



General Assembly

February Session, 2010

**Raised Bill No. 108**

LCO No. 133

\*00133\_\_\_\_\_CE\_\*

Referred to Committee on Commerce

Introduced by:

(CE)

**AN ACT CONCERNING THE CONNECTICUT DEVELOPMENT  
AUTHORITY'S PARTICIPATION IN CERTAIN FEDERAL LOAN AND  
GRANT PROGRAMS.**

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

1 Section 1. Subsection (s) of section 32-23d of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (s) "Person" means any person, including individuals, firms,  
5 partnerships, associations, cooperatives, limited liability companies or  
6 corporations, public or private, for profit or nonprofit, organized or  
7 existing under the laws of the state or any other state, and, to the  
8 extent otherwise permitted by law, any municipality, district,  
9 including any special district having taxing powers, agency, authority,  
10 instrumentality, or other governmental entity or political subdivision  
11 in the state or any federal agency or any subdivision of the federal  
12 government.

13 Sec. 2. Section 32-23e of the general statutes is repealed and the  
14 following is substituted in lieu thereof (*Effective from passage*):

15 To accomplish the purposes of the authority, as defined in  
16 subsection (t) of section 32-23d, which are hereby determined to be  
17 public purposes for which public funds may be expended, and in  
18 addition to any other powers provided by law, the authority shall have  
19 power to: (1) Determine the location and character of any project to be  
20 financed under the provisions of said chapters and sections, provided  
21 any financial assistance shall be approved in accordance with written  
22 procedures prepared pursuant to subdivision (14) of this section; (2)  
23 purchase, receive, by gift or otherwise, lease, exchange, or otherwise  
24 acquire, and construct, reconstruct, improve, maintain, equip and  
25 furnish one or more projects, including all real and personal property  
26 which the authority may deem necessary in connection therewith, and  
27 to enter into a contract with a person therefor upon such terms and  
28 conditions as the authority shall determine to be reasonable, including  
29 but not limited to reimbursement for the planning, designing,  
30 financing, construction, reconstruction, improvement, equipping,  
31 furnishing, operation and maintenance of the project and any claims  
32 arising therefrom and establishment and maintenance of reserve and  
33 insurance funds with respect to the financing of the project; (3) insure  
34 any or all payments to be made by the borrower under the terms of  
35 any agreement for the extension of credit or making of a loan by the  
36 authority in connection with any economic development project to be  
37 financed, wholly or in part, through the issuance of bonds or mortgage  
38 payments of any mortgage which is given by a mortgagor to the  
39 mortgagee who has provided the mortgage for an economic  
40 development project upon such terms and conditions as the authority  
41 may prescribe and as provided herein, and the faith and credit of the  
42 state are pledged thereto; (4) in connection with the insuring of  
43 payments of any mortgage, request for its guidance a finding of the  
44 municipal planning commission, or, if there is no planning  
45 commission, a finding of the municipal officers, of the municipality in  
46 which the economic development project is proposed to be located, or  
47 of the regional planning agency of which such municipality is a  
48 member, as to the expediency and advisability of the economic

49 development project; (5) sell or lease to any person, all or any portion  
50 of a project, purchase from eligible financial institutions mortgages  
51 with respect to economic development projects, purchase or  
52 repurchase its own bonds, and sell, pledge or assign to any person any  
53 such bonds, mortgages, or other loans, notes, revenues or assets of the  
54 authority, or any interest therein, for such consideration and upon  
55 such terms as the authority may determine to be reasonable; (6)  
56 mortgage or otherwise encumber all or any portion of a project  
57 whenever it shall find such action to be in furtherance of the purposes  
58 of said chapters and sections; (7) enter into agreements with any  
59 person, including prospective mortgagees and mortgagors, for the  
60 purpose of planning, designing, constructing, acquiring, altering and  
61 financing projects, providing liquidity or a secondary market for  
62 mortgages or other financial obligations incurred with respect to  
63 facilities which would qualify as a project under this chapter,  
64 purchasing loans made by regional corporations under section 32-276,  
65 or for any other purpose in furtherance of any other power of the  
66 authority; (8) grant options to purchase or renew a lease for any of its  
67 projects on such terms as the authority may determine to be  
68 reasonable; (9) employ or retain attorneys, accountants and  
69 architectural, engineering and financial consultants and such other  
70 employees and agents and to fix their compensation and to employ the  
71 Connecticut Development Credit Corporation on a cost basis as it shall  
72 deem necessary to assist it in carrying out the purposes of said  
73 authority legislation; (10) borrow money or accept gifts, grants or loans  
74 of funds, property or service from any source, public or private, and  
75 comply, subject to the provisions of said authority legislation, with the  
76 terms and conditions thereof; (11) accept from a federal agency loans,  
77 [or] grants [for use in carrying out its purpose,] or loan guarantees or  
78 otherwise participate in any loan, grant, loan guarantee or other  
79 financing or economic or project development program of a federal  
80 agency or any subdivision of the federal government in furtherance of,  
81 and consistent with, the purposes of the authority, and enter into  
82 agreements with such agency respecting any such loans, [or] grants,

83 loan guarantees or federal agency programs; (12) provide tenant lease  
84 guarantees and performance guarantees, invest in, extend credit or  
85 make loans to any person for the planning, designing, financing,  
86 acquiring, constructing, reconstructing, improving, expanding,  
87 continuing in operation, equipping and furnishing of a project and for  
88 the refinancing of existing indebtedness with respect to any facility or  
89 part thereof which would qualify as a project in order to facilitate  
90 substantial improvements thereto, which guarantees, investments,  
91 credits or loans may be secured by loan agreements, lease agreements,  
92 installment sale agreements, mortgages, contracts and all other  
93 instruments or fees and charges, upon such terms and conditions as  
94 the authority shall determine to be reasonable in connection with such  
95 loans, including provision for the establishment and maintenance of  
96 reserve and insurance funds and in the exercise of powers granted in  
97 this section in connection with a project for such person, to require the  
98 inclusion in any contract, loan agreement or other instrument, such  
99 provisions for the construction, use, operation and maintenance and  
100 financing of a project as the authority may deem necessary or  
101 desirable; (13) in connection with any application for assistance under  
102 said authority legislation, or commitments therefor, to make and  
103 collect such fees and charges as the authority shall determine to be  
104 reasonable; (14) adopt procedures, in accordance with the provisions  
105 of section 1-121, to carry out the provisions of said authority  
106 legislation, which may give priority to applications for financial  
107 assistance based upon the extent the project will materially contribute  
108 to the economic base of the state by creating or retaining jobs,  
109 providing increased wages or benefits to employees, promoting the  
110 export of products or services beyond the boundaries of the state,  
111 encouraging innovation in products or services, encouraging defense-  
112 dependent business to diversify to nondefense production, promoting  
113 standards of participation adopted by the Connecticut partnership  
114 compact pursuant to section 33-374g of the general statutes, revision of  
115 1958, revised to 1991, or will otherwise enhance existing activities that  
116 are important to the economic base of the state, provided regulation-

117 making proceedings commenced before January 1, 1989, shall be  
118 governed by sections 4-166 to 4-174, inclusive; (15) adopt an official  
119 seal and alter the same at pleasure; (16) maintain an office at such place  
120 or places within the state as it may designate; (17) sue and be sued in  
121 its own name and plead and be impleaded, service of process in any  
122 action to be made by service upon the executive director of said  
123 authority either in hand or by leaving a copy of the process at the  
124 office of the authority with some person having charge thereof; (18)  
125 employ such assistants, agents and other employees as may be  
126 necessary or desirable for its purposes, which employees shall be  
127 exempt from the classified service and shall not be employees as  
128 defined in subsection (b) of section 5-270; establish all necessary or  
129 appropriate personnel practices and policies, including those relating  
130 to hiring, promotion, compensation, retirement and collective  
131 bargaining, which need not be in accordance with chapter 68 and the  
132 authority shall not be an employer as defined in subsection (a) of  
133 section 5-270; contract for and engage appraisers of industrial  
134 machinery and equipment, consultants and property management  
135 services, and utilize the services of other governmental agencies; (19)  
136 when it becomes necessary or feasible for the authority to safeguard  
137 itself from losses, acquire, purchase, manage and operate, hold and  
138 dispose of real and personal property, take assignments of rentals and  
139 leases and make and enter into all contracts, leases, agreements and  
140 arrangements necessary or incidental to the performance of its duties;  
141 (20) in order to further the purposes of said authority legislation, or to  
142 assure the payment of the principal and interest on bonds or notes of  
143 the authority or to safeguard the mortgage insurance fund, purchase,  
144 acquire and take assignments of notes, mortgages and other forms of  
145 security and evidences of indebtedness, purchase, acquire, attach,  
146 seize, accept or take title to any project by conveyance or, by  
147 foreclosure, and sell, lease or rent any project for a use specified in said  
148 chapters and sections or in said chapter 579; (21) adopt rules for the  
149 conduct of its business; (22) invest any funds not needed for immediate  
150 use or disbursement, including any funds held in reserve, in

151 obligations issued or guaranteed by the United States of America or  
152 the state of Connecticut and in other obligations which are legal  
153 investments for savings banks in this state; (23) do, or delegate, any  
154 and all things necessary or convenient to carry out the purposes and to  
155 exercise the powers given and granted in said authority legislation;  
156 provided, in all matters concerning the internal administrative  
157 functions of the authority which are funded by amounts appropriated  
158 by the state to the authority or to the department, the procedures of the  
159 state relating to office space, supplies, facilities, materials, equipment  
160 and professional services shall be followed, and provided further, that  
161 in the acquisition by the authority of real estate involving the use of  
162 appropriated funds or bonds supported by the full faith and credit of  
163 the state, the authority shall be subject to the provisions of section 4b-  
164 23; (24) to accept from the department: (A) Financial assistance, (B)  
165 revenues or the right to receive revenues with respect to any program  
166 under the supervision of the department, and (C) loan assets or equity  
167 interests in connection with any program under the supervision of the  
168 department; to make advances to and reimburse the department for  
169 any expenses incurred or to be incurred by it in the delivery of such  
170 assistance, revenues, rights, assets or amounts; to enter into  
171 agreements for the delivery of services by the authority, in  
172 consultation with the department, the Connecticut Housing Finance  
173 Authority and Connecticut Innovations, Incorporated, to third parties  
174 which agreements may include provisions for payment by the  
175 department to the authority for the delivery of such services; and to  
176 enter into agreements with the department or with the Connecticut  
177 Housing Finance Authority or Connecticut Innovations, Incorporated  
178 for the sharing of assistants, agents and other consultants,  
179 professionals and employees, and facilities and other real and personal  
180 property used in the conduct of the authority's affairs; and (25) to  
181 transfer to the department: (A) Financial assistance, (B) revenues or the  
182 right to receive revenues with respect to any program under the  
183 supervision of the authority, and (C) loan assets or equity interests in  
184 connection with any program under the supervision of the authority,

185 provided the transfer of such financial assistance, revenues, rights,  
186 assets or interests is determined by the authority to be practicable,  
187 within the constraints and not inconsistent with the fiduciary  
188 obligations of the authority imposed upon or established upon the  
189 authority by any provision of the general statutes, the authority's bond  
190 resolutions or any other agreement or contract of the authority and to  
191 have no adverse effect on the tax-exempt status of any bonds of the  
192 authority or the state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	32-23d(s)
Sec. 2	<i>from passage</i>	32-23e

**Statement of Purpose:**

To enable the Connecticut Development Authority to contract with the federal government for certain financial assistance programs.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*