



Substitute Senate Bill No. 108

Public Act No. 10-147

**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:

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 Subsection (s) of section 32-23d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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 Section 32-23e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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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 member, as to the expediency and advisability of the economic development project; (5) sell or lease to any person, all or any portion of a project, purchase from eligible financial institutions mortgages

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with respect to economic development projects, purchase or repurchase its own bonds, and sell, pledge or assign to any person any such bonds, mortgages, or other loans, notes, revenues or assets of the authority, or any interest therein, for such consideration and upon such terms as the authority may determine to be reasonable; (6) mortgage or otherwise encumber all or any portion of a project whenever it shall find such action to be in furtherance of the purposes of said chapters and sections; (7) enter into agreements with any person, including prospective mortgagees and mortgagors, for the purpose of planning, designing, constructing, acquiring, altering and financing projects, providing liquidity or a secondary market for mortgages or other financial obligations incurred with respect to facilities which would qualify as a project under this chapter, purchasing loans made by regional corporations under section 32-276, or for any other purpose in furtherance of any other power of the authority; (8) grant options to purchase or renew a lease for any of its projects on such terms as the authority may determine to be reasonable; (9) employ or retain attorneys, accountants and architectural, engineering and financial consultants and such other employees and agents and to fix their compensation and to employ the Connecticut Development Credit Corporation on a cost basis as it shall deem necessary to assist it in carrying out the purposes of said authority legislation; (10) 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 said authority legislation, with the terms and conditions thereof; (11) accept from a federal agency loans, [or] grants [for use in carrying out its purpose,] or loan guarantees or otherwise participate in any loan, grant, loan guarantee or other financing or economic or project development program of a federal agency in furtherance of, and consistent with, the purposes of the authority, and enter into agreements with such agency respecting any such loans, [or] grants, loan guarantees or federal agency programs; (12) provide tenant lease guarantees and performance guarantees,

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invest in, extend credit or make loans to any person for the planning, designing, financing, acquiring, constructing, reconstructing, improving, expanding, continuing in operation, equipping and furnishing of a project and for the refinancing of existing indebtedness with respect to any facility or part thereof which would qualify as a project in order to facilitate substantial improvements thereto, which guarantees, investments, credits or loans may be secured by loan agreements, lease agreements, installment sale agreements, mortgages, contracts and all other instruments or fees and charges, upon such terms and conditions as the authority shall determine to be reasonable in connection with such loans, including provision for the establishment and maintenance of reserve and insurance funds and in the exercise of powers granted in this section in connection with a project for such person, to require the inclusion in any contract, loan agreement or other instrument, such provisions for the construction, use, operation and maintenance and financing of a project as the authority may deem necessary or desirable; (13) in connection with any application for assistance under said authority legislation, or commitments therefor, to make and collect such fees and charges as the authority shall determine to be reasonable; (14) adopt procedures, in accordance with the provisions of section 1-121, to carry out the provisions of said authority legislation, which may give priority to applications for financial assistance based upon the extent the project will materially contribute to the economic base of the state by creating or retaining jobs, providing increased wages or benefits to employees, promoting the export of products or services beyond the boundaries of the state, encouraging innovation in products or services, encouraging defense-dependent business to diversify to nondefense production, promoting standards of participation adopted by the Connecticut partnership compact pursuant to section 33-374g of the general statutes, revision of 1958, revised to 1991, or will otherwise enhance existing activities that are important to the economic base of the state, provided regulation-making proceedings commenced before January

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1, 1989, shall be governed by sections 4-166 to 4-174, inclusive; (15) adopt an official seal and alter the same at pleasure; (16) maintain an office at such place or places within the state as it may designate; (17) sue and be sued in its own name and plead and be impleaded, service of process in any action to be made by service upon the executive director of said authority either in hand or by leaving a copy of the process at the office of the authority with some person having charge thereof; (18) employ such assistants, agents and other employees as may be necessary or desirable for its purposes, which employees shall be exempt from the classified service and shall not be employees as defined in subsection (b) of section 5-270; 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 and the authority shall not be an employer as defined in subsection (a) of section 5-270; contract for and engage appraisers of industrial machinery and equipment, consultants and property management services, and utilize the services of other governmental agencies; (19) when it becomes necessary or feasible for the authority to safeguard itself from losses, acquire, purchase, manage and operate, hold and dispose of real and personal property, take assignments of rentals and leases and make and enter into all contracts, leases, agreements and arrangements necessary or incidental to the performance of its duties; (20) in order to further the purposes of said authority legislation, or to assure the payment of the principal and interest on bonds or notes of the authority or to safeguard the mortgage insurance fund, purchase, acquire and take assignments of notes, mortgages and other forms of security and evidences of indebtedness, purchase, acquire, attach, seize, accept or take title to any project by conveyance or, by foreclosure, and sell, lease or rent any project for a use specified in said chapters and sections or in said chapter 579; (21) adopt rules for the conduct of its business; (22) invest any funds not needed for immediate use or disbursement, including any funds held in reserve, in

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obligations issued or guaranteed by the United States of America or the state of Connecticut and in other obligations which are legal investments for savings banks in this state; (23) do, or delegate, any and all things necessary or convenient to carry out the purposes and to exercise the powers given and granted in said authority legislation; provided, in all matters concerning the internal administrative 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 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

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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.

Approved June 8, 2010