



General Assembly

Substitute Bill No. 108

February Session, 2010

* SB00108FIN__041410__ *

**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2 repealed and the following is substituted in lieu thereof (*Effective from*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.

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 Section 32-23e of the general statutes is repealed and the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

14 To accomplish the purposes of the authority, as defined in
15 subsection (t) of section 32-23d, which are hereby determined to be
16 public purposes for which public funds may be expended, and in
17 addition to any other powers provided by law, the authority shall have

18 power to: (1) Determine the location and character of any project to be
19 financed under the provisions of said chapters and sections, provided
20 any financial assistance shall be approved in accordance with written
21 procedures prepared pursuant to subdivision (14) of this section; (2)
22 purchase, receive, by gift or otherwise, lease, exchange, or otherwise
23 acquire, and construct, reconstruct, improve, maintain, equip and
24 furnish one or more projects, including all real and personal property
25 which the authority may deem necessary in connection therewith, and
26 to enter into a contract with a person therefor upon such terms and
27 conditions as the authority shall determine to be reasonable, including
28 but not limited to reimbursement for the planning, designing,
29 financing, construction, reconstruction, improvement, equipping,
30 furnishing, operation and maintenance of the project and any claims
31 arising therefrom and establishment and maintenance of reserve and
32 insurance funds with respect to the financing of the project; (3) insure
33 any or all payments to be made by the borrower under the terms of
34 any agreement for the extension of credit or making of a loan by the
35 authority in connection with any economic development project to be
36 financed, wholly or in part, through the issuance of bonds or mortgage
37 payments of any mortgage which is given by a mortgagor to the
38 mortgagee who has provided the mortgage for an economic
39 development project upon such terms and conditions as the authority
40 may prescribe and as provided herein, and the faith and credit of the
41 state are pledged thereto; (4) in connection with the insuring of
42 payments of any mortgage, request for its guidance a finding of the
43 municipal planning commission, or, if there is no planning
44 commission, a finding of the municipal officers, of the municipality in
45 which the economic development project is proposed to be located, or
46 of the regional planning agency of which such municipality is a
47 member, as to the expediency and advisability of the economic
48 development project; (5) sell or lease to any person, all or any portion
49 of a project, purchase from eligible financial institutions mortgages
50 with respect to economic development projects, purchase or
51 repurchase its own bonds, and sell, pledge or assign to any person any
52 such bonds, mortgages, or other loans, notes, revenues or assets of the

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

88 project in order to facilitate substantial improvements thereto, which
89 guarantees, investments, credits or loans may be secured by loan
90 agreements, lease agreements, installment sale agreements, mortgages,
91 contracts and all other instruments or fees and charges, upon such
92 terms and conditions as the authority shall determine to be reasonable
93 in connection with such loans, including provision for the
94 establishment and maintenance of reserve and insurance funds and in
95 the exercise of powers granted in this section in connection with a
96 project for such person, to require the inclusion in any contract, loan
97 agreement or other instrument, such provisions for the construction,
98 use, operation and maintenance and financing of a project as the
99 authority may deem necessary or desirable; (13) in connection with
100 any application for assistance under said authority legislation, or
101 commitments therefor, to make and collect such fees and charges as
102 the authority shall determine to be reasonable; (14) adopt procedures,
103 in accordance with the provisions of section 1-121, to carry out the
104 provisions of said authority legislation, which may give priority to
105 applications for financial assistance based upon the extent the project
106 will materially contribute to the economic base of the state by creating
107 or retaining jobs, providing increased wages or benefits to employees,
108 promoting the export of products or services beyond the boundaries of
109 the state, encouraging innovation in products or services, encouraging
110 defense-dependent business to diversify to nondefense production,
111 promoting standards of participation adopted by the Connecticut
112 partnership compact pursuant to section 33-374g of the general
113 statutes, revision of 1958, revised to 1991, or will otherwise enhance
114 existing activities that are important to the economic base of the state,
115 provided regulation-making proceedings commenced before January
116 1, 1989, shall be governed by sections 4-166 to 4-174, inclusive; (15)
117 adopt an official seal and alter the same at pleasure; (16) maintain an
118 office at such place or places within the state as it may designate; (17)
119 sue and be sued in its own name and plead and be impleaded, service
120 of process in any action to be made by service upon the executive
121 director of said authority either in hand or by leaving a copy of the
122 process at the office of the authority with some person having charge

123 thereof; (18) employ such assistants, agents and other employees as
124 may be necessary or desirable for its purposes, which employees shall
125 be exempt from the classified service and shall not be employees as
126 defined in subsection (b) of section 5-270; establish all necessary or
127 appropriate personnel practices and policies, including those relating
128 to hiring, promotion, compensation, retirement and collective
129 bargaining, which need not be in accordance with chapter 68 and the
130 authority shall not be an employer as defined in subsection (a) of
131 section 5-270; contract for and engage appraisers of industrial
132 machinery and equipment, consultants and property management
133 services, and utilize the services of other governmental agencies; (19)
134 when it becomes necessary or feasible for the authority to safeguard
135 itself from losses, acquire, purchase, manage and operate, hold and
136 dispose of real and personal property, take assignments of rentals and
137 leases and make and enter into all contracts, leases, agreements and
138 arrangements necessary or incidental to the performance of its duties;
139 (20) in order to further the purposes of said authority legislation, or to
140 assure the payment of the principal and interest on bonds or notes of
141 the authority or to safeguard the mortgage insurance fund, purchase,
142 acquire and take assignments of notes, mortgages and other forms of
143 security and evidences of indebtedness, purchase, acquire, attach,
144 seize, accept or take title to any project by conveyance or, by
145 foreclosure, and sell, lease or rent any project for a use specified in said
146 chapters and sections or in said chapter 579; (21) adopt rules for the
147 conduct of its business; (22) invest any funds not needed for immediate
148 use or disbursement, including any funds held in reserve, in
149 obligations issued or guaranteed by the United States of America or
150 the state of Connecticut and in other obligations which are legal
151 investments for savings banks in this state; (23) do, or delegate, any
152 and all things necessary or convenient to carry out the purposes and to
153 exercise the powers given and granted in said authority legislation;
154 provided, in all matters concerning the internal administrative
155 functions of the authority which are funded by amounts appropriated
156 by the state to the authority or to the department, the procedures of the
157 state relating to office space, supplies, facilities, materials, equipment

158 and professional services shall be followed, and provided further, that
159 in the acquisition by the authority of real estate involving the use of
160 appropriated funds or bonds supported by the full faith and credit of
161 the state, the authority shall be subject to the provisions of section 4b-
162 23; (24) to accept from the department: (A) Financial assistance, (B)
163 revenues or the right to receive revenues with respect to any program
164 under the supervision of the department, and (C) loan assets or equity
165 interests in connection with any program under the supervision of the
166 department; to make advances to and reimburse the department for
167 any expenses incurred or to be incurred by it in the delivery of such
168 assistance, revenues, rights, assets or amounts; to enter into
169 agreements for the delivery of services by the authority, in
170 consultation with the department, the Connecticut Housing Finance
171 Authority and Connecticut Innovations, Incorporated, to third parties
172 which agreements may include provisions for payment by the
173 department to the authority for the delivery of such services; and to
174 enter into agreements with the department or with the Connecticut
175 Housing Finance Authority or Connecticut Innovations, Incorporated
176 for the sharing of assistants, agents and other consultants,
177 professionals and employees, and facilities and other real and personal
178 property used in the conduct of the authority's affairs; and (25) to
179 transfer to the department: (A) Financial assistance, (B) revenues or the
180 right to receive revenues with respect to any program under the
181 supervision of the authority, and (C) loan assets or equity interests in
182 connection with any program under the supervision of the authority,
183 provided the transfer of such financial assistance, revenues, rights,
184 assets or interests is determined by the authority to be practicable,
185 within the constraints and not inconsistent with the fiduciary
186 obligations of the authority imposed upon or established upon the
187 authority by any provision of the general statutes, the authority's bond
188 resolutions or any other agreement or contract of the authority and to
189 have no adverse effect on the tax-exempt status of any bonds of the
190 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

FIN *Joint Favorable Subst.*