work-out capability. It is further found and declared that major changes in the financial markets have altered the availability of capital to small and medium firms in the state, that assistance to high risk small and start-up businesses is important to the state economy and that such loan consolidation will better enable the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority to leverage state assistance through active participation of private sector investments in small businesses.

Sec. 24. Subdivision (3) of subsection (a) of section 32-23v of the general statutes is repealed and the following is substituted in lieu

thereof (*Effective July 1, 2010*):

(3) "Authority" means the **[**Connecticut Development Authority established under section 32-11a**]** Connecticut Economic Development Authority established pursuant to section 2 of this act or its successor.

Sec. 25. Subsection (a) of section 32-23x of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) As used in this section:

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

(2) "Authority" means the **[**Connecticut Development Authority established under section 32-11a**]** Connecticut Economic Development Authority established pursuant to section 2 of this act or its successor;

(3) "Department" means the Department of Economic and Community Development or its successor agency;

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

(5) "Impacted business" means any person impacted by (A) a disaster caused by natural forces including, but not limited to, floods or hurricanes or (B) an economic emergency including, but not limited to, an existing or threatened major plant shutdown, business disruption from a major road or bridge repair project or other existing or potential economic emergency, provided such disaster or emergency described in subparagraph (A) or (B) of this subdivision is proclaimed as such by declaration of the Commissioner of Economic and Community Development, with the consent of the Secretary of the Office of Policy and Management, upon a determination by the Commissioner of Economic and Community Development that such disaster or emergency is of a magnitude that could materially affect the

1100 health or well-being of the citizens of the impacted area and that the
1101 financial assistance provided for under this section is necessary to
1102 assure timely and effective relief and restoration;

1103 (6) "Loans" means loans and extensions of lines of credit;

1104 (7) "Minority business enterprise" means any person who meets the
1105 criteria contained in section 4a-60g and who is receiving a state
1106 contract award;

1107 (8) "Person" means any person or entity, including affiliates,
1108 engaged in a for-profit activity or activities in this state and who,
1109 except for an impacted business, is not an eligible borrower for
1110 assistance under the provisions of the Connecticut Growth Fund
1111 established under section 32-23v;

1112 (9) "Rate of interest" means the interest rate which the authority
1113 shall charge and collect on each loan made by the state under this
1114 section, which rate shall not exceed one per cent above the interest rate
1115 borne by the general obligation bonds of the state last issued prior to
1116 the date such loan is made, provided, such rate shall not exceed the
1117 maximum allowable under federal law;

1118 (10) "Small contractor" means any person who is a contractor,
1119 subcontractor, manufacturer or service company who has been in
1120 business for at least one year prior to the date of its application for
1121 assistance under this section and whose gross revenues, including
1122 revenues of affiliates, did not exceed three million dollars in its most
1123 recently completed fiscal year prior to the date of its application for
1124 assistance under this section;

1125 (11) "State or local development corporation" means any entity
1126 organized under the laws of this state which has the authority to
1127 promote and assist the growth and development of business concerns
1128 in the areas covered by their operations;

1129 (12) "Targeted business" means a person located in an enterprise
1130 zone whose gross revenues did not exceed three million dollars in its

1131 most recently completed fiscal year prior to the date of its application
1132 for assistance under this section, or if such person has not been in
1133 business for at least one year prior to the date of such application, if
1134 the authority determines in its discretion that such person's gross
1135 revenues, including revenues of affiliates, are not likely to exceed three
1136 million dollars in its first fiscal year;

1137 (13) "Water facilities" means (A) investor-owned water companies
1138 which supply water to at least twenty-five but less than ten thousand
1139 customers, (B) municipally-owned water companies, and (C) owners
1140 of privately and municipally-owned dams which the Commissioner of
1141 Environmental Protection has determined benefit the public.

1142 Sec. 26. Section 32-23z of the general statutes is repealed and the
1143 following is substituted in lieu thereof (*Effective July 1, 2010*):

1144 (a) A Business Environmental Clean-Up Revolving Loan Fund is
1145 created. The state, acting through the **[**Connecticut Development
1146 Authority**]** Connecticut Economic Development Authority, may
1147 provide loans or lines of credit from the Business Environmental
1148 Clean-Up Revolving Loan Fund (1) to businesses for the purposes of
1149 the containment and removal or mitigation of the discharge, spillage,
1150 uncontrolled loss, seepage or filtration of oil or petroleum or chemical
1151 liquids or solid, liquid or gaseous products or hazardous wastes and
1152 (2) to businesses which convert gas and diesel-powered motor vehicles
1153 to vehicles powered by either gas or diesel fuel and a clean-burning
1154 alternative fuel, including but not limited to, compressed natural gas
1155 or electricity. Loans or lines of credit under subdivision (2) shall be for
1156 working or development capital. For the purposes of this section,
1157 "business" means any business which (A) if applying for assistance
1158 under subdivision (1), has been in business for at least one year prior
1159 to the date of application for its loan or line of credit or, if applying for
1160 assistance under subdivision (2), has been in business for at least two
1161 years prior to such application date, (B) has gross revenues, including
1162 revenues of affiliates, less than three million dollars in the most recent
1163 fiscal year before the date of the application or has less than one

hundred fifty employees and, if applying for assistance under subdivision (2), derived at least seventy-five per cent of its gross revenues in such year from motor vehicle fuel conversion activities, (C) if applying for assistance under subdivision (1), has been doing business and has maintained its principal office and place of business in the state for a period of at least one year prior to the date of its application for assistance under this section or, if applying for assistance under subdivision (2), has been doing business and has maintained such office and business in the state for a period of at least two years prior to such application date and (D) demonstrates, to the satisfaction of the authority and in its sole discretion, that it is unable to obtain financing from conventional sources on reasonable terms or in reasonable amounts. The **[**Connecticut Development Authority**]** Connecticut Economic Development Authority shall charge and collect interest on each such loan or line of credit at a rate to be determined in accordance with regulations adopted pursuant to subsection (b) of this section. The total amount of such loans or lines of credit provided to any single business in any period of twelve consecutive months shall not exceed two hundred thousand dollars. Payments made by businesses on all loans and lines of credit paid to the Treasurer for deposit in the Business Environmental Clean-Up Revolving Loan Fund shall be credited to such fund.

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

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

(d) Each such loan or extension of credit shall be authorized by the [Connecticut Development Authority] Connecticut Economic Development Authority or, if the authority so determines, by a committee of the authority consisting of the chairman and either one other member of the authority or its executive director, as specified in the determination of the authority. Any administrative expenses incurred in carrying out the provisions of this section, to the extent not paid by the authority, shall be paid from the Business Environmental Clean-Up Revolving Loan Fund. Payments from the Business Environmental Clean-Up Revolving Loan Fund to businesses or to pay such administrative expenses shall be made by the Treasurer upon certification by the executive director of the authority that the payment is authorized under the provisions of this section, under the applicable rules and regulations of the authority, and, if made to a business, under the terms and conditions established by the authority or the duly appointed committee thereof in authorizing the making of the loan or the extension of credit.

Sec. 27. Section 32-23aa of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

The [Connecticut Development Authority] Connecticut Economic Development Authority shall not approve any application for financial assistance for any project unless such project complies with all state laws and regulations adopted thereunder.

Sec. 28. Section 32-23hh of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

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

(1) "Authority" means the [Connecticut Development Authority, created under section 32-11a] Connecticut Economic Development Authority established pursuant to section 2 of this act;

(2) "Executive director" means the executive director of the [Connecticut Development Authority] Connecticut Economic

Development Authority;

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

(4) "Economic development project" means any project (A) which is to be used or occupied by any person for manufacturing, industrial, research or product warehousing or distribution purposes, or any combination thereof, and which the authority determines will tend to maintain or provide gainful employment, maintain or increase the tax base of the economy, or maintain, expand or diversify industry in the state, or for any other purpose which the authority determines will materially support the economic base of the state, by creating or retaining jobs, promoting the export of products or services beyond state boundaries, encouraging innovation in products or services, or otherwise contributing to, supporting or enhancing existing activities that are important to the economic base of the state, and (B) which is unable to obtain conventional financing in satisfactory amounts or on satisfactory terms in the sole judgment of the authority, or whose ability, in the judgment of the authority, to start, continue to operate, expand, or maintain operations or relocate to Connecticut, is dependent upon financial assistance;

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

(6) "Return on investment" means any and all forms of principal or interest payments, insurance premiums or guarantee fees, equity participations, options, warrants, debentures and any or all other

1261 forms of remuneration to the authority in return for any financial
1262 assistance provided or offered.

1263 Sec. 29. Section 32-23qq of the general statutes is repealed and the
1264 following is substituted in lieu thereof (*Effective July 1, 2010*):

1265 (a) An Environmental Assistance Revolving Loan Fund is created.
1266 The state, acting through the **[**Connecticut Development Authority**]**
1267 Connecticut Economic Development Authority, or any subsidiary of
1268 the authority may provide grants, loans, lines of credit or loan
1269 guarantees to municipalities or businesses from the Environmental
1270 Assistance Revolving Loan Fund for the purposes of pollution
1271 prevention activities, as defined in section 32-23rr, for purchases and
1272 the costs associated with compliance with the Clean Air Act
1273 Amendments of 1990 (42 USC 7401, et seq.), as amended, or for
1274 remediation of contaminated real property. Within the Environmental
1275 Assistance Revolving Loan Fund, a loan subfund is created solely to
1276 provide loans and lines of credit as provided in this section, a
1277 guarantee subfund is created solely to provide loan guarantees as
1278 provided in this section and a grant subfund is created solely to
1279 provide grants as provided under this section. No financial assistance,
1280 nor any commitment to provide financial assistance, shall be provided
1281 by or entered into by the authority or any subsidiary of the authority
1282 pursuant to sections 32-23pp to 32-23ss, inclusive, which would cause
1283 the aggregate amount of all such financial assistance and commitments
1284 then outstanding to exceed the sum of the amounts in the applicable
1285 subfund of the Environmental Assistance Revolving Loan Fund plus
1286 the amount of any unpaid grants authorized to be made by the
1287 **[**Department of Economic and Community Development to the**]**
1288 authority or any subsidiary of the authority for deposit in the
1289 applicable subfund of the Environmental Assistance Revolving Loan
1290 Fund, provided the amount of financial assistance in the form of any
1291 guarantee shall be measured by the portion of unpaid loan principal
1292 which is guaranteed by the authority. Notwithstanding the above, the
1293 aggregate amount of financial assistance in the form of guarantees and
1294 commitments with respect thereto, calculated as above, may be up to

four times the sum of the amounts available in the guarantee subfund of the Environmental Assistance Revolving Loan Fund plus the amount of any unpaid grants which remain available and are specifically designated by the department for purposes of such subfund pursuant to the bond authorization in section 32-23ss. For the purposes of this section, "business" means any business which (1) has gross revenues of less than twenty-five million dollars in its fiscal year ending prior to the application for any such loans, lines of credit or loan guarantees, or (2) has fewer than one hundred fifty employees. The [Connecticut Development Authority] Connecticut Economic Development Authority or any subsidiary of the authority shall charge and collect interest on each such loan or line of credit at a rate to be determined in accordance with procedures adopted pursuant to subsection (b) of this section. Payments made by businesses on all loans, lines of credit and loan guarantees shall be paid to the authority or any subsidiary of the authority for deposit in the Environmental Assistance Revolving Loan Fund.

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

(c) Each such grant, loan, guarantee or extension of credit shall be authorized by the [Connecticut Development Authority] Connecticut Economic Development Authority or any subsidiary of the authority or, if the authority or any subsidiary of the authority so determines, by a committee of the authority or any subsidiary of the authority consisting of the chairman and either one other member of the authority or subsidiary or its executive director, as specified in the determination of the authority or subsidiary. Any administrative expenses incurred in carrying out the provisions of this section, to the

extent not paid by the authority or any subsidiary of the authority or from moneys appropriated to the authority or any subsidiary of the authority, shall be paid from the Environmental Assistance Revolving Loan Fund. Payments from the Environmental Assistance Revolving Loan Fund to businesses or municipalities or to pay such administrative expenses shall be made by the authority or any subsidiary of the authority upon certification by the chairman of the authority or such subsidiary that the payment is authorized under the provisions of this section, under the applicable rules and regulations of the authority or subsidiary, and, if made to a business or municipality under the terms and conditions established by the authority or subsidiary or the duly appointed committee thereof in authorizing the making of the grant, loan or the extension of credit.

Sec. 30. Section 32-23ss of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

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

(b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of Economic and Community Development to make grants to the **[**Connecticut Development Authority**]** <u>Connecticut Economic Development Authority</u> for deposit in the Environmental Assistance Revolving Loan Fund to be used for the purpose of sections 32-23pp to 32-23rr, inclusive, and this section. The terms and conditions of said grants shall be governed in accordance with a grant contract between the department and the authority.

(c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and

temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

Sec. 31. Section 32-23tt of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

As used in section 32-23*ll*, this section, and sections 32-23uu, 32-23vv and 32-235:

(1) "Authority" means the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority established **[**under the provisions of this chapter**]** pursuant to section 2 of this act;

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

(3) "Financial assistance" means grants, loans, loan guarantees or

interest rate subsidies or any combination thereof;

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

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

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

Sec. 32. Section 32-23yy of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

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

(1) "Authority" means the **[**Connecticut Development Authority, created under section 32-11a**]** Connecticut Economic Development Authority established pursuant to section 2 of this act, and any of its subsidiaries or affiliates;

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

(3) "Financial assistance" means any and all forms of grants, loans, extensions of credit, guarantees, equity investments or other forms of financing or refinancing to persons for the purchase, acquisition, leasing, construction, expansion, continued operation, reconstruction, financing, refinancing or placing in operation of an information technology project, including, but not limited to, fixed assets, working capital, equity participations and acquisitions, employee buyouts, refinancing, lease guarantees, financial restructuring and other purposes which the authority determines further the purposes of this

1424 section. For purposes of this section financial assistance shall not be
1425 considered financial assistance under the provisions of section 32-462;

1426 (4) "Information technology project" means an information
1427 technology project, as defined in section 32-23d, as amended by this
1428 act;

1429 (5) "Person" means a person, as defined in subsection (s) of section
1430 32-23d;

1431 (6) "Return on investment" means any and all forms of principal or
1432 interest payments, guarantee fees, equity participations, options,
1433 warrants, debentures and any or all other forms of remuneration to the
1434 authority in return for any financial assistance provided or offered.

1435 (b) There is created within the authority the High-Technology
1436 Infrastructure Fund. The state, acting through the authority, may
1437 provide financial assistance from said fund that enables the
1438 development of information technology projects. Such financial
1439 assistance may be provided directly or in participation with any other
1440 financial institutions, funds or other persons or other sources of
1441 financing, public or private, and the authority may enter into any
1442 agreements or contracts it deems necessary or convenient in
1443 connection therewith. Payments of principal, interest or other forms of
1444 return on investment received by the authority shall be deposited in or
1445 held on behalf of said fund.

1446 (c) The authority may provide financial assistance in such amounts,
1447 in such form and under such terms and conditions as the authority
1448 shall prescribe, in written procedures adopted in accordance with
1449 section 1-121. Such procedures shall provide, in the case of financial
1450 assistance in a form other than a grant, for returns on investment as the
1451 authority deems appropriate to reflect the nature of the risk, provided
1452 a single project shall not receive an amount in excess of fifteen million
1453 dollars and shall not be for a term longer than thirty years.

1454 (d) The authority may take all reasonable steps and exercise all

1455 reasonable remedies necessary or desirable to protect the obligations
1456 or interests of the authority, including, but not limited to, the purchase
1457 or redemption in foreclosure proceedings, bankruptcy proceedings or
1458 in other judicial proceedings, of any property on which it holds a
1459 mortgage or other lien or in which it has an interest, and for such
1460 purposes and any other purposes provided in this section payment
1461 may be made from the High-Technology Infrastructure Fund upon
1462 certification by the executive director that payment is authorized
1463 under the provisions of this section, or other sections of the general
1464 statutes, applicable procedures or other programs of the authority.

1465 (e) Applicants for financial assistance shall pay the costs the
1466 authority deems reasonable and necessary incurred in processing
1467 applications made under this section, including application and
1468 commitment fees, closing costs or other costs. In carrying out the
1469 provisions of this section, any administrative expenses incurred by the
1470 authority, to the extent not paid by the borrower or from moneys
1471 appropriated to the authority for such purposes, may be paid from the
1472 High-Technology Infrastructure Fund.

1473 Sec. 33. Section 32-23zz of the 2010 supplement to the general
1474 statutes is repealed and the following is substituted in lieu thereof
1475 (*Effective July 1, 2010*):

1476 (a) For the purpose of assisting (1) any information technology
1477 project, as defined in subsection (ee) of section 32-23d, which is located
1478 in an eligible municipality, as defined in subdivision (12) of subsection
1479 (a) of section 32-9t, or (2) any remediation project, as defined in
1480 subsection (ii) of section 32-23d, the **[**Connecticut Development
1481 Authority**]** <u>Connecticut Economic Development Authority</u> may, upon
1482 a resolution of the legislative body of a municipality, issue and
1483 administer bonds which are payable solely or in part from and secured
1484 by: (A) A pledge of and lien upon any and all of the income, proceeds,
1485 revenues and property of such a project, including the proceeds of
1486 grants, loans, advances or contributions from the federal government,
1487 the state or any other source, including financial assistance furnished

by the municipality or any other public body, (B) taxes or payments or grants in lieu of taxes allocated to and payable into a special fund of the [Connecticut Development Authority] Connecticut Economic Development Authority pursuant to the provisions of subsection (b) of this section, or (C) any combination of the foregoing. Any such bonds of the [Connecticut Development Authority] Connecticut Economic Development Authority shall mature at such time or times not exceeding thirty years from their date of issuance and shall be subject to the general terms and provisions of law applicable to the issuance of bonds by the [Connecticut Development Authority] Connecticut Economic Development Authority, except that such bonds shall be issued without a special capital reserve fund as provided in subsection (b) of section 32-23j and, for purposes of section 32-23f, only the approval of the board of directors of the authority shall be required for the issuance and sale of such bonds. Any pledge made by the municipality or the [Connecticut Development Authority] Connecticut Economic Development Authority for bonds issued as provided in this section shall be valid and binding from the time when the pledge is made, and revenues and other receipts, funds or moneys so pledged and thereafter received by the municipality or the [Connecticut Development Authority] Connecticut Economic Development Authority shall be subject to the lien of such pledge without any physical delivery thereof or further act. The lien of such pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the municipality or the [Connecticut Development Authority] Connecticut Economic Development Authority, even if the parties have no notice of such lien. Recording of the resolution or any other instrument by which such a pledge is created shall not be required. In connection with any such assignment of taxes or payments in lieu of taxes, the [Connecticut Development Authority] Connecticut Economic Development Authority may, if the resolution so provides, exercise the rights provided for in section 12-195h of an assignee for consideration of any lien filed to secure the payment of such taxes or payments in lieu of taxes. All expenses incurred in providing such assistance may be treated as project costs.

(b) Any proceedings authorizing the issuance of bonds under this section may contain a provision that taxes or a specified portion thereof, if any, identified in such authorizing proceedings and levied upon taxable real or personal property, or both, in a project each year, or payments or grants in lieu of such taxes or a specified portion thereof, by or for the benefit of any one or more municipalities, districts or other public taxing agencies, as the case may be, shall be divided as follows: (1) In each fiscal year that portion of the taxes or payments or grants in lieu of taxes which would be produced by applying the then current tax rate of each of the taxing agencies to the total sum of the assessed value of the taxable property in the project on the date of such authorizing proceedings, adjusted in the case of grants in lieu of taxes to reflect the applicable statutory rate of reimbursement, shall be allocated to and when collected shall be paid into the funds of the respective taxing agencies in the same manner as taxes by or for said taxing agencies on all other property are paid; and (2) that portion of the assessed taxes or the payments or grants in lieu of taxes, or both, each fiscal year in excess of the amount referred to in subdivision (1) of this subsection shall be allocated to and when collected shall be paid into a special fund of the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority to be used in each fiscal year, in the discretion of the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority, to pay the principal of and interest due in such fiscal year on bonds issued by the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority to finance, refinance or otherwise assist such project, to purchase bonds issued for such project, or to reimburse the provider of or reimbursement party with respect to any guarantee, letter of credit, policy of bond insurance, funds deposited in a debt service reserve fund, funds deposited as capitalized interest or other credit enhancement device used to secure payment of debt service on any bonds issued by the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority to finance, refinance or otherwise assist such project, to the extent of any payments of debt service made therefrom.

Unless and until the total assessed valuation of the taxable property in a project exceeds the total assessed value of the taxable property in such project as shown by the last assessment list referred to in subdivision (1) of this subsection, all of the taxes levied and collected and all of the payments or grants in lieu of taxes due and collected upon the taxable property in such project shall be paid into the funds of the respective taxing agencies. When such bonds and interest thereof, and such debt service reimbursement to the provider of or reimbursement party with respect to such credit enhancement, have been paid in full, all moneys thereafter received from taxes or payments or grants in lieu of taxes upon the taxable property in such development project shall be paid into the funds of the respective taxing agencies in the same manner as taxes on all other property are paid. The total amount of bonds issued pursuant to this section which are payable from grants in lieu of taxes payable by the state shall not exceed an amount of bonds, the debt service on which in any state fiscal year is, in total, equal to one million dollars.

(c) The authority may make grants or provide loans or other forms of financial assistance from the proceeds of special or general obligation notes or bonds of the authority issued without the security of a special capital reserve fund within the meaning of subsection (b) of section 32-23j, which bonds are payable from and secured by, in whole or in part, the pledge and security provided for in section 8-134, 8-192, 32-227 or this section, all on such terms and conditions, including such agreements with the municipality and the developer of the project, as the authority determines to be appropriate in the circumstances, provided any such project in an area designated as an enterprise zone pursuant to section 32-70 receiving such financial assistance shall be ineligible for any fixed assessment pursuant to section 32-71, and the authority, as a condition of such grant, loan or other financial assistance, may require the waiver, in whole or in part, of any property tax exemption with respect to such project otherwise available under subsection (59) or (60) of section 12-81.

(d) As used in this section, "bonds" means any bonds, including

1592 refunding bonds, notes, temporary notes, interim certificates,
1593 debentures or other obligations; "legislative body" has the meaning
1594 provided in subsection (w) of section 32-222; and "municipality" means
1595 a town, city, consolidated town or city or consolidated town and
1596 borough.

1597 (e) For purposes of this section, references to the **[**Connecticut
1598 Development Authority**]** Connecticut Economic Development
1599 Authority shall include any subsidiary of the **[**Connecticut
1600 Development Authority**]** Connecticut Economic Development
1601 Authority established pursuant to subsection (l) of section 32-11a, and
1602 a municipality may act by and through its implementing agency, as
1603 defined in subsection (k) of section 32-222.

1604 (f) No commitments for new projects shall be approved by the
1605 authority under this section on or after July 1, 2012.

1606 (g) In the case of a remediation project, as defined in subsection (ii)
1607 of section 32-23d, that involves buildings that are vacant, underutilized
1608 or in deteriorating condition and as to which municipal real property
1609 taxes are delinquent, in whole or in part, for more than one fiscal year,
1610 the amount determined in accordance with subdivision (1) of
1611 subsection (b) of this section may, if the resolution of the municipality
1612 so provides, be established at an amount less than the amount so
1613 determined, but not less than the amount of municipal property taxes
1614 actually paid during the most recently completed fiscal year. If the
1615 **[**Connecticut Development Authority**]** Connecticut Economic
1616 Development Authority issues bonds for the remediation project, the
1617 amount established in the resolution shall be used for all purposes of
1618 subsection (a) of this section.

1619 Sec. 34. Section 32-34 of the general statutes is repealed and the
1620 following is substituted in lieu thereof (*Effective July 1, 2010*):

1621 As used in this chapter, the following terms shall have the following
1622 meanings unless the context clearly indicates another meaning and
1623 intent:

(1) [“Corporation” means Connecticut Innovations, Incorporated as created under section 32-35] “Authority” means the Connecticut Economic Development Authority established pursuant to section 2 of this act;

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

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

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

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

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

[(7)] (6) "Person" means any individual, general or limited partnership, corporation, limited liability company, institution of higher education, governmental entity or joint venture conducting research into ideas with commercial potential or carrying on business, or proposing to carry on business, within the state which (A) in the case of an individual, general or limited partnership, corporation, limited liability company or joint venture, demonstrates to the corporation the inability (i) to obtain conventional financing in satisfactory amounts or on satisfactory terms or (ii) to locate or continue operations in the state without assistance as provided in this

chapter, and (B) demonstrates to the corporation that any project for research into or the development of specific technologies, products, devices, techniques or procedures or the marketing of services based on the use of such technologies, products, devices, techniques or procedures for which assistance under this chapter, is sought, (i) will create new or retain existing jobs in the state, (ii) will result in an increase in the amount of goods or services exported from the state, (iii) will help to strengthen the economy of the state, or (iv) will promote the development and utilization of technology in the state;

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

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

[(10)**]** (9) "Seed venture" means a business or other entity in the early stage of development;

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

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

[(13)**]** (12) "Advanced technology center" means a cooperative research center in a specified field of science and technology

established and funded, subject to the requirements in sections 32-40a, 32-40b and 32-40c, through an academic, industrial and governmental partnership for purposes of technological research with a direct relationship to economic development in the state;

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

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

[(16)**]** (15) "Affiliate" means any person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with, another person, including, but not limited to, any corporation, general or limited partnership or limited liability company controlled, directly or indirectly, by such other person or the corporation, provided, in addition to other means of being controlled, a general or limited partnership or limited liability company shall be deemed to be controlled by the corporation if the corporation or one of its affiliates acts as a general partner or a manager of such general or limited partnership or limited liability company;

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

[(18)**]** (17) "Preseed financing" means financial aid provided for research and formulation of a concept;

1718 [(19)] (18) "Seed financing" means financial aid to an inventor or
1719 entrepreneur to assess the viability of a concept and to qualify for start-
1720 up financing to fund, including, but not limited to, product
1721 development, market research, management team building and,
1722 pending successful progress on such initial steps, business plan
1723 development;

1724 [(20)] (19) "Start-up financing" means financial aid to companies in
1725 the process of organizing as a business or that have been in operation
1726 for less than one year and (A) have completed product development
1727 and initial marketing but have not sold such product commercially,
1728 and (B) have established viability by performing market studies,
1729 assembling key management, developing a business plan and may also
1730 qualify for start-up financing by demonstrating viability by other
1731 means deemed appropriate by the corporation;

1732 [(21)] (20) "Early or first-stage financing" means financial aid to
1733 companies that have expended initial capital, developed and market-
1734 tested prototypes, and demonstrate that such funds are necessary to
1735 initiate full-scale manufacturing and sales;

1736 [(22)] (21) "Expansion financing" means financial aid to companies
1737 for market expansion or to enhance the fiscal position of a company in
1738 preceding a liquidity event including, but not limited to, an initial
1739 public offering or acquisition.

1740 Sec. 35. Section 32-39c of the general statutes is repealed and the
1741 following is substituted in lieu thereof (*Effective July 1, 2010*):

1742 (a) With respect to any affiliate created pursuant to section [32-39] 4
1743 of this act, liability shall be limited solely to the assets and revenues or
1744 other resources of any such affiliate and without recourse liability to
1745 [Connecticut Innovations, Incorporated,] Connecticut Economic
1746 Development Authority its other funds or any other assets of the
1747 [corporation] authority, except to the extent of any express written
1748 guarantees by the [corporation] authority or any investments made or
1749 committed to by the [corporation] authority.

1750 (b) The provisions of sections 32-47 and 1-125 shall apply to any
1751 officer, director, designee or employee serving at the request of the
1752 [corporation] authority as a member, director or officer or advisor of
1753 any such affiliate. Any such person so appointed shall not be
1754 personally liable for the debts, obligations or liabilities of any such
1755 affiliate as provided in said section 1-125. Any affiliate shall and the
1756 [corporation] authority may provide the indemnification to protect,
1757 save harmless and indemnify such officer, director, designee or
1758 employee as provided in said section 1-125.

1759 Sec. 36. Section 32-39d of the general statutes is repealed and the
1760 following is substituted in lieu thereof (*Effective July 1, 2010*):

1761 Guarantees issued by [Connecticut Innovations, Incorporated,] the
1762 Connecticut Economic Development Authority and all equity
1763 instruments and obligations, any of which include a guarantee of a
1764 return of capital or principal by the [corporation] authority, under the
1765 provisions of this chapter, are hereby made securities in which all
1766 public officers and public bodies of the state and its political
1767 subdivisions, all insurance companies, state banks and trust
1768 companies, national banking associations, savings banks, savings and
1769 loan associations, investment companies, executors, administrators,
1770 trustees and other fiduciaries may properly and legally invest funds,
1771 including capital in their control or belonging to them. Such
1772 instruments and obligations are hereby made securities which may
1773 properly and legally be deposited with and received by any state or
1774 municipal officer or any agency or political subdivision of the state for
1775 any purpose for which the deposit of bonds or obligations of the state
1776 is now or may hereafter be authorized by law.

1777 Sec. 37. Section 32-39e of the general statutes is repealed and the
1778 following is substituted in lieu thereof (*Effective July 1, 2010*):

1779 (a) If, in the exercise of its powers under section 32-39, [Connecticut
1780 Innovations, Incorporated] the Connecticut Economic Development
1781 Authority finds that the use of a certain technology, product or process
1782 would promote public health and safety, environmental protection or

1783 economic development and such technology, product or process was
1784 developed by a business domiciled in this state to which the
1785 [corporation] authority has provided financial assistance or in which
1786 the corporation has invested, the [corporation] authority, upon
1787 application of such business, may recommend to the Secretary of the
1788 Office of Policy and Management that an agency of the state be
1789 directed to test such technology, product or process by employing it in
1790 the operations of such agency on a trial basis. The purpose of such test
1791 program shall be to validate the commercial viability of such
1792 technology, product or process provided no business in which
1793 [Connecticut Innovations, Incorporated] the Connecticut Economic
1794 Development Authority has invested shall be required to participate in
1795 such program. No such recommendation may be made unless such
1796 business has submitted a viable business plan for manufacturing and
1797 marketing such technology, product or process and such business (1)
1798 will manufacture or produce such technology, product or process in
1799 this state, (2) demonstrates that the usage of such technology, product
1800 or process by the state agency will not adversely affect safety, (3)
1801 demonstrates that sufficient research and development has occurred to
1802 warrant participation in the test program, and (4) demonstrates that
1803 the technology, product or process has potential for commercialization
1804 not later than two years following the completion of any test program
1805 involving a state agency under this section.

1806 (b) If the Secretary of the Office of Policy and Management finds
1807 that employing such technology, product or process would be feasible
1808 in the operations of a state agency and would not have any detrimental
1809 effect on such operations, said secretary, notwithstanding the
1810 requirement of chapter 58, may direct an agency of the state to accept
1811 delivery of such technology, product or process and to undertake such
1812 a test program. Any costs associated with the acquisition and use of
1813 such technology, product or process by the testing agency shall be
1814 borne by [Connecticut Innovations, Incorporated] the Connecticut
1815 Economic Development Authority, the business or by any investor or
1816 participant in such business. The acquisition of any technology,
1817 product or process for purposes of the test program established

1818 pursuant to this section shall not be deemed to be a purchase under the
1819 provisions of the state procurement policy. The testing agency, on
1820 behalf of [Connecticut Innovations, Incorporated] the Connecticut
1821 Economic Development Authority shall maintain records related to
1822 such test program, as requested by [Connecticut Innovations,
1823 Incorporated] the Connecticut Economic Development Authority and
1824 shall make such records and any other information derived from such
1825 test program available to [Connecticut Innovations, Incorporated] the
1826 Connecticut Economic Development Authority and the business. Any
1827 proprietary information derived from such test program shall be
1828 exempt from the provisions of subsection (a) of section 1-210.

1829 (c) The Secretary of the Office of Policy and Management and
1830 [Connecticut Innovations, Incorporated] the Connecticut Economic
1831 Development Authority may develop a program to recognize state
1832 agencies that help to promote public health and safety, environmental
1833 protection or economic development by participating in a testing
1834 program under this section. Such program may include the creation of
1835 a fund established with savings accrued by the testing agency during
1836 its participation in the testing program established under this section.
1837 Such fund shall only be used to implement the program of recognition
1838 established by the Secretary of the Office of Policy and Management
1839 and [Connecticut Innovations, Incorporated,] the Connecticut
1840 Economic Development Authority under the provisions of this
1841 subsection.

1842 Sec. 38. Section 32-40 of the general statutes is repealed and the
1843 following is substituted in lieu thereof (*Effective July 1, 2010*):

1844 (a) All applications for financial aid shall be forwarded, together
1845 with an application fee prescribed by the [corporation] Connecticut
1846 Economic Development Authority, to the executive director of the
1847 [corporation] authority. Each such application shall be processed in
1848 accordance with the written procedures adopted by the [corporation]
1849 authority under subdivision (5) of subsection (d) of section 32-35. The
1850 [finance committee] board of directors of the [corporation] authority

1851 shall approve or deny each application recommended by the chief
1852 executive [director] officer. If the [finance committee] board of
1853 directors approves an application, [such committee] it may authorize
1854 the [corporation] authority to enter into an agreement or agreements
1855 on behalf of the [corporation] authority to provide financial aid to the
1856 applicant. The applicant shall be promptly notified of such action by
1857 the [corporation] authority.

1858 (b) In making the decision as to approval or denial of an application,
1859 the [finance committee] board of directors of the [corporation]
1860 authority shall give priority to those applicants (1) whose businesses
1861 are defense-dependent, or are located in municipalities which the
1862 [Commissioner of Economic and Community Development] authority
1863 has declared have been severely impacted by prime defense contract
1864 cutbacks pursuant to section 32-56, and (2) whose proposed research
1865 and development activity, technology, product or invention is to be
1866 used to convert all or a portion of the applicant's business to non-
1867 defense-related industrial or commercial activity, or to create a new
1868 non-defense-related industrial or commercial business. For purposes of
1869 this section, a defense-dependent business is any business that derives
1870 [over] more than fifty per cent of its gross income, generated from
1871 operations within the state, from prime defense contracts or from
1872 subcontracts entered into in connection with prime defense contracts, a
1873 significant portion of whose facilities and equipment are designed
1874 specifically for defense production and cannot be converted to
1875 nondefense uses without substantial investment.

1876 (c) All financial and credit information and all trade secrets
1877 contained in any application for financial aid submitted to the
1878 [corporation] authority or obtained by the [corporation] authority
1879 concerning any applicant, project, activity, technology, product or
1880 invention shall be exempt from the provisions of subsection (a) of
1881 section 1-210.

1882 Sec. 39. Section 32-40a of the general statutes is repealed and the
1883 following is substituted in lieu thereof (*Effective July 1, 2010*):

Any advanced technology center, as defined in section 32-34, shall be established for purposes of conducting research characterized by reasonable prospects of stimulating development of new business and industry utilizing such advanced technology and augmenting the application of advanced technology by existing business and industry in the state. [Connecticut Innovations, Incorporated] The Connecticut Economic Development Authority, hereinafter referred to as "the [corporation"] authority" shall require any applicant for state funding with respect to a proposed advanced technology center to submit a complete description of the organization of such center, plans for research and proposed funding from sources other than the state of Connecticut, subject to the provisions of section 32-40c, including, but not limited to, the following:

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

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

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

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

Sec. 40. Section 32-40b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

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

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

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

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

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

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

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

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

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

Sec. 41. Section 32-40c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

Funds from the state of Connecticut for purposes of any advanced technology center, as defined in section 32-34, shall not be allotted for

such purpose unless documentation, satisfactory to the Secretary of the Office of Policy and Management, has been submitted to [Connecticut Innovations, Incorporated,] the Connecticut Economic Development Authority certifying that such funds are accepted in accordance with a plan of proposed funding for such advanced technology center during a period of five years, commencing with the year of the initial state grant for such purpose. Such proposed funding shall include, in addition to the proposed amounts from the state of Connecticut, funds from other sources in an amount not less than the total proposed funds from the state during such five-year period.

Sec. 42. Section 32-41a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) There is hereby created a "Connecticut Innovations [, Incorporated] Fund". Proceeds from the sale of bonds authorized by the State Bond Commission in accordance with [section] sections 32-41 and [section] 32-41b, as amended by this act, shall be paid directly to the Treasurer of the state as agent of the [corporation] Connecticut Economic Development Authority and the Treasurer shall deposit all such amounts in the Connecticut Innovations [, Incorporated] Fund. The moneys in said fund shall be paid by checks signed by the Treasurer of the state or by his deputy appointed pursuant to section 3-12 on requisition of the executive director of the [corporation] authority or his designee.

(b) Any funds or revenues of [Connecticut Innovations, Incorporated] the authority derived from application fees, royalty payments, investment income and loan repayments received by the [corporation] authority in connection with its programs shall be held, administered and invested by the [corporation] authority or deposited with and invested by any institution as may be designated by the [corporation] authority at its sole discretion and paid as the [corporation] authority shall direct. All moneys in such accounts shall be used and applied to carry out the purposes of the [corporation] authority. The [corporation] authority may make payments from such

accounts to the Treasurer of the state for deposit in the Connecticut Innovations **[**, Incorporated**]** Fund for use in accordance with subsection (c) of this section.

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

Sec. 43. Section 32-41b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

The State Bond Commission shall have power in accordance with the provisions of section 3-20 to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate sixty-one million four hundred forty-five thousand six hundred dollars, to carry out the purposes of this section as follows: (1) Loans for the development and marketing of products in the high technology field within the state, not exceeding thirty-four million dollars; (2) royalty financing for start-up costs and product development costs of high technology products and procedures in the state, not exceeding seven million four hundred forty-five thousand six hundred dollars; and (3) financial aid for biotechnology and other high technology laboratories, facilities and equipment, not exceeding twenty million dollars. Any loans originated under subdivision (1) of this section shall bear interest at a rate to be determined in accordance with subsection (t) of said section 3-20. The principal and interest of said bonds shall be payable at such place or places as may be determined by the State Treasurer and shall bear such date or dates, mature at such time or times, bear interest at such rate or different or varying rates, be payable at such time or times, be in such denominations, be in such form with or without interest coupons

2011 attached, carry such registration and transfer privileges, be payable in
2012 such medium of payment and be subject to such terms of redemption
2013 with or without premium as, irrespective of the provisions of said
2014 section 3-20, may be provided by the authorization of the State Bond
2015 Commission or fixed in accordance therewith. The proceeds of the sale
2016 of said bonds, after deducting therefrom all expenses of issuance and
2017 sale, shall be paid to the Connecticut Innovations **[**, Incorporated**]** Fund
2018 created under section 32-41a, as amended by this act. When the State
2019 Bond Commission has acted to issue such bonds or a portion thereof,
2020 the Treasurer may, pending the issue of such bonds, issue, in the name
2021 of the state, temporary notes in anticipation of the money to be
2022 received from the sale of such bonds. In issuing the bonds authorized
2023 hereunder, the State Bond Commission may require repayment of such
2024 bonds by the corporation as shall seem desirable consistent with the
2025 purposes of this section and section 32-41a. Such terms for repayment
2026 may include a forgiveness of interest, a holiday in the repayment of
2027 interest or principal or both.

2028 Sec. 44. Section 32-41i of the general statutes is repealed and the
2029 following is substituted in lieu thereof (*Effective July 1, 2010*):

2030 As used in sections 32-41g to 32-41o, inclusive:

2031 (1) "Act" means the Technology Deployment Act of 1993;

2032 (2) "Advanced available technology" means a technology or process
2033 that can be applied to a manufacturing operation without substantial
2034 modification;

2035 (3) "Technology deployment" means (A) activities that assist
2036 businesses in applying advanced available technologies in their
2037 existing operations, or (B) activities that assist businesses in the
2038 development and manufacture of new products derived from
2039 advanced available technologies;

2040 (4) **[**"Corporation" means Connecticut Innovations, Incorporated**]**
2041 "Authority" means the Connecticut Economic Development Authority

2042 established pursuant to section 2 of this act or a subsidiary designated
2043 by said authority;

2044 (5) "Eligible institution" means an institution within the Connecticut
2045 State University System which is operating a technology deployment
2046 program on July 1, 1993;

2047 (6) "Eligible deployment research consortium" means a multitown,
2048 nonprofit coalition which is representative of the business, academic
2049 and government communities in an economically distressed area of the
2050 state which on or before July 1, 1993, is dependent upon labor
2051 intensive, less technologically advanced manufacturing;

2052 (7) "Eligible business consortium" means a nonprofit business-led
2053 consortium organized for the purpose of technology deployment in the
2054 fields of biotechnology, ergonomics, environmental and energy
2055 technologies or educational and job training technologies;

2056 (8) "Eligible grant recipient" means one or more state institutions of
2057 higher education or a nonprofit business-led consortium organized for
2058 the purpose of technology deployment in advanced materials, marine
2059 sciences, photonics, pharmaceutical and environmental technologies;

2060 (9) "Small and medium-sized business" means a manufacturing
2061 business with fewer than five hundred employees.

2062 Sec. 45. Section 32-41j of the general statutes is repealed and the
2063 following is substituted in lieu thereof (*Effective July 1, 2010*):

2064 (a) There is established a university-based manufacturing
2065 application center program to be administered by the **[**corporation**]**
2066 authority for the purpose of promoting technology deployment by
2067 linking Connecticut's higher education system with small and
2068 medium-sized businesses. **[**During the three-month period beginning
2069 on July 1, 1993, the corporation**]** The authority shall accept applications
2070 from eligible institutions in a form and manner prescribed by the
2071 **[**corporation**]** authority for state funding for the operation of a
2072 manufacturing application center.

2073 (b) [On or before January 1, 1994, the corporation] The authority
2074 shall review all applications timely received pursuant to this section
2075 and shall approve one such application. In approving such application
2076 the [corporation] authority shall assess scientific and economic factors
2077 concerning the proposed manufacturing application center, including,
2078 but not limited to, the following:

2079 (1) The eligible institution's experience with manufacturing
2080 applications, including computer-integrated manufacturing,
2081 computer-aided drafting and design, just-in-time manufacturing and
2082 total quality management;

2083 (2) The center's plan to provide follow-up employee training to
2084 center users;

2085 (3) The center's plan to involve urban-based businesses, minority
2086 students or minority-owned businesses in its activities; and

2087 (4) The adequacy of the center's proposed mechanisms for
2088 evaluating its progress.

2089 (c) The center's responsibilities shall include, but not be limited to,
2090 providing training for manufacturing businesses in high performance
2091 work practices.

2092 Sec. 46. Section 32-41k of the general statutes is repealed and the
2093 following is substituted in lieu thereof (*Effective July 1, 2010*):

2094 (a) There is established a nonprofit deployment research program to
2095 be administered by the [corporation] authority for the purpose of
2096 identifying emerging advanced available technologies in economically
2097 distressed manufacturing or former manufacturing regions of the state.
2098 [During the six-month period beginning on July 1, 1993, the
2099 corporation] The authority shall accept applications from eligible
2100 deployment research consortia in a form and manner prescribed by the
2101 [corporation] authority for state funding for technology deployment
2102 research.

2103 (b) [On or before July 1, 1994, the corporation] The authority shall
2104 review all applications timely received pursuant to this section and
2105 shall approve one such application. In approving such application the
2106 [corporation] authority shall assess scientific and economic factors
2107 concerning the proposed technology deployment research, including
2108 but not limited to the following:

2109 (1) The extent to which the research will identify advanced available
2110 technologies for future deployment;

2111 (2) The extent to which the research enhances existing
2112 manufacturing in Connecticut industry;

2113 (3) The eligible research consortium's plan to involve minority
2114 students or minority owned businesses in its activities; and

2115 (4) The adequacy of the eligible research consortium's proposed
2116 mechanisms for evaluating its progress.

2117 (c) The center's responsibilities shall include, but not be limited to,
2118 providing training for businesses in high performance work practices.

2119 Sec. 47. Section 32-41*l* of the general statutes is repealed and the
2120 following is substituted in lieu thereof (*Effective July 1, 2010*):

2121 (a) There is established a Connecticut energy and environmental
2122 technologies deployment center program to be administered by the
2123 [corporation] authority for the purpose of promoting a nonprofit
2124 business consortium for technology deployment in two critical
2125 technologies where the state possesses unique scientific and human
2126 resources. [During the three-month period beginning on July 1, 1993,
2127 the corporation] The authority shall accept applications from eligible
2128 business consortia in a form and manner prescribed by the
2129 [corporation] authority for state funding for the operation of an energy
2130 and environmental technologies application center.

2131 (b) [On or before January 1, 1994, the corporation] The authority
2132 shall review all applications timely received pursuant to this section

2133 and shall approve one such application. In approving such application
2134 the [corporation] authority shall assess scientific and economic factors
2135 concerning the proposed Connecticut energy and environmental
2136 technologies deployment center, including but not limited to the
2137 following:

2138 (1) Participation in the center by multiple private enterprises
2139 including defense and non-defense-based firms with an expertise in
2140 environmental and energy technologies;

2141 (2) Participation in the center by more than one public or private
2142 institution of higher education;

2143 (3) The center's plan to involve minority students or minority-
2144 owned businesses in its activities; and

2145 (4) The adequacy of the center's proposed mechanisms for
2146 evaluating its progress.

2147 Sec. 48. Section 32-41m of the general statutes is repealed and the
2148 following is substituted in lieu thereof (*Effective July 1, 2010*):

2149 (a) There is established a Connecticut educational and job training
2150 technologies deployment center program to be administered by the
2151 [corporation] authority for the purpose of promoting a nonprofit
2152 business-led consortium for technology deployment in a critical
2153 technology in which the state possesses unique scientific and human
2154 resources. [During the three-month period beginning on July 1, 1993,
2155 the corporation] The authority shall accept applications from eligible
2156 business consortia in a form and manner prescribed by the
2157 [corporation] authority for state funding for the operation of an
2158 educational and job training technologies deployment center.

2159 (b) [On or before January 1, 1994, the corporation] The authority
2160 shall review all applications timely received pursuant to this section
2161 and shall approve one such application. In approving such application
2162 the [corporation] authority shall assess scientific and economic factors
2163 concerning the proposed Connecticut educational and job training

technologies deployment center, including, but not limited to, the following:

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

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

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

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

Sec. 49. Section 32-41n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

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

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

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

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

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

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

Sec. 50. Section 32-41o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

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

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

(c) All provisions of section 3-20, or the exercise of any right or power granted thereby which are not inconsistent with the provisions

of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

Sec. 51. Section 32-41p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) There is established a workplace center of excellence program to be administered by **[**Connecticut Innovations, Incorporated**]** the Connecticut Economic Development Authority for the purpose of developing and deploying ergonomic technology solutions and knowledge. **[**During the three-month period beginning on July 1, 1994, the corporation**]** The authority shall accept applications from eligible institutions in a form and manner prescribed by the **[**corporation**]** authority for state funding for the establishment and operation of a workplace center of excellence.

(b) **[**On or before January 1, 1995, the corporation**]** The authority

2259 shall review all applications timely received pursuant to this section,
2260 approve one such application and provide the approved institution
2261 with such financial assistance as the [corporation] authority may
2262 determine will promote the purposes of this section. In approving such
2263 application the [corporation] authority shall assess scientific and
2264 economic factors concerning the proposed center, including but not
2265 limited to, the following:

2266 (1) The formal participation in, and financial support of, the center
2267 by employers, insurers, and enterprises actively engaged in
2268 developing and deploying ergonomics solutions and related activities;

2269 (2) The likelihood that the center will result in substantial and
2270 timely deployment of advanced technology solutions to existing
2271 businesses in the state;

2272 (3) The center's plan to involve employers, labor, institutions of
2273 higher education and other interested parties in its decision-making;

2274 (4) The adequacy of the center's financial plan, including the
2275 matching of any state grant funds to implement specific projects with
2276 at least an equal amount of funding from private sources;

2277 (5) The center's plan to involve urban residents and urban-based
2278 businesses; and

2279 (6) The adequacy of the center's mechanisms for evaluating its
2280 progress.

2281 Sec. 52. Section 32-41q of the general statutes is repealed and the
2282 following is substituted in lieu thereof (*Effective July 1, 2010*):

2283 (a) As used in this section "critical industry" means an industry that
2284 uses emerging technologies, including but not limited to, fuel cell
2285 technology, to develop and manufacture nondefense products for
2286 future sale, has the potential to create or retain jobs in the state and is
2287 critical to the state economy.

2288 (b) There is established an account to be known as the critical
2289 industries development account, which shall be a separate, nonlapsing
2290 account within the General Fund. The account shall contain any
2291 moneys invested pursuant to the provisions of this section.
2292 [Connecticut Innovations, Incorporated] The Connecticut Economic
2293 Development Authority may use funds from the account to provide
2294 loans, loan guarantees, interest rate subsidies and other forms of loan
2295 assistance to customers of businesses in critical industries which
2296 businesses are based in the state. [Connecticut Innovations,
2297 Incorporated] The Connecticut Economic Development Authority may
2298 solicit and receive funds from any public and private sources for the
2299 program. Such funds may include, without limitation, federal funds,
2300 state bond proceeds, private venture capital and investments by
2301 persons, firms or corporations. Private capital investments may be
2302 made either in the account as a whole or in one or more individual
2303 technologies or projects.

2304 (c) No product may receive assistance under this section unless its
2305 manufacturer agrees to enter into a contract to: (1) Carry out a
2306 specified percentage of the development and manufacturing work for
2307 the product in the state; and (2) when subcontracting is required, to
2308 conduct a specified percentage of such work with companies based in
2309 the state. [Connecticut Innovations, Incorporated] The Connecticut
2310 Economic Development Authority shall determine such percentage for
2311 the purposes of this program.

2312 (d) Any person who, or firm or corporation which, invests funds in
2313 the critical industries development account pursuant to this section
2314 shall receive a portion of the interest paid and principal repayment by
2315 the recipient of the loan in proportion to the ratio of the amount of the
2316 investment of such person, firm or corporation to the total loan
2317 amount.

2318 (e) The Commissioner of Economic and Community Development
2319 may adopt regulations in accordance with the provisions of chapter 54
2320 to carry out the purposes of this section.

2321 Sec. 53. Section 32-41s of the general statutes is repealed and the
2322 following is substituted in lieu thereof (*Effective July 1, 2010*):

2323 (a) As used in this section:

2324 (1) "Eligible business" means a business which (A) has not more
2325 than three hundred employees at any time during the preceding
2326 twelve months, and (B) is engaged in biotechnology, pharmaceutical or
2327 photonics research, development or production in the state; and

2328 (2) "Eligible commercial property" means (A) real or personal
2329 property which an eligible business has (i) owned or leased and (ii)
2330 utilized at all times during the preceding twelve months, or (B) real
2331 property which the Commissioner of Economic and Community
2332 Development or **[**Connecticut Innovations, Incorporated**]** the
2333 Connecticut Economic Development Authority has certified as newly
2334 constructed or substantially renovated and expanded primarily for
2335 occupancy by one or more eligible businesses.

2336 (b) On and after July 1, 1997, eligible businesses and eligible
2337 commercial property located in any municipality which has (1) a major
2338 research university with programs in biotechnology, pharmaceuticals
2339 or photonics, and (2) an enterprise zone, shall be entitled to the same
2340 benefits, subject to the same conditions, under the general statutes for
2341 which businesses located in an enterprise zone qualify.

2342 (c) **[**Connecticut Innovations, Incorporated**]** The Connecticut
2343 Economic Development Authority may provide lease guarantees or
2344 other financial aid for facilities, improvements and equipment, to
2345 benefit any eligible business **[**which is**]** unable to secure financing for
2346 such items on commercially reasonable terms.

2347 (d) **[**Connecticut Innovations, Incorporated**]** The Connecticut
2348 Economic Development Authority may recommend regulations to
2349 carry out the purposes of this section, which the Commissioner of
2350 Economic and Community Development shall adopt in accordance
2351 with chapter 54.

2352 (e) [Connecticut Innovations, Incorporated] The Connecticut
2353 Economic Development Authority shall evaluate the feasibility of
2354 establishing a bio-processing facility within this state. If determined to
2355 be feasible, [Connecticut Innovations, Incorporated] the Connecticut
2356 Economic Development Authority shall facilitate the formation of a
2357 business consortium, in which it may participate, to launch and
2358 operate such facility.

2359 Sec. 54. Section 32-41t of the general statutes is repealed and the
2360 following is substituted in lieu thereof (*Effective July 1, 2010*):

2361 As used in this section and section 32-41u:

2362 (1) ["Corporation" means Connecticut Innovations, Incorporated as
2363 created under section 32-35] "Authority" means the Connecticut
2364 Economic Development Authority; and

2365 (2) "Eligible participant" means a member of the faculty or a
2366 researcher engaged in applied research and development at any
2367 Connecticut college or university that agrees to participate in a high
2368 technology research and development program established by the
2369 [corporation] authority.

2370 Sec. 55. Section 32-41u of the general statutes is repealed and the
2371 following is substituted in lieu thereof (*Effective July 1, 2010*):

2372 (a) There is established a high technology research and development
2373 program to be administered by the [corporation] authority for the
2374 purpose of promoting collaboration between businesses and colleges
2375 and universities in this state in advanced materials, aerospace,
2376 bioscience, energy and environmental systems, information
2377 technology, applied optics, microelectronics and other high technology
2378 fields. The [corporation] authority may accept applications to the
2379 program from eligible participants in a form and manner prescribed by
2380 the [corporation] authority.

2381 (b) In approving any application the [corporation] authority shall
2382 assess the collaborative nature of the proposal as well as scientific and

2383 economic factors, including, but not limited to, the following:

2384 (1) The formal participation in the proposal by businesses actively
2385 engaged in the commercial use of advanced materials, aerospace,
2386 bioscience, energy and environmental systems, information
2387 technology, applied optics, microelectronics and other high technology
2388 fields;

2389 (2) The likelihood that a proposal will result in the development or
2390 commercialization of high technology products or processes in this
2391 state; and

2392 (3) The likelihood that a proposal will result in long-term,
2393 sustainable economic growth for this state.

2394 (c) The **[**corporation**]** authority shall provide financial aid, as
2395 defined in subdivision **[**(4)**]** (3) of section 32-34, as amended by this act,
2396 to eligible participants whose proposals have been approved by the
2397 **[**corporation**]** authority as provided in subsections (a) and (b) of this
2398 section.

2399 (d) The **[**corporation**]** authority may establish other programs,
2400 including financial programs, in order to attract and retain residents
2401 with postsecondary education in science, engineering, mathematics
2402 and other disciplines that are essential or advisable to the development
2403 and application of technology.

2404 Sec. 56. Section 32-43 of the general statutes is repealed and the
2405 following is substituted in lieu thereof (*Effective July 1, 2010*):

2406 The state of Connecticut does hereby pledge to and agree with any
2407 person with whom the **[**corporation**]** authority may enter into contracts
2408 pursuant to the provisions of this chapter that the state will not limit or
2409 alter the rights hereby vested in the **[**corporation**]** authority until such
2410 contracts and the obligations thereunder are fully met and performed
2411 on the part of the **[**corporation**]** authority, provided nothing herein
2412 contained shall preclude such limitation or alteration if adequate
2413 provision shall be made by law for the protection of such persons

2414 entering into contracts with the [corporation] authority.

2415 Sec. 57. Section 32-47 of the general statutes is repealed and the
2416 following is substituted in lieu thereof (*Effective July 1, 2010*):

2417 (a) Neither the directors of [Connecticut Innovations, Incorporated]
2418 the Connecticut Economic Development Authority nor any person
2419 acting on behalf of said [corporation] authority executing any notes,
2420 bonds, contracts, agreements or other obligations issued pursuant to
2421 this chapter shall be liable personally on such notes, bonds, contracts,
2422 agreements or obligations, or be subject to any personal liability or
2423 accountability by reason of the issuance thereof.

2424 (b) No director shall be personally liable for damage or injury, not
2425 wanton or wilful, caused in the performance of his duties and within
2426 the scope of his employment. Any person having a complaint for such
2427 damage or injury shall present it as a claim against the state under the
2428 provisions of chapter 53.

2429 Sec. 58. Section 32-47a of the 2010 supplement to the general statutes
2430 is repealed and the following is substituted in lieu thereof (*Effective July*
2431 *1, 2010*):

2432 Not later than January first in each year, [Connecticut Innovations,
2433 Incorporated] the Connecticut Economic Development Authority shall
2434 submit a business plan containing a summary of its projected
2435 operations for the year to the joint standing committees of the General
2436 Assembly having cognizance of matters relating to [the Department of
2437 Economic and Community Development] economic development,
2438 appropriations and capital bonding. Not later than November first,
2439 annually, the [corporation] authority shall submit a report to [the
2440 Commissioner of Economic and Community Development,] the
2441 Auditors of Public Accounts and said joint standing committees, which
2442 shall include the following information with respect to new and
2443 outstanding financial assistance provided by the [corporation]
2444 authority during the twelve-month period ending on June thirtieth
2445 next preceding the date of the report for each financial assistance

program administered by the [corporation] authority: (1) A list of the names, addresses and locations of all recipients of such assistance, (2) for each such recipient: (A) The business activities, (B) the Standard Industrial Classification Manual codes, (C) the gross revenues during the recipient's most recent fiscal year, if the recipient is an organization that makes such information public in the normal course of business, or, if the recipient does not make such information public in the normal course of business, the gross revenue information shall be provided for a recipient separately, using a system in which no recipient is listed by name but each is given a separate identity in a manner consistent with the provisions of subsection (c) of section 32-40, (D) the number of employees at the time of application, (E) whether the recipient is a minority or woman-owned business, (F) a summary of the terms and conditions for the assistance, including the type and amount of state financial assistance, job creation or retention requirements, and anticipated wage rates, and (G) the amount of investments from private and other nonstate sources that have been leveraged by the assistance, (3) the economic benefit criteria used in determining which applications have been approved or disapproved, and (4) for each recipient of assistance on or after July 1, 1991, a comparison between the number of jobs to be created, the number of jobs to be retained and the average wage rates for each such category of jobs, as projected in the recipient's application, versus the actual number of jobs created, the actual number of jobs retained and the average wage rates for each such category. The Governor and the chairpersons and ranking members of the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding and commerce may, after a request to [Connecticut Innovations, Incorporated] the Connecticut Economic Development Authority by any of said persons, examine, in confidence, the detailed data, including the specific revenue data for each identifiable business, submitted pursuant to subparagraph (C) of subdivision (2) of this section. The chairpersons and ranking members of said committees may disclose such data to the members of said committees, who shall also keep such data confidential. The report

2481 shall also indicate the actual number of full-time jobs and the actual
2482 number of part-time jobs in each such category and the benefit levels
2483 for each such subcategory. The November first report shall include a
2484 summary of the activities of the **[**corporation**]** authority, including all
2485 activities to assist small businesses and minority business enterprises,
2486 as defined in section 4a-60g, a complete operating and financial
2487 statement and recommendations for legislation to promote the
2488 purposes of the **[**corporation**]** authority. The **[**corporation**]** authority
2489 shall furnish such additional information upon the written request of
2490 any such committee at such times as the committee may request.

2491 Sec. 59. Section 32-477 of the general statutes is repealed and the
2492 following is substituted in lieu thereof (*Effective July 1, 2010*):

2493 The board of directors of the **[**Connecticut Development Authority**]**
2494 Connecticut Economic Development Authority shall give priority to
2495 applicants who have established a work environment consistent with
2496 the criteria set forth in section 32-475 in awarding financial assistance
2497 under the programs authorized pursuant to chapter 588n, sections 32-
2498 14 to 32-23a, inclusive, 32-23v, 32-23x, 32-23gg to 32-23*ll*, inclusive, 32-
2499 23z, 32-23pp to 32-23ss, inclusive, and section 32-341 and the programs
2500 utilizing proceeds of self-sustaining revenue bonds and umbrella
2501 revenue bonds pursuant to chapter 579, to the extent consistent with
2502 any state or regional economic development strategy.

2503 Sec. 60. Section 10a-25b of the general statutes is repealed and the
2504 following is substituted in lieu thereof (*Effective July 1, 2010*):

2505 (a) The State Bond Commission may authorize the issuance of
2506 bonds of the state in one or more series in accordance with the
2507 provisions of sections 10a-25a to 10a-25g, inclusive, as amended by this
2508 act, but not in excess of the aggregate amount of twenty-two million
2509 five hundred thousand dollars.

2510 (b) The proceeds of the sale of said bonds, to the extent hereinafter
2511 stated, shall be used to encourage, promote, develop and assist high
2512 technology products and programs within Connecticut by infusion of

financial assistance in situations when such financial aid would not otherwise reasonably be available from other sources as hereinafter stated: (1) For the State Board of Education: High technology equipment for programs in the vocational-technical schools, not exceeding two million dollars; (2) for [Connecticut Innovations, Incorporated] the Connecticut Economic Development Authority: (A) Matching funds for cooperative high technology research and development projects and programs, not exceeding nine million dollars; (B) financial aid, as defined in subdivision [(4)] (3) of section 32-34, as amended by this act, to public institutions of higher education for high technology projects and programs, not exceeding eleven million five hundred thousand dollars.

Sec. 61. Section 10a-25g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

Through [Connecticut Innovations, Incorporated] the Connecticut Economic Development Authority the state may provide financial aid, as defined in subdivision [(4)] (3) of section 32-34, as amended by this act, for the development of high technology projects and programs in accordance with the provisions of subdivision (2) of subsection (b) of section 10a-25b. Such funding shall be made in accordance with written procedures adopted by [Connecticut Innovations, Incorporated] the Connecticut Economic Development Authority in accordance with the provisions of section 1-121. [Until June 30, 1996, Connecticut Innovations, Incorporated may use not more than three per cent of the total amount of any annual bond allocation for high technology projects and programs described in section 10a-25b or this section, for the administration and evaluation of such projects and programs.]

Sec. 62. Section 32-41 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

The State Bond Commission shall have power in accordance with the provisions of section 3-20 to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in

the aggregate forty-seven million eight hundred fifty-four thousand nine hundred dollars to carry out the purposes of sections 32-32 to 32-41, inclusive. The principal and interest of said bonds shall be payable at such place or places as may be determined by the State Treasurer and shall bear such date or dates, mature at such time or times, bear interest at such rate or different or varying rates, be payable at such time or times, be in such denominations, be in such form with or without interest coupons attached, carry such registration and transfer privileges, be payable in such medium of payment and be subject to such terms of redemption with or without premium as, irrespective of the provisions of said section 3-20, may be provided by the authorization of the State Bond Commission or fixed in accordance therewith. The proceeds of the sale of such bonds, after deducting therefrom all expenses of issuance and sale, shall be paid to the Connecticut Innovations **[**, Incorporated**]** Fund created under section 32-41a. When the State Bond Commission has acted to issue such bonds or a portion thereof, the Treasurer may, pending the issue of such bonds, issue, in the name of the state, temporary notes in anticipation of the money to be received from the sale of such bonds. In issuing the bonds authorized hereunder, the State Bond Commission may require repayment of such bonds by the corporation as shall seem desirable consistent with the purposes of sections 32-32 to 32-41, inclusive. Such terms for repayment may include a forgiveness of interest, a holiday in the repayment of interest or principal or both.

Sec. 63. Subsection (f) of section 4-66a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(f) The Secretary of the Office of Policy and Management is authorized to do all things necessary to apply for and accept federal funds allotted or available to the state under any federal act or program which could support activities which the secretary is authorized to undertake. He shall administer such funds in accordance with state and federal law. The secretary, in consultation with the

2580 executive director of [Connecticut Innovations, Incorporated,] the
2581 Connecticut Economic Development Authority or the Commissioner of
2582 Economic and Community Development, when applicable, may apply
2583 for all federal funds available to the state for defense conversion
2584 projects and other projects consistent with a defense conversion
2585 strategy.

2586 Sec. 64. Subdivision (42) of section 8-250 of the general statutes is
2587 repealed and the following is substituted in lieu thereof (*Effective July*
2588 *1, 2010*):

2589 (42) To accept from the department: (A) Financial assistance, (B)
2590 revenues or the right to receive revenues with respect to any program
2591 under the supervision of the department, and (C) loan assets or equity
2592 interests in connection with any program under the supervision of the
2593 department; to make advances to and reimburse the department for
2594 any expenses incurred or to be incurred by it in the delivery of such
2595 assistance, revenues, rights, assets, interests or amounts; to enter into
2596 agreements with the department for the delivery of services by the
2597 authority in consultation with the department [,] and the [Connecticut
2598 Development Authority and Connecticut Innovations, Incorporated,]
2599 Connecticut Economic Development Authority to third parties which
2600 agreements may include provisions for payment by the department to
2601 the authority for the delivery of such services; and to enter into
2602 agreements with the department or with the [Connecticut
2603 Development Authority or Connecticut Innovations, Incorporated,]
2604 Connecticut Economic Development Authority for the sharing of
2605 assistants, agents and other consultants, professionals and employees,
2606 and facilities and other real and personal property used in the conduct
2607 of the authority's affairs;

2608 Sec. 65. Section 16-245n of the general statutes is repealed and the
2609 following is substituted in lieu thereof (*Effective July 1, 2010*):

2610 (a) For purposes of this section, "renewable energy" means solar
2611 photovoltaic energy, solar thermal, geothermal energy, wind, ocean
2612 thermal energy, wave or tidal energy, fuel cells, landfill gas,

2613 hydropower that meets the low-impact standards of the Low-Impact
2614 Hydropower Institute, hydrogen production and hydrogen conversion
2615 technologies, low emission advanced biomass conversion technologies,
2616 alternative fuels, used for electricity generation including ethanol,
2617 biodiesel or other fuel produced in Connecticut and derived from
2618 agricultural produce, food waste or waste vegetable oil, provided the
2619 Commissioner of Environmental Protection determines that such fuels
2620 provide net reductions in greenhouse gas emissions and fossil fuel
2621 consumption, usable electricity from combined heat and power
2622 systems with waste heat recovery systems, thermal storage systems
2623 and other energy resources and emerging technologies which have
2624 significant potential for commercialization and which do not involve
2625 the combustion of coal, petroleum or petroleum products, municipal
2626 solid waste or nuclear fission.

2627 (b) On and after July 1, 2004, the Department of Public Utility
2628 Control shall assess or cause to be assessed a charge of not less than
2629 one mill per kilowatt hour charged to each end use customer of electric
2630 services in this state which shall be deposited into the Renewable
2631 Energy Investment Fund established under subsection (c) of this
2632 section. Notwithstanding the provisions of this section, receipts from
2633 such charges shall be disbursed to the resources of the General Fund
2634 during the period from July 1, 2003, to June 30, 2005, unless the
2635 department shall, on or before October 30, 2003, issue a financing order
2636 for each affected distribution company in accordance with sections 16-
2637 245e to 16-245k, inclusive, to sustain funding of renewable energy
2638 investment programs by substituting an equivalent amount, as
2639 determined by the department in such financing order, of proceeds of
2640 rate reduction bonds for disbursement to the resources of the General
2641 Fund during the period from July 1, 2003, to June 30, 2005. The
2642 department may authorize in such financing order the issuance of rate
2643 reduction bonds that substitute for disbursement to the General Fund
2644 for receipts of both charges under this subsection and subsection (a) of
2645 section 16-245m and also may in its discretion authorize the issuance of
2646 rate reduction bonds under this subsection and subsection (a) of
2647 section 16-245m that relate to more than one electric distribution

2648 company. The department shall, in such financing order or other
2649 appropriate order, offset any increase in the competitive transition
2650 assessment necessary to pay principal, premium, if any, interest and
2651 expenses of the issuance of such rate reduction bonds by making an
2652 equivalent reduction to the charges imposed under this subsection,
2653 provided any failure to offset all or any portion of such increase in the
2654 competitive transition assessment shall not affect the need to
2655 implement the full amount of such increase as required by this
2656 subsection and sections 16-245e to 16-245k, inclusive. Such financing
2657 order shall also provide if the rate reduction bonds are not issued, any
2658 unrecovered funds expended and committed by the electric
2659 distribution companies for renewable resource investment through
2660 deposits into the Renewable Energy Investment Fund, provided such
2661 expenditures were approved by the department following August 20,
2662 2003, and prior to the date of determination that the rate reduction
2663 bonds cannot be issued, shall be recovered by the companies from
2664 their respective competitive transition assessment or systems benefits
2665 charge except that such expenditures shall not exceed one million
2666 dollars per month. All receipts from the remaining charges imposed
2667 under this subsection, after reduction of such charges to offset the
2668 increase in the competitive transition assessment as provided in this
2669 subsection, shall be disbursed to the Renewable Energy Investment
2670 Fund commencing as of July 1, 2003. Any increase in the competitive
2671 transition assessment or decrease in the renewable energy investment
2672 component of an electric distribution company's rates resulting from
2673 the issuance of or obligations under rate reduction bonds shall be
2674 included as rate adjustments on customer bills.

2675 (c) There is hereby created a Renewable Energy Investment Fund
2676 which shall be within **[**Connecticut Innovations, Incorporated**]** <u>the</u>
2677 <u>Connecticut Economic Development Authority</u> for administrative
2678 purposes only. The fund may receive any amount required by law to
2679 be deposited into the fund and may receive any federal funds as may
2680 become available to the state for renewable energy investments. Upon
2681 authorization of the Renewable Energy Investments Board established
2682 pursuant to subsection (d) of this section, **[**Connecticut Innovations,

2683 Incorporated,] the Connecticut Economic Development Authority may
2684 use any amount in said fund for expenditures that promote investment
2685 in renewable energy sources in accordance with a comprehensive plan
2686 developed by it to foster the growth, development and
2687 commercialization of renewable energy sources, related enterprises
2688 and stimulate demand for renewable energy and deployment of
2689 renewable energy sources that serve end use customers in this state
2690 and for the further purpose of supporting operational demonstration
2691 projects for advanced technologies that reduce energy use from
2692 traditional sources. Such expenditures may include, but not be limited
2693 to, reimbursement for services provided by the administrator of the
2694 fund including a management fee, disbursements from the fund to
2695 develop and carry out the plan developed pursuant to subsection (d)
2696 of this section, grants, direct or equity investments, contracts or other
2697 actions which support research, development, manufacture,
2698 commercialization, deployment and installation of renewable energy
2699 technologies, and actions which expand the expertise of individuals,
2700 businesses and lending institutions with regard to renewable energy
2701 technologies.

2702 (d) There is hereby created a Renewable Energy Investments Board
2703 to act on matters related to the Renewable Energy Investment Fund,
2704 including, but not limited to, development of a comprehensive plan
2705 and expenditure of funds. The Renewable Energy Investments Board
2706 shall, in such plan, give preference to projects that maximize the
2707 reduction of federally mandated congestion charges. The Renewable
2708 Energy Investments Board shall make a draft of the comprehensive
2709 plan available for public comment for not less than thirty days. The
2710 board shall conduct three public hearings in three different regions of
2711 the state on the draft comprehensive plan and shall include a
2712 summarization of all public comments received at said public hearings
2713 in the final comprehensive plan approved by the board. The board
2714 shall provide a copy of the comprehensive plan, in accordance with the
2715 provisions of section 11-4a, to the joint standing committees of the
2716 General Assembly having cognizance of matters relating to energy and
2717 commerce. The Department of Public Utility Control shall, in an

uncontested proceeding, during which the department may hold a public hearing, approve, modify or reject the comprehensive plan prepared pursuant to this subsection.

(e) The Renewable Energy Investments Board shall include not more than fifteen individuals with knowledge and experience in matters related to the purpose and activities of the Renewable Energy Investment Fund. The board shall consist of the following members: (1) One person with expertise regarding renewable energy resources appointed by the speaker of the House of Representatives; (2) one person representing a state or regional organization primarily concerned with environmental protection appointed by the president pro tempore of the Senate; (3) one person with experience in business or commercial investments appointed by the majority leader of the House of Representatives; (4) one person representing a state or regional organization primarily concerned with environmental protection appointed by the majority leader of the Senate; (5) one person with experience in business or commercial investments appointed by the minority leader of the House of Representatives; (6) the Commissioner of Emergency Management and Homeland Security or the commissioner's designee; (7) one person with expertise regarding renewable energy resources appointed by the Governor; (8) two persons with experience in business or commercial investments appointed by the board of directors of **[**Connecticut Innovations, Incorporated**]** the Connecticut Economic Development Authority; (9) a representative of a state-wide business association, manufacturing association or chamber of commerce appointed by the minority leader of the Senate; (10) the Consumer Counsel; (11) the Secretary of the Office of Policy and Management or the secretary's designee; (12) the Commissioner of Environmental Protection or the commissioner's designee; (13) a representative of organized labor appointed by the Governor; and (14) a representative of residential customers or low-income customers appointed by Governor. On a biennial basis, the board shall elect a chairperson and vice-chairperson from among its members and shall adopt such bylaws and procedures it deems necessary to carry out its functions. The board may establish

2753 committees and subcommittees as necessary to conduct its business.

2754 (f) The board shall issue annually a report to the Department of
2755 Public Utility Control reviewing the activities of the Renewable Energy
2756 Investment Fund in detail and shall provide a copy of such report, in
2757 accordance with the provisions of section 11-4a, to the joint standing
2758 committees of the General Assembly having cognizance of matters
2759 relating to energy and commerce and the Office of Consumer Counsel.
2760 The report shall include a description of the programs and activities
2761 undertaken during the reporting period jointly or in collaboration with
2762 the Energy Conservation and Load Management Funds established
2763 pursuant to section 16-245m.

2764 (g) There shall be a joint committee of the Energy Conservation
2765 Management Board and the Renewable Energy Investments Board, as
2766 provided in subdivision (2) of subsection (d) of section 16-245m.

2767 (h) No later than December 31, 2006, and no later than December
2768 thirty-first every five years thereafter, the board shall, after consulting
2769 with the Energy Conservation Management Board, conduct an
2770 evaluation of the performance of the programs and activities of the
2771 fund and submit a report, in accordance with the provisions of section
2772 11-4a, of the evaluation to the joint standing committees of the General
2773 Assembly having cognizance of matters relating to energy and
2774 commerce.

2775 Sec. 66. Section 16-245aa of the general statutes is repealed and the
2776 following is substituted in lieu thereof (*Effective July 1, 2010*):

2777 (a) There is established an account to be known as the "municipal
2778 renewable energy and efficient energy grant account", which shall be a
2779 separate, nonlapsing account within the Renewable Energy Investment
2780 Fund, established pursuant to section 16-245n. The account shall
2781 contain any moneys required or permitted by law to be deposited in
2782 the account and any funds received from any public or private
2783 contributions, gifts, grants, donations, bequests or devises to the fund.
2784 **[**Connecticut Innovations, Incorporated,**]** <u>The Connecticut Economic</u>

2785 Development Authority may make grants-in-aid from the fund in
2786 accordance with the provisions of subsection (b) of this section.

2787 (b) [Connecticut Innovations, Incorporated] The Connecticut
2788 Economic Development Authority, in consultation with the
2789 Department of Public Utility Control, the Department of Education
2790 and the Department of Emergency Management and Homeland
2791 Security, shall establish a municipal renewable energy and efficient
2792 energy generation grant program. [Connecticut Innovations,
2793 Incorporated,] The Connecticut Economic Development Authority
2794 shall make grants under said program to municipalities for the
2795 purchase of (1) renewable energy sources, including solar energy,
2796 geothermal energy and fuel cells or other energy-efficient hydrogen-
2797 fueled energy, or (2) energy-efficient generation sources, including
2798 units providing combined heat-and-power operations with greater
2799 than sixty-five per cent efficiency or such higher efficiency level as
2800 [Connecticut Innovations, Incorporated,] the Connecticut Economic
2801 Development Authority may prescribe, for municipal buildings.
2802 [Connecticut Innovations, Incorporated,] The Connecticut Economic
2803 Development Authority shall give priority to applications for grants
2804 for disaster relief centers and high schools. Each grant shall be in an
2805 amount that makes the cost of purchasing and operating the renewable
2806 energy or energy-efficient generation source competitive with the
2807 municipality's current electricity expenses.

2808 (c) [On or before October 1, 2007, Connecticut Innovations,
2809 Incorporated,] The Connecticut Economic Development Authority
2810 shall develop an application for grants-in-aid under this section for the
2811 purpose of purchasing and operating renewable energy or energy-
2812 efficient generation sources and may receive applications from
2813 municipalities for such grants-in-aid on and after said date.
2814 Applications shall include, but not be limited to, a complete
2815 description of the proposed renewable energy or energy-efficient
2816 generation source.

2817 (d) Commencing with the fiscal year ending June 30, 2008, and for

2818 each of the five consecutive fiscal years thereafter, until the fiscal year
2819 ending June 30, 2012, not less than ten million dollars shall be available
2820 from the municipal renewable energy and efficient energy generation
2821 grant account for grants-in-aid to municipalities for the purpose of
2822 purchasing and operating renewable energy or energy-efficient
2823 generation sources. Any balance of such amount not used for such
2824 grants-in-aid during a fiscal year shall be carried forward for the fiscal
2825 year next succeeding for such grants-in-aid.

2826 (e) On or before January 1, **[**2009**]** 2011, and annually thereafter,
2827 **[**Connecticut Innovations, Incorporated,**]** the Connecticut Economic
2828 Development Authority shall report on the effectiveness of said
2829 program to the joint standing committee of the General Assembly
2830 having cognizance of matters relating to energy.

2831 Sec. 67. Subsection (b) of section 16-245bb of the general statutes is
2832 repealed and the following is substituted in lieu thereof (*Effective July*
2833 *1, 2010*):

2834 (b) The proceeds of the sale of said bonds, to the extent of the
2835 amount stated in subsection (a) of this section, shall be used by
2836 **[**Connecticut Innovations, Incorporated,**]** the Connecticut Economic
2837 Development Authority for the purpose of providing grants-in-aid
2838 pursuant to section 16-245aa, as amended by this act.

2839 Sec. 68. Subsection (b) of section 16a-38p of the general statutes is
2840 repealed and the following is substituted in lieu thereof (*Effective July*
2841 *1, 2010*):

2842 (b) The proceeds of the sale of said bonds, to the extent of the
2843 amount stated in subsection (a) of this section, shall be used by
2844 **[**Connecticut Innovations, Incorporated,**]** the Connecticut Economic
2845 Development Authority for the purpose of funding the net project
2846 costs, or the balance of any projects after applying any public or
2847 private financial incentives available, for any renewable energy or
2848 combined heat and power projects in state buildings. The funds shall
2849 be made available through the Renewable Energy Investment Fund,

2850 established pursuant to section 16-245n, as amended by this act.
2851 Eligible state buildings shall be Leadership in Energy and
2852 Environmental Design (LEED) certified or in the process of becoming
2853 LEED certified or in the process of becoming LEED silver rating
2854 certified or receive a two-globe rating in the green Globes USA design
2855 program or in the process of receiving a two-globe rating in the Green
2856 Globes USA design program.

2857 Sec. 69. Subsection (f) of section 19a-32f of the general statutes is
2858 repealed and the following is substituted in lieu thereof (*Effective July*
2859 *1, 2010*):

2860 (f) **[**Connecticut Innovations, Incorporated**]** The Connecticut
2861 Economic Development Authority shall serve as administrative staff of
2862 the committee and shall assist the committee in (1) developing the
2863 application for the grants-in-aid authorized under subsection (e) of this
2864 section, (2) reviewing such applications, (3) preparing and executing
2865 any assistance agreements or other agreements in connection with the
2866 awarding of such grants-in-aid, and (4) performing such other
2867 administrative duties as the committee deems necessary.

2868 Sec. 70. Subsection (a) of section 31-11aa of the general statutes is
2869 repealed and the following is substituted in lieu thereof (*Effective July*
2870 *1, 2010*):

2871 (a) The Connecticut Employment and Training Commission within
2872 the Office of Workforce Competitiveness shall produce, within
2873 available appropriations, a report on information technology
2874 workforce development, including a long-range strategic plan, that
2875 addresses Connecticut's workforce and research needs as they relate to
2876 information technology and electronic commerce. The commission
2877 shall work with the Commissioners of **[**Economic and Community
2878 Development,**]** Education and Higher Education and any business-
2879 related association or organization that the commission deems
2880 appropriate in creating a planning structure, no later than July 5, 2000,
2881 to develop the plan. The planning structure shall include
2882 representation from the Connecticut Employment and Training

2883 Commission, the General Assembly, the Departments of Education,
2884 Higher Education and Economic and Community Development,
2885 **[**Connecticut Innovations, Incorporated**]** the Connecticut Economic
2886 Development Authority, information technology and software
2887 companies, the Connecticut Business and Industry Association, the
2888 Connecticut Economic Resource Center, the Connecticut Technology
2889 Council, The University of Connecticut, the Connecticut State
2890 University System, the community-technical colleges, Charter Oak
2891 State College, the Connecticut Distance Learning Consortium, the
2892 Connecticut Conference of Independent Colleges and any other
2893 representatives including regional and state-wide business and
2894 technology associations the Connecticut Employment and Training
2895 Commission and commissioners deem necessary.

2896 Sec. 71. Section 32-1e of the general statutes is repealed and the
2897 following is substituted in lieu thereof (*Effective July 1, 2010*):

2898 (a) The **[**Commissioner of Economic and Community Development**]**
2899 executive director of the Connecticut Economic Development
2900 Authority, in consultation with the Connecticut Resources Recovery
2901 Authority and the Commissioner of Environmental Protection, shall
2902 prepare a plan for the support and promotion of industries that use,
2903 process or transport recycled materials. The plan shall outline ways
2904 existing programs of the **[**Department of Economic and Community
2905 Development**]** authority, the Connecticut Resources Recovery
2906 Authority and agencies such as the Department of Environmental
2907 Protection **[**, the Connecticut Development Authority and Connecticut
2908 Innovations, Incorporated**]** will be used to promote such industries.

2909 (b) Such plan shall be completed on or before July 1, 2007.

2910 Sec. 72. Section 32-1k of the general statutes is repealed and the
2911 following is substituted in lieu thereof (*Effective July 1, 2010*):

2912 As used in sections 8-244b to 8-244d, inclusive, this section and
2913 section 32-1*l*, the following terms shall have the following meanings
2914 unless the context clearly indicates another meaning and intent:

2915 (1) [("Department"] "Authority" means the [Department of Economic
2916 and Community Development] Connecticut Economic Development
2917 Authority;

2918 (2) [("Commissioner"] "Executive director" means the [Commissioner
2919 of Economic and Community Development;] executive director of the
2920 Connecticut Economic Development Authority; and

2921 [(3) "CDA" means the Connecticut Development Authority, as
2922 created under chapter 579;

2923 (4) "CHFA" means the Connecticut Housing Finance Authority, as
2924 created under chapter 134;

2925 (5) "CII" means Connecticut Innovations, Incorporated, as created
2926 under chapter 581; and]

2927 [(6)] (3) "SHA" means the State Housing Authority as created under
2928 section 8-244b.

2929 Sec. 73. Section 32-4h of the general statutes is repealed and the
2930 following is substituted in lieu thereof (*Effective July 1, 2010*):

2931 Not later than August 1, 1997, and annually thereafter, the
2932 [chairperson of the board of directors of the Connecticut Development
2933 Authority and the chairperson of the board of directors of Connecticut
2934 Innovations, Incorporated] executive director of the Connecticut
2935 Economic Development Authority shall submit a report to the joint
2936 standing committee of the General Assembly having cognizance of
2937 matters relating to [the Department of Economic and Community
2938 Development] economic development, in accordance with the
2939 provisions of section 11-4a, which details the amount of bond funds
2940 expended during the previous fiscal year on each economic cluster in
2941 the state. [by the quasi-public agency administered by such
2942 chairperson.]

2943 Sec. 74. Section 32-6k of the general statutes is repealed and the
2944 following is substituted in lieu thereof (*Effective July 1, 2010*):

2945 (a) Prior to entering into a grant, loan or assistance agreement for
2946 any project which is a major traffic generator within the meaning of
2947 section 14-311, the [Commissioner of Economic and Community
2948 Development and the executive directors of the Connecticut
2949 Development Authority and Connecticut Innovations, Incorporated, as
2950 the case may be,] executive director of the Connecticut Economic
2951 Development Authority shall submit an impact statement for each
2952 such project to the Connecticut Transportation Strategy Board,
2953 established pursuant to section 13b-57e. Each impact statement shall
2954 (1) describe the project and its expected impact on the transportation
2955 system, (2) summarize whether or not such project conforms to the
2956 strategy adopted in accordance with section 13b-57g, and (3) include
2957 any other information the board may require to discharge its
2958 responsibilities under this subsection including, but not limited to, (A)
2959 the size of any facility proposed in connection with the project, (B) the
2960 hours of operation of such facility, (C) a projection of whether or not
2961 an increase in daily vehicle trips including truck traffic is likely to
2962 occur as a result of such project, and (D) the availability of public
2963 transportation to and from such facility. The board shall evaluate each
2964 such impact statement to determine whether such project conforms to
2965 such strategy and shall submit to said [commissioner and] executive
2966 [directors] director any findings and recommendations with respect to
2967 such project. Nothing in this subsection shall be construed as requiring
2968 any delay in the implementation of any such project.

2969 (b) The board shall, subject to the requirements of chapter 14,
2970 protect confidential information and trade secrets provided in
2971 connection with the review of any project pursuant to subsection (a) of
2972 this section.

2973 Sec. 75. Section 32-41v of the general statutes is repealed and the
2974 following is substituted in lieu thereof (*Effective July 1, 2010*):

2975 (a) As used in this section:

2976 (1) ["Corporation"] "Authority" means [Connecticut Innovations,
2977 Incorporated] the Connecticut Economic Development Authority; and

2978 (2) "Fund" means the Connecticut New Opportunities Fund.

2979 (b) [Connecticut Innovations, Incorporated] The Connecticut
2980 Economic Development Authority shall establish a fund to be known
2981 as the Connecticut New Opportunities Fund, for the purpose of
2982 investing in seed stage and emerging growth companies in the state.
2983 The [corporation] authority, or a subsidiary created by the
2984 [corporation] authority for the purposes of this section, shall serve as
2985 general partner or managing member of the fund and shall determine
2986 whether the fund should be organized as a limited partnership or a
2987 limited liability company. The general partner or managing member of
2988 the fund shall be reimbursed from the fund for its management costs,
2989 which shall not exceed two per cent, annually, of the committed capital
2990 of the fund.

2991 (c) Investors in the fund may include pension funds, foundations
2992 and private entities. Such investors shall participate as limited partners
2993 or nonmanaging members of the fund. The committed capital of the
2994 fund shall not exceed fifty million dollars.

2995 (d) The moneys in the fund shall be invested as follows: (1) Not
2996 more than twenty-five per cent in seed stage companies, and (2) not
2997 more than seventy-five per cent in not more than twenty emerging
2998 growth companies. Not more than three million dollars shall be
2999 invested in any single seed stage or emerging growth company. Fund
3000 investments shall be in the form of equity or similar instruments. An
3001 emerging growth company may be eligible for an investment if the
3002 company projects high growth, has a strong management team, has
3003 current and prospective customers, has had difficulty raising early
3004 stage venture capital and is a strong market driver but is facing entry
3005 barriers.

3006 (e) The fund shall have a term of ten years, provided it may be
3007 extended for three one-year periods if necessary to complete
3008 liquidation of the fund's investments. Upon such liquidation, each
3009 investor shall be entitled to a return of the investment made, plus
3010 eighty per cent of all net realized gains of the fund. The state shall

provide a first loss guarantee at the end of the tenth year, if needed, of not more than twenty-five million dollars. The state shall be entitled to ten per cent of all net realized gains of the fund and the general partner or managing member of the fund shall also be entitled to ten per cent of all such net realized gains.

Sec. 76. Section 32-41w of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) There is established an early-stage venture capital program to be administered by **[**Connecticut Innovations, Incorporated,**]** the Connecticut Economic Development Authority to provide preseed financing, seed financing, start-up financing, early or first-stage financing and expansion financing to companies in the state.

(b) In support of the program established in subsection (a) of this section, the **[**corporation**]** authority shall establish criteria for awarding such financing and shall develop and implement a plan to market the program.

(c) The board of the **[**corporation**]** authority shall review and approve each application for such financing.

(d) Funds provided for this section shall be allocated as follows: (1) Not less than five per cent for preseed financing; (2) not less than ten per cent for seed financing; (3) not less than ten per cent for start-up financing; (4) not less than fifteen per cent for early or first stage financing; and (5) not less than forty per cent and not more than sixty per cent on expansion financing, as such terms are defined in section 32-34. The **[**corporation**]** authority shall use not more than three per cent of such funds for administration and marketing of such financial aid.

(e) The **[**corporation**]** authority shall adopt procedures, pursuant to section 1-121, to implement the provisions of this section.

Sec. 77. Section 32-344 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

3042 As used in this section and sections 32-345, as amended by this act,
3043 and 32-346:

3044 (1) "Business-led consortium" means a coalition or other group of
3045 entities, related by contractual or other arrangements, that (A) includes
3046 at least one Connecticut business and may include other businesses
3047 and nonprofit or public institutions, and (B) is led by a business for the
3048 purpose of technology development or commercialization;

3049 (2) [**"Corporation"**] "Authority" means [**Connecticut Innovations,**
3050 **Incorporated, as created under section 32-35**] the Connecticut
3051 Economic Development Authority established pursuant to section 2 of
3052 this act;

3053 (3) "Small business" means a corporation, limited liability company,
3054 partnership, sole proprietorship or individual, operating a business for
3055 profit, which employs five hundred or fewer employees, including
3056 employees employed in any subsidiary or affiliated corporation;

3057 (4) "Small business innovation research program" means the federal
3058 program established pursuant to the Small Business Innovation
3059 Development Act of 1982 (P.L. 97-219), as amended, which provides
3060 funds to small businesses to conduct innovative research which has
3061 potential commercial applications;

3062 (5) "Small business technology transfer program" means the federal
3063 program established pursuant to the Small Business Research and
3064 Development Enhancement Act of 1992 (P.L. 102-564), as amended,
3065 which provides funds to small businesses that collaborate with
3066 nonprofit research institutions to conduct innovative research which
3067 has potential commercial applications;

3068 (6) "Federal technology support program" means any program now
3069 or hereafter established by the government of the United States of
3070 America or any agency or instrumentality thereof, other than the small
3071 business innovation research program and small business technology
3072 transfer program that (A) is authorized to provide funding support for

3073 projects undertaken by businesses and business-led consortia for the
3074 development or commercialization of advanced technologies,
3075 including without limitation technologies applied or applicable to
3076 national defense, and (B) requires recipients to furnish a portion of the
3077 funds necessary to carry out such activities;

3078 (7) "Micro business" means a business entity, including its affiliates,
3079 that (A) is independently owned and operated, and (B) employs fewer
3080 than fifty full-time employees or has gross annual sales of less than
3081 five million dollars.

3082 Sec. 78. Subsection (e) of section 32-356 of the general statutes is
3083 repealed and the following is substituted in lieu thereof (*Effective July*
3084 *1, 2010*):

3085 (e) (1) There is established a Small Business Incubator Advisory
3086 Board. Said board shall consist of: (A) **[**The Commissioner of Economic
3087 and Community Development; (B) the president of the Connecticut
3088 Development Authority and**]** the executive director of **[**Connecticut
3089 Innovations, Incorporated**]** the Connecticut Economic Development
3090 Authority, or the executive director's designee, as an ex-officio
3091 nonvoting **[**members, or their designees**]** member; **[**(C)**]** (B) one
3092 member to be appointed by the Governor; **[**(D)**]** (C) two members with
3093 experience in the field of technology transfer and commercialization, to
3094 be appointed by the speaker of the House of Representatives; **[**(E)**]** (D)
3095 two members with experience in new product and market
3096 development, to be appointed by the president pro tempore of the
3097 Senate; **[**(F)**]** (E) one member to be appointed by the majority leader of
3098 the Senate; **[**(G)**]** (F) one member to be appointed by the majority
3099 leader of the House of Representatives; **[**(H)**]** (G) one member with
3100 experience in seed and early stage capital investment, to be appointed
3101 by the minority leader of the House of Representatives; and **[**(I)**]** (H)
3102 one member with experience in seed and early stage capital
3103 investment, to be appointed by the minority leader of the Senate. All
3104 initial appointments to said board shall be made not later than
3105 September 1, 2007.

(2) The [Commissioner of Economic and Community Development] executive director of the Connecticut Economic Development Authority shall schedule the first meeting of said board not later than October 15, 2007. Thereafter, the board shall meet at least once annually to evaluate and recommend changes to the guidelines adopted pursuant to this section.

Sec. 79. Section 32-450 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

As used in sections 32-450 to 32-457, inclusive:

(1) "Awarding authority" means the [Commissioner of Economic and Community Development, the] board of directors of the [Connecticut Development Authority and the board of directors of Connecticut Innovations, Incorporated] Connecticut Economic Development Authority.

(2) "Economic development financial assistance" means any grant, loan or loan guarantee, or combination thereof, or any tax credits approved pursuant to section 32-9t, provided to a business for the purpose of economic development.

(3) "Employee representatives" means representatives of any certified or recognized bargaining agents for employees of a business.

(4) "Threshold project" means (A) a project for which a business operating in the state and having twenty-five or more full-time employees in the state submits a request to an awarding authority for economic development financial assistance in the form of (i) a grant in the amount of two hundred fifty thousand dollars or more or (ii) a combination of a grant and a loan or loan guarantee, totaling two hundred fifty thousand dollars or more, or (B) a project for which a business operating in the state and having one hundred or more full-time employees in the state submits a request to an awarding authority for economic development financial assistance in the form of (i) a loan or a loan guarantee, in the amount of one million dollars or more, or

3137 (ii) a combination of a loan and a loan guarantee, totaling one million
3138 dollars or more.

3139 Sec. 80. Section 32-462 of the general statutes is repealed and the
3140 following is substituted in lieu thereof (*Effective July 1, 2010*):

3141 (a) As used in this section:

3142 (1) "Agency" means the **[**Department of Economic and Community
3143 Development, the Connecticut Development Authority or Connecticut
3144 Innovations, Incorporated**]** Connecticut Economic Development
3145 Authority.

3146 (2) "Financial assistance" means grants, loans, loan guarantees,
3147 contracts of insurance, investments, or combinations thereof, which are
3148 provided from the proceeds of bonds, notes or other obligations of the
3149 state or an agency which constitute a debt or liability of the state or
3150 which are secured by a special capital reserve fund payable from
3151 amounts appropriated or deemed appropriated from the General
3152 Fund.

3153 (3) "Applicant" means any eligible applicant seeking financial
3154 assistance from an agency for a business project. The term "applicant"
3155 shall not include any political subdivision of the state.

3156 (4) "Business project" means a business proposal undertaken by one
3157 or more applicants, but does not include housing unless undertaken in
3158 combination with another unrelated type of business.

3159 (5) "Biotechnology business project" means any commercial project
3160 to be used or occupied by any person to conduct laboratory activity
3161 relating to, or the research, development or manufacture of,
3162 biologically active molecules or devices that apply to, affect or analyze
3163 biological processes.

3164 (b) (1) No agency or agencies may award more than a total of ten
3165 million dollars of financial assistance during any two-year period to an
3166 applicant or for a business project unless such financial assistance is

3167 specifically authorized by an act of the General Assembly which has
3168 been enacted before, on or after July 1, 1994. (2) The provisions of
3169 subdivision (1) of this subsection shall not apply to any awards funded
3170 or to be funded by bonds authorized to be issued by the State Bond
3171 Commission before July 1, 1994.

3172 (c) Notwithstanding the provisions of subsection (b) of this section,
3173 no agency or agencies may award more than twenty million dollars of
3174 financial assistance for a biotechnology business project during any
3175 two-year period unless such financial assistance is specifically
3176 authorized by an act of the General Assembly which has been enacted
3177 before, on or after July 1, 2001.

3178 Sec. 81. Section 32-478 of the general statutes is repealed and the
3179 following is substituted in lieu thereof (*Effective July 1, 2010*):

3180 The board of directors of **[**Connecticut Innovations, Incorporated**]**
3181 the Connecticut Economic Development Authority shall give priority
3182 to applicants who have established a work environment consistent
3183 with the criteria set forth in section 32-475 in awarding financial
3184 assistance under the program authorized pursuant to sections 32-344,
3185 32-345, as amended by this act, and 32-346, to the extent consistent
3186 with any state or regional economic development strategy.

3187 Sec. 82. Section 32-479 of the general statutes is repealed and the
3188 following is substituted in lieu thereof (*Effective July 1, 2010*):

3189 **[**Not later than July 1, 1996, the Commissioner of Economic and
3190 Community Development, the Labor Commissioner, the Connecticut
3191 Development Authority and Connecticut Innovations, Incorporated**]**
3192 The Labor Commissioner and the executive director of the Connecticut
3193 Economic Development Authority shall jointly develop goals and
3194 objectives and quantifiable outcome measures related to the
3195 percentage of financial assistance which is being provided to high
3196 performance work organizations. The Labor Commissioner **[**, the
3197 Connecticut Development Authority**]** and **[**Connecticut Innovations,
3198 Incorporated**]** the Connecticut Economic Development Authority shall

3199 submit an annual report concerning such goals, objectives and
3200 measures to the joint standing committee of the General Assembly
3201 having cognizance of matters relating to labor and public employees
3202 and the joint standing committee having cognizance of matters relating
3203 to commerce.

3204 Sec. 83. Section 32-480 of the general statutes is repealed and the
3205 following is substituted in lieu thereof (*Effective July 1, 2010*):

3206 The **[**Department of Economic and Community Development, the**]**
3207 Labor Department **[**, the Connecticut Development Authority**]** and
3208 **[**Connecticut Innovations, Incorporated**]** the Connecticut Economic
3209 Development Authority shall, when appropriate, encourage persons,
3210 firms and corporations which contact said departments or authorities
3211 for financial assistance to utilize high performance work practices in
3212 their business operations.

3213 Sec. 84. Section 32-700 of the general statutes is repealed and the
3214 following is substituted in lieu thereof (*Effective July 1, 2010*):

3215 As used in sections 32-701 to 32-703, inclusive, and this section:

3216 (1) "Awarding authority" means the **[**Commissioner of Economic
3217 and Community Development, the**]** board of directors of the
3218 **[**Connecticut Development Authority, the board of directors of
3219 Connecticut Innovations, Incorporated,**]** Connecticut Economic
3220 Development Authority and the head of any other quasi-public
3221 agency, as defined in section 1-120, and any state agency authorized to
3222 award state assistance, as defined in subdivision (2) of this section.

3223 (2) "State assistance" means any grant, loan, loan guarantee or
3224 issuance of tax benefit not of general applicability for the purpose of
3225 economic development that is (A) made to a business entity operated
3226 for profit, and (B) in an amount greater than one million dollars or
3227 that, if added to any other such state assistance made to the same
3228 business entity during the preceding two years, would total greater
3229 than one million dollars.

Sec. 85. Subsection (a) of section 32-701 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) The terms and conditions of any agreement for state assistance under any program of the general statutes to a business entity operated for profit administered by the **[**Department of Economic and Community Development, Connecticut Development Authority and Connecticut Innovations, Incorporated,**]** Connecticut Economic Development Authority shall include provisions for (1) specific goals for the creation and retention of full-time and part-time jobs and for periodic reports by the recipient on progress in achieving such goals if the primary purpose of the state assistance is job creation or retention, and (2) a requirement that an applicant for any type of state assistance, except grants and loans of a term of less than one year, provide the agency with appropriate security for such financial assistance, including, but not limited to, a letter of credit, a lien on real property or a security interest in goods, equipment, inventory or other property of any kind and that the recipient of such state assistance will remain in substantial material compliance with state and federal law.

Sec. 86. Section 32-717 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) The **[**Commissioner of Economic and Community Development, the chairperson of Connecticut Innovations, Incorporated, the**]** president of The University of Connecticut and the **[**chairperson of the Connecticut Development Authority**]** executive director of the Connecticut Economic Development Authority, or their respective designees, shall prepare, within available appropriations, and in consultation with the Governor's Competitiveness Council, the Commissioner of Education, the Commissioner of Higher Education, the chancellor of the community-technical college system, the director of the Office of Workforce Competitiveness and any other agencies and leading technology-focused organizations deemed appropriate by the **[**Commissioner of Economic and Community Development**]**

3263 executive director, recommendations for an implementation plan and
3264 budget to establish an Innovation Network that will include the
3265 following: (1) The creation of endowed chairs and the hiring of leading
3266 academic professionals in targeted fields based on core competencies
3267 to work at universities, state colleges and community colleges, in
3268 collaboration with other technology initiatives; (2) the focused and
3269 aggressive solicitation of and leveraged partnership with federal
3270 research funds; (3) increased corporate-sponsored research; (4) the
3271 establishment of at least one innovation accelerator, linked to
3272 universities and involving corporations and start-up enterprises
3273 focused on advanced technology and leveraging the efforts underway
3274 by the Connecticut Center for Advanced Technology in the Hartford
3275 area; (5) the strengthening of technology transfer and entrepreneurship
3276 activities at universities in the state; (6) incentives and financial
3277 support for collaborative research between universities and industry or
3278 federally sponsored technology centers; (7) the creation of linkages to
3279 angel networks; and (8) the creation of linkages to incubators in
3280 Connecticut. Said plan shall also include provisions for the utilization
3281 of existing resources, including, but not limited to, [Connecticut
3282 Innovations, Incorporated, the Connecticut Development Authority]
3283 the Connecticut Economic Development Authority, The University of
3284 Connecticut and the Office of Workforce Competitiveness.

3285 (b) Not later than January 1, 2006, [the Commissioner of Economic
3286 and Community Development, in consultation with the chairperson of
3287 Connecticut Innovations, Incorporated,] the president of The
3288 University of Connecticut and the [chairperson of the Connecticut
3289 Development Authority] executive director of the Connecticut
3290 Economic Development Authority, shall develop an implementation
3291 plan for the Innovation Network, within available resources, and
3292 submit said plan and budget to the Governor and the joint standing
3293 committees of the General Assembly having cognizance of matters
3294 relating to economic development, education and labor, in accordance
3295 with the provisions of section 11-4a.

3296 Sec. 87. Section 32-718 of the general statutes is repealed and the

following is substituted in lieu thereof (*Effective July 1, 2010*):

The [Department of Economic and Community Development, Connecticut Innovations, Incorporated, The] University of Connecticut, the [Connecticut Development Authority] Connecticut Economic Development Authority and the Office of Workforce Competitiveness may use up to ten million dollars of their existing resources for plan implementation and to provide a catalyst for an additional forty million dollars of private investment. The plan for how these funds will be applied and how they will leverage the private money shall be presented to and approved by the State Bond Commission.

Sec. 88. Subsection (d) of section 8-192 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(d) For the purposes of carrying out or administering a specified development plan authorized under this chapter, the [Connecticut Development Authority] Connecticut Economic Development Authority may, upon a resolution with respect to such project adopted by the legislative body of the municipality, issue and administer bonds which are payable solely or in part from and secured by the pledge and security provided for in subsection (a) of this section subject to the general terms and provisions of law applicable to the issuance of bonds by the [Connecticut Development Authority] Connecticut Economic Development Authority, except that the provisions of subsection (b) of section 32-23j shall not apply. For purposes of this section and section 8-192a, references to the [Connecticut Development Authority] Connecticut Economic Development Authority shall include any subsidiary of the [Connecticut Development Authority established pursuant to subsection (l) of section 32-11a] Connecticut Economic Development Authority.

Sec. 89. Section 8-192a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

Any development plan authorized under this chapter or any proceedings authorizing the issuance of bonds under this chapter may contain a provision that taxes, if any, identified in such plan or such authorizing proceeding and levied upon taxable real or personal property, or both, in a development project each year or payments in lieu of such taxes authorized pursuant to chapter 114, or both, by or for the benefit of any one or more municipalities, districts or other public taxing agencies after adoption of the development plan as provided by section 8-191 or such authorizing proceedings, as the case may be, shall be divided as follows: (a) In each fiscal year that portion of the taxes or payments in lieu of taxes, or both, which would be produced by applying the then current tax rate of each of the taxing agencies to the total sum of the assessed value of the taxable property in the development project on the effective date of such adoption or the date of such authorizing proceedings, as the case may be, or on any date between such two dates which is identified in such proceedings, shall be allocated to and when collected shall be paid into the funds of the respective taxing agencies in the same manner as taxes by or for said taxing agencies on all other property are paid; and (b) that portion of the assessed taxes or the payments in lieu of taxes, or both, each fiscal year in excess of the amount referred to in subdivision (a) of this section shall be allocated to and when collected shall be paid into a special fund of the municipality or the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority as issuer of such bonds to be used in each fiscal year, first to pay the principal of and interest due in such fiscal year on loans, moneys advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, incurred by such municipality or the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority as issuer of such bonds to finance or refinance in whole or in part, such development project, and then, at the option of the municipality or the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority as issuer of such bonds, to purchase bonds issued for the project which has generated the tax increments or payments in lieu of taxes and then, at the option of the municipality or

3364 the [Connecticut Development Authority] Connecticut Economic
3365 Development Authority as issuer of such bonds, to reimburse the
3366 provider of or reimbursement party with respect to any guarantee,
3367 letter of credit, policy of bond insurance, funds deposited in a debt
3368 service reserve fund, funds deposited as capitalized interest or other
3369 credit enhancement device used to secure payment of debt service on
3370 any bonds, notes or other indebtedness issued pursuant to section 8-
3371 192 to finance or refinance such development project, to the extent of
3372 any payments of debt service made therefrom. Unless and until the
3373 total assessed valuation of the taxable property in a development
3374 project exceeds the total assessed value of the taxable property in such
3375 project as shown by the last assessment list referred to in subdivision
3376 (a) of this section, all of the taxes levied and collected and all of the
3377 payments in lieu of taxes due and collected upon the taxable property
3378 in such development project shall be paid into the funds of the
3379 respective taxing agencies. When such loans, advances, and
3380 indebtedness, if any, and interest thereon, and such debt service
3381 reimbursement to the provider of or reimbursement party with respect
3382 to such credit enhancement, have been paid in full, all moneys
3383 thereafter received from taxes or payments in lieu of taxes, or both,
3384 upon the taxable property in such development project shall be paid
3385 into the funds of the respective taxing agencies in the same manner as
3386 taxes on all other property are paid.

3387 Sec. 90. Subsection (b) of section 8-240m of the general statutes is
3388 repealed and the following is substituted in lieu thereof (*Effective July*
3389 *1, 2010*):

3390 (b) The [Connecticut Development Authority] Connecticut
3391 Economic Development Authority may provide financial assistance,
3392 including, without limitation, financial assistance in the form of grants,
3393 loans and the purchase of capital stock, for the program established
3394 pursuant to subsection (a) of section 8-240k, upon the execution of a
3395 financial assistance agreement containing such terms and conditions as
3396 the [Connecticut Development Authority] Connecticut Economic
3397 Development Authority shall deem necessary and appropriate to fulfill

the purposes of sections 8-240k to 8-240n, inclusive.

Sec. 91. Section 13b-79w of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

The **[**Connecticut Development Authority**]** Connecticut Economic Development Authority is authorized to make loans, on such terms and subject to such conditions as it determines, to (1) support transit-oriented development projects, as defined in section 13b-79o; and (2) encourage the development and use of port and rail freight facilities and services, including trackage and related infrastructure.

Sec. 92. Section 16-243v of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) For purposes of this section: (1) "Connecticut electric efficiency partner program" means the coordinated effort among the Department of Public Utility Control, persons and entities providing enhanced demand-side management technologies, and electric consumers to conserve electricity and reduce demand in Connecticut through the purchase and deployment of energy efficient technologies; (2) "enhanced demand-side management technologies" means demand-side management solutions, customer-side emergency dispatchable generation resources, customer-side renewable energy generation, load shifting technologies and conservation and load management technologies that reduce electric distribution company customers' electric demand, and high efficiency natural gas and oil boilers and furnaces; and (3) "Connecticut electric efficiency partner" means an electric distribution company customer who acquires an enhanced demand-side management technology or a person, other than an electric distribution company, that provides enhanced demand-side management technologies to electric distribution company customers.

(b) The Energy Conservation Management Board, in consultation with the Renewable Energy Investments Advisory Committee, shall evaluate and approve enhanced demand-side management technologies that can be deployed by Connecticut electric efficiency

3430 partners to reduce electric distribution company customers' electric
3431 demand. Such evaluation shall include an examination of the potential
3432 to reduce customers' demand, federally mandated congestion charges
3433 and other electric costs. On or before October 15, 2007, the Energy
3434 Conservation Management Board shall file such evaluation with the
3435 Department of Public Utility Control for the department to review and
3436 approve or to review, modify and approve on or before October 15,
3437 2007.

3438 (c) Not later than October 15, 2007, the Energy Conservation
3439 Management Board shall file with the department, for the department
3440 to review and approve or to review, modify and approve, an analysis
3441 of the state's electric demand, peak electric demand and growth
3442 forecasts for electric demand and peak electric demand. Such analysis
3443 shall identify the principal drivers of electric demand and peak electric
3444 demand, associated electric charges tied to electric demand and peak
3445 electric demand growth, including, but not limited to, federally
3446 mandated congestion charges and other electric costs, and any other
3447 information the department deems appropriate. The analysis shall
3448 include, but not be limited to, an evaluation of the costs and benefits of
3449 the enhanced demand-side management technologies approved
3450 pursuant to subsection (b) of this section and establishing suggested
3451 funding levels for said individual technologies.

3452 (d) Commencing April 1, 2008, any person may apply to the
3453 department for certification and funding as a Connecticut electric
3454 efficiency partner. Such application shall include the technologies that
3455 the applicant shall purchase or provide and that have been approved
3456 pursuant to subsection (b) of this section. In evaluating the application,
3457 the department shall (1) consider the applicant's potential to reduce
3458 customers' electric demand, including peak electric demand, and
3459 associated electric charges tied to electric demand and peak electric
3460 demand growth, (2) determine the portion of the total cost of each
3461 project that shall be paid for by the customer participating in this
3462 program and the portion of the total cost of each project that shall be
3463 paid for by all electric ratepayers and collected pursuant to subsection

(h) of this section. In making such determination, the department shall ensure that all ratepayer investments maintain a minimum two-to-one payback ratio, and (3) specify that participating Connecticut electric efficiency partners shall maintain the technology for a period sufficient to achieve such investment payback ratio. The annual ratepayer contribution for projects approved pursuant to this section shall not exceed sixty million dollars. Not less than seventy-five per cent of such annual ratepayer investment shall be used for the technologies themselves. No person shall receive electric ratepayer funding pursuant to this subsection if such person has received or is receiving funding from the Energy Conservation and Load Management Funds for the projects included in said person's application. No person shall receive electric ratepayer funding without receiving a certificate of public convenience and necessity as a Connecticut electric efficiency partner by the department. The department may grant an applicant a certificate of public convenience if it possesses and demonstrates adequate financial resources, managerial ability and technical competency. The department may conduct additional requests for proposals from time to time as it deems appropriate. The department shall specify the manner in which a Connecticut electric efficiency partner shall address measures of effectiveness and shall include performance milestones.

(e) Beginning February 1, 2010, a certified Connecticut electric efficiency partner may only receive funding if selected in a request for proposal developed, issued and evaluated by the department. In evaluating a proposal, the department shall take into consideration the potential to reduce customers' electric demand including peak electric demand, and associated electric charges tied to electric demand and peak electric demand growth, including, but not limited to, federally mandated congestion charges and other electric costs, and shall utilize a cost benefit test established pursuant to subsection (c) of this section to rank responses for selection. The department shall determine the portion of the total cost of each project that shall be paid by the customer participating in this program and the portion of the total cost of each project that shall be paid by all electric ratepayers and collected

3499 pursuant to the provisions of this subsection. In making such
3500 determination, the department shall (1) ensure that all ratepayer
3501 investments maintain a minimum two-to-one payback ratio, and (2)
3502 specify that participating Connecticut electric efficiency partners shall
3503 maintain the technology for a period sufficient to achieve such
3504 investment payback ratio. The annual ratepayer contribution shall not
3505 exceed sixty million dollars. Not less than seventy-five per cent of such
3506 annual ratepayer investment shall be used for the technologies
3507 themselves. No Connecticut electric efficiency partner shall receive
3508 funding pursuant to this subsection if such partner has received or is
3509 receiving funding from the Energy Conservation and Load
3510 Management Funds for such technology. The department may conduct
3511 additional requests for proposals from time to time as it deems
3512 appropriate. The department shall specify the manner in which a
3513 Connecticut electric efficiency partner shall address measures of
3514 effectiveness and shall include performance milestones.

3515 (f) The department may retain the services of a third party entity
3516 with expertise in areas such as demand-side management solutions,
3517 customer-side renewable energy generation, customer-side distributed
3518 generation resources, customer-side emergency dispatchable
3519 generation resources, load shifting technologies and conservation and
3520 load management investments to assist in the development and
3521 operation of the Connecticut electric efficiency partner program. The
3522 costs for obtaining third party services pursuant to this subsection
3523 shall be recoverable through the systems benefits charge.

3524 (g) The department shall develop a long-term low-interest loan
3525 program to assist certified Connecticut electric efficiency partners in
3526 financing the customer portion of the capital costs of approved
3527 enhanced demand-side management technologies. The department
3528 may establish such financing mechanism by the use of one or more of
3529 the following strategies: (1) Modifying the existing long-term
3530 customer-side distributed generation financing mechanism established
3531 pursuant to section 16-243j, (2) negotiating and entering into an
3532 agreement with the **[**Connecticut Development Authority**]** Connecticut

3533 Economic Development Authority to establish a credit facility or to
3534 utilize grants, loans or loan guarantees for the purposes of this section
3535 upon such terms and conditions as the authority may prescribe
3536 including provisions regarding the rights and remedies available to the
3537 authority in case of default, or (3) selecting by competitive bid one or
3538 more entities that can provide such long-term financing.

3539 (h) The department shall provide for the payment of electric
3540 ratepayers' portion of the costs of deploying enhanced demand-side
3541 management technologies by implementing a contractual financing
3542 agreement with the [Connecticut Development Authority] Connecticut
3543 Economic Development Authority or a private financing entity
3544 selected through an appropriate open competitive selection process.
3545 No contractual financing agreements entered into with the
3546 [Connecticut Development Authority] Connecticut Economic
3547 Development Authority shall exceed ten million dollars. Any electric
3548 ratepayer costs resulting from such financing agreement shall be
3549 recovered from all electric ratepayers through the systems benefits
3550 charge.

3551 (i) On or before February 15, 2009, and annually thereafter, the
3552 department shall report to the joint standing committee of the General
3553 Assembly having cognizance of matters relating to energy regarding
3554 the effectiveness of the Connecticut electric efficiency partner program
3555 established pursuant to this section. Said report shall include, but not
3556 be limited to, an accounting of all benefits and costs to ratepayers, a
3557 description of the approved technologies, the payback ratio of all
3558 investments, the number of programs deployed and a list of proposed
3559 projects compared to approved projects and reasons for not being
3560 approved.

3561 (j) On or before April 1, 2011, the Department of Public Utility
3562 Control shall initiate a proceeding to review the effectiveness of the
3563 program and perform a ratepayer cost-benefit analysis. Based upon the
3564 department's findings in the proceeding, the department may modify
3565 or discontinue the partnership program established pursuant to this

3566 section.

3567 Sec. 93. Subparagraph (P) of subdivision (1) of section 22a-134 of the
3568 2010 supplement to the general statutes is repealed and the following
3569 is substituted in lieu thereof (*Effective July 1, 2010*):

3570 (P) Any conveyance of an establishment to any entity created or
3571 operating under chapter 130 or 132, or to an urban rehabilitation
3572 agency, as defined in section 8-292, or to a municipality under section
3573 32-224, or to the **[**Connecticut Development Authority**]** Connecticut
3574 Economic Development Authority or any subsidiary of the authority;

3575 Sec. 94. Section 22a-173 of the general statutes is repealed and the
3576 following is substituted in lieu thereof (*Effective July 1, 2010*):

3577 The **[**Connecticut Development Authority**]** Connecticut Economic
3578 Development Authority may, upon application of the proposed
3579 mortgagee, insure and make advance commitments to insure mortgage
3580 payments required by a first mortgage on new machinery, equipment
3581 and buildings for the primary purpose of reducing, controlling or
3582 eliminating air pollution, certified as approved for such purpose by the
3583 Commissioner of Environmental Protection, upon such terms and
3584 conditions as the **[**Connecticut Development Authority**]** Connecticut
3585 Economic Development Authority may prescribe in accordance with
3586 the provisions of chapter 579.

3587 Sec. 95. Section 22a-259 of the general statutes is repealed and the
3588 following is substituted in lieu thereof (*Effective July 1, 2010*):

3589 The following are declared to be policies of the state of Connecticut:
3590 (1) That maximum resources recovery from solid waste and maximum
3591 recycling and reuse of such resources in order to protect, preserve and
3592 enhance the environment of the state shall be considered
3593 environmental goals of the state; (2) that solid waste disposal and
3594 resources recovery facilities and projects are to be implemented either
3595 by the state of Connecticut or under state auspices, in furtherance of
3596 these goals; (3) that appropriate governmental structure, processes and

3597 support are to be provided so that effective state systems and facilities
3598 for solid waste management and large-scale resources recovery may be
3599 developed, financed, planned, designed, constructed and operated for
3600 the benefit of the people and municipalities of the state; (4) that private
3601 industry is to be utilized to the maximum extent feasible to perform
3602 planning, design, management, construction, operation,
3603 manufacturing and marketing functions related to solid waste disposal
3604 and resources recovery and to assist in the development of industrial
3605 enterprise based upon resources recovery, recycling and reuse; (5) that
3606 long-term negotiated contracts between the state and private persons
3607 and industries may be utilized as an incentive for the development of
3608 industrial and commercial enterprise based on resources recovery
3609 within the state; (6) that solid waste disposal services shall be provided
3610 for municipal and regional authorities and private persons in the state,
3611 at reasonable cost, by state systems and facilities where such services
3612 are considered necessary and desirable in accordance with the state-
3613 wide solid waste management plan and that any revenues received
3614 from the payment of the costs of such services otherwise from the
3615 operation of state systems and facilities shall be redistributed to the
3616 users of such services provided that the authority has determined that
3617 all contractual obligations related to such systems and facilities have
3618 been met and that such revenues are surplus and not needed to
3619 provide necessary support for such systems and facilities; (7) that
3620 provision shall be made for planning, research and development, and
3621 appropriate innovation in the design, management and operation of
3622 the state's systems and facilities for solid waste management, in order
3623 to permit continuing improvement and provide adequate incentives
3624 and processes for lowering operating and other costs; (8) that the
3625 authority established pursuant to this chapter shall have responsibility
3626 for implementing solid waste disposal and resources recovery systems
3627 and facilities and solid waste management services where necessary
3628 and desirable throughout the state in accordance with the state solid
3629 waste management plan and applicable statutes and regulations; (9)
3630 that actions and activities performed or carried out by the authority or
3631 its contractors in accordance with the provisions of this chapter shall

be in conformity with the state solid waste management plan and with other applicable policies and regulations of the state, as promulgated from time to time in law and by action of the Department of Environmental Protection and the [Connecticut Development Authority] Connecticut Economic Development Authority; (10) that it being to the best interest of the state, municipalities, individual citizens and the environment to minimize the quantity of materials entering the waste stream that would require collection, transportation, processing, or disposal by any level of government, it is the intent of this legislation to promote the presegregation of recoverable or recyclable materials before they become mixed and included in the waste stream; and that this intent shall be reflected in the policy of the resources recovery authority and that no provision of this chapter or action of this authority shall either discourage or prohibit either voluntary or locally ordained solid waste segregation programs or the sale of such segregated materials to private persons, unless the authority has determined based upon a feasibility report filed with the applicable municipal authority that the reduced user fees charged to it should result in its total cost of solid waste management including user fees paid to the authority to be less without presegregation than with it, and (11) that these policies and purposes are hereby declared to be in the public interest and the provisions of this chapter to be necessary and for the public benefit, as a matter of legislative determination.

Sec. 96. Section 22a-264 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

The activities of the authority in providing or contracting to provide solid waste management services to the state, regions, municipalities and persons, in implementing the state resources recovery system and in planning, designing, financing, constructing, managing or operating solid waste facilities, including their location, size and capabilities, shall be in conformity with applicable statutes and regulations and with the state solid waste management plan as promulgated by the Commissioner of Environmental Protection. The authority shall have power to assist in the preparation, revision, extension or amendment

of the state solid waste management plan, and the Department of Environmental Protection is hereby authorized to utilize, by contract or other agreement, the capabilities of the authority for the carrying out of such planning functions. The authority shall have power to revise and update, as may be necessary to carry out the purposes of this chapter, that portion of the state solid waste management plan defined as the "solid waste management system". To effect such revision and updating, the authority shall prepare an annual plan of operations which shall be reviewed by the Commissioner of Environmental Protection for consistency with the state solid waste management plan. Upon approval by the Commissioner of Environmental Protection and by a two-thirds vote of the authority's full board of directors, the annual plan of operations shall be promulgated. Any activities of the authority carried out to assist in the development of industry and commerce based upon the availability of recovered resources for recycling and reuse shall be coordinated to the extent practicable with plans and activities of the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority with due consideration given to the secondary materials industries operating within the state of Connecticut.

Sec. 97. Subsection (c) of section 25-33a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(c) Each grant made pursuant to subsection (a) of this section shall be authorized by the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority or, if the authority so determines, by a committee of the authority consisting of the chairman and either one other member of the authority or its executive director. The **[**Connecticut Development Authority**]** Connecticut Economic Development Authority shall charge reasonable application and other fees to be applied to the administrative expenses incurred in carrying out the provisions of this section, to the extent such expenses are not paid by the authority. **[**or from moneys appropriated to the department.**]** Each such payment shall be made by the Treasurer upon

3700 certification by the [Commissioner of Economic and Community
3701 Development] executive director of the Connecticut Economic
3702 Development Authority that the payment is authorized under the
3703 provisions of this section under the applicable [rules and regulations of
3704 the department, and under the] terms and conditions established by
3705 the authority or the duly appointed committee thereof in authorizing
3706 the making of the grant.

3707 Sec. 98. Subsection (a) of section 32-1o of the 2010 supplement to the
3708 general statutes is repealed and the following is substituted in lieu
3709 thereof (*Effective July 1, 2010*):

3710 (a) On or before July 1, 2009, and every five years thereafter, the
3711 [Commissioner of Economic and Community Development] executive
3712 director of the Connecticut Economic Development Authority, within
3713 available appropriations, shall prepare an economic strategic plan for
3714 the state in consultation with the Secretary of the Office of Policy and
3715 Management, the Commissioners of Environmental Protection and
3716 Transportation, the Labor Commissioner, the executive directors of the
3717 Connecticut Housing Finance Authority, the [Connecticut
3718 Development Authority, the Connecticut Innovations, Inc., the
3719 Commission on Culture and Tourism and the] Connecticut Health and
3720 Educational Facilities Authority, and the president of the Office of
3721 Workforce Competitiveness, or their respective designees, and any
3722 other agencies the [Commissioner of Economic and Community
3723 Development] executive director deems appropriate.

3724 Sec. 99. Section 32-5a of the general statutes is repealed and the
3725 following is substituted in lieu thereof (*Effective July 1, 2010*):

3726 The [Commissioner of Economic and Community Development and
3727 the] board of directors of the [Connecticut Development Authority]
3728 Connecticut Economic Development Authority shall require, as a
3729 condition of any financial assistance provided on and after June 23,
3730 1993, under any program administered by [the Department of
3731 Economic and Community Development or] such authority to any
3732 business organization, that such business organization: (1) Shall not

3733 relocate outside of the state for ten years after receiving such assistance
3734 or during the term of a loan or loan guarantee, whichever is longer,
3735 unless the full amount of the assistance is repaid to the state and a
3736 penalty equal to five per cent of the total assistance received is paid to
3737 the state and (2) shall, if the business organization relocates within the
3738 state during such period, offer employment at the new location to its
3739 employees from the original location if such employment is available.
3740 For the purposes of subdivision (1) of this section, the value of a
3741 guarantee shall be equal to the amount of the state's liability under the
3742 guarantee. As used in this section, "relocate" means the physical
3743 transfer of the operations of a business in its entirety or of any division
3744 of a business which independently receives any financial assistance
3745 from the state from the location such business or division occupied at
3746 the time it accepted the financial assistance to another location.
3747 Notwithstanding the provisions of this section, the **[**Commissioner of
3748 Economic and Community Development**]** executive director of the
3749 Connecticut Economic Development Authority shall adopt
3750 **[**regulations in accordance with chapter 54**]** written procedures in
3751 accordance with section 1-121 to establish the terms and conditions of
3752 repayment, including specifying the conditions under which
3753 repayment may be deferred, following a determination by the
3754 **[**commissioner**]** executive director of a legitimate hardship.

3755 Sec. 100. Section 32-6j of the general statutes is repealed and the
3756 following is substituted in lieu thereof (*Effective July 1, 2010*):

3757 In the assessment and provision of job training for employers, **[**the
3758 Commissioner of Economic and Community Development and**]** the
3759 executive director of the **[**Connecticut Development Authority**]**
3760 Connecticut Economic Development Authority shall request the
3761 assistance of the Labor Commissioner. Upon receipt of a request for job
3762 training pursuant to this section, the Labor Commissioner shall notify
3763 the chancellor of the regional community-technical colleges, or his
3764 designee, of such request. The chancellor, or his designee, shall
3765 determine if a training program exists or can be designed at a regional
3766 community-technical college to meet such training need and shall

3767 notify the Labor Commissioner of such determination. The Labor
3768 Commissioner shall to the extent possible make arrangements for the
3769 participation of the regional community-technical colleges, the
3770 Connecticut State University System, other institutions of higher
3771 education, other postsecondary institutions, adult education programs
3772 and state regional vocational-technical schools in implementing the
3773 program. Nothing in this section shall preclude the Labor
3774 Commissioner from considering or choosing other providers to meet
3775 such training need.

3776 Sec. 101. Subsection (a) of section 32-9c of the general statutes is
3777 repealed and the following is substituted in lieu thereof (*Effective July*
3778 *1, 2010*):

3779 (a) In accordance with the provisions of section 4-38d, all powers
3780 and duties of the Connecticut Development Commission under the
3781 provisions of this chapter and chapter 579, shall be transferred to the
3782 **[**Connecticut Development Authority and all the powers and duties of
3783 said commission under the provisions of this chapter shall be
3784 transferred to the Department of Economic and Community
3785 Development**]** Connecticut Economic Development Authority.

3786 Sec. 102. Subsection (b) of section 32-9n of the general statutes is
3787 repealed and the following is substituted in lieu thereof (*Effective July*
3788 *1, 2010*):

3789 (b) Said Office of Small Business Affairs shall: (1) Administer the
3790 small business development center program run by the **[**Department of
3791 Economic and Community Development**]** Connecticut Economic
3792 Development Authority; (2) coordinate the flow of information within
3793 the technical and management assistance program run by the
3794 **[**Department of Economic and Community Development; (3)
3795 encourage the Connecticut Development Authority**]** Connecticut
3796 Economic Development Authority to grant loans to small businesses,
3797 particularly those owned and operated by minorities and other socially
3798 or economically disadvantaged individuals; **[**(4)**]** (3) coordinate and
3799 serve as a liaison between all federal, state, regional and municipal

agencies and programs affecting small business affairs; and [(5)] (4) administer any business management training program established under section 32-352 or section 32-355 as the [Commissioner of Economic and Community Development] authority may determine.

Sec. 103. Subsection (d) of section 32-9cc of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(d) The Department of Environmental Protection [, the Connecticut Development Authority] and the Department of Public Health shall each designate one or more staff members to act as a liaison between their offices and the Office of Brownfield Remediation and Development. The Commissioners of [Economic and Community Development,] Environmental Protection and Public Health and the executive director of the [Connecticut Development Authority] Connecticut Economic Development Authority shall enter into a memorandum of understanding concerning each entity's responsibilities with respect to the Office of Brownfield Remediation and Development. The Office of Brownfield Remediation and Development may develop and recruit two volunteers from the private sector, including a person from the Connecticut chapter of the National Brownfield Association, with experience in different aspects of brownfield remediation and development. Said volunteers may assist the Office of Brownfield Remediation and Development in achieving the goals of this section.

Section 32-9kk of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) As used in subsections (b) to (k), inclusive, of this section:

(1) "Brownfield" means any abandoned or underutilized site where redevelopment and reuse has not occurred due to the presence or potential presence of pollution in the buildings, soil or groundwater that requires remediation before or in conjunction with the restoration, redevelopment and reuse of the property;

3832 (2) [("Commissioner")] "Executive director" means the [(Commissioner
3833 of Economic and Community Development)] executive director of the
3834 Connecticut Economic Development Authority;

3835 (3) [("Department")] "Authority" means the [(Department of Economic
3836 and Community Development)] Connecticut Economic Development
3837 Authority;

3838 (4) "Eligible applicant" means any municipality, a for-profit or
3839 nonprofit organization or entity, a local or regional economic
3840 development entity acting on behalf of a municipality or any
3841 combination thereof;

3842 (5) "Financial assistance" means grants, extensions of credit, loans or
3843 loan guarantees, participation interests in loans made to eligible
3844 applicants by the [(Connecticut Development Authority)] Connecticut
3845 Economic Development Authority or combinations thereof;

3846 (6) "Municipality" means a town, city, consolidated town and city or
3847 consolidated town and borough;

3848 (7) "Eligible brownfield project" means the foreclosure,
3849 investigation, assessment, remediation and development of a
3850 brownfield undertaken pursuant to this subsection and subsections (b)
3851 to (k), inclusive, of this section;

3852 (8) "Project area" means the area within which a brownfield
3853 development project is located;

3854 (9) "Real property" means land, buildings and other structures and
3855 improvements thereto, subterranean or subsurface rights, any and all
3856 easements, air rights and franchises of any kind or nature;

3857 (10) "State" means the state of Connecticut; and

3858 (11) "Eligible grant recipients" means municipalities, economic
3859 development authorities, regional economic development authorities,
3860 or qualified nonprofit community and economic development

corporations.

(b) Subject to the availability of funds, the [Commissioner of Economic and Community Development] executive director may, in consultation with the Commissioner of Environmental Protection, provide financial assistance pursuant to subsections (e) and (f) of this section in support of eligible brownfield projects, as defined in subdivision (7) of subsection (a) of this section.

(c) An eligible applicant, as defined in subdivision (4) of subsection (a) of this section, shall submit an application for financial assistance to the [Commissioner of Economic and Community Development] executive director on forms provided by said [commissioner] executive director and with such information said [commissioner] executive director deems necessary, including, but not limited to: (1) A description of the proposed project; (2) an explanation of the expected benefits of the project in relation to the purposes of subsections (a) to (i), inclusive, of this section; (3) information concerning the financial and technical capacity of the eligible applicant to undertake the proposed project; (4) a project budget; (5) a description of the condition of the property involved including the results of any environmental assessment of the property; and (6) the names of any persons known to be liable for the remediation of the property.

(d) The [commissioner] executive director may approve, reject or modify any application properly submitted. In reviewing an application and determining the type and amount of financial assistance, if any, to be provided, the [commissioner] executive director shall consider the following criteria: (1) The availability of funds; (2) the estimated costs of assessing and remediating the site, if known; (3) the relative economic condition of the municipality; (4) the relative need of the eligible project for financial assistance; (5) the degree to which financial assistance is necessary as an inducement to the eligible applicant to undertake the project; (6) the public health and environmental benefits of the project; (7) relative economic benefits of the project to the municipality, the region and the state, including, but

not limited to, the extent to which the project will likely result in a contribution to the municipality's tax base and the retention and creation of jobs; (8) the time frame in which the contamination occurred; (9) the relationship of the applicant to the person or entity that caused the contamination; (10) the length of time the property has been abandoned; (11) the taxes owed and the projected revenues that may be restored to the community; (12) the type of financial assistance requested pursuant to this section; and (13) such other criteria as the [commissioner] executive director may establish consistent with the purposes of subsection (a) to (k), inclusive, of this section.

(e) (1) There is established a remedial action and redevelopment municipal grant program to be administered by the [Department of Economic and Community Development] authority for the purpose of providing financial assistance in the form of grants to eligible grant recipients. Eligible grant recipients may use grant funds for any development project, including manufacturing, retail, residential, municipal, educational, parks, community centers and mixed-use development, and the project's associated costs, including (A) soil, groundwater and infrastructure investigation, (B) assessment, (C) remediation, (D) abatement, (E) hazardous materials or waste disposal, (F) long-term groundwater or natural attenuation monitoring, (G) environmental land use restrictions, (H) attorneys' fees, (I) planning, engineering and environmental consulting, and (J) building and structural issues, including demolition, asbestos abatement, polychlorinated biphenyls removal, contaminated wood or paint removal, and other infrastructure remedial activities.

(2) The [Commissioner of Economic and Community Development] executive director shall award grants on a competitive basis, based at a minimum on an annual request for applications, the first of which shall be issued on October 1, 2008, and the following to be issued on June first each year, with awards being made by the following January first. The [commissioner] executive director, at the [commissioner's] executive director's discretion, may increase the frequency of requests for applications and awards depending upon the number of applicants

3928 and the availability of funding.

3929 (3) A grant awarded pursuant to this section shall not exceed four
3930 million dollars. If the eligible costs exceed four million dollars, the
3931 [commissioner] executive director may request and seek funding
3932 through other state programs.

3933 (4) If the eligible grant recipient develops and sells the property,
3934 such applicant shall return any money received pursuant to this
3935 subsection, to the brownfield remediation and development account
3936 established pursuant to subsection (l) of this section, minus twenty per
3937 cent, which such eligible grant recipient shall retain to cover costs of
3938 oversight, administration, development and, if applicable, lost tax
3939 revenue.

3940 (5) Any eligible grant recipient shall be immune from liability to the
3941 extent provided in subsection (a) of section 32-9ee.

3942 (6) The eligible grant recipient may make low-interest loans to a
3943 redeveloper, if the future reuse is known and an agreement with the
3944 redeveloper is in place and the private party is a coapplicant. Loan
3945 principal and interest payments shall be returned to the brownfield
3946 remediation and development account established pursuant to
3947 subsection (l) of this section, minus twenty per cent of the principal,
3948 which the eligible grant recipient shall retain. If the eligible grant
3949 recipient provides a loan, such loan may be secured by a state or
3950 municipal lien on the property.

3951 (7) Any eligible grant recipients that provide a loan pursuant to
3952 subdivision (6) of this subsection shall require the loan recipient to
3953 enter a voluntary program pursuant to section 22a-133x or 22a-133y
3954 with the Commissioner of Environmental Protection for brownfield
3955 remediation. The [commissioner] executive director may use not more
3956 than five per cent of eligible grant or loan proceeds for reasonable
3957 administrative expenses.

3958 (8) Notwithstanding section 22a-134a, the eligible grant recipient

3959 may acquire and convey its interest in the property without such
3960 recipient or the subsequent purchaser incurring liability, including any
3961 such liability incurred pursuant to section 22a-134a, provided the
3962 property was remediated pursuant to section 22a-133x or 22a-133y or
3963 pursuant to an order issued by the Commissioner of Environmental
3964 Protection and such remediation was performed in accordance with
3965 the standards adopted pursuant to section 22a-133k as determined by
3966 said commissioner or, if authorized by said commissioner, verified by
3967 a licensed environmental professional unless such verification has
3968 been rejected by said commissioner subsequent to an audit conducted
3969 by said commissioner and provided the subsequent purchaser has no
3970 direct or related liability for the site conditions.

3971 (f) (1) The **[**Department of Economic and Community Development**]**
3972 authority shall develop a targeted brownfield development loan
3973 program to provide financial assistance in the form of low-interest
3974 loans to eligible applicants who are potential brownfield purchasers
3975 who have no direct or related liability for the site conditions and
3976 eligible applicants who are existing property owners who (A) are
3977 currently in good standing and otherwise compliant with the
3978 Department of Environmental Protection's regulatory programs, (B)
3979 demonstrate an inability to fund the investigation and cleanup
3980 themselves, and (C) cannot retain or expand jobs due to the costs
3981 associated with the investigating and remediating of the
3982 contamination.

3983 (2) The **[**commissioner**]** executive director shall provide low-interest
3984 loans to eligible applicants who are purchasers or existing property
3985 owners pursuant to this section who seek to develop property for
3986 purposes of retaining or expanding jobs in the state or for developing
3987 housing to serve the needs of first-time home buyers. Loans shall be
3988 available to manufacturing, retail, residential or mixed-use
3989 developments, expansions or reuses. The **[**commissioner**]** executive
3990 director shall provide loans based upon project merit and viability, the
3991 economic and community development opportunity, municipal
3992 support, contribution to the community's tax base, number of jobs,

3993 past experience of the applicant, compliance history and ability to pay.

3994 (3) Any loan recipient who is a brownfields purchaser and who (A)
3995 receives a loan in excess of thirty thousand dollars, or (B) uses loan
3996 proceeds to perform a Phase II environmental investigation, shall be
3997 subject to section 22a-134a or shall enter a voluntary program for
3998 remediation of the property with the Department of Environmental
3999 Protection. Any loan recipient who is an existing property owner shall
4000 enter a voluntary program with the Department of Environmental
4001 Protection.

4002 (4) Loans made pursuant to this subsection shall have such terms
4003 and conditions and shall be subject to such eligibility, loan approval
4004 and criteria, as determined by the **[**commissioner**]** executive director.
4005 Such conditions shall include, but not be limited to, performance
4006 requirements and commitments to maintain or retain jobs. Loan
4007 repayment shall coincide with the restoration of the site to a
4008 productive use or the completion of the expansion. Such loans shall be
4009 for a period not to exceed twenty years.

4010 (5) If the property is sold before loan repayment, the loan is payable
4011 upon closing, with interest, unless the **[**commissioner**]** executive
4012 director agrees otherwise. The **[**commissioner**]** executive director may
4013 carry the loan forward as an encumbrance to the purchaser with the
4014 same terms and conditions as the original loan.

4015 (6) Loans made pursuant to this subsection may be used for any
4016 purpose, including the present or past costs of investigation,
4017 assessment, remediation, abatement, hazardous materials or waste
4018 disposal, long-term groundwater or natural attenuation monitoring,
4019 costs associated with an environmental land use restriction, attorneys'
4020 fees, planning, engineering and environmental consulting costs, and
4021 building and structural issues, including demolition, asbestos
4022 abatement, polychlorinated biphenyls removal, contaminated wood or
4023 paint removal, and other infrastructure remedial activities.

4024 (7) For any loan made pursuant to this subsection that is greater

4025 than fifty thousand dollars, the applicant shall submit a redevelopment
4026 plan that describes how the property will be used or reused for
4027 commercial, industrial or mixed-use development and how it will
4028 result in jobs and private investment in the community. For any
4029 residential development loan pursuant to this subsection, the
4030 developer shall agree that the development will provide the housing
4031 needs reasonable and appropriate for first-time home buyers or recent
4032 college graduates looking to remain in this state.

4033 (8) The loan program established pursuant to this subsection shall
4034 be available to all qualified new and existing property owners.
4035 Recipients who use loans for commercial, industrial or mixed-use
4036 development shall agree to retain or add jobs, during the term of the
4037 loan, unless otherwise agreed to by the **[**Department of Economic and
4038 Community Development, the Connecticut Development Authority**]**
4039 Connecticut Economic Development Authority and the Connecticut
4040 Brownfield Redevelopment Authority. The residential developer shall
4041 agree to retire the loan upon sale of the units unless the development
4042 will be apartments.

4043 (9) Each loan recipient pursuant to this subsection may be eligible
4044 for up to two million dollars per year for up to two years, subject to
4045 agency underwriting and reasonable and customary requirements to
4046 assure performance. If additional funds are needed, the
4047 **[**Commissioner of Economic and Community Development**]** executive
4048 director may recommend that the project be funded through the State
4049 Bond Commission.

4050 (g) The **[**Commissioner of Economic and Community Development**]**
4051 executive director shall approve applications submitted in accordance
4052 with subsection (c) of this section before awarding any financial
4053 assistance to an eligible applicant or purchasing any participation
4054 interest in a loan made by the **[**Connecticut Development Authority**]**
4055 Connecticut Economic Development Authority for the benefit of an
4056 eligible applicant. Notwithstanding any other provision of this section,
4057 if the applicant's request for financial assistance involves the

4058 [department] authority purchasing a participation interest in a loan
4059 made by the [Connecticut Development Authority] authority, such
4060 authority may submit such application and other information as is
4061 required of eligible applicants under subsection (c) of this section on
4062 behalf of such eligible applicant and no further application shall be
4063 required of such eligible applicant. No financial assistance shall exceed
4064 fifty per cent of the total project cost, provided in the case of (1)
4065 planning or site evaluation projects, and (2) financial assistance to any
4066 project in a targeted investment community, such assistance shall not
4067 exceed ninety per cent of the project cost. Upon approval of the
4068 [commissioner] executive director, a nonstate share of the total project
4069 cost, if any, may be satisfied entirely or partially from noncash
4070 contributions, including contributions of real property, from private
4071 sources or, to the extent permitted by federal law, from moneys
4072 received by the municipality under any federal grant program.

4073 (h) Financial assistance may be made available for (1) site
4074 investigation and assessment, (2) planning and engineering, including,
4075 but not limited to, the reasonable cost of environmental consultants,
4076 laboratory analysis, investigatory and remedial contractors, architects,
4077 attorneys' fees, feasibility studies, appraisals, market studies and
4078 related activities, (3) the acquisition of real property, provided
4079 financial assistance for such acquisition shall not exceed fair market
4080 value as appraised as if clean, (4) the construction of site and
4081 infrastructure improvements related to the site remediation, (5)
4082 demolition, asbestos abatement, hazardous waste removal, PCB
4083 removal and related infrastructure remedial activities, (6) remediation,
4084 groundwater monitoring, including, but not limited to, natural
4085 attenuation groundwater monitoring and costs associated with filing
4086 an environmental land use restriction, (7) environmental insurance,
4087 and (8) other reasonable expenses the [commissioner] executive
4088 director determines are necessary or appropriate for the initiation,
4089 implementation and completion of the project. The [department]
4090 authority may purchase participation interests in loans made by the
4091 [Connecticut Development Authority] Connecticut Economic
4092 Development Authority for the foregoing purposes.

4093 (i) The [commissioner] executive director may establish the terms
4094 and conditions of any financial assistance provided pursuant to
4095 subsections (a) to (k), inclusive, of this section. The [commissioner]
4096 executive director may make any stipulation in connection with an
4097 offer of financial assistance the [commissioner] executive director
4098 deems necessary to implement the policies and purposes of such
4099 sections, including, but not limited to the following: (1) Providing
4100 assurances that the eligible applicant will discharge its obligations in
4101 connection with the project; and (2) requiring that the eligible
4102 applicant provide the [department] authority with appropriate
4103 security for such financial assistance, including, but not limited to, a
4104 letter of credit, a lien on real property or a security interest in goods,
4105 equipment, inventory or other property of any kind.

4106 (j) The [commissioner] executive director may use any available
4107 funds for financial assistance under the provisions of subsections (a) to
4108 (k), inclusive, of this section.

4109 (k) Whenever funds are used pursuant to subsections (a) to (k),
4110 inclusive, of this section for purposes of environmental assessments or
4111 remediation of a brownfield, the Commissioner of Environmental
4112 Protection may seek reimbursement of the costs and expenses incurred
4113 by requesting the Attorney General to bring a civil action to recover
4114 such costs and expenses from any party responsible for such pollution
4115 provided no such action shall be brought separately from any action to
4116 recover costs and expenses incurred by the Commissioner of
4117 Environmental Protection in pursuing action to contain, remove or
4118 mitigate any pollution on such site. The costs and expenses recovered
4119 may include, but shall not be limited to, (1) the actual cost of
4120 identifying, evaluating, planning for and undertaking the remediation
4121 of the site; (2) any administrative costs not exceeding ten per cent of
4122 the actual costs; (3) the costs of recovering the reimbursement; and (4)
4123 interest on the actual costs at a rate of ten per cent a year from the date
4124 such expenses were paid. The defendant in any civil action brought
4125 pursuant to this subsection shall have no cause of action or claim for
4126 contribution against any person with whom the Commissioner of

Environmental Protection has entered into a covenant not to sue pursuant to sections 22a-133aa and 22a-133bb with respect to pollution on or emanating from the property that is the subject of said civil action. Funds recovered pursuant to this section shall be deposited in the brownfield remediation and development account established pursuant to subsections (l) to (o), inclusive, of this section. The provisions of this subsection shall be in addition to any other remedies provided by law.

(l) There is established a separate nonlapsing account within the General Fund to be known as the "brownfield remediation and development account". There shall be deposited in the account: (1) The proceeds of bonds issued by the state for deposit into said account and used in accordance with this section; (2) repayments of assistance provided pursuant to subsection (c) of section 22a-133u; (3) interest or other income earned on the investment of moneys in the account; (4) funds recovered pursuant to subsection (i) of this section; and (5) all funds required by law to be deposited in the account. Repayment of principal and interest on loans made pursuant to subsections (a) to (k), inclusive, of this section shall be credited to such account and shall become part of the assets of the account. Any balance remaining in such account at the end of any fiscal year shall be carried forward in the account for the fiscal year next succeeding.

(m) All moneys received in consideration of financial assistance, including payments of principal and interest on any loans, shall be credited to the account. At the discretion of the **[**Commissioner of Economic and Community Development**]** <u>executive director</u> and subject to the approval of the Secretary of the Office of Policy and Management, any federal, private or other moneys received by the state in connection with projects undertaken pursuant to subsections (a) to (k), inclusive, of this section shall be credited to the assets of the account.

(n) Notwithstanding any provision of law, proceeds from the sale of bonds available pursuant to subdivision (1) of subsection (b) of section

4-66c may, with the approval of the Governor and the State Bond Commission, be used to capitalize the brownfield remediation and development account created by subsections (l) to (o), inclusive, of this section.

(o) The [commissioner] executive director may, with the approval of the Secretary of the Office of Policy and Management, provide financial assistance pursuant to subsections (a) to (k), inclusive, of this section from the account established under subsection (l) to (o), inclusive, of this section.

Sec. 105. Subdivision (1) of subsection (b) of section 32-9qq of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(1) A business outreach center shall be any nonprofit or governmental entity providing or able to provide assistance to small businesses and minority business enterprises in the areas of business plan development, financial projection, loan package planning, including loan packaging for small businesses and minority business enterprises which are seeking financial assistance from the [Connecticut Development Authority] Connecticut Economic Development Authority, business counseling and related monitoring and follow-up services.

Sec. 106. Section 32-22b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

The [Connecticut Development Authority] Connecticut Economic Development Authority may establish a loan guarantee program to provide guarantees of not more than thirty per cent of the loan to lenders who provide financing to eligible developers or eligible property owners as defined in subsection (a) of section 32-9kk.

Sec. 107. Subsection (b) of section 32-23o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

4191 (b) Each such loan or extension of credit shall be authorized by the
4192 [Connecticut Development Authority] Connecticut Economic
4193 Development Authority or, if the authority so determines, by a
4194 committee of the authority consisting of the chairman and either one
4195 other member of the authority or its executive director, as specified in
4196 the determination of the authority. Any administrative expenses
4197 incurred in carrying out the provisions of this section, to the extent not
4198 paid by the authority or from moneys appropriated to the department,
4199 shall be paid from the Small Contractors' Revolving Loan Fund.
4200 Payments from the Small Contractors' Revolving Loan Fund to small
4201 contractors or to pay such administrative expenses shall be made by
4202 the Treasurer upon certification by the [Commissioner of Economic
4203 and Community Development] authority that the payment is
4204 authorized under the provisions of this section, under the applicable
4205 rules and [regulations] procedures of the [department] authority, and,
4206 if made to a small contractor, under the terms and conditions
4207 established by the authority or the duly appointed committee thereof
4208 in authorizing the making of the loan or the extension of credit.

4209 Sec. 108. Section 32-23s of the general statutes is repealed and the
4210 following is substituted in lieu thereof (*Effective July 1, 2010*):

4211 The amendments to sections 32-11a, 32-16, 32-23c, 32-23d, as
4212 amended by this act, 32-23e, 32-23f and 32-23j effective on June 29,
4213 1981, are intended and shall be construed as a clarification and
4214 expansion of the powers of the [Connecticut Development Authority]
4215 Connecticut Economic Development Authority, and shall not limit or
4216 impair any obligation incurred or right exercised by the authority
4217 under its powers prior to said date.

4218 Sec. 109. Section 32-61 of the general statutes is repealed and the
4219 following is substituted in lieu thereof (*Effective July 1, 2010*):

4220 As used in this chapter, "authority" means the [Connecticut
4221 Development Authority created under subsection (a) of section 32-11a]
4222 Connecticut Economic Development Authority established pursuant to
4223 this act; "executive director" means the executive director of the

4224 [Connecticut Development Authority appointed pursuant to
4225 subsection (d) of section 32-11a] Connecticut Economic Development
4226 Authority established pursuant to section 2 of this act; "project" means
4227 a project as defined in subsection (d) of section 32-23d; "insurance
4228 fund" means the Revenue Bond Mortgage Insurance Fund created
4229 under section 32-62; "eligible financial institution" means an eligible
4230 financial institution as defined in section 32-65; "state" means the state
4231 of Connecticut; and "loan" means loans, notes, bonds or other forms of
4232 indebtedness related to the financing or refinancing of a project by the
4233 authority or an eligible financial institution, or any participation or
4234 other interest therein, however evidenced, or any pool or portion of the
4235 foregoing.

4236 Sec. 110. Subsection (a) of section 32-141 of the general statutes is
4237 repealed and the following is substituted in lieu thereof (*Effective July*
4238 *1, 2010*):

4239 (a) (1) The total amount of private activity bonds which may be
4240 issued by state issuers in the calendar year commencing January 1,
4241 2001, under the state ceiling in effect for such year, shall be allocated as
4242 follows: (A) [Sixty] Seventy-five per cent to the [Connecticut Housing
4243 Finance Authority; (B) fifteen per cent to the Connecticut Development
4244 Authority] Connecticut Economic Development Authority; and [(C)]
4245 (B) twenty-five per cent to municipalities and political subdivisions,
4246 departments, agencies, authorities and other bodies of municipalities,
4247 the Connecticut Higher Education Supplemental Loan Authority and
4248 for contingencies.

4249 (2) The total amount of private activity bonds which may be issued
4250 by state issuers in the calendar year commencing January 1, 2007, and
4251 each calendar year thereafter, under the state ceiling in effect for each
4252 such year, shall be allocated as follows: (A) [Sixty] seventy-two and
4253 one-half per cent to the [Connecticut Housing Finance Authority; (B)
4254 twelve and one-half per cent to the Connecticut Development
4255 Authority] Connecticut Economic Development Authority; and [(C)]
4256 (B) twenty-seven and one-half per cent to municipalities and political

4257 subdivisions, departments, agencies, authorities and other bodies of
4258 municipalities and the Connecticut Higher Education Supplemental
4259 Loan Authority, then to the Connecticut Student Loan Foundation and
4260 then for contingencies. At least ten per cent of bonds allocated under
4261 subparagraph (A) of this subdivision shall be used for multifamily
4262 residential housing in the calendar year commencing January 1, 2008.
4263 In each calendar year commencing January 1, 2009, fifteen per cent of
4264 such bonds shall be used for multifamily residential housing.

4265 (3) The board of directors of the Connecticut **[**Housing Finance**]**
4266 Economic Development Authority shall undertake a review and
4267 analysis of the multifamily housing goals and programs of the
4268 authority to determine the extent to which the authority can increase
4269 the production of multifamily housing and promote its preservation,
4270 including production of multifamily housing that serves households
4271 with incomes less than fifty per cent of the area median income and
4272 households with incomes less than twenty-five per cent of the area
4273 median income. Such review and analysis shall include, but not be
4274 limited to, the use of private activity bonds in conjunction with four
4275 per cent federal tax credits. The board of directors of the authority
4276 shall report its findings and recommendations to the joint standing
4277 committee of the General Assembly having cognizance of matters
4278 relating to planning and development and to the select committee on
4279 housing not later than January 1, 2008.

4280 Sec. 111. Section 32-222 of the general statutes is repealed and the
4281 following is substituted in lieu thereof (*Effective July 1, 2010*):

4282 As used in sections 32-220 to 32-234, inclusive: (a) "Business
4283 development project" means a project undertaken by an eligible
4284 applicant involving one or more of the following:

4285 (1) The construction, substantial renovation, improvement or
4286 expansion of a facility;

4287 (2) The acquisition of new machinery and equipment;

4288 (3) The acquisition, improvement, demolition, cultivation or
4289 disposition of real property, or combinations thereof, or the
4290 remediation of contaminated real property;

4291 (4) The creation at a facility, within twenty-four months of the
4292 initiation of a hiring program, not less than ten new jobs or an increase
4293 in the number of persons employed at the facility of twenty per cent,
4294 whichever is greater;

4295 (5) Economic diversification of the economy of an area of the state or
4296 manufacturing or other economic base business where such area or
4297 business is substantially reliant upon defense and related industry;

4298 (6) Participation in the avoidance of an imminent plant closing or
4299 relocation by a manufacturing or other economic base business or
4300 assist or improve the economy of an area of the state which has been or
4301 is likely to be significantly and adversely impacted by one or more
4302 major plant closings or relocations;

4303 (7) Support research and development or commercialization of
4304 technologies, products, processes or techniques of a manufacturing or
4305 other economic base business;

4306 (8) Creation or support of organizations that provide technical and
4307 engineering assistance to small manufacturers or other economic base
4308 businesses to assist them with the design, testing, manufacture and
4309 marketing of new products and the instruction and implementation of
4310 new techniques and technologies;

4311 (9) Support of substantial workforce development efforts;

4312 (10) Promotion of community conservation or development or
4313 improvement of the quality of life for urban residents of the state; or

4314 (11) Promotion of the revitalization of underutilized, state-owned
4315 former railroad depots and areas adjacent to such depots;

4316 (b) "Business support services" means activities related to a

4317 municipal development project or business development project which
4318 support the economic competitiveness of manufacturing or economic
4319 base businesses or which further the interests of the state, including,
4320 but not limited to, facilities and services related to day care, job
4321 training, education, transportation, employee housing, energy
4322 conservation, pollution control and recycling, provided activities
4323 related to employee housing shall be limited to feasibility and
4324 implementation studies;

4325 (c) [("Commissioner")] "Executive director" means the [(Commissioner
4326 of Economic and Community Development)] Connecticut Economic
4327 Development Authority;

4328 (d) "Economic base business" means a business that the
4329 commissioner determines will materially contribute to the economy of
4330 the state by creating or retaining jobs, exporting products or services
4331 beyond the state's boundaries, encouraging innovation in products or
4332 services, adding value to products or services or otherwise supporting
4333 or enhancing existing activities important to the economy of the state;

4334 (e) "Economic cluster" means an economic cluster, as defined in
4335 section 32-4e, recognized by the [(commissioner)] executive director;

4336 (f) [("Department")] "Authority" means the [(Department of Economic
4337 and Community Development)] Connecticut Economic Development
4338 Authority;

4339 (g) "Development plan" means a plan for a municipal development
4340 project prepared in accordance with the provisions of subsection (b) of
4341 section 32-223;

4342 (h) "Eligible applicant" means any for-profit or nonprofit
4343 organization, or any combination thereof, any municipality, regional
4344 planning agency or any combination thereof and further provided, in
4345 the case of a loan made by the [(Connecticut Development Authority)]
4346 Connecticut Economic Development Authority in which the
4347 department purchases a participation interest, "eligible applicant"

4348 means the for-profit or nonprofit organization, or any combination
4349 thereof, that will receive the proceeds of such loan;

4350 (i) "Financial assistance" means grants, funds for the purchase of
4351 insurance policies and payment of deductibles for insurance policies to
4352 cover remediation costs, extensions of credit, loans or loan guarantees,
4353 participation interests in loans made to eligible applicants by the
4354 [Connecticut Development Authority] Connecticut Economic
4355 Development Authority or combinations thereof;

4356 (j) "For-profit organization" means a for-profit partnership or sole
4357 proprietorship or corporation or limited liability company which is an
4358 economic base business or has a North American Industrial
4359 Classification code of 311111 through 339999 or 493110, 493120, 493130,
4360 493190, 511210, 512110, 512120, 512191, 522210, 522293, 522294, 522298,
4361 522310, 522320, 522390, 523110, 523120, 523130, 523140, 523210, 523910,
4362 524113, 524114, 524126, 524127, 524128, 524130, 524292, 541711, 541712,
4363 551111, 551112, 551114, 561422, 611310, 611410, 611420, 611430, 611513,
4364 611519, 611710 and 624410 or any business that is part of an economic
4365 cluster, or any establishment or auxiliary or operating unit thereof, as
4366 defined in the North American Industrial Classification System
4367 Manual, which has demonstrated to the satisfaction of the
4368 commissioner that it has the qualifications, including financial
4369 qualifications, necessary to carry out a business development project;

4370 (k) "Implementing agency" means one of the following agencies
4371 designated by a municipality under section 32-223: (1) An economic
4372 development commission, redevelopment agency; sewer authority or
4373 sewer commission; public works commission; water authority or water
4374 commission; port authority or port commission or harbor authority or
4375 harbor commission; parking authority or parking commission; (2) a
4376 nonprofit development corporation; or (3) any other agency
4377 designated and authorized by a municipality to undertake a project
4378 and approved by the commissioner;

4379 (l) "Municipal development project" means a business development
4380 project through which real property is acquired by a municipality or

4381 implementing agency as part of such project;

4382 (m) "Municipality" means a town, city, consolidated town and city
4383 or consolidated town and borough;

4384 (n) "Nonprofit organization" means a municipality or nonprofit
4385 corporation as defined in section 33-1002 and organized under the
4386 laws of this state and for purposes of this chapter includes any
4387 constituent unit of the state system of higher education;

4388 (o) "Planning commission" means a planning and zoning
4389 commission designated pursuant to section 8-4a or a planning
4390 commission created pursuant to section 8-19;

4391 (p) "Project" means a municipal development project or business
4392 development project;

4393 (q) "Project area" means the area within which a municipal
4394 development project or business development project is located;

4395 (r) "Real property" means land, buildings and other structures and
4396 improvements thereto, subterranean or subsurface right, any and all
4397 easements, air rights and franchises of any kind or nature;

4398 (s) "Site and infrastructure improvements" means improvements to:
4399 (1) Sanitary sewer facilities; (2) natural gas pipes, electric, telephone
4400 and telecommunications conduits and other facilities and waterlines
4401 and water supply facilities, except for any such pipes, wires, conduits,
4402 waterlines or any such pipes, wires, conduits, waterlines or facilities
4403 which a public service company, as defined in section 16-1, water
4404 company, as defined in section 25-32a, or municipal utility is required
4405 to install pursuant to any provision of the general statutes or any
4406 special act, regulation or order of the Department of Public Utility
4407 Control or a certificate of public convenience and necessity; (3) storm
4408 drainage facilities, including facilities to control flooding; (4) site
4409 grading, landscaping, environmental improvements, including
4410 remediation of contaminated sites, parking facilities, roadways and
4411 related appurtenances; (5) railroad spurs; (6) public port or docking

4412 facilities; and (7) such other related improvements necessary or
4413 appropriate to carry out the project;

4414 (t) "State" means the state of Connecticut;

4415 (u) "Targeted investment community" means a municipality which
4416 contains an enterprise zone designated pursuant to section 32-70;

4417 (v) "Total project cost" means costs of any kind or nature relating to
4418 the planning, implementation and completion of a municipal or
4419 business development project;

4420 (w) "Legislative body" means (1) the board of selectmen in a town
4421 that does not have a charter, special act or home rule ordinance
4422 relating to its government, or (2) the council, board of aldermen,
4423 representative town meeting, board of selectmen or other elected
4424 legislative body described in a charter, special act or home rule
4425 ordinance relating to its government in a city, consolidated town and
4426 city, consolidated town and borough or a town having a charter,
4427 special act, consolidation ordinance or home rule ordinance relating to
4428 its government.

4429 Sec. 112. Section 32-223 of the 2010 supplement to the general
4430 statutes is repealed and the following is substituted in lieu thereof
4431 (*Effective July 1, 2010*):

4432 (a) (1) An eligible applicant shall submit an application for financial
4433 assistance to the **[**commissioner**]** executive director on forms provided
4434 by the **[**commissioner**]** executive director and with such information
4435 the **[**commissioner**]** executive director deems necessary, including, but
4436 not limited to: (A) A description of the proposed project; (B) an
4437 explanation of the expected benefits of the project in relation to the
4438 purposes of sections 32-220 to 32-234, inclusive; (C) information
4439 concerning the financial and technical capacity of the eligible applicant
4440 to undertake the proposed project; (D) a project budget; and (E)
4441 identification, when appropriate, of business support services that may
4442 be of benefit to the state and the manufacturing and economic base

4443 businesses located or locating in the project area as part of the project.
4444 In the case of a municipal development project the eligible applicant
4445 shall, in addition to an application for financial assistance, submit a
4446 development plan prepared pursuant to subsection (b) of section 32-
4447 224 and approved by the [commissioner] executive director, provided
4448 an eligible applicant may, prior to the submission of a development
4449 plan, receive financial assistance for activities related to the planning of
4450 a municipal development project to the extent such assistance is
4451 provided for under subsection (b) of this section.

4452 (2) The United States Department of the Navy, the United States
4453 Department of Defense or eligible applicants shall not be required to
4454 submit an application for financial assistance to the [commissioner]
4455 executive director, as required by subsection (a) of this section, for
4456 projects related to the enhancement of infrastructure for long-term, on-
4457 going naval operations at the United States Naval Submarine Base-
4458 New London that are funded by grants to said Department of the
4459 Navy, said Department of Defense or said applicants as provided in
4460 subdivision (6) of subsection (b) of this section.

4461 (b) Applications properly submitted shall be reviewed and may be
4462 approved, disapproved or modified by the [commissioner] executive
4463 director. In reviewing an application and determining the type and
4464 amount of financial assistance, if any, to be provided, the
4465 [commissioner] executive director shall consider the following criteria:
4466 (1) The availability of funds; (2) the relative economic condition of the
4467 municipality; (3) the relative need of the eligible applicant or project
4468 for financial assistance; (4) the degree to which financial assistance is
4469 necessary as an inducement to the eligible applicant to undertake the
4470 project or to the manufacturing or economic base business to locate or
4471 undertake the project in the state; (5) the relative economic benefit of
4472 the project to the state, including, but not limited to: (A) The extent to
4473 which the project will likely result in the retention and creation of jobs,
4474 the retention, expansion or relocation of manufacturing or economic
4475 base businesses in the state or the diversification of such businesses, or
4476 (B) the extent to which the project will increase competitiveness of

4477 such businesses, respond to potential or actual dislocation as a result of
4478 major plant closings or relocations and address the business service
4479 needs of such businesses and the state; and (6) such other criteria as the
4480 [commissioner] executive director may establish consistent with the
4481 purposes of sections 32-220 to 32-234, inclusive. The [commissioner]
4482 executive director shall not deny an application for financial assistance
4483 for a project solely because the project site does not have sewer service
4484 or access to sewer service.

4485 (c) No financial assistance shall be given to an eligible applicant and
4486 no participation interest in a loan made by the [Connecticut
4487 Development Authority] Connecticut Economic Development
4488 Authority for the benefit of an eligible applicant shall be purchased by
4489 the [department] authority until the [commissioner] executive director
4490 has approved the application submitted in accordance with subsection
4491 (a) of this section. Notwithstanding any other provision of this section,
4492 in the event that the financial assistance requested is the purchase by
4493 the [department] authority of a participation interest in a loan made by
4494 the [Connecticut Development Authority] Connecticut Economic
4495 Development Authority, such authority may submit such application
4496 and other information as is required of eligible applicants under
4497 subsection (a) of this section on behalf of such eligible applicant and no
4498 further application shall be required of such eligible applicant. No
4499 financial assistance shall exceed: (1) Except as otherwise provided in
4500 subdivisions (2) to (6), inclusive, of this subsection, fifty per cent of the
4501 total project cost, (2) in the case of financial assistance to any project in
4502 a targeted investment community, ninety per cent of the project cost,
4503 (3) when two or more municipalities which are not targeted
4504 investment communities jointly initiate a municipal development
4505 project in accordance with the provisions of subsection (e) of section
4506 32-224, seventy-five per cent of the total project cost, (4) in the case of a
4507 municipal development project jointly initiated by two or more
4508 municipalities at least one of which is a targeted investment
4509 community, the sum of: (A) Seventy-five per cent of the portion of the
4510 total project cost allocable to the participation of the municipality or
4511 municipalities which are not targeted investment communities, and (B)

ninety per cent of the portion of the total project cost allocable to the participation of any targeted investment community or communities, (5) in the case of a defense diversification project, ninety per cent of the total project cost if the project involves a municipal development project or the acquisition or development, or both, of real property for an unspecified occupant, and one hundred per cent in the case of any other defense diversification project, and (6) in the case of moneys used by the department for the purpose of grants to the United States Department of the Navy, United States Department of Defense or eligible applicants for projects related to the enhancement of infrastructure for long-term, on-going naval operations at the United States Naval Submarine Base-New London, as provided in subdivision (6) of subsection (b) of section 32-235, one hundred per cent of the total project cost. A municipality's share of the total project cost, if any, may, with the approval of the **[**commissioner**]** executive director, be satisfied entirely or partially from noncash contributions, including contributions of real property, from private sources, or, to the extent permitted by federal law, from moneys received by the municipality under any federal grant program.

(d) Financial assistance, whether provided directly to eligible applicants or indirectly in the form of the **[**department's**]** authority's purchase of a participation interest in a loan made by the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority under sections 32-220 to 32-234, inclusive, may be used for (1) the planning of a municipal development project or business development project, including, but not limited to, the reasonable cost of feasibility studies, engineering, appraisals, market studies and related activities; (2) the acquisition of real property, machinery or equipment, or any combination thereof, provided such financial assistance shall not exceed fair market value; (3) the construction of site and infrastructure improvements relating to a municipal development or business development project; (4) the construction, renovation and demolition of buildings; (5) relocation expenses for the purpose of assisting an eligible applicant to locate, construct, renovate or acquire a facility; or (6) such other reasonable expenses necessary or

4547 appropriate for the initiation, implementation and completion of the
4548 project, including, but not limited to: (A) Administrative expenses of
4549 the eligible applicant; and (B) business support services in conjunction
4550 with another state agency when such agency does not provide
4551 adequate funds for such services or when no other state agency
4552 provides such services. The [department] authority may purchase
4553 participation interests in loans made by the [Connecticut Development
4554 Authority] authority for the foregoing purposes. All relocation
4555 assistance provided under sections 32-220 to 32-234, inclusive, to
4556 persons residing in the project area shall be in conformance with
4557 chapter 135.

4558 (e) The [commissioner] executive director may establish the terms
4559 and conditions of any financial assistance provided under sections 32-
4560 220 to 32-234, inclusive, except that the interest rate on any loans shall
4561 be determined by the State Bond Commission in accordance with
4562 subsection (t) of section 3-20. The [commissioner] executive director
4563 may make any stipulation in connection with an offer of financial
4564 assistance he deems necessary to implement the policies and purposes
4565 of sections 32-220 to 32-234, inclusive, including, but not limited to the
4566 following: (1) The provision of assurances that the eligible applicant
4567 will discharge its obligations in connection with the project, and (2) a
4568 requirement that the eligible applicant provide the department with
4569 appropriate security for such financial assistance, including, but not
4570 limited to, a letter of credit, a lien on real property or a security interest
4571 in goods, equipment, inventory or other property of any kind.

4572 Sec. 113. Section 32-227 of the general statutes is repealed and the
4573 following is substituted in lieu thereof (*Effective July 1, 2010*):

4574 (a) For the purpose of carrying out or administering a municipal or
4575 business development project, (1) a municipality, acting by and
4576 through its implementing agency, may, subject to the limitations and
4577 procedures set forth in this section, issue from time to time bonds of
4578 the municipality, and (2) the [Connecticut Development Authority]
4579 Connecticut Economic Development Authority may, upon a resolution

adopted by the legislative body of the municipality, issue from time to time bonds which, in either case, are payable solely or in part from and secured by: (A) A pledge of and lien upon any or all of the income, proceeds, revenues and property of development projects, including the proceeds of grants, loans, advances or contributions from the federal government, the state or other source, including financial assistance furnished by the municipality or any other public body pursuant to sections 32-220 to 32-234, inclusive; (B) taxes or payments in lieu of taxes, or both, in whole or in part, allocated to and paid into a special fund of the municipality or the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority pursuant to the provisions of subsection (c) of this section; or (C) any combination of the methods in subparagraphs (A) and (B) of this subdivision. Any bonds payable and secured as provided in this subsection shall be authorized by, and the appropriation of the proceeds thereof approved by and subject to, a resolution adopted by the legislative body of the municipality, notwithstanding the provisions of any other statute, local law or charter governing the authorization and issuance of bonds and the appropriation of the proceeds thereof generally by the municipality. No such resolution shall be adopted until after a public hearing has been held upon such authorization. Notice of such hearing shall be published not less than five days prior to such hearing in a newspaper having a general circulation in the municipality. Any such bonds of a municipality or the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority shall be issued and sold in such manner; bear interest at such rate or rates, including variable rates; provide for the payment of interest on such dates, whether before or at maturity; be issued at, above or below par; mature at such time or times not exceeding thirty years from their date; have such rank or priority; be payable in such medium of payment; be issued in such form, including, without limitation, registered or book-entry form; carry such registration and transfer privileges and be made subject to purchase or redemption before maturity at such price or prices and under such terms and conditions, including the condition that such bonds be subject to purchase or

4615 redemption on the demand of the owner thereof; and contain such
4616 other terms and particulars as the legislative body of the municipality
4617 or the officers delegated such authority by the legislative body of the
4618 municipality shall determine. Any such bonds of the [Connecticut
4619 Development Authority] Connecticut Economic Development
4620 Authority shall be issued and sold in the manner and subject to the
4621 general terms and provisions of law applicable to issuance of bonds by
4622 the [Connecticut Development Authority] Connecticut Economic
4623 Development Authority, except that the provisions of subsection (b) of
4624 section 32-23j shall not apply. The proceedings under which bonds are
4625 authorized to be issued may, subject to the provisions of indenture or
4626 to any other depository agreement, provide for the method of
4627 disbursement thereof, with such safeguards and restrictions as it may
4628 determine. Any pledge made by the municipality or the [Connecticut
4629 Development Authority] Connecticut Economic Development
4630 Authority for bonds issued as provided in this subsection shall be
4631 valid and binding from the time when the pledge is made, and any
4632 revenues or other receipts, funds or moneys so pledged and thereafter
4633 received by the municipality or the [Connecticut Development
4634 Authority] Connecticut Economic Development Authority shall be
4635 subject to the lien of such pledge without any physical delivery thereof
4636 or further act. The lien of any such pledge shall be valid and binding as
4637 against all parties having claims of any kind in tort, contract or
4638 otherwise against the municipality or [Connecticut Development
4639 Authority] the Connecticut Economic Development Authority,
4640 irrespective of whether such parties have notice of such lien. Neither
4641 the resolution nor any other instrument by which a pledge is created
4642 need be recorded. All expenses incurred in carrying out such financing
4643 may be treated as project costs. Such bonds shall not be included in
4644 computing the aggregate indebtedness of the municipality, provided,
4645 if such bonds are made payable, in whole or in part, from funds
4646 contracted to be advanced by the municipality, the aggregate amount
4647 of such funds not yet appropriated to such purpose shall be included
4648 in computing the aggregate indebtedness of the municipality. As used
4649 in this section, "bonds" means any bonds, including refunding bonds,

4650 notes, temporary notes, interim certificates, debentures or other
4651 obligations. Temporary notes issued in accordance with this subsection
4652 in anticipation of the receipt of the proceeds of bond issues may be
4653 issued for a period of not more than five years, and notes issued for a
4654 shorter period of time may be renewed by the issue of other notes,
4655 provided the period from the date of the original notes to the maturity
4656 of the last notes issued in renewal thereof shall not exceed five years.
4657 For purposes of this section, references to the Connecticut
4658 Development Authority shall include any subsidiary of the
4659 **[**Connecticut Development Authority established pursuant to
4660 subsection (l) of section 32-11a**]** Connecticut Economic Development
4661 Authority.

4662 (b) For the purpose of carrying out or administering a municipal or
4663 business development project, a municipality or its implementing
4664 agency may accept grants, advances, loans or other financial assistance
4665 from the federal government, the state or other source and may do any
4666 and all things necessary or desirable to secure such financial aid. To
4667 assist any project located in the area in which it is authorized to act,
4668 any public body, including the state, or any city, town, borough,
4669 authority, district, subdivision or agency of the state, may, upon such
4670 terms as it determines, furnish service or facilities, provide property,
4671 lend or contribute funds, and take any other action of a character
4672 which it is authorized to perform for other purposes. To obtain funds
4673 for the temporary and definitive financing of any project, a
4674 municipality or implementing agency may, in addition to other action
4675 authorized under this act or other law, issue its general obligation
4676 bonds, notes, temporary notes or other obligations secured by a pledge
4677 of the municipality's full faith and credit. Such bonds, notes,
4678 temporary notes and other obligations shall be authorized in
4679 accordance with the requirements for the authorization of such
4680 obligations generally by the municipality and the authorization,
4681 issuance and sale thereof shall be subject to the limitations contained in
4682 the general statutes, including provisions on the limitation of the
4683 aggregate indebtedness of the municipality. Notwithstanding the
4684 provisions of sections 7-264, 7-378 and 7-378a, and any other public or

4685 special act or charter or bond ordinance or bond resolution which
4686 limits the issuance or renewal of temporary notes issued in
4687 anticipation of the receipt of the proceeds of bond issues to a period of
4688 time of less than five years from the date of the original notes or
4689 requires a reduction in the principal amount of such notes or renewal
4690 notes prior to the fifth anniversary of the date of the original notes,
4691 such temporary notes may be issued for a period of not more than five
4692 years, and notes issued for a shorter period of time may be renewed by
4693 the issue of other notes, provided the period from the date of the
4694 original notes to the maturity of the last notes issued in renewal
4695 thereof shall not exceed five years.

4696 (c) Any development plan authorized under sections 32-220 to 32-
4697 234, inclusive, or any proceedings authorizing the issuance of bonds
4698 under said sections may contain a provision that taxes, if any,
4699 identified in such plan or such authorizing proceedings and levied
4700 upon taxable real or personal property, or both, in a project each year
4701 or payments in lieu of such taxes authorized pursuant to chapter 114,
4702 or both, by or for the benefit of any one or more municipalities,
4703 districts or other public taxing agencies, as the case may be, shall be
4704 divided as follows: (1) In each fiscal year that portion of the taxes or
4705 payments in lieu of taxes, or both, which would be produced by
4706 applying the then current tax rate of each of the taxing agencies to the
4707 total sum of the assessed value of the taxable property in the project on
4708 the effective date of such adoption or the date of such authorizing
4709 proceedings, as the case may be, or on any date between such two
4710 dates which is identified in such proceedings, shall be allocated to and
4711 when collected shall be paid into the funds of the respective taxing
4712 agencies in the same manner as taxes by or for said taxing agencies on
4713 all other property are paid; and (2) that portion of the assessed taxes or
4714 the payments in lieu of taxes, or both, each fiscal year in excess of the
4715 amount referred to in subdivision (1) of this subsection shall be
4716 allocated to and when collected shall be paid into a special fund of the
4717 municipality or the **[**Connecticut Development Authority**]** Connecticut
4718 Economic Development Authority to be used in each fiscal year, first
4719 to pay the principal of and interest due in such fiscal year on loans,

moneys advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, incurred by such municipality or the [Connecticut Development Authority] Connecticut Economic Development Authority to finance or refinance in whole or in part, such project, and then, at the option of the municipality or the [Connecticut Development Authority] Connecticut Economic Development Authority, to purchase bonds issued for the project which has generated the tax increments or payments in lieu of taxes and then, at the option of the municipality or the [Connecticut Development Authority] Connecticut Economic Development Authority, to reimburse the provider of or reimbursement party with respect to any guarantee, letter of credit, policy of bond insurance, funds deposited in a debt service reserve fund, funds deposited as capitalized interest or other credit enhancement device used to secure payment of debt service on any bonds, notes or other indebtedness issued pursuant to this section to finance or refinance such project, to the extent of any payments of debt service made therefrom. Unless and until the total assessed valuation of the taxable property in a project exceeds the total assessed value of the taxable property in such project as shown by the last assessment list referred to in subdivision (1) of this subsection, all of the taxes levied and collected and all of the payments in lieu of taxes due and collected upon the taxable property in such project shall be paid into the funds of the respective taxing agencies. When such loans, advances, and indebtedness, if any, and interest thereof, and such debt service reimbursement to the provider of or reimbursement party with respect to such credit enhancement, have been paid in full, all moneys thereafter received from taxes or payments in lieu of taxes, or both, upon the taxable property in such development project shall be paid into the funds of the respective taxing agencies in the same manner as taxes on all other property are paid.

(d) Notwithstanding the provisions of subsection (a) or (b) of this section and any other public or special act or charter or bond ordinance or bond resolution which limits the renewal of temporary notes issued pursuant to said subsections in anticipation of the receipt of the

proceeds of bond issues to five years from the date of the original notes, any municipality may renew temporary notes in accordance with the provisions of this section for an additional period of not more than four years from the end of such five-year period. The officers or board authorized to issue the bonds or determine the particulars of the bonds may adopt a resolution authorizing the renewal of temporary notes for such additional period under the following conditions: (1) All project grant payments and bond sale proceeds received shall be promptly applied toward project costs or toward payment of such temporary notes as the same shall become due and payable or shall be deposited in trust for such purposes; (2) no later than the end of each period of twelve months after the end of such five-year period a portion of such temporary notes equal to at least one-twentieth of the municipality's estimated cost of the project shall be retired from funds other than project grants or land sale proceeds or note proceeds; (3) the interest on all temporary notes renewed after such five-year period shall be paid from funds other than project grants or land sale proceeds or note proceeds; (4) the principal amount of each bond issue when sold shall be reduced by the amounts spent under subdivision (2) of this section, and the principal of such bonds shall be paid in annual installments commencing no later than one year from the date of issue; and (5) the maximum authorized term of the bonds when sold shall be reduced by not less than the number of months from the end of such five-year period to the date of issue. Any anticipated federal or state project grants or land sale proceeds may be used in computing the municipality's cost of the project. Any municipality in which such resolution is passed shall include in its annual budget or shall otherwise appropriate sufficient funds to make the payments required by subdivisions (2) and (3) of this subsection.

Sec. 114. Section 32-244 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) All data and other information received by the **[**Department of Economic and Community Development, the Connecticut Development Authority**]** <u>Connecticut Economic Development</u>

4789 Authority or any implementing agency, as defined in section 32-222, or
4790 any advisory board or committee of the department, authority or
4791 agency, from any person in connection with an application for, or the
4792 provision of, financial assistance, which consists of the following, shall
4793 be deemed, for purposes of a public records request pursuant to the
4794 Freedom of Information Act, as defined in section 1-200, made to the
4795 [Department of Economic and Community Development, the
4796 Connecticut Development Authority] Connecticut Economic
4797 Development Authority or any such implementing agency, advisory
4798 board or committee, to be information described in subdivision (5) of
4799 subsection (b) of section 1-210: (1) Actual trade secrets or information
4800 that a person intends to become a trade secret, (2) material that a
4801 person intends to patent, (3) patented material, (4) marketing or
4802 business plans, (5) plans for new products or services, (6) reports of
4803 customer orders or sales or other documents that would disclose
4804 names and addresses of customers or potential customers, (7)
4805 information concerning the financial condition or personal affairs of
4806 any individual, (8) financial statements or projections, (9) sales or
4807 earnings forecasts, (10) capital or strategic plans, (11) information
4808 regarding research and development, (12) tax returns, or (13) other
4809 commercial, credit or financial information with respect to the financial
4810 condition or business operations of an applicant for or recipient of
4811 financial assistance which is of a type not customarily made available
4812 to the public.

4813 (b) The enumeration in this section of particular types of data and
4814 information shall not be construed to limit the possible applicability of
4815 subdivision (5) of subsection (b) of section 1-210 to other data or
4816 information not so enumerated.

4817 Sec. 115. Section 32-244a of the general statutes is repealed and the
4818 following is substituted in lieu thereof (*Effective July 1, 2010*):

4819 All information contained in any application for financial assistance
4820 submitted to the [Department of Economic and Community
4821 Development or the Connecticut Development Authority] Connecticut

4822 Economic Development Authority prior to October 1, 2000, and all
4823 information with respect to any person or project, including all
4824 financial, credit and proprietary information, obtained by the
4825 [Department of Economic and Community Development or the
4826 Connecticut Development Authority] Connecticut Economic
4827 Development Authority prior to October 1, 2000, or on or after October
4828 1, 2000, pursuant to the requirements of an agreement entered into
4829 prior to October 1, 2000, shall be exempt from the provisions of
4830 subsection (a) of section 1-210.

4831 Sec. 116. Subsection (k) of section 32-261 of the general statutes is
4832 repealed and the following is substituted in lieu thereof (*Effective July*
4833 *1, 2010*):

4834 (k) As used in this section, the following terms shall have the
4835 following meanings unless the context indicates another meaning and
4836 intent:

4837 (1) "Authority" means the [Connecticut Development Authority
4838 created under subsection (a) of section 32-23d] Connecticut Economic
4839 Development Authority established pursuant to section 2 of this act;

4840 (2) "Eligible financial institution" shall have the same meaning as
4841 "eligible financial institution", as defined in subsection (e) of section 32-
4842 23d;

4843 (3) "Loans" means loans, notes, bonds and all other forms of debt
4844 financing or extensions of credit, secured or unsecured, including
4845 loans for working capital purposes;

4846 (4) "Other investments" means (A) any and all forms of equity
4847 financing made by the authority or an eligible financial institution, (B)
4848 any participation or other interest in such equity financing, however
4849 evidenced, or (C) any pool or portfolio of, or position in, loans, such
4850 equity financing or any combination thereof;

4851 (5) "Person" means a person, as defined in subsection (s) of section
4852 32-23d; and

4853 (6) "State" means the state of Connecticut.

4854 Sec. 117. Subsection (b) of section 32-262 of the general statutes is
4855 repealed and the following is substituted in lieu thereof (*Effective July*
4856 *1, 2010*):

4857 (b) The proceeds of the sale of said bonds, to the extent of the
4858 amount stated in subsection (a) of this section, shall be used by the
4859 **[**Department of Economic and Community Development to make
4860 grants to the Connecticut Development Authority**]** Connecticut
4861 Economic Development Authority for deposit in the Investment and
4862 Loan Guaranty Fund to be used for the purpose of section 32-261. The
4863 terms and conditions of said grants shall be governed in accordance
4864 with a grant contract between the **[**department and the**]** authority.

4865 Sec. 118. Section 32-265 of the general statutes is repealed and the
4866 following is substituted in lieu thereof (*Effective July 1, 2010*):

4867 (a) As used in this section: (1) "Authority" means the **[**Connecticut
4868 Development Authority**]** Connecticut Economic Development
4869 Authority, and (2) "financial institution" means an eligible financial
4870 institution, as defined in subsection (e) of section 32-23d, which is
4871 approved by the authority to participate in the program established by
4872 this section.

4873 (b) In order to stimulate and encourage the growth and
4874 development of the state economy, the Connecticut Capital Access
4875 Fund is created to provide portfolio insurance to participating financial
4876 institutions to assist them in making loans that are somewhat riskier
4877 than conventional loans. The insurance shall be based on a portfolio
4878 insurance mechanism applicable to loans enrolled by a financial
4879 institution in the program, rather than loans by loan guarantees. The
4880 state, acting through the **[**Connecticut Development Authority**]**
4881 Connecticut Economic Development Authority, shall enter into a
4882 participation agreement with each financial institution approved to
4883 participate in the program. A participation agreement entered into by
4884 the authority and a financial institution shall establish a separate loan

4885 loss reserve account, owned and controlled by the [Connecticut
4886 Development Authority] Connecticut Economic Development
4887 Authority, but earmarked to cover losses on loans enrolled by that
4888 financial institution in the program. A separate loan loss reserve
4889 account shall be established for each participating financial institution.
4890 Each time a financial institution enrolls a loan in the program,
4891 payments shall be made into the earmarked loan loss reserve account
4892 by the borrower, financial institution and the authority, in amounts
4893 consistent with the provisions of the participation agreement. The
4894 financial institution shall be allowed to recover the cost of its payment
4895 from the borrower.

4896 (c) To carry out the purposes of this section, the authority shall have
4897 those powers set forth in section 32-23. The authority shall also have
4898 the power to take all reasonable steps and exercise all available
4899 remedies necessary or desirable to protect the obligations or interests
4900 of the authority including, but not limited to, the purchase or
4901 redemption in foreclosure proceedings, bankruptcy proceedings or in
4902 other judicial proceedings of any property on which it holds a
4903 mortgage or other lien or in which it has an interest, and for such
4904 purposes payment may be made from the Connecticut Capital Access
4905 Fund.

4906 (d) Approval of loans for which payments may be made into an
4907 account established under this section shall be within the sole
4908 discretion of the financial institution making the loan except that such
4909 loans shall comply with the requirements specified in the participation
4910 agreement.

4911 (e) The authority shall adopt written procedures in accordance with
4912 section 1-121 for implementing the program. Such written procedures
4913 shall include the form of participation agreement which shall set forth
4914 procedures for use of the program and the rights and responsibilities
4915 of participating financial institutions and the authority. The
4916 participation agreement shall require that loans enrolled in the
4917 program shall be for a business purpose in the state and shall not be

used for residential housing, passive real estate ownership, an insider transaction or to refinance a prior loan by the financial institution which was not covered under the program, except that if new funds are provided to a borrower, an amount equal to the amount of the new funds may be covered under the program.

(f) (1) For the purposes described in subdivision (2) of this subsection, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate five million dollars.

(2) The proceeds of the sale of said bonds, to the extent of the amount stated in subdivision (1) of this subsection, shall be used by the Department of Economic and Community Development to make grants to the **[**Connecticut Development Authority**]** Connecticut Economic Development Authority for deposit in the Connecticut Capital Access Fund to be used for the purposes authorized under this section and section 32-341.

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

4951 state and the full faith and credit of the state of Connecticut are
4952 pledged for the payment of the principal of and interest on said bonds
4953 as the same become due, and accordingly and as part of the contract of
4954 the state with the holders of said bonds, appropriation of all amounts
4955 necessary for punctual payment of such principal and interest is
4956 hereby made, and the Treasurer shall pay such principal and interest
4957 as the same become due.

4958 Sec. 119. Section 32-266 of the general statutes is repealed and the
4959 following is substituted in lieu thereof (*Effective July 1, 2010*):

4960 As used in sections 32-266 to 32-284, inclusive:

4961 (1) "Authority" means the **[**Connecticut Development Authority**]**
4962 Connecticut Economic Development Authority; and

4963 (2) "Regional corporation" means a corporation formed by three or
4964 more municipal development corporations, a regional economic
4965 development corporation or a regional community development
4966 corporation.

4967 Sec. 120. Subsection (b) of section 32-285 of the 2010 supplement to
4968 the general statutes is repealed and the following is substituted in lieu
4969 thereof (*Effective July 1, 2010*):

4970 (b) As used in this section: (1) "Authority" means the **[**Connecticut
4971 Development Authority**]** Connecticut Economic Development
4972 Authority; and (2) "eligible project" means a large-scale economic
4973 development project (A) that may add a substantial amount of new
4974 economic activity and employment in the municipality in which it is to
4975 be located and surrounding areas, and may generate significant
4976 additional tax revenues in the state; (B) for which use of the tax
4977 incremental financing mechanism may be necessary to attract the
4978 project to locate in the state; (C) which is economically viable and self-
4979 sustaining, taking into account the application of the proceeds of the
4980 bonds to be issued under the tax incremental financing program; (D)
4981 for which the direct and indirect economic benefits to the state and the

4982 municipality in which it will be located outweigh the costs of the
4983 project; and (E) which is consistent with the strategic development
4984 priorities of the state.

4985 Sec. 121. Subsection (a) of section 32-341 of the general statutes is
4986 repealed and the following is substituted in lieu thereof (*Effective July*
4987 *1, 2010*):

4988 (a) There is established within the **[**Connecticut Development
4989 Authority**]** Connecticut Economic Development Authority a small
4990 business assistance program under which the authority shall make
4991 loans and loan guarantees and provide equity equivalent capital to
4992 businesses in this state that employ not more than one hundred
4993 persons and are unable to obtain conventional financial assistance. The
4994 authority may establish criteria for such loans, including, but not
4995 limited to, whether such assistance would enable an applicant to create
4996 or retain jobs and whether the applicant exports goods or services out
4997 of the state.

4998 Sec. 122. Subdivision (1) of section 32-500 of the general statutes is
4999 repealed and the following is substituted in lieu thereof (*Effective July*
5000 *1, 2010*):

5001 (1) "Authority" means the **[**Connecticut Development Authority**]**
5002 Connecticut Economic Development Authority.

5003 Sec. 123. Section 32-503 of the general statutes is repealed and the
5004 following is substituted in lieu thereof (*Effective July 1, 2010*):

5005 (a) The **[**Connecticut Development Authority**]** Connecticut
5006 Economic Development Authority shall establish an export division
5007 within the authority. The division shall, within available resources,
5008 provide: (1) Working capital loans to small and medium-sized
5009 companies which are unable to obtain export financing, (2) access for
5010 such companies to existing public and private export lenders and other
5011 export funding sources, including, but not limited to, transaction
5012 financing, letters of credit, equity investments and loan guarantees,

5013 and (3) technical assistance to such companies in obtaining such
5014 financing. Such export division may give priority to assisting
5015 Connecticut businesses with regard to trade with African countries
5016 with whom the United States has diplomatic relations.

5017 (b) On or before January 30, 1998, the authority shall submit a report
5018 to the joint standing committee of the General Assembly having
5019 cognizance of matters relating to economic development on the
5020 progress of the authority in carrying out the purposes of this section,
5021 including a list of successful transactions.

5022 Sec. 124. Section 32-609 of the general statutes is repealed and the
5023 following is substituted in lieu thereof (*Effective July 1, 2010*):

5024 With the concurrence of the Secretary of the Office of Policy and
5025 Management and the State Treasurer, the Capital City Economic
5026 Development Authority may submit an application to the **[**Connecticut
5027 Development Authority**]** Connecticut Economic Development
5028 Authority on behalf of the convention center project as defined in
5029 subdivision (3) of section 32-600, for a loan or loans consistent with the
5030 requirements of chapter 579 and the **[**Connecticut Development
5031 Authority is hereby authorized to**]** Connecticut Economic
5032 Development Authority may review such application as a package for
5033 the purposes of its requirements, including eligibility for federal or
5034 state funding in addition to the financing applied for. Any loan by the
5035 **[**Connecticut Development Authority**]** Connecticut Economic
5036 Development Authority to the Capital City Economic Development
5037 Authority shall be evidenced by the general obligation bond of such
5038 authority, in fully marketable form, duly executed and accompanied
5039 by an approving legal opinion with respect to validity, security and tax
5040 matters as would otherwise be required in a public offering. Any loan
5041 with respect to the hotel or other portions of private investment
5042 pertaining to the convention center project shall be on such terms and
5043 conditions as the **[**Connecticut Development Authority**]** Connecticut
5044 Economic Development Authority requires to satisfy its eligibility for
5045 financing of a loan from the proceeds of its general obligation program

5046 bonds.

5047 Sec. 125. Section 3-27b of the general statutes is repealed and the
5048 following is substituted in lieu thereof (*Effective July 1, 2010*):

5049 The State Treasurer may also sell participation certificates for the
5050 Short Term Investment Fund to the Connecticut **[**Housing Finance**]**
5051 Economic Development Authority, the Connecticut Student Loan
5052 Foundation and all agencies, instrumentalities and political
5053 subdivisions of the state. The participation certificates shall bear and
5054 pay such interest and be issued subject to such terms and conditions
5055 that shall be determined and established by the State Treasurer.

5056 Sec. 126. Section 3-27f of the general statutes is repealed and the
5057 following is substituted in lieu thereof (*Effective July 1, 2010*):

5058 Notwithstanding any other provisions of the general statutes or
5059 elsewhere to the contrary, the Treasurer may invest in participation
5060 certificates of the Short Term Investment Fund for the General Fund,
5061 any bond funds, the Special Transportation Fund, the Local Bridge
5062 Revolving Fund, the Municipal Abandoned Vehicle Trust Fund, the
5063 Special Abandoned Property Fund, any trust funds administered by
5064 the Treasurer, and all such other funds which by law the Treasurer is
5065 responsible for investing. Participation certificates of the Short Term
5066 Investment Fund issued by the Treasurer under the provisions of
5067 sections 3-27a to 3-27i, inclusive, are hereby made legal investments for
5068 the Connecticut **[**Housing Finance**]** Economic Development Authority,
5069 Connecticut Student Loan Foundation and all agencies,
5070 instrumentalities and political subdivisions of the state.

5071 Sec. 127. Section 4-66aa of the 2010 supplement to the general
5072 statutes is repealed and the following is substituted in lieu thereof
5073 (*Effective July 1, 2010*):

5074 (a) There is established, within the General Fund, a separate,
5075 nonlapsing account to be known as the "community investment
5076 account". The account shall contain any moneys required by law to be

5077 deposited in the account. The funds in the account shall be distributed
5078 every three months as follows: (1) Twenty-five per cent to the
5079 Connecticut Commission on Culture and Tourism to use as follows:
5080 (A) Two hundred thousand dollars, annually, to supplement the
5081 technical assistance and preservation activities of the Connecticut
5082 Trust for Historic Preservation, established pursuant to special act 75-
5083 93, and (B) the remainder to supplement historic preservation activities
5084 as provided in sections 10-409 to 10-415, inclusive; (2) twenty-five per
5085 cent to the Connecticut **[**Housing Finance**]** Economic Development
5086 Authority to supplement new or existing affordable housing
5087 programs; (3) twenty-five per cent to the Department of Environmental
5088 Protection for municipal open space grants; and (4) twenty-five per
5089 cent to the Department of Agriculture to use as follows: (A) Five
5090 hundred thousand dollars annually for the agricultural viability grant
5091 program established pursuant to section 22-26j; (B) five hundred
5092 thousand dollars, annually for the farm transition program established
5093 pursuant to section 22-26k; (C) one hundred thousand dollars annually
5094 to encourage the sale of Connecticut Grown food to schools,
5095 restaurants, retailers, and other institutions and businesses in the state;
5096 (D) seventy-five thousand dollars annually for the Connecticut farm
5097 link program established pursuant to section 22-26*l*; and (E) the
5098 remainder for farmland preservation programs pursuant to chapter
5099 422. Each agency receiving funds under this section may use not more
5100 than ten per cent of such funds for administration of the programs for
5101 which the funds were provided.

5102 (b) Notwithstanding the provisions of subsection (a) of this section,
5103 from July 1, 2009, until July 1, 2011, the funds in the community
5104 investment account established pursuant to said subsection shall be
5105 distributed every three months as follows: (1) Twenty per cent to the
5106 Connecticut Commission on Culture and Tourism to use as follows:
5107 (A) Two hundred thousand dollars, annually, to supplement the
5108 technical assistance and preservation activities of the Connecticut
5109 Trust for Historic Preservation, established pursuant to special act 75-
5110 93, and (B) the remainder to supplement historic preservation activities
5111 as provided in sections 10-409 to 10-415, inclusive; (2) twenty per cent

5112 to the Connecticut [Housing Finance] Economic Development
5113 Authority to supplement new or existing affordable housing
5114 programs; (3) twenty per cent to the Department of Environmental
5115 Protection for municipal open space grants; and (4) forty per cent to
5116 the Department of Agriculture to use as follows: (A) One hundred
5117 twenty-five thousand dollars, quarterly, for the agricultural viability
5118 grant program established pursuant to section 22-26j; (B) one hundred
5119 twenty-five thousand dollars, quarterly, for the farm transition
5120 program established pursuant to section 22-26k; (C) twenty-five
5121 thousand dollars, quarterly, to encourage the sale of Connecticut
5122 Grown food to schools, restaurants, retailers, and other institutions
5123 and businesses in the state; (D) eighteen thousand seven hundred fifty
5124 dollars, quarterly, for the Connecticut farm link program established
5125 pursuant to section 22-26*l*; (E) twelve thousand five hundred dollars,
5126 quarterly, for Urban Oaks Organic Farm; (F) eleven thousand eight
5127 hundred seventy-five dollars, quarterly, for the Seafood Advisory
5128 Council established pursuant to section 22-455; (G) eleven thousand
5129 eight hundred seventy-five dollars, quarterly, to the Connecticut Farm
5130 Wine Development Council established pursuant to section 22-26c; (H)
5131 six thousand two hundred fifty dollars, quarterly, to the Connecticut
5132 Food Policy Council established pursuant to section 22-456; and (I) the
5133 remainder each quarter to the agricultural sustainability account
5134 established pursuant to section 4-66c. Each agency receiving funds
5135 under this section may use not more than ten per cent of such funds
5136 for administration of the programs for which the funds were provided,
5137 except the Department of Agriculture may also use such funds for the
5138 administration of farmland preservation programs pursuant to chapter
5139 422.

5140 Sec. 128. Subsection (k) of section 8-30g of the general statutes is
5141 repealed and the following is substituted in lieu thereof (*Effective July*
5142 *1, 2010*):

5143 (k) Notwithstanding the provisions of subsections (a) to (j),
5144 inclusive, of this section, the affordable housing appeals procedure
5145 established under this section shall not be available if the real property

5146 which is the subject of the application is located in a municipality in
5147 which at least ten per cent of all dwelling units in the municipality are
5148 (1) assisted housing, or (2) currently financed by Connecticut [Housing
5149 Finance] Economic Development Authority mortgages, or (3) subject to
5150 binding recorded deeds containing covenants or restrictions which
5151 require that such dwelling units be sold or rented at, or below, prices
5152 which will preserve the units as housing for which persons and
5153 families pay thirty per cent or less of income, where such income is less
5154 than or equal to eighty per cent of the median income, or (4) mobile
5155 manufactured homes located in mobile manufactured home parks or
5156 legally-approved accessory apartments, which homes or apartments
5157 are subject to binding recorded deeds containing covenants or
5158 restrictions which require that such dwelling units be sold or rented at,
5159 or below, prices which will preserve the units as housing for which, for
5160 a period of not less than ten years, persons and families pay thirty per
5161 cent or less of income, where such income is less than or equal to
5162 eighty per cent of the median income. The municipalities meeting the
5163 criteria set forth in this subsection shall be listed in the report
5164 submitted under section 32-1m. As used in this subsection, "accessory
5165 apartment" means a separate living unit that (A) is attached to the
5166 main living unit of a house, which house has the external appearance
5167 of a single-family residence, (B) has a full kitchen, (C) has a square
5168 footage that is not more than thirty per cent of the total square footage
5169 of the house, (D) has an internal doorway connecting to the main
5170 living unit of the house, (E) is not billed separately from such main
5171 living unit for utilities, and (F) complies with the building code and
5172 health and safety regulations.

5173 Sec. 129. Section 8-37t of the general statutes is repealed and the
5174 following is substituted in lieu thereof (*Effective July 1, 2010*):

5175 (a) Not later than January 1, 2000, and every five years thereafter,
5176 the Commissioner of Economic and Community Development
5177 together with the Connecticut [Housing Finance] Economic
5178 Development Authority, shall prepare a long-range state housing plan,
5179 which shall conform and be subject to the plan of conservation and

development for the state adopted by the General Assembly. The plan shall: (1) Contain an assessment of the housing needs of households with incomes less than one hundred per cent of the average area median income, adjusted for family size, analyzed separately for households with incomes (A) less than twenty-five per cent of the area median income, (B) more than twenty-five per cent but not more than fifty per cent of the area median income, (C) more than fifty per cent but not more than eighty per cent of the area median income, and (D) more than eighty per cent but not more than one hundred per cent of the area median income; (2) analyze the households served by the housing construction, substantial rehabilitation, purchase and rental assistance programs, including the number of households served by each program, the total amount of financial assistance provided to such households and the race of households served under such programs; (3) provide information on affirmative fair housing marketing activities and programs and an analysis of occupancy results of affirmative fair housing marketing plans and shall include data on the racial composition of the occupants and persons on the waiting list of each housing project which is assisted under any housing program established by the general statutes or special act or which is supervised by the commissioner or the Connecticut **[**Housing Finance**]** Economic Development Authority; (4) set specific measurable goals for meeting identified housing needs; (5) outline strategies for meeting those goals; and (6) identify state, federal and private sector resources for affordable housing programs. The provisions of this section shall not be construed to require an occupant or applicant to disclose the race of such occupant or applicant on an application or survey form. The long-range plan shall be updated annually by an action plan that assesses the state's progress toward meeting housing needs contained in the long-range plan and recommends revised strategies, if deemed necessary. In preparing the long-range plan and subsequent action plans, the commissioner shall consult with representatives of those who use or benefit from state housing programs.

(b) The Department of Economic and Community Development

5215 shall submit the long-range housing plan to the General Assembly not
5216 later than January 1, 2000, and each action plan not later than January
5217 first of each subsequent year, after receiving public review and
5218 comment on the long-range plan and each action plan through written
5219 remarks and public hearings. The commencement date of each plan
5220 shall be the July first following the submission of the plan.

5221 Sec. 130. Section 8-37u of the general statutes is repealed and the
5222 following is substituted in lieu thereof (*Effective July 1, 2010*):

5223 (a) The Commissioner of Economic and Community Development
5224 shall work with regional planning agencies, regional councils of
5225 elected officials, regional councils of governments, municipalities and
5226 municipal agencies, housing authorities and other appropriate
5227 agencies for the purpose of coordinating housing policy and housing
5228 activities, provided such coordination shall not be construed to restrict
5229 or diminish any power, right or authority granted to any municipality,
5230 agency, instrumentality, commission or any administrative or
5231 executive head thereof in accordance with the other provisions of the
5232 general statutes to proceed with any programs, projects or activities.

5233 (b) The Commissioner of Economic and Community Development
5234 shall coordinate on an ongoing basis the activities and programs of
5235 state agencies or quasi-state authorities which have a major impact on
5236 the cost, production or availability of housing, provided, such
5237 coordination shall not be construed to restrict or diminish any power,
5238 right or authority granted to any such agency or authority, or of any
5239 administrative or executive head thereof in accordance with the other
5240 provisions of the general statutes, to proceed with any programs,
5241 projects or activities, except as specifically provided in this section.

5242 (c) In order to facilitate such coordination, the Connecticut **[**Housing
5243 Finance**]** <u>Economic Development</u> Authority shall submit annually to
5244 the Commissioner of Economic and Community Development a
5245 projected twelve-month operating plan. Said plan shall be prepared in
5246 a manner so as to be consistent with the five-year plan referred to in
5247 section 8-37t as such plan is then in effect. Said plan shall include such

5248 matters as the authority determines are necessary and shall include,
5249 but not be limited to, production targets under each multifamily
5250 program of the authority, including targets for rental housing
5251 production for both elderly and nonelderly families in a proportion
5252 consistent with housing needs estimated pursuant to section 8-37t;
5253 proposed new and expanded programs; proposed outreach activities
5254 to help serve areas of the state or segments of the population whose
5255 housing needs have been particularly underserved, and estimated
5256 level of subsidy needed to support the proposed level of production.
5257 The first such plan shall be submitted to the Commissioner of
5258 Economic and Community Development prior to January 1, 1981, and
5259 subsequent plans on each twelve-month anniversary thereof.

5260 (d) In the event the commissioner determines that the Connecticut
5261 **[**Housing Finance**]** Economic Development Authority has not
5262 complied with the requirements of subsection (c) of this section, he
5263 shall file a report with the Secretary of the Office of Policy and
5264 Management setting forth the items of the plan which are inconsistent
5265 with the five-year plan and setting forth those recommendations which
5266 in his opinion would result in such plan being consistent with the five-
5267 year plan. In the event that the Secretary of the Office of Policy and
5268 Management concurs with the Commissioner of Economic and
5269 Community Development, he shall convene a panel of the
5270 Commissioner of Economic and Community Development, the
5271 chairman of the Connecticut **[**Housing Finance**]** Economic
5272 Development Authority and the Secretary of the Office of Policy and
5273 Management, which panel shall resolve the inconsistencies. Nothing
5274 contained in this section shall limit the right or obligation of the
5275 Connecticut **[**Housing Finance**]** Economic Development Authority to
5276 comply with the provisions of or covenants contained in any contract
5277 with or for the benefit of the holders of any bonds, notes or other
5278 obligations evidencing indebtedness of such authority.

5279 (e) The Connecticut **[**Housing Finance**]** Economic Development
5280 Authority shall, to the maximum extent practical, conduct its business
5281 according to the plan approved by the commissioner.

5282 (f) The Commissioner of Economic and Community Development
5283 shall consult with the Commissioner of Agriculture with regard to the
5284 policies, activities, plans and programs specified in this section and the
5285 impact on and degree of protection provided to agricultural land by
5286 such policies, activities, plans and programs.

5287 Sec. 131. Subsection (g) of section 8-37x of the general statutes is
5288 repealed and the following is substituted in lieu thereof (*Effective July*
5289 *1, 2010*):

5290 (g) The Commissioner of Economic and Community Development,
5291 in consultation with the executive director of the Connecticut **[**Housing
5292 Finance**]** Economic Development Authority, upon the lawful
5293 dissolution of any eligible developer of property financed with a loan,
5294 grant or any combination thereof from the state, may (1) accept
5295 ownership of property owned by such a developer in the name of the
5296 state and dispose of such property to an eligible developer for a price
5297 and upon terms that the commissioner deems proper, provided such
5298 action shall preserve the property as housing for very low, low or
5299 moderate income persons; or (2) after approval by the Secretary of the
5300 Office of Policy and Management allow such property to participate in
5301 any programs that the commissioner operates, in order to preserve the
5302 property as housing for very low, low or moderate income persons.
5303 For purposes of this subsection, "housing" includes facilities and
5304 amenities incidental and pertinent to the provision of affordable
5305 housing and intended primarily to serve the residents of the affordable
5306 housing development, including, but not limited to, a community
5307 room, a laundry room, day care space, a computer center, a
5308 management center or playground.

5309 Sec. 132. Section 8-37aa of the general statutes is repealed and the
5310 following is substituted in lieu thereof (*Effective July 1, 2010*):

5311 As used in sections 8-37bb to 8-37dd, inclusive, "housing agency"
5312 means the Department of Economic and Community Development,
5313 the Connecticut **[**Housing Finance**]** Economic Development Authority
5314 and the Connecticut Housing Authority, and "income group" means

5315 one of the following household groups, adjusted for family size and
5316 based on the appropriate area median income established by the
5317 United States Department of Housing and Urban Development: (1)
5318 Households with incomes twenty-five per cent or less than the area
5319 median income; (2) households with incomes more than twenty-five
5320 per cent but not more than fifty per cent of the area median income; (3)
5321 households with incomes more than fifty per cent but not more than
5322 eighty per cent of the area median income; (4) households with
5323 incomes more than eighty per cent but not more than one hundred per
5324 cent of the area median income; and (5) households with incomes more
5325 than one hundred per cent of the area median income.

5326 Sec. 133. Subsection (a) of section 8-37bb of the general statutes is
5327 repealed and the following is substituted in lieu thereof (*Effective July*
5328 *1, 2010*):

5329 (a) On or before December 31, 1991, and annually thereafter, each
5330 housing agency, except the Department of Economic and Community
5331 Development, shall submit to the General Assembly a report, for the
5332 year ending the preceding September thirtieth, which analyzes by
5333 income group, households served by its housing construction,
5334 substantial rehabilitation, purchase and rental assistance programs.
5335 Each report submitted after December 31, 1991, shall analyze the
5336 households served under each program by race. The analysis shall
5337 provide information by housing development, if applicable, and by
5338 program. Each analysis shall include data for all households (1)
5339 entering an agency program during the year ending the preceding
5340 September thirtieth, and (2) in occupancy or receiving the benefits of
5341 an agency rental program the preceding September thirtieth. The
5342 report of the Connecticut **[**Housing Finance**]** Economic Development
5343 Authority shall also identify, by census tract, the number of
5344 households served in each program and the total amount of financial
5345 assistance provided to such households. The provisions of this section
5346 shall not be construed to preclude a housing agency from reporting
5347 additional information on programs it administers. Each report
5348 submitted under this section shall also analyze the efforts, and the

5349 results of such efforts, of each agency in promoting fair housing choice
5350 and racial and economic integration. The provisions of this section
5351 shall not be construed to require an occupant or applicant to disclose
5352 his race on an application or survey form.

5353 Sec. 134. Section 8-37jj of the general statutes is repealed and the
5354 following is substituted in lieu thereof (*Effective July 1, 2010*):

5355 (a) The Department of Economic and Community Development
5356 may not approve electric resistance as the primary heat source in new,
5357 subsidized housing except where justified by a life-cycle cost analysis
5358 whose methodology has been approved by the division of the Office of
5359 Policy and Management responsible for energy matters.

5360 (b) If the Department of Economic and Community Development or
5361 the Connecticut **[**Housing Finance**]** Economic Development Authority
5362 uses electric resistance space heating as the primary heating source in
5363 any new construction, it shall construct the unit in such a way as to be
5364 eligible for any available energy conservation incentives provided by
5365 the electric company, as defined in section 16-1, or the municipal
5366 utility furnishing electric service to such unit.

5367 Sec. 135. Section 8-37kk of the general statutes is repealed and the
5368 following is substituted in lieu thereof (*Effective July 1, 2010*):

5369 The **[**Department of Economic and Community Development and
5370 the Connecticut Housing Finance**]** Connecticut Economic
5371 Development Authority shall give preference to loans for energy
5372 efficient projects in all grant and loan programs.

5373 Sec. 136. Section 8-68f of the general statutes is repealed and the
5374 following is substituted in lieu thereof (*Effective July 1, 2010*):

5375 Each housing authority which receives financial assistance under
5376 any state housing program, and the Connecticut **[**Housing Finance**]**
5377 Economic Development Authority or its subsidiary when said
5378 authority or subsidiary is the successor owner of housing previously
5379 owned by a housing authority under part II or part VI of this chapter,

5380 shall, for housing which it owns and operates, (1) provide each of its
5381 tenants with a written lease, (2) adopt a procedure for hearing tenant
5382 complaints and grievances, (3) adopt procedures for soliciting tenant
5383 comment on proposed changes in housing authority policies and
5384 procedures, including changes to its lease and to its admission and
5385 occupancy policies, and (4) encourage tenant participation in the
5386 housing authority's operation of state housing programs, including,
5387 where appropriate, the facilitation of tenant participation in the
5388 management of housing projects. If such housing authority or the
5389 Connecticut **[**Housing Finance**]** Economic Development Authority or
5390 its subsidiary operates both a federal and a state-assisted housing
5391 program, it shall use the same procedure for hearing tenant grievances
5392 in both programs. The Commissioner of Economic and Community
5393 Development shall adopt regulations in accordance with the
5394 provisions of chapter 54 to establish uniform minimum standards for
5395 the requirements in this section.

5396 Sec. 137. Section 8-68j of the general statutes is repealed and the
5397 following is substituted in lieu thereof (*Effective July 1, 2010*):

5398 (a) As used in this section:

5399 (1) **[**"Commissioner"**]** "Executive director" means the **[**Commissioner
5400 of Economic and Community Development**]** executive director of the
5401 Connecticut Economic Development Authority;

5402 (2) "Connecticut **[**Housing Finance**]** Economic Development
5403 Authority" means the authority created and operating pursuant to the
5404 provisions of **[**chapter 134**]** section 2 of this act;

5405 (3) "Financially distressed development" means a housing
5406 development owned by a housing authority and subject to an asset
5407 that was transferred from the Department of Economic and
5408 Community Development to the Connecticut **[**Housing Finance**]**
5409 Economic Development Authority pursuant to section 8-37u or
5410 subdivision (3) of section 32-11; and

5411 (4) "Housing authority" means a local housing authority owning a
5412 financially distressed development.

5413 (b) Notwithstanding any provision of the general statutes, a housing
5414 authority may, with the approval of the **[**Commissioner of Economic
5415 and Community Development**]** executive director, quit claim or
5416 otherwise transfer its interest in a financially distressed development
5417 to the Connecticut **[**Housing Finance**]** Economic Development
5418 Authority. The **[**commissioner**]** executive director may grant such
5419 approval upon an express finding that: (1) The housing authority is
5420 financially unable to maintain the development; (2) there is no
5421 reasonable prospect that the housing authority will be able to maintain
5422 the property in the future; (3) the housing authority has requested to
5423 transfer the development; and (4) the Connecticut **[**Housing Finance**]**
5424 Economic Development Authority is prepared to accept the transfer.

5425 Sec. 138. Section 8-68k of the general statutes is repealed and the
5426 following is substituted in lieu thereof (*Effective July 1, 2010*):

5427 Whenever the Connecticut **[**Housing Finance**]** Economic
5428 Development Authority or its subsidiary is a successor owner of
5429 housing previously owned by a housing authority under part II or part
5430 VI of this chapter, the authority or its successor shall be subject to the
5431 requirements of and operate such housing in compliance with all
5432 provisions of the general statutes applicable to the operation or
5433 disposition of such housing by a housing authority.

5434 Sec. 139. Section 8-78 of the general statutes is repealed and the
5435 following is substituted in lieu thereof (*Effective July 1, 2010*):

5436 The aggregate amount of all bonds and notes issued by the state
5437 pursuant to subsection (a) of section 8-80 to meet its obligations under
5438 assistance agreements for moderate rental housing projects entered
5439 into by it shall not exceed the sum of (1) one hundred sixty-nine
5440 million one hundred thirty-two thousand four hundred thirty-five
5441 dollars, exclusive of any notes or bonds, the avails of which shall be
5442 used for the purpose of refunding outstanding notes or bonds issued

5443 for said purposes, and (2) twenty-eight million dollars, provided the
5444 proceeds of such bonds and notes issued pursuant to the authorization
5445 in subdivision (2) of this section shall be made available for use only
5446 with respect to moderate rental housing projects. In considering
5447 housing projects for use of the bond proceeds, the **[**Department of
5448 Economic and Community Development**]** Connecticut Economic
5449 Development Authority shall attempt to capture all federal Section 8
5450 subsidies, for family, elderly, and congregate housing units available
5451 to the **[**Department of Economic and Community Development,
5452 Connecticut Housing Finance Authority**]** authority or from other
5453 sources; encourage the construction or rehabilitation of multifamily
5454 rental projects which meet the Mortgage and Revenue Bond Tax Act of
5455 1980 criteria for moderate income; and utilize any other federal
5456 subsidy programs for low and moderate income housing which may
5457 become available now or in the future, provided the state bonds can be
5458 adequately secured and the intent of this section can be assured. The
5459 **[**Department of Economic and Community Development**]** authority
5460 may also enter into joint loan participations with other financing
5461 sources in order to maximize the number of housing units produced
5462 for the amount allocated.

5463 Sec. 140. Section 8-119*ll* of the general statutes is repealed and the
5464 following is substituted in lieu thereof (*Effective July 1, 2010*):

5465 Annually, the **[**Department of Economic and Community
5466 Development in consultation with the Connecticut Housing Finance**]**
5467 Connecticut Economic Development Authority shall conduct a
5468 comprehensive assessment of current and future needs for rental
5469 assistance under section 8-119kk for housing projects for the state's
5470 elderly and disabled. Not later than April 1, 2006, the results of the first
5471 such analysis shall be presented to the select committee of the General
5472 Assembly having cognizance of matters relating to housing, in
5473 accordance with section 11-4a. Any analyses submitted after April 1,
5474 2006, shall be incorporated into the report required pursuant to section
5475 32-1m.

5476 Sec. 141. Subsection (d) of section 8-206 of the general statutes is
5477 repealed and the following is substituted in lieu thereof (*Effective July*
5478 *1, 2010*):

5479 (d) The **[**Commissioner of Economic and Community Development**]**
5480 executive director of the Connecticut Economic Development
5481 Authority is authorized to do all things necessary to apply for, qualify
5482 for and accept any federal funds made available or allotted under any
5483 federal act for any activities which may be pertinent to the purposes of
5484 this chapter and chapters 128, 129, 130, 135 and 136 and said
5485 **[**commissioner**]** executive director shall administer any such funds
5486 allotted to the **[**department**]** authority in accordance with federal law.
5487 The **[**commissioner**]** executive director may enter into contracts with
5488 the federal government concerning the use and repayment of such
5489 funds under any such federal act, the prosecution of the work under
5490 any such contract and the establishment of and disbursement from a
5491 separate account in which federal and state funds estimated to be
5492 required for plan preparation or other eligible activities under such
5493 federal act shall be kept. Said account shall not be a part of the General
5494 Fund of the state or any subdivision of the state. Unless otherwise
5495 required by federal law or regulation, any federal housing assistance
5496 funding made available at the state level shall be allocated in
5497 accordance with the housing plan prepared pursuant to the provisions
5498 of section 8-37t. Such allocation shall, to the maximum extent possible,
5499 reflect the types and distribution of housing needs in all parts of the
5500 state and the resources required by the **[**department, the Connecticut
5501 Housing Finance Authority**]** authority or other appropriate agencies to
5502 meet those needs.

5503 Sec. 142. Section 8-216 of the general statutes is repealed and the
5504 following is substituted in lieu thereof (*Effective July 1, 2010*):

5505 (a) The state, acting by and in the discretion of the Commissioner of
5506 Economic and Community Development, may enter into a contract
5507 with a municipality for state financial assistance for housing, or any
5508 part thereof, solely for low or moderate-income persons or families, or

5509 for housing or any part thereof, on property classified by the
5510 municipality pursuant to section 8-215, for use for housing solely for
5511 low or moderate-income persons or families, in the form of
5512 reimbursement for tax abatements under said section, provided the
5513 construction or rehabilitation of such housing shall have been
5514 commenced after July 1, 1967, or, in the case of apartment buildings
5515 containing three or more stories, under construction on July 1, 1967.
5516 Such contract shall provide for state financial assistance in the form of
5517 a state grant-in-aid to the municipality not to exceed the amount of
5518 taxes abated by the municipality pursuant to section 8-215, provided
5519 no payment shall be made to any municipality under any contract
5520 entered into on or after October 1, 1973, unless the assessment on such
5521 housing or part thereof is determined as provided in section 8-216a
5522 except when such contract is a modification, amendment, or
5523 replacement of a contract already in existence on or before October 1,
5524 1973. In such contract, the commissioner may require assurances that
5525 the amount of tax abatement will be used for the purposes stated in
5526 section 8-215, and that the commissioner shall have the right of
5527 inspection to determine that such purposes are being achieved. With
5528 respect to housing for which tax abatement has been provided
5529 pursuant to said section 8-215, such grant-in-aid shall be paid to the
5530 municipality each year, in an amount not to exceed the tax abatement
5531 for such year, as long as the housing continues to fulfill the purposes
5532 stated in said section.

5533 (b) The state, acting by and in the discretion of the Commissioner of
5534 Economic and Community Development, may enter into a contract
5535 with a municipality and the housing authority of the municipality or
5536 with the Connecticut **[**Housing Finance**]** Economic Development
5537 Authority or any subsidiary created by the authority pursuant to
5538 section 8-242a or 8-244 or with a successor owner to make payments in
5539 lieu of taxes to the municipality on land and improvements owned or
5540 leased by the housing authority or the Connecticut **[**Housing Finance**]**
5541 Economic Development Authority or successor owner under the
5542 provisions of part II of chapter 128. On and after July 1, 1997, the time
5543 period of the contract may include the remaining years of operation of

the project. Such payments shall be made annually in an amount equal to the taxes that would be paid on such property were the property not exempt from taxation, and shall be calculated by multiplying the assessed value of such property, which shall be determined by the tax assessor of such municipality in the manner used by such assessor for assessing the value of other real property, by the applicable tax rate of the municipality. Such contract shall provide that, in consideration of such grant-in-aid, the municipality shall waive during the period of such contract any payments by the housing authority or the Connecticut **[**Housing Finance**]** Economic Development Authority or successor owner to the municipality under the provisions of section 8-71, and shall further provide that the amount of the payments so waived shall be used by the housing authority or the Connecticut **[**Housing Finance**]** Economic Development Authority or successor owner for a program of social and supplementary services to the occupants or shall be applied to the operating costs or reserves of the property, or shall be used to maintain or improve the physical quality of the property. As used in this subsection, a "successor owner" means an entity that owns a housing project developed pursuant to part II of chapter 128 after the revitalization of such project pursuant to a plan approved by the commissioner.

(c) The state, after it has entered into a contract with a municipality for financial assistance under this section, shall have the right to appeal or make application for relief from any assessment of any real property with respect to which reimbursement for tax abatement or a payment in lieu of taxes is made, in the manner provided by sections 12-111 to 12-119, inclusive, and no increase in assessed valuation of such property after such contract has been entered into shall be binding upon the commissioner unless notice of such increase has been given to the commissioner in the manner provided for giving notice of such an increase to the owners of real property. In any such proceeding the state shall have the same procedural rights as the owner of such property and shall act in accordance with the procedures and rules of law applicable to such owner.

5578 (d) The state, acting by and in the discretion of the Commissioner of
5579 Economic and Community Development, may enter into a contract
5580 with a municipality to make payments in lieu of taxes to the
5581 municipality on land and improvements owned or leased by said
5582 commissioner pursuant to chapter 129. Such payments shall be made
5583 annually in an amount equal to the taxes that would be paid on such
5584 property were the property not exempt from taxation, and shall be
5585 calculated by multiplying the assessed value of such property, which
5586 shall be determined by the tax assessor of such municipality in the
5587 manner used by such assessor for assessing the value of other real
5588 property, by the applicable tax rate of the municipality. Such contract
5589 shall provide that, in consideration of such grant-in-aid the
5590 municipality shall waive any payments by the state to the municipality
5591 under the provisions of a cooperation agreement between the
5592 municipality and said commissioner.

5593 (e) The financial assistance authorized by subsection (a) of this
5594 section shall not be extended to assist housing sponsored by a profit-
5595 motivated sponsor, unless the commissioner, upon advice by the
5596 United States Department of Housing and Urban Development or the
5597 Connecticut **[**Housing Finance**]** Economic Development Authority
5598 shall determine that the mortgage loan financing such housing would
5599 not be insurable or feasible in the absence of such assistance.

5600 (f) The Commissioner of Economic and Community Development
5601 may amend any contracts entered into prior to October 1, 1969, under
5602 subsection (a) of this section, by increasing, up to a maximum of forty
5603 consecutive fiscal years of the municipality, the term of reimbursement
5604 for tax abatements provided for therein.

5605 Sec. 143. Subsection (b) of section 8-216c of the general statutes is
5606 repealed and the following is substituted in lieu thereof (*Effective July*
5607 *1, 2010*):

5608 (b) The Commissioner of Economic and Community Development
5609 shall establish a pilot program of financial assistance in the form of
5610 loans, deferred loans and grants-in-aid to nonprofit corporations for

5611 not more than five developments of rental, mutual or limited equity
5612 cooperative housing for low and moderate income persons and
5613 families. Financial assistance provided under this section shall be on
5614 such terms and conditions as prescribed by the commissioner and shall
5615 be in an amount equal to one hundred per cent of the cost incurred for
5616 the acquisition of land and buildings, construction and any other costs
5617 determined by the commissioner to be reasonable and necessary.
5618 Financial assistance shall be for permanent financing only and shall
5619 not be used for construction financing. Any development receiving
5620 financial assistance under this section shall not be eligible for
5621 construction financing under any program operated by the
5622 Department of Economic and Community Development or the
5623 Connecticut **[**Housing Finance**]** Economic Development Authority.
5624 Financial assistance shall be released upon (1) completion of a
5625 development in accordance with plans and specifications approved by
5626 the commissioner and final inspection by the commissioner, (2)
5627 issuance of a certificate of occupancy by the building official of the
5628 municipality in which the housing is located, and (3) the signing of
5629 leases for eighty per cent of the units in the development. The
5630 commissioner may enter into an agreement with a nonprofit
5631 corporation for financial assistance under this section upon approval of
5632 the development by the State Bond Commission. Applicants receiving
5633 financial assistance under this section may retain not more than ten per
5634 cent of such assistance as a developer's administrative fee. The
5635 commissioner, upon request of the developer of an approved
5636 development, may advance financial assistance to reimburse such
5637 developer for costs incurred prior to a construction loan closing,
5638 provided such costs were included in the development budget
5639 approved by the commissioner. Any loan or deferred loans made
5640 under this program shall bear interest at a rate not exceeding three per
5641 cent per annum and shall be for a term of not less than twenty-five but
5642 not more than forty years.

5643 Sec. 144. Subsection (a) of section 8-218 of the general statutes is
5644 repealed and the following is substituted in lieu thereof (*Effective July*
5645 *1, 2010*):

5646 (a) The state, acting by and in the discretion of the Commissioner of
5647 Economic and Community Development, may enter into a contract
5648 with a community housing development corporation or an eligible
5649 developer, as defined in section 8-39, for state financial assistance in
5650 the form of (1) a state grant-in-aid, loan, deferred loan, advance or any
5651 combination thereof equal to the cost to the community housing
5652 development corporation or eligible developer, as approved by the
5653 commissioner, of developing or rehabilitating low and moderate
5654 income housing under section 8-217, but limited to the following
5655 expenses: Appraisals, title searches, legal fees, option agreements,
5656 architectural, engineering and consultants' fees, financing fees, closing
5657 costs and such other expenses as may be financed by a mortgage loan
5658 under any federal or state housing statute and incurred by a
5659 community housing development corporation or eligible developer
5660 prior to the disbursement of mortgage loan funds on account of such
5661 property; provided, to the extent such expenses are recovered by the
5662 community housing development corporation or the eligible developer
5663 from the mortgage loan or from the proceeds of a sale of such
5664 property, such expenses shall be repaid to the state or to a fund
5665 established pursuant to subsection (b) of this section; and (2) an
5666 additional grant-in-aid, loan, deferred loan or advance to such
5667 corporation or such developer for the development of housing which
5668 in the determination of the commissioner contains a substantial
5669 number of dwelling units of three or more bedrooms provided (A) that
5670 the mortgage loan for such housing shall be eligible for insurance by
5671 the United States Department of Housing and Urban Development or
5672 for financing by the Connecticut **[**Housing Finance**]** Economic
5673 Development Authority or the Farmers' Home Administration, and (B)
5674 that the commissioner, after consultation with the United States
5675 Department of Housing and Urban Development, the Connecticut
5676 **[**Housing Finance**]** Economic Development Authority or the Farmers'
5677 Home Administration, as the case may be, shall have determined that
5678 the mortgage loan on such housing would not be insurable in the
5679 absence of such additional financial assistance; such grant-in-aid, loan,
5680 deferred loan or advance shall be in lieu of any assistance to said

housing under section 8-216 and shall be equal to the additional cost of construction caused by the inclusion of such dwelling units of three or more bedrooms in such housing, but in no event shall such grant-in-aid, loan, deferred loan or advance be greater than ten per cent of the cost of construction of such housing, as determined by the United States Department of Housing and Urban Development, the Connecticut [Housing Finance] Economic Development Authority or the Farmers' Home Administration. The commissioner may require that any assistance in the form of a loan or deferred loan be secured by a mortgage on such housing. In the case of a deferred loan, the contract shall require that payments on all or a portion of the interest are due currently but that payments on principal may be made at a later time.

Sec. 145. Subsection (c) of section 8-240m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(c) The Connecticut [Housing Finance] Economic Development Authority may provide financial assistance, including, without limitation, financial assistance in the form of grants, loans and the purchase of capital stock, for the program established pursuant to subsection (a) of section 8-240k, upon the execution of a financial assistance agreement containing such terms and conditions as the Connecticut [Housing Finance] Economic Development Authority shall deem necessary and appropriate to fulfill the purposes of sections 8-240k to 8-240n, inclusive.

Sec. 146. Subsection (b) of section 8-243 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(b) "Authority" means the Connecticut [Housing Finance] Economic Development Authority as created under section 8-244;

Sec. 147. Section 8-244b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

5712 (a) The Connecticut [Housing Finance] Economic Development
5713 Authority shall establish a subsidiary to be known as the State
5714 Housing Authority. The SHA shall be the successor to the Connecticut
5715 Housing Authority. The powers of the SHA shall be vested in and
5716 exercised by a board of directors, which shall consist of three members
5717 to be appointed by the board of directors of the Connecticut [Housing
5718 Finance] Economic Development Authority. One such member of the
5719 board of directors of the SHA shall be an officer or employee of the
5720 Connecticut [Housing Finance] Economic Development Authority, and
5721 two such members of the board of directors of the SHA shall be
5722 members of the board of directors of the Connecticut [Housing
5723 Finance] Economic Development Authority. Any vacancy on the board
5724 of directors of the SHA shall be filled by the board of directors of the
5725 Connecticut [Housing Finance] Economic Development Authority. The
5726 chairperson of the board of directors of the SHA shall be appointed by
5727 the board of directors of the Connecticut [Housing Finance] Economic
5728 Development Authority. Action may only be taken by the SHA by a
5729 majority vote of the members of the board of directors thereof.
5730 Members of the board of directors of the SHA shall receive no
5731 compensation for the performance of their duties under this section
5732 but shall be reimbursed for necessary expenses incurred in the
5733 performance thereof. A member of the board of directors of the SHA
5734 shall be eligible for reappointment. Any member of the board of
5735 directors of the SHA may be removed by a majority vote of the board
5736 of directors of the Connecticut [Housing Finance] Economic
5737 Development Authority for misfeasance, malfeasance or wilful neglect
5738 of duty. Each member of the board of directors of the SHA before
5739 entering upon his duties shall take and subscribe the oath of
5740 affirmation required by article XI, section 1, of the state Constitution. A
5741 record of each such oath shall be filed in the office of the Secretary of
5742 the State. In the event a member of the board of directors of the SHA is
5743 an ex-officio director of the Connecticut [Housing Finance] Economic
5744 Development Authority, then such director may designate his deputy
5745 or any member of his staff to represent him at meetings of the board
5746 with full power to act and vote on his behalf.

5747 (b) Notwithstanding the provisions of any other law, no officer or
5748 employee of this state shall be deemed to have forfeited or shall forfeit
5749 his office or employment by reason of his acceptance of membership
5750 on the board of directors of the SHA or his services thereon.

5751 Sec. 148. Section 8-244c of the general statutes is repealed and the
5752 following is substituted in lieu thereof (*Effective July 1, 2010*):

5753 Upon the establishment of the State Housing Authority and the
5754 filing of the certificate of incorporation therefor with the Secretary of
5755 the State, the SHA shall constitute the successor to the Connecticut
5756 Housing Authority. The terms of the present members of the board of
5757 directors of the Connecticut Housing Authority shall expire upon the
5758 appointment of a board of directors pursuant to section 8-244b, and
5759 upon such expiration, all functions, powers and duties now vested in
5760 the Connecticut Housing Authority or the board of directors thereof
5761 shall be deemed to be transferred to and assumed by the SHA and the
5762 board of directors thereof. Each director of the SHA shall serve for a
5763 term as shall be determined by the board of directors of the
5764 Connecticut **[**Housing Finance**]** Economic Development Authority.

5765 Sec. 149. Section 8-244d of the general statutes is repealed and the
5766 following is substituted in lieu thereof (*Effective July 1, 2010*):

5767 All notes, bonds or other obligations issued by the Connecticut
5768 Housing Authority for the financing of any project or projects shall be
5769 in accordance with their terms of full force and effect and valid and
5770 binding upon the State Housing Authority as the successor to the
5771 Connecticut Housing Authority and with respect to any resolution,
5772 contract, deed, trust agreement, mortgage, conditional sale or loan
5773 agreement, commitment, obligation or liability or other such
5774 document, public record, right, remedy, special act or public act,
5775 obligation, liability or responsibility pertaining thereto, the State
5776 Housing Authority shall be, and shall be deemed to be, the successor
5777 to the Connecticut Housing Authority. All properties, rights in land,
5778 buildings and equipment and any funds, moneys, revenues and
5779 receipts or assets of the Connecticut Housing Authority pledged or

5780 otherwise securing any such notes, bonds or other obligations shall
5781 belong to the subsidiary as successor to the Connecticut Housing
5782 Authority, subject to such pledges and other security arrangements
5783 and to agreements with the holders of the outstanding notes, bonds or
5784 other obligations. Any resolution with respect to the issuance of bonds
5785 of the Connecticut Housing Authority for the purposes of the
5786 Connecticut Housing Authority Act, created under chapter 129, and
5787 any other action taken by the Connecticut Housing Authority with
5788 respect to assisting in the financing of any project shall be, or shall be
5789 deemed to be, a resolution of the State Housing Authority or an action
5790 taken by the State Housing Authority subject only to any agreements
5791 with the holders of outstanding notes, bonds, or other obligations of
5792 the Connecticut Housing Authority. Whenever, in any law, rule,
5793 regulation, order, contract, document, judicial or administrative
5794 proceeding or otherwise, reference is made to the Connecticut Housing
5795 Authority, the same shall mean and refer to the subsidiary to be
5796 established by the Connecticut **[**Housing Finance**]** Economic
5797 Development Authority pursuant to section 8-244b.

5798 Sec. 150. Subsection (a) of section 8-252a of the general statutes is
5799 repealed and the following is substituted in lieu thereof (*Effective July*
5800 *1, 2010*):

5801 (a) The Connecticut Housing Finance Authority, or any successor
5802 authority, is authorized to issue bonds secured by a pledge of principal
5803 and interest payments and other revenues to be received by the state
5804 with respect to any loans made by the state under any bond-financed
5805 housing program, as defined in section 8-37qq. Except as otherwise
5806 provided in this section, the issuance of such bonds shall be governed
5807 by the provisions of section 8-252. Such bonds may be guaranteed by
5808 the authority, which guarantee may be a general obligation of the
5809 authority. Such bonds whether or not a general obligation of the
5810 authority may be secured by revenues or other assets of the authority
5811 which are not subject to the lien of the general housing mortgage
5812 program bond resolution of the authority adopted September 27, 1972,
5813 as amended, or subject to a lien created by any other existing bond

5814 resolution of the authority. The state, acting through the State
5815 Treasurer, is authorized to pledge such principal and interest
5816 payments and other revenues, and to make such agreements,
5817 covenants and representations as may be required for issuance of the
5818 bonds. The provisions of subdivision (3) of section 32-1*l* shall not apply
5819 to any pledge under this section, nor to any transfer of revenues to the
5820 Connecticut Housing Finance Authority, or any successor authority, or
5821 to a trustee incident to the issuance of bonds under this section, but
5822 such a pledge or transfer of revenues from bond-financed state
5823 housing programs, as defined in section 8-37qq, to the Connecticut
5824 Housing Finance Authority, or any successor authority, or to a trustee
5825 incident to the issuance of bonds under this section is hereby
5826 authorized. Any pledges made pursuant to this section shall be valid
5827 and binding from the time such pledge is made, and are not subject to
5828 further appropriation by the state. The proceeds of any bonds issued
5829 pursuant to this section shall, after payment of all costs of issuance and
5830 sale, including, without limitation, the costs of credit facilities and the
5831 establishment of any reserves as security for such bonds, be deposited
5832 in the General Fund.

5833 Sec. 151. Section 8-262a of the general statutes is repealed and the
5834 following is substituted in lieu thereof (*Effective July 1, 2010*):

5835 The Connecticut **[**Housing Finance**]** Economic Development
5836 Authority may require any application or document submitted with
5837 respect to any program of, or program administered by, said authority
5838 to be signed under penalty of false statement as provided in section
5839 53a-157b.

5840 Sec. 152. Subsection (a) of section 8-265f of the general statutes is
5841 repealed and the following is substituted in lieu thereof (*Effective July*
5842 *1, 2010*):

5843 (a) A program for the use of interest earned on real estate broker
5844 escrow or trust accounts is hereby established. Each real estate broker
5845 having an escrow or trust account under section 20-324k shall
5846 participate in such program. Under the program, moneys held on

5847 behalf of any principal, client or other person shall be deposited by
5848 participating real estate brokers in interest-bearing accounts
5849 specifically established pursuant to this program. Funds deposited in
5850 such accounts shall be subject to withdrawal upon request by the
5851 depositor and without delay, provided the funds are available in
5852 accordance with federal regulations. The interest earned thereon shall
5853 be paid to the Connecticut **[**Housing Finance**]** Economic Development
5854 Authority for the purposes of section 8-265g. Nothing in this section
5855 shall prevent a real estate broker from depositing the funds of any
5856 principal, client or other person, regardless of the amount of such
5857 funds or the period for which such funds are expected to be held, in a
5858 separate interest-bearing account established on behalf of and for the
5859 benefit of the principal, client or person. The Connecticut **[**Housing
5860 Finance**]** Economic Development Authority shall mail to each real
5861 estate broker participating in the program a detailed annual report of
5862 the mortgage assistance provided pursuant to section 8-265g.

5863 Sec. 153. Section 8-265g of the general statutes is repealed and the
5864 following is substituted in lieu thereof (*Effective July 1, 2010*):

5865 (a) The Connecticut **[**Housing Finance**]** Economic Development
5866 Authority, in consultation with the advisory panel established under
5867 section 8-265h, shall develop and administer a program of mortgage
5868 assistance to low or moderate income families or persons, as defined in
5869 section 8-243. In making mortgage assistance available under the
5870 program, the authority shall utilize down payment assistance or any
5871 other appropriate housing subsidies. The terms of any mortgage
5872 assistance shall allow the mortgagee to realize a reasonable portion of
5873 the equity gain upon sale of the mortgaged property.

5874 (b) On or before March 15, 1998, and annually thereafter, the
5875 authority shall submit a report on the program to the advisory panel
5876 established pursuant to section 8-265h.

5877 Sec. 154. Subsection (b) of section 8-265h of the general statutes is
5878 repealed and the following is substituted in lieu thereof (*Effective July*
5879 *1, 2010*):

5880 (b) The advisory panel shall: (1) Consult with and make
5881 recommendations to the Connecticut [Housing Finance] Economic
5882 Development Authority regarding the implementation and
5883 administration of the mortgage assistance program established
5884 pursuant to section 8-265g, including the methods of allocation and the
5885 allocation of funds to be disbursed under such program; (2) review
5886 and evaluate, and monitor the impact of the program; and (3) report
5887 on the program to the General Assembly as may from time to time be
5888 requested.

5889 Sec. 155. Section 8-265i of the general statutes is repealed and the
5890 following is substituted in lieu thereof (*Effective July 1, 2010*):

5891 (a) The Connecticut [Housing Finance] Economic Development
5892 Authority shall implement a program under which reverse annuity
5893 mortgages may be issued to homeowners seventy years of age or older
5894 in need of long-term care to remain in their homes and to avoid
5895 entering a nursing home.

5896 (b) Any mortgage shall be for a term of not more than six years. The
5897 Connecticut [Housing Finance] Economic Development Authority
5898 shall establish written procedures, in accordance with section 1-120,
5899 setting forth eligibility criteria for homeowners and specifying medical
5900 and other costs that may be covered by loan payments.

5901 (c) The Connecticut [Housing Finance] Economic Development
5902 Authority shall not foreclose on any home with respect to which a loan
5903 has been made pursuant to this section as long as the homeowner to
5904 whom such loan was made continues to reside in such home. The
5905 Connecticut [Housing Finance] Economic Development Authority
5906 shall, from its own resources, repay loans on properties not sold at the
5907 termination of the loan agreement with the owner due to the continued
5908 residence of such owner in such property.

5909 Sec. 156. Section 8-265o of the general statutes is repealed and the
5910 following is substituted in lieu thereof (*Effective July 1, 2010*):

5911 As used in this section and sections 8-265p to 8-265v, inclusive:

5912 (1) "Authority" means the Connecticut [Housing Finance] Economic
5913 Development Authority as created under section [8-244] 2 of this act;

5914 (2) "Mortgage" means a mortgage deed or other instrument which
5915 constitutes a first or second consensual lien on one, two or three-family
5916 owner-occupied residential real property, including single-family units
5917 in a common interest community, located in this state;

5918 (3) "Mortgagee" means mortgage lenders authorized to originate
5919 mortgage loans in this state; and

5920 (4) "Mortgagor" means the owner-occupant of one, two or three-
5921 family residential real property located in this state who is also the
5922 borrower under a mortgage encumbering such real property.

5923 Sec. 157. Subsection (b) of section 8-265w of the general statutes is
5924 repealed and the following is substituted in lieu thereof (*Effective July*
5925 *1, 2010*):

5926 (b) The proceeds of the sale of said bonds, to the extent of the
5927 amount stated in subsection (a) of this section, shall be used by the
5928 Department of Economic and Community Development or any
5929 successor agency or authority for the purpose of (1) a grant to the
5930 Connecticut [Housing Finance] Economic Development Authority for
5931 the purposes of sections 8-265o to 8-265v, inclusive, and (2) for loans or
5932 deferred loans by the [Department of Economic and Community
5933 Development] Connecticut Economic Development Authority
5934 pursuant to sections 8-283 to 8-289, inclusive. Any proceeds authorized
5935 or allocated by the commission for loans or deferred loans pursuant to
5936 sections 8-283 to 8-289, inclusive, shall not be deemed to be authorized,
5937 allocated or available for the purposes of sections 8-265o to 8-265v,
5938 inclusive.

5939 Sec. 158. Section 8-265bb of the general statutes is repealed and the
5940 following is substituted in lieu thereof (*Effective July 1, 2010*):

5941 (a) For purposes of this section "state assistance" means a payment
5942 by the state of actual debt service, comprised of principal, interest,
5943 interest rate swap payments, liquidity fees, letter of credit fees, trustee
5944 fees and other similar bond-related expenses.

5945 (b) Not later than July 1, 2008, the state, acting by and through the
5946 Secretary of the Office of Policy and Management and the State
5947 Treasurer, shall enter into a contract or contracts with the Connecticut
5948 **[**Housing Finance**]** Economic Development Authority that provide for
5949 the state to pay to said authority state assistance on bonds issued by
5950 said authority for purposes of providing funds for the emergency
5951 mortgage assistance program in sections 8-265cc to 8-265kk, inclusive,
5952 as an additional purpose pursuant to the provisions of section 8-252
5953 and costs of issuance in an aggregate principal amount not to exceed
5954 fifty million dollars. Any provision of such a contract entered into
5955 providing for payments equal to annual debt service shall constitute a
5956 full faith and credit obligation of the state and as part of the contract of
5957 the state with the holders of any bonds or refunding bonds, as
5958 applicable, appropriation of all amounts necessary to meet punctually
5959 the terms of such contract shall be made and the State Treasurer shall
5960 pay such amounts as the same become due. The Connecticut **[**Housing
5961 Finance**]** Economic Development Authority may pledge such state
5962 assistance as security for the payment of such bonds or refunding
5963 bonds issued by said authority for such purposes. Any bonds so issued
5964 by the Connecticut **[**Housing Finance**]** Economic Development
5965 Authority for the emergency mortgage assistance program pursuant to
5966 sections 8-265cc to 8-265kk, inclusive, and at any time outstanding,
5967 may at any time or from time to time, be refunded, in whole or in part,
5968 by the Connecticut **[**Housing Finance**]** Economic Development
5969 Authority by the issuance of its refunding bonds in such amounts as
5970 the authority may deem necessary or appropriate but not exceeding an
5971 amount sufficient to refund the principal amount of the bonds to be so
5972 refunded, any unpaid interest thereon, and any premiums,
5973 commissions and costs of issuance necessary to be paid in connection
5974 therewith. The state, acting by and through the Office of Policy and
5975 Management and the State Treasurer and without further

5976 authorization, may execute an amendment to any contract providing
5977 state assistance as required in connection with such refunding bonds.

5978 (c) Notwithstanding any contract entered into by the state with the
5979 Connecticut [Housing Finance] Economic Development Authority for
5980 state assistance, the bonds or refunding bonds to which such state
5981 assistance applies shall not constitute bonds or notes issued or
5982 guaranteed by the state within the meaning of section 3-21.

5983 Sec. 159. Section 8-265cc of the 2010 supplement to the general
5984 statutes is repealed and the following is substituted in lieu thereof
5985 (*Effective July 1, 2010*):

5986 As used in sections 8-265cc to 8-265kk, inclusive:

5987 (1) "Aggregate family income" means the total income of persons
5988 residing in the same household as the mortgagor and any other
5989 resident of the household declared by the mortgagor as a dependent
5990 for federal tax purposes, from whatever source derived, including, but
5991 not limited to, pensions, annuities, retirement benefits and Social
5992 Security benefits, provided the authority may exclude from income (A)
5993 reasonable allowances for dependents, (B) reasonable allowances for
5994 medical expenses, (C) all or any part of the earnings of gainfully
5995 employed minors or family members other than the chief wage earner,
5996 (D) income not regularly received, and (E) such other expenses as the
5997 authority may allow;

5998 (2) "Authority" means the Connecticut [Housing Finance] Economic
5999 Development Authority created under section [8-244] 2 of this act;

6000 (3) "Mortgage" means a mortgage deed or other instrument which
6001 constitutes a first or second consensual lien on one-to-four family
6002 owner-occupied residential real property located in this state,
6003 including, but not limited to, a single-family unit in a common interest
6004 community;

6005 (4) "Mortgagee" means the original lender under a mortgage, or its
6006 agents, successors, or assigns;

6007 (5) "Mortgagor" means the owner-occupant of a one-to-four family
6008 residential real property located in this state, including, but not limited
6009 to, a single family unit in a common interest community, who is also
6010 the borrower under a mortgage encumbering such real property;

6011 (6) "Housing expense" means the sum of the mortgagor's monthly
6012 maintenance expense in a common interest community, utility
6013 expense, heating expense, hazard insurance payment, taxes and
6014 required mortgage payment, including escrows;

6015 (7) "Financial hardship due to circumstances beyond the
6016 mortgagor's control" means a significant reduction of aggregate family
6017 household income or increase in expenses which reasonably cannot be
6018 or could not have been alleviated by the liquidation of assets by the
6019 mortgagor as determined by the Connecticut **[**Housing Finance**]**
6020 Economic Development Authority, including, but not limited to, a
6021 reduction resulting from (A) (i) unemployment or underemployment
6022 of one or more of the mortgagors; (ii) a loss, reduction or delay in
6023 receipt of such federal, state or municipal benefits as Social Security,
6024 supplemental security income, public assistance and government
6025 pensions; (iii) a loss, reduction or delay in receipt of such private
6026 benefits as pension, disability, annuity or retirement benefits; (iv)
6027 divorce or a loss of support payments; (v) disability, illness or death of
6028 a mortgagor; or (B) (i) a significant increase in the dollar amount of the
6029 periodic payments required by the mortgage; (ii) an unanticipated rise
6030 in housing expenses; or (iii) expenses related to the disability, illness or
6031 death of a member of the mortgagor's family, but does not include
6032 expenses related to the accumulation of credit or installment debt
6033 incurred for recreational or nonessential items prior to the occurrence
6034 of the alleged circumstances beyond the mortgagor's control in an
6035 amount that would have caused the mortgagor's total debt service to
6036 exceed sixty per cent of aggregate family income at that time;

6037 (8) "Consumer credit counseling agency" means a nonprofit
6038 corporation or governmental agency located in this state which has
6039 been designated by the authority to provide homeowners' emergency

6040 mortgage assistance program counseling. A qualified consumer credit
6041 counseling agency must either be certified as a housing counseling
6042 agency by the federal Department of Housing and Urban
6043 Development or otherwise determined accepted by the authority;

6044 (9) "Foreclosure mediation program" means the foreclosure
6045 mediation program established by section 49-31m; and

6046 (10) "Periodic payments" means principal, interest, taxes, insurance
6047 and, if applicable, condominium fees.

6048 Sec. 160. Section 8-265ii of the general statutes is repealed and the
6049 following is substituted in lieu thereof (*Effective July 1, 2010*):

6050 The Connecticut **[**Housing Finance**]** Economic Development
6051 Authority shall adopt procedures in accordance with section 1-121 to
6052 implement the provisions of sections 8-265cc to 8-265hh, inclusive.
6053 Such procedures shall include the establishment of a process for
6054 notification to eligible mortgagors of the availability of funds under
6055 sections 8-265cc to 8-265kk, inclusive, and for notification to the
6056 mortgagee that an application has been received by or on behalf of the
6057 mortgagor and of the authority's determination of eligibility.

6058 Sec. 161. Section 8-265*ll* of the general statutes is repealed and the
6059 following is substituted in lieu thereof (*Effective July 1, 2010*):

6060 (a) The Connecticut **[**Housing Finance**]** Economic Development
6061 Authority, in conjunction with existing private lending programs and
6062 qualified lenders, shall develop a pilot program of revolving
6063 rehabilitation loans to developers, including nonprofit housing
6064 corporations, for the acquisition and rehabilitation of housing
6065 consisting of one to four dwelling units. Properties rehabilitated with
6066 loans made under this section shall be sold only to persons meeting
6067 eligibility requirements for financial assistance under programs
6068 operated by the authority. In making loans under this section, the
6069 authority may give priority to developers participating in local, state or
6070 federal programs financing the rehabilitation of housing.

6071 (b) The authority shall adopt written procedures in accordance with
6072 section 1-121 establishing procedures for the application and
6073 distribution of loans under this section.

6074 Sec. 162. Subsections (a) and (b) of section 8-265mm of the general
6075 statutes are repealed and the following is substituted in lieu thereof
6076 (*Effective July 1, 2010*):

6077 (a) For purposes of this section:

6078 (1) "Applicant" means a local or state police officer who applies for a
6079 loan under the home purchasing assistance program, established
6080 pursuant to subsection (b) of this section, for the purpose of financing
6081 the purchase of real estate.

6082 (2) "Authority" means the Connecticut **[**Housing Finance**]** Economic
6083 Development Authority.

6084 (3) "Municipality" means a town, city or borough with a population
6085 of not less than forty-five thousand which, by resolution of its
6086 legislative body, elects to participate in the program established in
6087 accordance with subsection (b) of this section.

6088 (4) "Real estate" means a one, two or three-family residence located
6089 in a participating municipality.

6090 (5) "Targeted neighborhood" means an area designated by the
6091 legislative body of the municipality as an area where there has been a
6092 high incidence of crime or where the legislative body of the
6093 municipality determines that increased police presence is needed,
6094 where police officers participating in the home purchasing assistance
6095 program established pursuant to subsection (b) of this section shall
6096 reside.

6097 (b) The Connecticut **[**Housing Finance**]** Economic Development
6098 Authority shall develop and, in cooperation with participating
6099 municipalities, administer a pilot program of home purchasing
6100 assistance. The purpose of the program shall be to encourage local and

6101 state police officers to purchase and live in residential property in
6102 targeted neighborhoods located in the municipality by which they are
6103 employed to reduce crime by promoting community policing. The
6104 authority shall implement the pilot program in an amount not to
6105 exceed ten million dollars and in a manner designed to facilitate the
6106 purchase of real estate targeted neighborhoods in participating
6107 municipalities by providing low-interest loans to local and state police
6108 officers in accordance with the provisions of this section. The pilot
6109 program shall commence on January 1, 1997, and terminate on
6110 December 31, 1999.

6111 Sec. 163. Section 8-265nn of the general statutes is repealed and the
6112 following is substituted in lieu thereof (*Effective July 1, 2010*):

6113 (a) The Connecticut **[**Housing Finance**]** Economic Development
6114 Authority shall develop, in conjunction with private lenders and the
6115 Federal National Mortgage Association, a two-year pilot program to
6116 guarantee loans by approved lenders for the rehabilitation or
6117 refinancing of buildings with five to twenty-five dwelling units. The
6118 authority may fix a fee for the payment of any administrative cost
6119 incurred under the provisions of this section. Such fee may be
6120 computed as a percentage of the principal of the mortgage outstanding
6121 at the beginning of each mortgage year, but shall not be more than
6122 one-quarter of one per cent per year of such principal amount. The
6123 amount of such fee need not be uniform for all insured loans. Such fee
6124 shall be payable by mortgagors or mortgagees in such manner as
6125 prescribed by the authority. Such guarantees shall insure the lender
6126 against loss not to exceed twenty per cent of the principal due at the
6127 time of default.

6128 (b) The authority shall adopt written procedures in accordance with
6129 the provisions of section 1-121 for the application and distribution of
6130 loans under this section.

6131 Sec. 164. Subsections (a) and (b) of section 8-265oo of the general
6132 statutes are repealed and the following is substituted in lieu thereof
6133 (*Effective July 1, 2010*):

6134 (a) As used in this section:

6135 (1) "Authority" means the Connecticut [Housing Finance] Economic
6136 Development Authority as created under section [8-244] 2 of this act;

6137 (2) "Mortgage" means a mortgage deed or other instrument that
6138 constitutes a first consensual lien on one, two or three-family owner-
6139 occupied residential real property located in this state;

6140 (3) "Mortgagee" means mortgage lenders authorized to originate
6141 mortgage loans in this state; and

6142 (4) "Mortgagor" means the owner-occupant of one, two or three-
6143 family residential real property located in this state who is also the
6144 borrower under a mortgage encumbering such real property.

6145 (b) It being in the public interest for the state to extend mortgage
6146 guarantees to mortgage lending institutions to provide refinancing for
6147 mortgage loans when the decline of home values has precluded such
6148 lending, the Connecticut [Housing Finance] Economic Development
6149 Authority shall establish and administer a program of loan guarantees
6150 to work in conjunction with loan programs established by secondary
6151 market investors to allow mortgagees to refinance residential
6152 mortgage loans when a decrease in the appraised value of the real
6153 property securing the mortgage might otherwise preclude such
6154 lending. The authority shall adopt procedures in accordance with the
6155 provisions of section 1-121 no later than January 1, 2000, to carry out
6156 the provisions of this section. Such procedures may establish a fee for
6157 such mortgage guarantee.

6158 Sec. 165. Section 8-265pp of the general statutes is repealed and the
6159 following is substituted in lieu thereof (*Effective July 1, 2010*):

6160 The Connecticut [Housing Finance] Economic Development
6161 Authority shall develop and administer a program of mortgage
6162 assistance to certified teachers (1) employed by priority school districts
6163 pursuant to section 10-266p, (2) employed by transitional school
6164 districts pursuant to section 10-263c, (3) employed by regional

6165 vocational-technical schools located in such priority or transitional
6166 school districts, or (4) who teach in a subject matter shortage area
6167 pursuant to section 10-8b. Such assistance shall be available to eligible
6168 teachers for the purchase of a house as their principal residence,
6169 provided, in the case of a teacher employed by a priority or a
6170 transitional school district, or by a regional vocational-technical school
6171 located in a priority or transitional school district, the house is located
6172 in such district. In making mortgage assistance available under the
6173 program, the authority shall utilize down payment assistance or any
6174 other appropriate housing subsidies. The terms of any mortgage
6175 assistance shall allow the mortgagee to realize a reasonable portion of
6176 the equity gain upon sale of the mortgaged property.

6177 Sec. 166. Subsection (a) of section 8-265qq of the general statutes is
6178 repealed and the following is substituted in lieu thereof (*Effective July*
6179 *1, 2010*):

6180 (a) The legislative body of any municipality or part thereof
6181 designated as a participating municipality by the Connecticut
6182 **[**Housing Finance**]** Economic Development Authority, for purposes of
6183 the Urban Rehabilitation Homeownership Program, may, by
6184 ordinance, authorize such municipality to enter into a written
6185 agreement with any owner of any real property located in such
6186 municipality or eligible part thereof who agrees to rehabilitate such
6187 real property with assistance provided by the Connecticut **[**Housing
6188 Finance**]** Economic Development Authority under said program. Such
6189 agreement shall provide that any increase in assessment attributable to
6190 such rehabilitation shall be deferred for a period of five years from the
6191 date such rehabilitation is completed.

6192 Sec. 167. Section 8-265rr of the 2010 supplement to the general
6193 statutes is repealed and the following is substituted in lieu thereof
6194 (*Effective July 1, 2010*):

6195 (a) As used in this section, "authority" means the Connecticut
6196 **[**Housing Finance**]** Economic Development Authority created under
6197 section **[**8-244**]** 2 of this act.

6198 (b) The authority is authorized to continue to develop and
6199 implement a program for home mortgage refinancing for homeowners
6200 with fixed or adjustable rate mortgages as an additional purpose
6201 pursuant to the provisions of subdivision (32) of section 8-250. Such
6202 program shall be undertaken by the authority consistent with and
6203 subject to its contractual obligations to its bondholders in an initial
6204 amount of forty million dollars under terms and conditions
6205 determined by the authority.

6206 Sec. 168. Subdivision (1) of subsection (a) of section 8-265ss of the
6207 general statutes is repealed and the following is substituted in lieu
6208 thereof (*Effective July 1, 2010*):

6209 (1) "Authority" means the Connecticut **[**Housing Finance**]** Economic
6210 Development Authority created under section **[**8-244**]** 2 of this act;

6211 Sec. 169. Section 8-284 of the general statutes is repealed and the
6212 following is substituted in lieu thereof (*Effective July 1, 2010*):

6213 As used in this chapter:

6214 (a) "Eligible family or person" means a family or person who lacks
6215 the amount of income necessary, to purchase safe and adequate
6216 housing without special financial assistance;

6217 (b) **[**"Commissioner"**]** "Executive director" means the **[**Commissioner
6218 of Economic and Community Development;**]** executive director of the
6219 Connecticut Economic Development Authority; and

6220 (c) "Authority" means the Connecticut **[**Housing Finance**]** Economic
6221 Development Authority. **[**; and**]**

6222 **[**(d) "Department" means the Department of Economic and
6223 Community Development.**]**

6224 Sec. 170. Section 8-336 of the general statutes is repealed and the
6225 following is substituted in lieu thereof (*Effective July 1, 2010*):

6226 After June 8, 1982, neither the state nor any political subdivision

6227 thereof, nor any municipality or any political subdivision thereof, nor
6228 any department, agency, authority or other body of the state or any
6229 municipality, other than the Connecticut Housing Finance Authority,
6230 or any successor authority, shall issue bonds for the purpose of
6231 providing mortgages for single-family homes, as defined in the federal
6232 Mortgage Subsidy Bond Tax Act, Pub. L. 96-499, Title XI, Subtitle A, 94
6233 Stat 2669, except that the following amounts may be issued prior to
6234 October 1, 1983: (1) By the towns and cities of the state, as allocated
6235 and authorized by the [Commissioner of Economic and Community
6236 Development] executive director of the Connecticut Economic
6237 Development Authority and the Governor, thirty million dollars; (2) by
6238 the state pursuant to section 8-288, ten million dollars; and (3) by the
6239 state pursuant to section 16a-40c, ten million dollars. Any amount
6240 which may be issued by any entity other than the Connecticut Housing
6241 Finance Authority, or any successor authority, pursuant to this section
6242 may be issued by said authority if such amount is not issued by such
6243 other entity by October 1, 1983.

6244 Sec. 171. Section 8-336m of the general statutes is repealed and the
6245 following is substituted in lieu thereof (*Effective July 1, 2010*):

6246 As used in this section the following terms shall have the following
6247 meanings, unless the context clearly indicates a different meaning or
6248 intent:

6249 (1) "Authority" means the Connecticut [Housing Finance] Economic
6250 Development Authority.

6251 (2) ["Commissioner" means the Commissioner of Economic and
6252 Community Development] "Executive director" means the executive
6253 director of the Connecticut Economic Development Authority.

6254 [(3) "Department" means the Department of Economic and
6255 Community Development.]

6256 [(4)] (3) "Eligible applicant" means: (A) A nonprofit entity; (B) a
6257 municipality; (C) a housing authority; (D) a business corporation

6258 incorporated pursuant to chapter 601 or any predecessor statutes
6259 thereto or authorized to do business pursuant to said chapter 601
6260 having as one of its purposes the construction, financing, acquisition,
6261 rehabilitation or operation of affordable housing, and having a
6262 certificate or articles of incorporation approved by the commissioner;
6263 (E) any partnership, limited partnership, limited liability company,
6264 joint venture, sole proprietorship, trust or association having as one of
6265 its purposes the construction, financing, acquisition, rehabilitation or
6266 operation of affordable housing; (F) the Connecticut **[**Housing Finance**]**
6267 Economic Development Authority; (G) a municipal developer; (H) any
6268 community development financial institution; or (I) any combination
6269 thereof.

6270 **[**(5)**]** (4) "Housing", "housing development" or "development" means
6271 a work or undertaking having as its primary purpose the provision of
6272 safe, well-designed and adequate housing and related facilities for low
6273 and moderate income families and persons and includes existing
6274 housing for low and moderate income families and persons and
6275 housing whose primary purpose is to provide dwelling
6276 accommodations for low and moderate income families and persons
6277 but has dwelling accommodations for others.

6278 **[**(6)**]** (5) "Housing Trust Fund" or "fund" means the Housing Trust
6279 Fund created under section 8-336o.

6280 **[**(7)**]** (6) "Housing Trust Fund program" or "program" means the
6281 housing trust fund program developed and administered under
6282 section 8-336p.

6283 **[**(8)**]** (7) "Low and moderate income families and persons" means
6284 families and persons whose income falls within the income levels set
6285 by the commissioner pursuant to regulations adopted under
6286 subsection (a) of section 8-336q, except that the commissioner may
6287 establish income levels up to and including one hundred twenty per
6288 cent of the area median income, as determined by the United States
6289 Department of Housing and Urban Development.

6290 [(9)] (8) "Municipal developer" means a municipality acting by and
6291 through its legislative body, except that in any town in which a town
6292 meeting or representative town meeting is the legislative body,
6293 "municipal developer" means the board of selectmen if such board is
6294 authorized to act as the municipal developer by the town meeting or
6295 representative town meeting.

6296 [(10)] (9) "Secretary" means the Secretary of the Office of Policy and
6297 Management.

6298 [(11)] (10) "State Bond Commission" means the commission
6299 established under section 3-20.

6300 [(12)] (11) "Treasurer" means the State Treasurer and includes each
6301 successor in office or authority.

6302 Sec. 172. Subsections (a) and (b) of section 8-336q of the general
6303 statutes are repealed and the following is substituted in lieu thereof
6304 (*Effective July 1, 2010*):

6305 (a) The commissioner, in consultation with the Treasurer, the
6306 Secretary of the Office of Policy and Management and the Connecticut
6307 [Housing Finance] Economic Development Authority and after
6308 consideration of the recommendations of the committee established by
6309 subsection (b) of this section, shall establish regulations and criteria for
6310 rating various proposals for funds under the Housing Trust Fund
6311 program. The regulations shall be adopted pursuant to chapter 54 and
6312 posted on the department's web site.

6313 (b) There shall be a Housing Trust Fund Program Advisory
6314 Committee. Said committee shall meet at least semiannually and shall
6315 advise the commissioner on (1) the administration, management and
6316 objectives of the Housing Trust Fund program; and (2) the
6317 development of regulations, procedures and rating criteria for the
6318 program. The committee shall be appointed by the commissioner, in
6319 consultation with the Treasurer and the secretary and shall include the
6320 chairpersons and ranking members of the joint standing committee of

6321 the General Assembly having cognizance of matters relating to
6322 planning and development, and the select committee of the General
6323 Assembly having cognizance of matters relating to housing and
6324 representatives from each of the following: (A) The nonprofit housing
6325 development community; (B) the for-profit housing development
6326 community; (C) a housing authority; (D) a community development
6327 financial institution; (E) the Connecticut **[**Housing Finance**]** Economic
6328 Development Authority; (F) a state-wide housing organization; (G) an
6329 elected or appointed official of a municipality with a population of less
6330 than fifty thousand; (H) an elected or appointed official of a
6331 municipality with a population between fifty thousand and one
6332 hundred thousand; (I) an elected or appointed official of a
6333 municipality with a population in excess of one hundred thousand;
6334 and (J) the employers of the state, which may be satisfied by the
6335 appointment of a representative from a state business and industry
6336 association or regional chambers of commerce.

6337 Sec. 173. Subsection (b) of section 8-385 of the general statutes is
6338 repealed and the following is substituted in lieu thereof (*Effective July*
6339 *1, 2010*):

6340 (b) The Housing Advisory Committee shall: (1) Advise the General
6341 Assembly, the Governor, the Commissioner of Economic and
6342 Community Development and the Connecticut **[**Housing Finance**]**
6343 Economic Development Authority on matters relating to housing
6344 programs and policies; (2) provide legislative recommendations
6345 relating to housing matters to the Commissioner of Economic and
6346 Community Development, the Connecticut **[**Housing Finance**]**
6347 Economic Development Authority and the General Assembly; (3)
6348 monitor the housing-related activities of the regional planning
6349 agencies under chapter 127; and (4) promote coordination on housing
6350 matters among state agencies.

6351 Sec. 174. Section 8-395 of the general statutes is repealed and the
6352 following is substituted in lieu thereof (*Effective July 1, 2010*):

6353 (a) As used in this section, (1) "business firm" means any business

6354 entity authorized to do business in the state and subject to the
6355 corporation business tax imposed under chapter 208, or any company
6356 subject to a tax imposed under chapter 207, or any air carrier subject to
6357 the air carriers tax imposed under chapter 209, or any railroad
6358 company subject to the railroad companies tax imposed under chapter
6359 210, or any regulated telecommunications service, express, telegraph,
6360 cable, or community antenna television company subject to the
6361 regulated telecommunications service, express, telegraph, cable, and
6362 community antenna television companies tax imposed under chapter
6363 211, or any utility company subject to the utility companies tax
6364 imposed under chapter 212, and (2) "nonprofit corporation" means a
6365 nonprofit corporation incorporated pursuant to chapter 602 or any
6366 predecessor statutes thereto, having as one of its purposes the
6367 construction, rehabilitation, ownership or operation of housing and
6368 having articles of incorporation approved by the executive director of
6369 the Connecticut **[**Housing Finance**]** Economic Development Authority
6370 in accordance with regulations adopted pursuant to section 8-79a or 8-
6371 84.

6372 (b) The Commissioner of Revenue Services shall grant a credit
6373 against any tax due under the provisions of chapter 207, 208, 209, 210,
6374 211 or 212 in an amount equal to the amount specified by the
6375 Connecticut **[**Housing Finance**]** Economic Development Authority in
6376 any tax credit voucher issued by said authority pursuant to subsection
6377 (c) of this section.

6378 (c) The Connecticut **[**Housing Finance**]** Economic Development
6379 Authority shall administer a system of tax credit vouchers within the
6380 resources, requirements and purposes of this section, for business
6381 firms making cash contributions to housing programs developed,
6382 sponsored or managed by a nonprofit corporation, as defined in
6383 subsection (a) of this section, which benefit low and moderate income
6384 persons or families which have been approved prior to the date of any
6385 such cash contribution by the authority. Such vouchers may be used as
6386 a credit against any of the taxes to which such business firm is subject
6387 and which are enumerated in subsection (b) of this section. For income

6388 years commencing on or after January 1, 1998, to be eligible for
6389 approval a housing program shall be scheduled for completion not
6390 more than three years from the date of approval. Each program shall
6391 submit to the authority quarterly progress reports and a final report
6392 upon completion, in a manner and form prescribed by the authority. If
6393 a program fails to be completed after three years, or at any time the
6394 authority determines that a program is unlikely to be completed, the
6395 authority may reclaim any remaining funds contributed by business
6396 firms and reallocate such funds to another eligible program.

6397 (d) No business firm shall receive a credit pursuant to both this
6398 section and chapter 228a in relation to the same cash contribution.

6399 (e) Nothing in this section shall be construed to prevent two or more
6400 business firms from participating jointly in one or more programs
6401 under the provisions of this section. Such joint programs shall be
6402 submitted, and acted upon, as a single program by the business firms
6403 involved.

6404 (f) No tax credit shall be granted to any business firm for any
6405 individual amount contributed of less than two hundred fifty dollars.

6406 (g) Any tax credit not used in the period during which the cash
6407 contribution was made may be carried forward or backward for the
6408 five immediately succeeding or preceding income years until the full
6409 credit has been allowed.

6410 (h) In no event shall the total amount of all tax credits allowed to all
6411 business firms pursuant to the provisions of this section exceed ten
6412 million dollars in any one fiscal year, provided, until November first of
6413 each year, two million dollars of the total amount of all tax credits
6414 under this section shall be set aside for the Supportive Housing Pilots
6415 Initiative or the Next Steps Initiative established pursuant to section
6416 17a-485c and one million dollars of the total amount of all tax credits
6417 under this section shall be set aside for workforce housing, as defined
6418 by the Connecticut **[**Housing Finance**]** Economic Development
6419 Authority through written procedures adopted pursuant to subsection

6420 (k) of this section. On or after November first of each year, any unused
6421 portion of such tax credits shall become available for any housing
6422 program eligible for tax credits pursuant to this section.

6423 (i) No organization conducting a housing program or programs
6424 eligible for funding with respect to which tax credits may be allowed
6425 under this section shall be allowed to receive an aggregate amount of
6426 such funding for any such program or programs in excess of five
6427 hundred thousand dollars for any fiscal year.

6428 (j) Nothing in this section shall be construed to prevent a business
6429 firm from making any cash contribution to a housing program to
6430 which tax credits may be applied which cash contribution may result
6431 in the business firm having a limited equity interest in the program.

6432 (k) The Connecticut **[**Housing Finance**]** Economic Development
6433 Authority, with the approval of the Commissioner of Revenue
6434 Services, shall adopt written procedures in accordance with section
6435 1-121 to implement the provisions of this section. Such procedures
6436 shall include provisions for issuing tax credit vouchers for cash
6437 contributions to housing programs based on a system of ranking
6438 housing programs. In establishing such ranking system, the authority
6439 shall consider the following: (1) The readiness of the project to be built;
6440 (2) use of the funds to build or rehabilitate a specific housing project or
6441 to capitalize a revolving loan fund providing low-cost loans for
6442 housing construction, repair or rehabilitation to benefit persons of very
6443 low, low and moderate income; (3) the extent the project will benefit
6444 families at or below twenty-five per cent of the area median income
6445 and families with incomes between twenty-five per cent and fifty per
6446 cent of the area median income, as defined by the United States
6447 Department of Housing and Urban Development; (4) evidence of the
6448 general administrative capability of the nonprofit corporation to build
6449 or rehabilitate housing; (5) evidence that any funds received by the
6450 nonprofit corporation for which a voucher was issued were used to
6451 accomplish the goals set forth in the application; and (6) with respect
6452 to any income year commencing on or after January 1, 1998: (A) Use of

6453 the funds to provide housing opportunities in urban areas and the
6454 impact of such funds on neighborhood revitalization; and (B) the
6455 extent to which tax credit funds are leveraged by other funds.

6456 (l) Vouchers issued or reserved by the Department of Housing
6457 under the provisions of this section prior to July 1, 1995, shall be valid
6458 on and after July 1, 1995, to the same extent as they would be valid
6459 under the provisions of this section in effect on June 30, 1995.

6460 (m) The credit which is sought by the business firm shall first be
6461 claimed on the tax return for such business firm's income year during
6462 which the cash contribution to which the tax credit voucher relates was
6463 paid.

6464 Sec. 175. Subdivision (1) of subsection (a) of section 8-400 of the
6465 general statutes is repealed and the following is substituted in lieu
6466 thereof (*Effective July 1, 2010*):

6467 (1) "Authority" means the Connecticut **[**Housing Finance**]** Economic
6468 Development Authority as created under section **[**8-244**]** 2 of this act;

6469 Sec. 176. Section 10-8b of the general statutes is repealed and the
6470 following is substituted in lieu thereof (*Effective July 1, 2010*):

6471 The Commissioner of Education shall annually, by December first,
6472 determine subject and geographic areas in which a teacher shortage
6473 exists and shall certify such shortages to the Connecticut **[**Housing
6474 Finance**]** Economic Development Authority for purposes of section 8-
6475 265pp. In determining teacher shortages, the commissioner shall
6476 consider the following: (1) The number of teacher vacancies in a
6477 particular subject or geographic area; (2) the number of new certificates
6478 in such areas issued by the Department of Education during the
6479 preceding year; and (3) the number and types of classes being taught
6480 by persons whose training is not specific to the field in which they are
6481 teaching.

6482 Sec. 177. Section 17a-54a of the general statutes is repealed and the
6483 following is substituted in lieu thereof (*Effective July 1, 2010*):

6484 The Commissioner of Children and Families, in collaboration with
6485 the Commissioners of Economic and Community Development, Social
6486 Services, Developmental Services and Public Health, the Secretary of
6487 the Office of Policy and Management and the executive director of the
6488 Connecticut [Housing Finance] Economic Development Authority,
6489 shall establish a pilot project to provide affordable housing and
6490 support services to families with children who have one or more
6491 serious, chronic medical conditions and have ongoing, significant
6492 health care service needs.

6493 Sec. 178. Subsection (b) of section 17a-485b of the general statutes is
6494 repealed and the following is substituted in lieu thereof (*Effective July*
6495 *1, 2010*):

6496 (b) The board, by majority vote of the voting members, shall, not
6497 less than annually, approve commitments and disbursements that the
6498 Commissioner of Mental Health and Addiction Services may make
6499 from the Community Mental Health Strategic Investment Fund
6500 established under section 17a-485 for the purposes of sections 17a-485
6501 to 17a-485c, inclusive, and section 4 of public act 01-8 of the June
6502 special session that are consistent with the community mental health
6503 strategic plan adopted under subsection (a) of section 17a-485a. The
6504 board may (1) designate the appropriate state agencies or the
6505 Connecticut [Housing Finance] Economic Development Authority to
6506 receive such disbursements and to implement the provisions of
6507 sections 17a-485 to 17a-485c, inclusive, and section 4 of public act 01-8
6508 of the June special session, or (2) in conjunction with one or more state
6509 agencies or the Connecticut [Housing Finance] Economic Development
6510 Authority, issue requests for proposals and request the Commissioner
6511 of Mental Health and Addiction Services to enter into contracts to
6512 make disbursements and implement the provisions of sections 17a-485
6513 to 17a-485c, inclusive, and section 4 of public act 01-8 of the June
6514 special session. The board shall designate the assignment of funds not
6515 otherwise assigned to the subaccounts established under section 17a-
6516 485 as the board deems appropriate.

Sec. 179. Section 17a-485c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(a) The Commissioner of Mental Health and Addiction Services, in collaboration with the Commissioners of Social Services, Children and Families and Economic and Community Development and the Connecticut **[**Housing Finance**]** Economic Development Authority, shall establish a Supportive Housing Initiative to provide additional units of affordable housing and support services to eligible persons. The Supportive Housing Initiative shall be implemented in two phases with the first phase to be known as the Supportive Housing Pilots Initiative and the second phase to be known as the Next Steps Initiative.

(b) The Supportive Housing Pilots Initiative shall provide up to six hundred fifty additional units of affordable housing and support services to eligible households, as defined in section 17a-484a, and to persons with serious mental health needs who are community-supervised offenders supervised by the executive or judicial branch. Such housing shall be permanent supportive housing or transitional living programs, and the permanent supportive housing may include both individuals and families with special needs and individuals and families without such needs.

(c) The Next Steps Initiative shall provide up to one thousand additional units of affordable housing and support services to: (1) Eligible households, as defined in section 17a-484a; (2) families who are eligible under the state plan for the federal temporary assistance for needy families program; (3) adults who are eighteen to twenty-three years of age, inclusive, and who are homeless, or at risk for becoming homeless because they are transitioning from foster care or other residential programs; and (4) persons with serious mental health needs who are community-supervised offenders supervised by the executive or judicial branch. Such housing shall be permanent supportive housing and may include both individuals and families with special needs and individuals and families without such needs.

6550 (d) The Connecticut [Housing Finance] Economic Development
6551 Authority shall issue one or more requests for proposals by persons or
6552 entities interested in participating in such initiative with priority given
6553 to applicants that include organizations deemed qualified to provide
6554 services by the Departments of Mental Health and Addiction Services,
6555 Social Services and Children and Families. The Connecticut [Housing
6556 Finance] Economic Development Authority shall review and
6557 underwrite projects developed under the Supportive Housing
6558 Initiative. For purposes of this subsection, "state assistance" means a
6559 payment by the state of actual debt service, comprised of principal,
6560 interest, interest rate swap payments, liquidity fees, letter of credit fees,
6561 trustee fees, and other similar bond-related expenses.

6562 Sec. 180. Section 17a-485e of the general statutes is repealed and the
6563 following is substituted in lieu thereof (*Effective July 1, 2010*):

6564 (a) For purposes of this section "state assistance" means a payment
6565 by the state of actual debt service, comprised of principal, interest,
6566 interest rate swap payments, liquidity fees, letter of credit fees, trustee
6567 fees, and other similar bond-related expenses.

6568 (b) The State Bond Commission may authorize the State Treasurer
6569 and the Secretary of the Office of Policy and Management to enter into
6570 a contract or contracts to provide state assistance on bonds issued by
6571 the Connecticut [Housing Finance] Economic Development Authority
6572 as provided in this section. If so authorized by the State Bond
6573 Commission, the state, acting by and through the Secretary of the
6574 Office of Policy and Management and State Treasurer, shall enter into
6575 a contract or contracts with the Connecticut [Housing Finance]
6576 Economic Development Authority that provide the state shall pay to
6577 said authority state assistance on bonds issued by said authority for
6578 purposes of providing funds for mortgage loans made by said
6579 authority pursuant to the provisions of section 17a-485c, funds for
6580 reasonable repair and replacement reserves and costs of issuance in an
6581 aggregate principal amount not to exceed one hundred five million
6582 dollars. Any provision of such a contract entered into providing for

6583 payments equal to annual debt service shall constitute a full faith and
6584 credit obligation of the state and as part of the contract of the state with
6585 the holders of any bonds or refunding bonds, as applicable,
6586 appropriation of all amounts necessary to meet punctually the terms of
6587 such contract is hereby made and the State Treasurer shall pay such
6588 amounts as the same become due. The Connecticut [Housing Finance]
6589 Economic Development Authority may pledge such state assistance as
6590 security for the payment of such bonds or refunding bonds issued by
6591 said authority. Any bonds so issued for the Supportive Housing
6592 Initiative by the Connecticut [Housing Finance] Economic
6593 Development Authority and at any time outstanding may at any time
6594 or from time to time be refunded, in whole or in part, by the
6595 Connecticut [Housing Finance] Economic Development Authority by
6596 the issuance of its refunding bonds in such amounts as the authority
6597 may deem necessary or appropriate but not exceeding an amount
6598 sufficient to refund the principal amount of the bonds to be so
6599 refunded, any unpaid interest thereon, and any premiums,
6600 commissions and costs of issuance necessary to be paid in connection
6601 therewith. The state, acting by and through the Office of Policy and
6602 Management and the State Treasurer and without further
6603 authorization, may execute an amendment to any contract providing
6604 state assistance as required in connection with such refunding bonds.

6605 (c) Notwithstanding any contract entered into by the state with the
6606 Connecticut [Housing Finance] Economic Development Authority for
6607 state assistance the bonds or refunding bonds to which such state
6608 assistance applies shall not constitute bonds or notes issued or
6609 guaranteed by the state within the meaning of section 3-21.

6610 Sec. 181. Subsection (a) of section 17b-244 of the 2010 supplement to
6611 the general statutes is repealed and the following is substituted in lieu
6612 thereof (*Effective July 1, 2010*):

6613 (a) The room and board component of the rates to be paid by the
6614 state to private facilities and facilities operated by regional education
6615 service centers which are licensed to provide residential care pursuant

6616 to section 17a-227, but not certified to participate in the Title XIX
6617 Medicaid program as intermediate care facilities for persons with
6618 mental retardation, shall be determined annually by the Commissioner
6619 of Social Services, except that rates effective April 30, 1989, shall
6620 remain in effect through October 31, 1989. Any facility with real
6621 property other than land placed in service prior to July 1, 1991, shall,
6622 for the fiscal year ending June 30, 1995, receive a rate of return on real
6623 property equal to the average of the rates of return applied to real
6624 property other than land placed in service for the five years preceding
6625 July 1, 1993. For the fiscal year ending June 30, 1996, and any
6626 succeeding fiscal year, the rate of return on real property for property
6627 items shall be revised every five years. The commissioner shall, upon
6628 submission of a request by such facility, allow actual debt service,
6629 comprised of principal and interest, on the loan or loans in lieu of
6630 property costs allowed pursuant to section 17-313b-5 of the regulations
6631 of Connecticut state agencies, whether actual debt service is higher or
6632 lower than such allowed property costs, provided such debt service
6633 terms and amounts are reasonable in relation to the useful life and the
6634 base value of the property. In the case of facilities financed through the
6635 Connecticut **[**Housing Finance**]** Economic Development Authority, the
6636 commissioner shall allow actual debt service, comprised of principal,
6637 interest and a reasonable repair and replacement reserve on the loan or
6638 loans in lieu of property costs allowed pursuant to section 17-313b-5 of
6639 the regulations of Connecticut state agencies, whether actual debt
6640 service is higher or lower than such allowed property costs, provided
6641 such debt service terms and amounts are determined by the
6642 commissioner at the time the loan is entered into to be reasonable in
6643 relation to the useful life and base value of the property. The
6644 commissioner may allow fees associated with mortgage refinancing
6645 provided such refinancing will result in state reimbursement savings,
6646 after comparing costs over the terms of the existing proposed loans.
6647 For the fiscal year ending June 30, 1992, the inflation factor used to
6648 determine rates shall be one-half of the gross national product
6649 percentage increase for the period between the midpoint of the cost
6650 year through the midpoint of the rate year. For fiscal year ending June

6651 30, 1993, the inflation factor used to determine rates shall be two-thirds
6652 of the gross national product percentage increase from the midpoint of
6653 the cost year to the midpoint of the rate year. For the fiscal years
6654 ending June 30, 1996, and June 30, 1997, no inflation factor shall be
6655 applied in determining rates. The Commissioner of Social Services
6656 shall prescribe uniform forms on which such facilities shall report their
6657 costs. Such rates shall be determined on the basis of a reasonable
6658 payment for necessary services. Any increase in grants, gifts, fund-
6659 raising or endowment income used for the payment of operating costs
6660 by a private facility in the fiscal year ending June 30, 1992, shall be
6661 excluded by the commissioner from the income of the facility in
6662 determining the rates to be paid to the facility for the fiscal year ending
6663 June 30, 1993, provided any operating costs funded by such increase
6664 shall not obligate the state to increase expenditures in subsequent fiscal
6665 years. Nothing contained in this section shall authorize a payment by
6666 the state to any such facility in excess of the charges made by the
6667 facility for comparable services to the general public. The service
6668 component of the rates to be paid by the state to private facilities and
6669 facilities operated by regional education service centers which are
6670 licensed to provide residential care pursuant to section 17a-227, but not
6671 certified to participate in the Title XIX Medicaid programs as
6672 intermediate care facilities for persons with mental retardation, shall
6673 be determined annually by the Commissioner of Developmental
6674 Services in accordance with section 17b-244a. For the fiscal year ending
6675 June 30, 2008, no facility shall receive a rate that is more than two per
6676 cent greater than the rate in effect for the facility on June 30, 2007,
6677 except any facility that would have been issued a lower rate effective
6678 July 1, 2007, due to interim rate status or agreement with the
6679 department, shall be issued such lower rate effective July 1, 2007. For
6680 the fiscal year ending June 30, 2009, no facility shall receive a rate that
6681 is more than two per cent greater than the rate in effect for the facility
6682 on June 30, 2008, except any facility that would have been issued a
6683 lower rate effective July 1, 2008, due to interim rate status or agreement
6684 with the department, shall be issued such lower rate effective July 1,
6685 2008. For the fiscal years ending June 30, 2010, and June 30, 2011, rates

6686 in effect for the period ending June 30, 2009, shall remain in effect until
6687 June 30, 2011, except that any facility that would have been issued a
6688 lower rate for the fiscal years ending June 30, 2010, or June 30, 2011,
6689 due to interim rate status or agreement with the department, shall be
6690 issued such lower rate.

6691 Sec. 182. Subdivision (2) of subsection (h) of section 17b-340 of the
6692 2010 supplement to the general statutes is repealed and the following
6693 is substituted in lieu thereof (*Effective July 1, 2010*):

6694 (2) The commissioner shall, upon determining that a loan to be
6695 issued to a residential care home by the Connecticut **[**Housing Finance**]**
6696 Economic Development Authority is reasonable in relation to the
6697 useful life and property cost allowance pursuant to section 17-311-52 of
6698 the regulations of Connecticut state agencies, allow actual debt service,
6699 comprised of principal, interest and a repair and replacement reserve
6700 on the loan, in lieu of allowed property costs whether actual debt
6701 service is higher or lower than such allowed property costs.

6702 Sec. 183. Section 17b-347e of the general statutes is repealed and the
6703 following is substituted in lieu thereof (*Effective July 1, 2010*):

6704 (a) The Commissioner of Social Services, in collaboration with the
6705 Commissioner of Economic and Community Development and the
6706 Connecticut **[**Housing Finance**]** Economic Development Authority,
6707 shall establish a demonstration project to provide subsidized assisted
6708 living services, as defined in section 19-13-D105 of the regulations of
6709 Connecticut state agencies, for persons residing in affordable housing,
6710 as defined in section 8-39a. The demonstration project shall be
6711 conducted in at least three municipalities to be determined by the
6712 Commissioner of Social Services. The demonstration project shall be
6713 limited to a maximum of three hundred subsidized dwelling units.
6714 Applicants for such subsidized assisted living services shall be subject
6715 to the same eligibility requirements as the Connecticut home care
6716 program for the elderly pursuant to section 17b-342.

6717 (b) Not later than January 1, 1999, the Commissioner of Social

6718 Services shall enter into a memorandum of understanding with the
6719 Commissioner of Economic and Community Development and the
6720 Connecticut [Housing Finance] Economic Development Authority.
6721 Such memorandum of understanding shall specify that (1) the
6722 Department of Social Services apply for a Medicaid waiver to secure
6723 federal financial participation to fund assisted living services, establish
6724 a process to select nonprofit and for-profit providers and determine
6725 the number of dwelling units in the demonstration project, (2) the
6726 Department of Economic and Community Development provide rental
6727 subsidy certificates pursuant to section 8-402 or rental assistance
6728 pursuant to section 8-119kk, and (3) the Connecticut [Housing Finance]
6729 Economic Development Authority provide second mortgage loans for
6730 housing projects for which the authority has provided financial
6731 assistance in the form of a loan secured by a first mortgage pursuant to
6732 section 8-403 for the demonstration project. Not later than July 1, 1999,
6733 the Connecticut [Housing Finance] Economic Development Authority
6734 shall issue a request for proposals for persons or entities interested in
6735 participating in the demonstration project.

6736 (c) Nothing in this section shall be construed to prohibit a
6737 combination of unsubsidized dwelling units and subsidized dwelling
6738 units under the demonstration project within the same facility.
6739 Notwithstanding the provisions of section 8-402, the Department of
6740 Economic and Community Development may set the rental subsidy at
6741 any percentage of the annual aggregate family income and define
6742 aggregate family income and eligibility for subsidies in a manner
6743 consistent with such demonstration project.

6744 Sec. 184. Subsection (a) of section 21-84a of the general statutes is
6745 repealed and the following is substituted in lieu thereof (*Effective July*
6746 *1, 2010*):

6747 (a) There is established, within the Department of Consumer
6748 Protection, a Mobile Manufactured Home Advisory Council composed
6749 of fifteen members as follows: One member of the Connecticut Real
6750 Estate Commission, one employee of the Department of Economic and

6751 Community Development and one employee of the Connecticut
6752 [Housing Finance] Economic Development Authority to be appointed
6753 by the Governor; an attorney-at-law specializing in mobile
6754 manufactured home matters to be appointed by the speaker of the
6755 House of Representatives; one town planner and one representative of
6756 the banking industry to be appointed by the Governor; three mobile
6757 manufactured home park owners, one to be appointed by the
6758 Governor, one to be appointed by the minority leader of the Senate
6759 and one to be appointed by the minority leader of the House of
6760 Representatives; a representative of the mobile manufactured home
6761 industry to be appointed by the majority leader of the House of
6762 Representatives; three mobile manufactured home park tenants or
6763 representatives of such tenants, each from different geographic areas
6764 of the state, one to be appointed by the Governor, one to be appointed
6765 by the president pro tempore of the Senate and one to be appointed by
6766 the majority leader of the Senate; a senior citizen, who is either a
6767 resident of a mobile manufactured home park or a representative of
6768 other senior citizens who reside in mobile manufactured home parks,
6769 and a representative of the Housing Advisory Committee to be
6770 appointed by the Governor. The mobile manufactured home park
6771 owners and the representative of the mobile manufactured home
6772 industry shall be appointed from a list submitted to the appointing
6773 authorities by the Connecticut Manufactured Housing Association or
6774 its successor, if such organization or successor exists. The mobile
6775 manufactured home park tenants or tenant representatives and the
6776 senior citizen shall be appointed from a list submitted to the
6777 appointing authorities by the Connecticut Manufactured Home
6778 Owners Alliance or its successor, if such organization or successor
6779 exists. The Governor shall appoint a chairperson from among the
6780 members of the council. Members shall serve for a term coterminous
6781 with the term of the Governor or until their successors are appointed,
6782 whichever is later. Any vacancy shall be filled by the appointing
6783 authority for the position which has become vacant. Members of the
6784 council shall not be compensated for their services. Any council
6785 member who fails to attend three consecutive meetings or who fails to

6786 attend fifty per cent of all meetings held during any calendar year shall
6787 be deemed to have resigned from office.

6788 Sec. 185. Section 31-3nn of the general statutes is repealed and the
6789 following is substituted in lieu thereof (*Effective July 1, 2010*):

6790 (a) The WorkPlace, Inc., in conjunction with the other regional
6791 workforce development boards pursuant to section 31-3k and the one-
6792 stop centers pursuant to section 31-3gg, shall establish a mortgage
6793 crisis job training program in accordance with this section. For
6794 purposes of the program, at least three mortgage crisis job training
6795 teams shall be established for different areas of the state. The
6796 WorkPlace, Inc. and Capital Workforce Partners shall manage such
6797 teams. The teams, in cooperation with the regional workforce
6798 development boards and the one-stop centers, shall ensure the
6799 provision of rapid, customized employment services, job training,
6800 repair training and job placement assistance to borrowers who are
6801 unemployed, underemployed or in need of a second job. The
6802 WorkPlace, Inc. shall arrange for the provision of financial literacy and
6803 credit counseling for participants in the program with the Connecticut
6804 **[**Housing Finance**]** Economic Development Authority.

6805 (b) Borrowers shall be eligible for the program if they are at least
6806 sixty days delinquent on their mortgages and (1) are referred by their
6807 Connecticut **[**Housing Finance**]** Economic Development Authority
6808 lender, or (2) demonstrate an imminent need to increase earnings in
6809 order to avoid delinquency or foreclosure. Borrowers may also access
6810 the program through the one-stop centers.

6811 (c) The WorkPlace, Inc. and the Connecticut **[**Housing Finance**]**
6812 Economic Development Authority shall submit a joint report, in
6813 accordance with section 11-4a, on the implementation of the mortgage
6814 crisis job training program to the joint standing committees of the
6815 General Assembly having cognizance of matters relating to banks and
6816 planning and development, and to the select committee of the General
6817 Assembly having cognizance of matters relating to housing by January
6818 1, 2009.

Sec. 186. Subdivision (12) of subsection (a) of section 32-1m of the 2010 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

(12) With regard to the department's housing-development-related functions and activities:

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

(B) A comprehensive assessment of current and future needs for rental assistance under section 8-119kk for housing projects for the elderly and disabled, in consultation with the Connecticut **[**Housing Finance**]** Economic Development Authority;

(C) An analysis of the progress of the public and private sectors toward meeting housing needs in the state, using building permit data from the United States Census Bureau and demolition data from Connecticut municipalities;

(D) A list of municipalities that meet the affordable housing criteria set forth in subsection (k) of section 8-30g, pursuant to regulations that the Commissioner of Economic and Community Development shall adopt pursuant to the provisions of chapter 54. For the purpose of determining the percentage required by subsection (k) of said section 8-30g, the commissioner shall use as the denominator the number of dwelling units in the municipality, as reported in the most recent United States decennial census; and

(E) A statement of the department's housing development objectives, measures of program success and standards for granting financial and nonfinancial assistance under programs administered by said commissioner.

Sec. 187. Section 32-23e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2010*):

To accomplish the purposes of the authority, as defined in subsection (t) of section 32-23d, which are hereby determined to be public purposes for which public funds may be expended, and in addition to any other powers provided by law, the authority shall have power to: (1) Determine the location and character of any project to be financed under the provisions of said chapters and sections, provided any financial assistance shall be approved in accordance with written procedures prepared pursuant to subdivision (14) of this section; (2) purchase, receive, by gift or otherwise, lease, exchange, or otherwise acquire, and construct, reconstruct, improve, maintain, equip and furnish one or more projects, including all real and personal property which the authority may deem necessary in connection therewith, and to enter into a contract with a person therefor upon such terms and conditions as the authority shall determine to be reasonable, including but not limited to reimbursement for the planning, designing, financing, construction, reconstruction, improvement, equipping, furnishing, operation and maintenance of the project and any claims arising therefrom and establishment and maintenance of reserve and insurance funds with respect to the financing of the project; (3) insure any or all payments to be made by the borrower under the terms of any agreement for the extension of credit or making of a loan by the authority in connection with any economic development project to be financed, wholly or in part, through the issuance of bonds or mortgage payments of any mortgage which is given by a mortgagor to the mortgagee who has provided the mortgage for an economic development project upon such terms and conditions as the authority may prescribe and as provided herein, and the faith and credit of the state are pledged thereto; (4) in connection with the insuring of payments of any mortgage, request for its guidance a finding of the municipal planning commission, or, if there is no planning commission, a finding of the municipal officers, of the municipality in which the economic development project is proposed to be located, or of the regional planning agency of which such municipality is a

6885 member, as to the expediency and advisability of the economic
6886 development project; (5) sell or lease to any person, all or any portion
6887 of a project, purchase from eligible financial institutions mortgages
6888 with respect to economic development projects, purchase or
6889 repurchase its own bonds, and sell, pledge or assign to any person any
6890 such bonds, mortgages, or other loans, notes, revenues or assets of the
6891 authority, or any interest therein, for such consideration and upon
6892 such terms as the authority may determine to be reasonable; (6)
6893 mortgage or otherwise encumber all or any portion of a project
6894 whenever it shall find such action to be in furtherance of the purposes
6895 of said chapters and sections; (7) enter into agreements with any
6896 person, including prospective mortgagees and mortgagors, for the
6897 purpose of planning, designing, constructing, acquiring, altering and
6898 financing projects, providing liquidity or a secondary market for
6899 mortgages or other financial obligations incurred with respect to
6900 facilities which would qualify as a project under this chapter,
6901 purchasing loans made by regional corporations under section 32-276,
6902 or for any other purpose in furtherance of any other power of the
6903 authority; (8) grant options to purchase or renew a lease for any of its
6904 projects on such terms as the authority may determine to be
6905 reasonable; (9) employ or retain attorneys, accountants and
6906 architectural, engineering and financial consultants and such other
6907 employees and agents and to fix their compensation and to employ the
6908 Connecticut Development Credit Corporation on a cost basis as it shall
6909 deem necessary to assist it in carrying out the purposes of said
6910 authority legislation; (10) borrow money or accept gifts, grants or loans
6911 of funds, property or service from any source, public or private, and
6912 comply, subject to the provisions of said authority legislation, with the
6913 terms and conditions thereof; (11) accept from a federal agency loans
6914 or grants for use in carrying out its purpose, and enter into agreements
6915 with such agency respecting any such loans or grants; (12) provide
6916 tenant lease guarantees and performance guarantees, invest in, extend
6917 credit or make loans to any person for the planning, designing,
6918 financing, acquiring, constructing, reconstructing, improving,
6919 expanding, continuing in operation, equipping and furnishing of a

6920 project and for the refinancing of existing indebtedness with respect to
6921 any facility or part thereof which would qualify as a project in order to
6922 facilitate substantial improvements thereto, which guarantees,
6923 investments, credits or loans may be secured by loan agreements, lease
6924 agreements, installment sale agreements, mortgages, contracts and all
6925 other instruments or fees and charges, upon such terms and conditions
6926 as the authority shall determine to be reasonable in connection with
6927 such loans, including provision for the establishment and maintenance
6928 of reserve and insurance funds and in the exercise of powers granted
6929 in this section in connection with a project for such person, to require
6930 the inclusion in any contract, loan agreement or other instrument, such
6931 provisions for the construction, use, operation and maintenance and
6932 financing of a project as the authority may deem necessary or
6933 desirable; (13) in connection with any application for assistance under
6934 said authority legislation, or commitments therefor, to make and
6935 collect such fees and charges as the authority shall determine to be
6936 reasonable; (14) adopt procedures, in accordance with the provisions
6937 of section 1-121, to carry out the provisions of said authority
6938 legislation, which may give priority to applications for financial
6939 assistance based upon the extent the project will materially contribute
6940 to the economic base of the state by creating or retaining jobs,
6941 providing increased wages or benefits to employees, promoting the
6942 export of products or services beyond the boundaries of the state,
6943 encouraging innovation in products or services, encouraging defense-
6944 dependent business to diversify to nondefense production, promoting
6945 standards of participation adopted by the Connecticut partnership
6946 compact pursuant to section 33-374g of the general statutes, revision of
6947 1958, revised to 1991, or will otherwise enhance existing activities that
6948 are important to the economic base of the state, provided regulation-
6949 making proceedings commenced before January 1, 1989, shall be
6950 governed by sections 4-166 to 4-174, inclusive; (15) adopt an official
6951 seal and alter the same at pleasure; (16) maintain an office at such place
6952 or places within the state as it may designate; (17) sue and be sued in
6953 its own name and plead and be impleaded, service of process in any
6954 action to be made by service upon the executive director of said

6955 authority either in hand or by leaving a copy of the process at the
6956 office of the authority with some person having charge thereof; (18)
6957 employ such assistants, agents and other employees as may be
6958 necessary or desirable for its purposes, which employees shall be
6959 exempt from the classified service and shall not be employees as
6960 defined in subsection (b) of section 5-270; establish all necessary or
6961 appropriate personnel practices and policies, including those relating
6962 to hiring, promotion, compensation, retirement and collective
6963 bargaining, which need not be in accordance with chapter 68 and the
6964 authority shall not be an employer as defined in subsection (a) of
6965 section 5-270; contract for and engage appraisers of industrial
6966 machinery and equipment, consultants and property management
6967 services, and utilize the services of other governmental agencies; (19)
6968 when it becomes necessary or feasible for the authority to safeguard
6969 itself from losses, acquire, purchase, manage and operate, hold and
6970 dispose of real and personal property, take assignments of rentals and
6971 leases and make and enter into all contracts, leases, agreements and
6972 arrangements necessary or incidental to the performance of its duties;
6973 (20) in order to further the purposes of said authority legislation, or to
6974 assure the payment of the principal and interest on bonds or notes of
6975 the authority or to safeguard the mortgage insurance fund, purchase,
6976 acquire and take assignments of notes, mortgages and other forms of
6977 security and evidences of indebtedness, purchase, acquire, attach,
6978 seize, accept or take title to any project by conveyance or, by
6979 foreclosure, and sell, lease or rent any project for a use specified in said
6980 chapters and sections or in said chapter 579; (21) adopt rules for the
6981 conduct of its business; (22) invest any funds not needed for immediate
6982 use or disbursement, including any funds held in reserve, in
6983 obligations issued or guaranteed by the United States of America or
6984 the state of Connecticut and in other obligations which are legal
6985 investments for savings banks in this state; (23) do, or delegate, any
6986 and all things necessary or convenient to carry out the purposes and to
6987 exercise the powers given and granted in said authority legislation;
6988 provided, in all matters concerning the internal administrative
6989 functions of the authority which are funded by amounts appropriated

by the state to the authority or to the department, the procedures of the state relating to office space, supplies, facilities, materials, equipment and professional services shall be followed, and provided further, that in the acquisition by the authority of real estate involving the use of appropriated funds or bonds supported by the full faith and credit of the state, the authority shall be subject to the provisions of section 4b-23; (24) to accept from the department: (A) Financial assistance, (B) revenues or the right to receive revenues with respect to any program under the supervision of the department, and (C) loan assets or equity interests in connection with any program under the supervision of the department; to make advances to and reimburse the department for any expenses incurred or to be incurred by it in the delivery of such assistance, revenues, rights, assets or amounts; to enter into agreements for the delivery of services by the authority, **[**in consultation with the department, the Connecticut Housing Finance Authority and Connecticut Innovations, Incorporated,**]** to third parties which agreements may include provisions for payment by the department to the authority for the delivery of such services; and to enter into agreements with **[**the department or with the Connecticut Housing Finance Authority or Connecticut Innovations, Incorporated**]** <u>other state agencies</u> for the sharing of assistants, agents and other consultants, professionals and employees, and facilities and other real and personal property used in the conduct of the authority's affairs; and (25) to transfer to the department: (A) Financial assistance, (B) revenues or the right to receive revenues with respect to any program under the supervision of the authority, and (C) loan assets or equity interests in connection with any program under the supervision of the authority, provided the transfer of such financial assistance, revenues, rights, assets or interests is determined by the authority to be practicable, within the constraints and not inconsistent with the fiduciary obligations of the authority imposed upon or established upon the authority by any provision of the general statutes, the authority's bond resolutions or any other agreement or contract of the authority and to have no adverse effect on the tax-exempt status of any bonds of the authority or the state.

7025 Sec. 188. Subdivision (2) of subsection (a) of section 36a-760 of the
7026 2010 supplement to the general statutes is repealed and the following
7027 is substituted in lieu thereof (*Effective July 1, 2010*):

7028 (2) "CHFA loan" means a loan made, insured, purchased, subsidized
7029 or guaranteed by the Connecticut **[**Housing Finance**]** Economic
7030 Development Authority;

7031 Sec. 189. Subsection (e) of section 38a-1051 of the 2010 supplement
7032 to the general statutes is repealed and the following is substituted in
7033 lieu thereof (*Effective July 1, 2010*):

7034 (e) The commission shall: (1) Review and comment on any proposed
7035 state legislation and regulations that would affect the health of
7036 populations in the state experiencing racial, ethnic, cultural or
7037 linguistic disparities in health status, (2) review and comment on the
7038 Department of Public Health's health disparities performance
7039 measures, (3) advise and provide information to the Governor and the
7040 General Assembly on the state's policies concerning the health of
7041 populations in the state experiencing racial, ethnic, cultural or
7042 linguistic disparities in health status, (4) work as a liaison between
7043 populations experiencing racial, ethnic, cultural or linguistic
7044 disparities in health status and state agencies in order to eliminate such
7045 health disparities, (5) evaluate policies, procedures, activities and
7046 resource allocations to eliminate health status disparities among racial,
7047 ethnic and linguistic populations in the state and have the authority to
7048 convene the directors and commissioners of all state agencies whose
7049 purview is relevant to the elimination of health disparities, including
7050 but not limited to, the Departments of Public Health, Social Services,
7051 Children and Families, Developmental Services, Education, Mental
7052 Health and Addiction Services, Labor, Transportation, and the
7053 **[**Housing Finance**]** Connecticut Economic Development Authority for
7054 the purpose of advising on and directing the implementation of
7055 policies, procedures, activities and resource allocations to eliminate
7056 health status disparities among racial, ethnic and linguistic
7057 populations in the state, (6) prepare and submit to the Governor and

7058 General Assembly an annual report, in accordance with section 11-4a,
7059 that provides both a retrospective and prospective view of health
7060 disparities and the state's efforts to ameliorate identifiable disparities
7061 among populations of the state experiencing racial, ethnic, cultural or
7062 linguistic disparities in health status, (7) explore other successful
7063 programs in other sectors and states, and pilot and provide grants for
7064 new creative programs that may diminish or contribute to the
7065 elimination of health disparities in the state and culturally appropriate
7066 health education demonstration projects, for which the commission
7067 may apply for, accept and expand public and private funding, (8) have
7068 the authority to collect and analyze government and other data
7069 regarding the health status of state inhabitants based on race, ethnicity,
7070 gender, national origin and linguistic ability, including access, services
7071 and outcomes in private and public health care institutions within the
7072 state, including, but not limited to, the data collected by the
7073 Connecticut Health Information Network, (9) have the authority to
7074 draft and recommend proposed legislation, regulations and other
7075 policies designed to address disparities in health status, and (10) have
7076 the authority to conduct hearings and interviews, and receive
7077 testimony, regarding matters pertinent to its mission.

7078 Sec. 190. Section 49-31k of the general statutes is repealed and the
7079 following is substituted in lieu thereof (*Effective July 1, 2010*):

7080 As used in this section and sections 49-31*l* to 49-31o, inclusive:

7081 (1) "Mortgagor" means the owner-occupant of one-to-four family
7082 residential real property located in this state who is also the borrower
7083 under a mortgage encumbering such residential real property, which is
7084 the primary residence of such owner-occupant;

7085 (2) "Residential real property" means a one-to-four family dwelling
7086 occupied as a residence by a mortgagor;

7087 (3) "Mortgagee" means the original lender or servicer under a
7088 mortgage, or its successors or assigns, who is the holder of any
7089 mortgage on residential real property securing a loan made primarily

7090 for personal, family or household purposes that is the subject of a
7091 foreclosure action;

7092 (4) "Authority" means the Connecticut [Housing Finance] Economic
7093 Development Authority created under section [8-244] 2 of this act; and

7094 (5) "Mortgage assistance programs" means the mortgage assistance
7095 programs developed and implemented by the authority in accordance
7096 with sections 8-265cc to 8-265kk, inclusive, 8-265rr and 8-265ss.

7097 Sec. 191. Subsection (o) of section 8-252 of the general statutes is
7098 repealed and the following is substituted in lieu thereof (*Effective July*
7099 *1, 2010*):

7100 (o) The authority is authorized and empowered, from time to time,
7101 for the purposes and upon the findings set forth in section [8-242] 3 of
7102 this act, to issue bonds, notes or other obligations the interest on which
7103 may be includable under the Internal Revenue Code of 1986 or any
7104 subsequent corresponding internal revenue code of the United States,
7105 as from time to time amended, in the gross income of the holder or
7106 holders of such bonds, notes or other obligations to the same extent
7107 and in the same manner that interest on bills, bonds, notes or other
7108 obligations of the United States is includable in the gross income of the
7109 holders or holders thereof under said Internal Revenue Code; the state
7110 hereby consents to such inclusion only for the bonds, notes and other
7111 obligations of the authority authorized by this subsection. Such taxable
7112 bonds, notes or other obligations of the authority may be issued
7113 pursuant to this subsection by the authority for the purpose of
7114 financing the purchase, construction, rehabilitation or refinancing of
7115 new or existing multifamily rental developments and common interest
7116 ownership communities or land, upon a finding and determination by
7117 the board of directors, based on reasonable information, that such
7118 financing or refinancing is not readily available and that it is
7119 appropriate and in the public interest.

7120 Sec. 192. Subdivision (17) of section 8-250 of the general statutes is
7121 repealed and the following is substituted in lieu thereof (*Effective July*

7122 *1, 2010*):

7123 (17) To sue and be sued, plead and be impleaded, provided nothing
7124 in section **[**8-244 or**]** 8-253 shall be so construed as to permit an
7125 attachment of or garnishment against any of the funds or assets of the
7126 authority prior to final judgment, adopt a seal and alter the same at
7127 pleasure, and maintain an office at such place or places within the state
7128 as it may designate;

7129 Sec. 193. Sections 32-11a, 32-35 and 32-39 of the general statutes are
7130 repealed. (*Effective July 1, 2010*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2010*	New section
Sec. 2	*July 1, 2010*	New section
Sec. 3	*July 1, 2010*	New section
Sec. 4	*July 1, 2010*	New section
Sec. 5	*July 1, 2010*	New section
Sec. 6	*July 1, 2010*	New section
Sec. 7	*July 1, 2010*	New section
Sec. 8	*July 1, 2010*	New section
Sec. 9	*July 1, 2010*	New section
Sec. 10	*July 1, 2010*	1-79(l)
Sec. 11	*July 1, 2010*	1-120
Sec. 12	*July 1, 2010*	1-124
Sec. 13	*July 1, 2010*	1-125
Sec. 14	*July 1, 2010*	3-24d
Sec. 15	*July 1, 2010*	3-24f
Sec. 16	*July 1, 2010*	4-124ff
Sec. 17	*July 1, 2010*	8-134
Sec. 18	*July 1, 2010*	8-134a
Sec. 19	*July 1, 2010*	32-23d(w)
Sec. 20	*July 1, 2010*	32-23k
Sec. 21	*July 1, 2010*	32-23q
Sec. 22	*July 1, 2010*	32-23r
Sec. 23	*July 1, 2010*	32-23t
Sec. 24	*July 1, 2010*	32-23v(a)(3)
Sec. 25	*July 1, 2010*	32-23x(a)

Sec. 26	*July 1, 2010*	32-23z
Sec. 27	*July 1, 2010*	32-23aa
Sec. 28	*July 1, 2010*	32-23hh
Sec. 29	*July 1, 2010*	32-23qq
Sec. 30	*July 1, 2010*	32-23ss
Sec. 31	*July 1, 2010*	32-23tt
Sec. 32	*July 1, 2010*	32-23yy
Sec. 33	*July 1, 2010*	32-23zz
Sec. 34	*July 1, 2010*	32-34
Sec. 35	*July 1, 2010*	32-39c
Sec. 36	*July 1, 2010*	32-39d
Sec. 37	*July 1, 2010*	32-39e
Sec. 38	*July 1, 2010*	32-40
Sec. 39	*July 1, 2010*	32-40a
Sec. 40	*July 1, 2010*	32-40b
Sec. 41	*July 1, 2010*	32-40c
Sec. 42	*July 1, 2010*	32-41a
Sec. 43	*July 1, 2010*	32-41b
Sec. 44	*July 1, 2010*	32-41i
Sec. 45	*July 1, 2010*	32-41j
Sec. 46	*July 1, 2010*	32-41k
Sec. 47	*July 1, 2010*	32-41*l*
Sec. 48	*July 1, 2010*	32-41m
Sec. 49	*July 1, 2010*	32-41n
Sec. 50	*July 1, 2010*	32-41o
Sec. 51	*July 1, 2010*	32-41p
Sec. 52	*July 1, 2010*	32-41q
Sec. 53	*July 1, 2010*	32-41s
Sec. 54	*July 1, 2010*	32-41t
Sec. 55	*July 1, 2010*	32-41u
Sec. 56	*July 1, 2010*	32-43
Sec. 57	*July 1, 2010*	32-47
Sec. 58	*July 1, 2010*	32-47a
Sec. 59	*July 1, 2010*	32-477
Sec. 60	*July 1, 2010*	10a-25b
Sec. 61	*July 1, 2010*	10a-25g
Sec. 62	*July 1, 2010*	32-41
Sec. 63	*July 1, 2010*	4-66a(f)
Sec. 64	*July 1, 2010*	8-250(42)
Sec. 65	*July 1, 2010*	16-245n
Sec. 66	*July 1, 2010*	16-245aa

Sec. 67	*July 1, 2010*	16-245bb(b)
Sec. 68	*July 1, 2010*	16a-38p(b)
Sec. 69	*July 1, 2010*	19a-32f(f)
Sec. 70	*July 1, 2010*	31-11aa(a)
Sec. 71	*July 1, 2010*	32-1e
Sec. 72	*July 1, 2010*	32-1k
Sec. 73	*July 1, 2010*	32-4h
Sec. 74	*July 1, 2010*	32-6k
Sec. 75	*July 1, 2010*	32-41v
Sec. 76	*July 1, 2010*	32-41w
Sec. 77	*July 1, 2010*	32-344
Sec. 78	*July 1, 2010*	32-356(e)
Sec. 79	*July 1, 2010*	32-450
Sec. 80	*July 1, 2010*	32-462
Sec. 81	*July 1, 2010*	32-478
Sec. 82	*July 1, 2010*	32-479
Sec. 83	*July 1, 2010*	32-480
Sec. 84	*July 1, 2010*	32-700
Sec. 85	*July 1, 2010*	32-701(a)
Sec. 86	*July 1, 2010*	32-717
Sec. 87	*July 1, 2010*	32-718
Sec. 88	*July 1, 2010*	8-192(d)
Sec. 89	*July 1, 2010*	8-192a
Sec. 90	*July 1, 2010*	8-240m(b)
Sec. 91	*July 1, 2010*	13b-79w
Sec. 92	*July 1, 2010*	16-243v
Sec. 93	*July 1, 2010*	22a-134(1)(P)
Sec. 94	*July 1, 2010*	22a-173
Sec. 95	*July 1, 2010*	22a-259
Sec. 96	*July 1, 2010*	22a-264
Sec. 97	*July 1, 2010*	25-33a(c)
Sec. 98	*July 1, 2010*	32-1o(a)
Sec. 99	*July 1, 2010*	32-5a
Sec. 100	*July 1, 2010*	32-6j
Sec. 101	*July 1, 2010*	32-9c(a)
Sec. 102	*July 1, 2010*	32-9n(b)
Sec. 103	*July 1, 2010*	32-9cc(d)
Section	*July 1, 2010*	32-9kk
Sec. 105	*July 1, 2010*	32-9qq(b)(1)
Sec. 106	*July 1, 2010*	32-22b
Sec. 107	*July 1, 2010*	32-23o(b)

Sec. 108	*July 1, 2010*	32-23s
Sec. 109	*July 1, 2010*	32-61
Sec. 110	*July 1, 2010*	32-141(a)
Sec. 111	*July 1, 2010*	32-222
Sec. 112	*July 1, 2010*	32-223
Sec. 113	*July 1, 2010*	32-227
Sec. 114	*July 1, 2010*	32-244
Sec. 115	*July 1, 2010*	32-244a
Sec. 116	*July 1, 2010*	32-261(k)
Sec. 117	*July 1, 2010*	32-262(b)
Sec. 118	*July 1, 2010*	32-265
Sec. 119	*July 1, 2010*	32-266
Sec. 120	*July 1, 2010*	32-285(b)
Sec. 121	*July 1, 2010*	32-341(a)
Sec. 122	*July 1, 2010*	32-500(1)
Sec. 123	*July 1, 2010*	32-503
Sec. 124	*July 1, 2010*	32-609
Sec. 125	*July 1, 2010*	3-27b
Sec. 126	*July 1, 2010*	3-27f
Sec. 127	*July 1, 2010*	4-66aa
Sec. 128	*July 1, 2010*	8-30g(k)
Sec. 129	*July 1, 2010*	8-37t
Sec. 130	*July 1, 2010*	8-37u
Sec. 131	*July 1, 2010*	8-37x(g)
Sec. 132	*July 1, 2010*	8-37aa
Sec. 133	*July 1, 2010*	8-37bb(a)
Sec. 134	*July 1, 2010*	8-37jj
Sec. 135	*July 1, 2010*	8-37kk
Sec. 136	*July 1, 2010*	8-68f
Sec. 137	*July 1, 2010*	8-68j
Sec. 138	*July 1, 2010*	8-68k
Sec. 139	*July 1, 2010*	8-78
Sec. 140	*July 1, 2010*	8-119*ll*
Sec. 141	*July 1, 2010*	8-206(d)
Sec. 142	*July 1, 2010*	8-216
Sec. 143	*July 1, 2010*	8-216c(b)
Sec. 144	*July 1, 2010*	8-218(a)
Sec. 145	*July 1, 2010*	8-240m(c)
Sec. 146	*July 1, 2010*	8-243(b)
Sec. 147	*July 1, 2010*	8-244b
Sec. 148	*July 1, 2010*	8-244c

Sec. 149	*July 1, 2010*	8-244d
Sec. 150	*July 1, 2010*	8-252a(a)
Sec. 151	*July 1, 2010*	8-262a
Sec. 152	*July 1, 2010*	8-265f(a)
Sec. 153	*July 1, 2010*	8-265g
Sec. 154	*July 1, 2010*	8-265h(b)
Sec. 155	*July 1, 2010*	8-265i
Sec. 156	*July 1, 2010*	8-265o
Sec. 157	*July 1, 2010*	8-265w(b)
Sec. 158	*July 1, 2010*	8-265bb
Sec. 159	*July 1, 2010*	8-265cc
Sec. 160	*July 1, 2010*	8-265ii
Sec. 161	*July 1, 2010*	8-26*5ll*
Sec. 162	*July 1, 2010*	8-265mm(a) and (b)
Sec. 163	*July 1, 2010*	8-265nn
Sec. 164	*July 1, 2010*	8-265oo(a) and (b)
Sec. 165	*July 1, 2010*	8-265pp
Sec. 166	*July 1, 2010*	8-265qq(a)
Sec. 167	*July 1, 2010*	8-265rr
Sec. 168	*July 1, 2010*	8-265ss(a)(1)
Sec. 169	*July 1, 2010*	8-284
Sec. 170	*July 1, 2010*	8-336
Sec. 171	*July 1, 2010*	8-336m
Sec. 172	*July 1, 2010*	8-336q(a) and (b)
Sec. 173	*July 1, 2010*	8-385(b)
Sec. 174	*July 1, 2010*	8-395
Sec. 175	*July 1, 2010*	8-400(a)(1)
Sec. 176	*July 1, 2010*	10-8b
Sec. 177	*July 1, 2010*	17a-54a
Sec. 178	*July 1, 2010*	17a-485b(b)
Sec. 179	*July 1, 2010*	17a-485c
Sec. 180	*July 1, 2010*	17a-485e
Sec. 181	*July 1, 2010*	17b-244(a)
Sec. 182	*July 1, 2010*	17b-340(h)(2)
Sec. 183	*July 1, 2010*	17b-347e
Sec. 184	*July 1, 2010*	21-84a(a)
Sec. 185	*July 1, 2010*	31-3nn
Sec. 186	*July 1, 2010*	32-1m(a)(12)
Sec. 187	*July 1, 2010*	32-23e
Sec. 188	*July 1, 2010*	36a-760(a)(2)
Sec. 189	*July 1, 2010*	38a-1051(e)

Sec. 190	*July 1, 2010*	49-31k
Sec. 191	*July 1, 2010*	8-252(o)
Sec. 192	*July 1, 2010*	8-250(17)
Sec. 193	*July 1, 2010*	Repealer section

PRI *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 $	FY 12 $
CT Housing Finance Authority; Department of Economic & Community Development; CT Innovations Inc. (quasi-public); CT. Development Auth. (quasi-public)	Various - See Below	See Below	See Below

Municipal Impact: None

Explanation

The bill creates the Connecticut Economic Development Authority by consolidating the Department of Economic and Community Development (DECD), a state agency within the General Fund, with three quasi-public agencies: the Connecticut Innovations Inc., the Connecticut Development Authority, and most of the powers of the Connecticut Housing Finance Authority. Frequently, agency consolidations can result in long-term savings by streamlining redundant functions1 and achieving economies of scale; and short term costs resulting from re-locating agencies and changing literature and stationery. However, the bill is silent on how this agency consolidation is to be achieved, thus any resulting costs and savings

[1] Please note that job security provisions through FY 11 apply to all state employee labor units which have agreed to contracts in accordance with the SEBAC 2009 Agreement. Many of the DECD employees are covered by this agreement. This does not preclude the State from restructuring and/or eliminating positions provided those affected are transferred to another comparable job. Savings could only occur from eliminations if those eliminated state employees take state jobs that would otherwise have been filled with individuals new to state employment.

are unknown. It is assumed that the newly created authority would be funded as each of its components was previously funded, including bond funds, and that appropriations for DECD will transfer to the successor agency pursuant to CGS 4-38. Thus, as the quasi-public agencies are not supported by the General Fund, only reductions to DECD would result in a savings to the General Fund. To the extent that the consolidation results in a negative bond rating it may result in increased future borrowing costs, thus reducing the amount of funds available to implement programs and support personnel.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis
sSB 308

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE CONCERNING CONNECTICUT'S ECONOMIC COMPETITIVENESS.

SUMMARY:

This bill consolidates the Department of Economic and Community Development (DECD), the Connecticut Development Authority (CDA), and Connecticut Innovations, Inc. (CII) into a new Connecticut Economic Development Authority (CEDA), which the bill creates as a quasi-public non-state agency. The bill designates CEDA as DECD's successor and transfers CDA's and CII's powers, duties, and programs to the new agency. In doing so, the bill designates CEDA the successor to CDA's bonds and makes many technical and conforming changes.

The bill also transfers most of the Connecticut Housing Finance Authority's (CHFA) powers, duties, and programs to CEDA, including CHFA's share of the amount of private activity bonds state and municipal agencies can issue each year. (The proceeds of the bonds can benefit private entities, including first-time homebuyers.) But it retains CHFA's board and statutory purposes.

The bill establishes an 11-member board to run CEDA. The members are appointed by the governor and legislative leaders, and include the treasurer and Office of Policy and Management (OPM) secretary. The board appoints CEDA's executive director and requires the members annually to elect their chairperson and vice chairperson.

EFFECTIVE DATE: July 1, 2010

§2 — ORGANIZATIONAL STRUCTURE

The bill establishes CEDA as a quasi-public agency, which CDA and

CII are under current law. In doing so, it creates an 11-member governing board that, as Table 1 shows, closely resembles CDA's.

Appointing Authority	CEDA	CDA	CII
Statute	Treasurer and OPM secretary (OPM) or their designees	Treasurer, OPM secretary, DECD commissioner or their designees	DECD and Higher Education commissioners and OPM secretary or their designees
Governor	Five members	Four members with expertise in financial lending or developing commerce, trade, or business	Eight members with expertise in innovative technologies and technological processes
House Speaker	One member	One member	One member
Senate President Pro Tempore	One member	One member	One member
House Minority Leader	One member	One member	One member
Senate Minority Leader	One member	One member	One member
Total Members	11 members	11 members	15 members

The bill imposes no experiential requirements for the CEDA board members. Their terms, conditions, and requirements for serving on the board are largely the same as those for serving on the CDA board.

The board must annually elect its chairperson and vice chairperson. Under current law, the governor appoints the chairpersons of the CDA and CII board, subject to legislative approval.

Under the bill, the powers and duties of CEDA's board are largely the same as those of CDA and CII, including appointing the

authority's executive director (see below). The bill transfers to CEDA the CII board's power to approve technology and venture related applications. In doing so, it drops the requirement that CEDA's board create a finance committee to perform this task (see §§ 34 and 38).

§ 3 — STATUTORY AUTHORITY

The bill transfers CII's statutory purposes to CEDA; most of which involve stimulating and supporting commercially viable research and development.

The bill transfers many of CDA's and CII's powers and duties to CEDA, but not those allowing CII to provide venture capital, promote and support scientific research, create affiliates, assist specified industry sectors, and administer the Renewal Energy Investment Fund.

The bill authorizes the board to adopt written procedures for operating the authority (§ 2(g)). But it also specifies that CDA's and CII's procedures remain in effect regarding any activity CEDA undertakes under their respective statutes.

§ 4 — TAX EXEMPTION

The bill exempts CEDA and its subsidiaries from all municipal and state taxes.

§ 5 — SUBSIDIARIES

The bill allows CEDA to establish subsidiaries to implement any of its statutory purposes, including cleaning up contaminated property. Current law allows CDA to establish subsidiaries only for this purpose. Under the bill, CEDA's subsidiaries have mostly the same powers and duties as CDA's. But, unlike the subsidiaries CDA creates under current law, CEDA's subsidiaries must pay the Department of Environmental Protection's fees for entering into covenants not to sue. The covenants are a legal device used to encourage developers to clean up and redevelop contaminated property.

§ 6 — EXECUTIVE DIRECTOR

The bill authorizes CEDA's board to appoint the authority's executive director, who cannot be a board member. It also allows the board to appoint any other officers it determines to serve at its pleasure. The bill exempts these officers from civil service and authorizes the board to determine their compensation.

Under current law, the CDA and CII boards may appoint only the executive directors of their respective agencies. It allows the CDA director to appoint other officers.

The powers and duties of CEDA's executive director are similar to those of CDA's and CII's.

§ 7 — ANNUAL LEGISLATIVE REPORTING REQUIREMENT

The bill imposes the same annual report requirements on CEDA currently imposed on CDA and CII. But it also requires CEDA to report separately on the activities authorized by the CII statutes. Current law additionally requires these agencies to provide any additional reports and information the Commerce, Appropriations, and Finance committees request. The bill does not extend this requirement to CEDA.

As DECD's successor, CEDA must also submit a comprehensive report on the programs transferred to it.

§ 9 — TRANSITION ASSISTANCE

The bill allows CDA and CII to help CEDA assume their respective powers and duties. Between July 1, 2010 and September 30, 2010, CDA and CII can contract with CEDA to provide this assistance, which may include technical support and facilities, equipment, and supplies. But the bill sunsets both agencies on July 1, 2010.

COMMITTEE ACTION

Program Review and Investigations Committee

Joint Favorable Substitute
Yea 12 Nay 0 (03/11/2010)