



General Assembly

Amendment

February Session, 2010

LCO No. 3980

SB0000103980SR0

Offered by:

SEN. MCKINNEY, 28th Dist.

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To: Subst. Senate Bill No. 1

File No. 592

Cal. No. 423

**"AN ACT CONCERNING THE PRESERVATION AND CREATION OF
JOBS IN CONNECTICUT."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2010*) (a) As used in this section,
4 "qualified business" means a business employing one hundred or
5 fewer employees.

6 (b) Subject to the availability of funds, the Commissioner of
7 Economic and Community Development may establish a qualified
8 business assistance program to provide loans to qualified businesses.

9 (c) To implement the program established pursuant to subsection
10 (b) of this section, the commissioner may make or cause to be made
11 direct loans to any qualified business, provided the cumulative total of
12 outstanding loans (1) to any business at any time shall not exceed five

13 hundred thousand dollars, and (2) to all businesses at any time shall
14 not exceed twenty-five million dollars. The commissioner may enter
15 into participation agreements with the Connecticut Development
16 Authority, provided such agreements shall be limited to loans that
17 meet the requirements of this section.

18 (d) There is established an account to be known as the "qualified
19 business revolving loan account" which shall be a separate, nonlapsing
20 account within the General Fund. The account shall contain any
21 moneys required by law to be deposited in the account. Payments of
22 principal or interest on a loan made pursuant to this section shall be
23 paid to the State Treasurer for deposit in the qualified business
24 revolving loan account. Moneys in the account shall be expended by
25 the Commissioner of Economic and Community Development for the
26 purposes of the qualified business assistance program established
27 pursuant to this section, including reasonable and necessary expenses
28 incurred in administering loans under this section.

29 (e) The commissioner shall adopt regulations in accordance with
30 chapter 54 of the general statutes to implement the provisions of this
31 section. Such regulations shall include, but need not be limited to,
32 eligibility criteria and terms and conditions for loans.

33 Sec. 2. (*Effective July 1, 2010*) (a) For the purposes described in
34 subsection (b) of this section, the State Bond Commission shall have
35 the power, from time to time, to authorize the issuance of bonds of the
36 state in one or more series and in principal amounts not exceeding in
37 the aggregate twenty-five million dollars.

38 (b) The proceeds of the sale of said bonds, to the extent of the
39 amount stated in subsection (a) of this section, shall be deposited in the
40 qualified business revolving loan account established by section 1 of
41 this act, and used by the Department of Economic and Community
42 Development for the purpose of the qualified business assistance
43 program established pursuant to section 1 of this act.

44 (c) All provisions of section 3-20 of the general statutes, or the

45 exercise of any right or power granted thereby, which are not
46 inconsistent with the provisions of this section are hereby adopted and
47 shall apply to all bonds authorized by the State Bond Commission
48 pursuant to this section, and temporary notes in anticipation of the
49 money to be derived from the sale of any such bonds so authorized
50 may be issued in accordance with said section 3-20 and from time to
51 time renewed. Such bonds shall mature at such time or times not
52 exceeding twenty years from their respective dates as may be provided
53 in or pursuant to the resolution or resolutions of the State Bond
54 Commission authorizing such bonds. None of said bonds shall be
55 authorized except upon a finding by the State Bond Commission that
56 there has been filed with it a request for such authorization which is
57 signed by or on behalf of the Secretary of the Office of Policy and
58 Management and states such terms and conditions as said commission,
59 in its discretion, may require. Said bonds issued pursuant to this
60 section shall be general obligations of the state and the full faith and
61 credit of the state of Connecticut are pledged for the payment of the
62 principal of and interest on said bonds as the same become due, and
63 accordingly and as part of the contract of the state with the holders of
64 said bonds, appropriation of all amounts necessary for punctual
65 payment of such principal and interest is hereby made, and the State
66 Treasurer shall pay such principal and interest as the same become
67 due.

68 Sec. 3. (*Effective from passage*) The Secretary of the Office of Policy
69 and Management, in consultation with the State Treasurer, shall, on or
70 before October 1, 2010, and annually thereafter, submit a report, in
71 accordance with section 11-4a of the general statutes, to the joint
72 standing committee of the General Assembly having cognizance of
73 matters relating to finance, revenue and bonding. Such report shall (1)
74 identify each item of authorization for general obligation bonds of the
75 state that was enacted prior to January first in the year five years prior
76 to the year of the report, and that has not appeared on an agenda of the
77 State Bond Commission, and (2) recommend cancellation of such
78 items, where prudent and appropriate. Prior to January 1, 2010, and

79 annually thereafter, said joint standing committee shall meet to
80 consider the recommendations included in such report.

81 Sec. 4. (*Effective from passage*) The chairpersons and ranking
82 members of the joint standing committee of the General Assembly
83 having cognizance of matters relating to finance, revenue and capital
84 bonding shall, in consultation with the president pro tempore of the
85 Senate, the speaker of the House of Representatives, and the minority
86 leaders of the Senate and House of Representatives, develop criteria to
87 be considered prior to the inclusion of any item in a general obligation
88 bond authorization. Such criteria may include, but need not be limited
89 to, an item's (1) promotion of job growth and economic development,
90 (2) impact on certain critical state services in the areas of public safety,
91 transportation, public health and technology, (3) impact on alternative
92 energy sources, including fuel cell technology, (4) contribution to
93 government efficiency, and (5) relative importance, when compared to
94 other items being considered.

95 Sec. 5. (NEW) (*Effective October 1, 2010*) (a) As used in this section:

96 (1) "Jobs" means permanent, full-time equivalent positions, not
97 including construction jobs;

98 (2) "Commissioner" means the Commissioner of Economic and
99 Community Development;

100 (3) "Permit applications" means applications for state permits and
101 licenses; and

102 (4) "Permit ombudsman" means the office of the permit ombudsman
103 established within the Department of Economic and Community
104 Development under this section.

105 (b) (1) The commissioner shall establish an office of the permit
106 ombudsman for the purpose of expediting review of permit
107 applications for projects that would (A) create at least one hundred
108 jobs, (B) create fifty jobs, if such project is to be located in an enterprise

109 zone designated pursuant to section 32-70 of the general statutes, (C)
110 include not less than one hundred residential units of affordable or
111 work force housing that is compatible with the state's responsible
112 growth initiatives, (D) be located in a brownfield, as defined in section
113 32-9cc of the general statutes, (E) be compatible with the state's
114 responsible growth initiatives, or (F) meet the criteria set forth in
115 subdivision (2) of this subsection. Projects ineligible for review under
116 this section are projects for which the primary purpose is to (i) effect
117 the final disposal of solid waste, biomedical waste or hazardous waste
118 in this state, (ii) produce electrical power, unless the production of
119 electricity is incidental and not the primary function of the project, (iii)
120 extract natural resources, (iv) produce oil, or (v) construct, maintain or
121 operate an oil, petroleum, natural gas or sewage pipeline.

122 (2) Notwithstanding the provisions of subdivision (1) of this
123 subsection, the commissioner may, upon consideration of the
124 economic impact factors of the project that include, but are not limited
125 to: (A) The proposed wage and skill levels relative to those existing in
126 the area in which the project may be located, (B) the project's potential
127 to diversify and strengthen the state and local economy, (C) the
128 amount of capital investment, and (D) in the judgment of the
129 commissioner, after consultation with the departments of
130 Environmental Protection, Transportation and Public Health that there
131 is consistency with the strategic economic Development priorities of
132 the state and the municipality, deem projects eligible for expedited
133 permitting pursuant to this section.

134 (c) Within available appropriations, the Departments of
135 Environmental Protection, Transportation and Public Health shall each
136 designate through existing resources one or more staff members to act
137 as a business ombudsmen and a liaison between their offices and the
138 permit ombudsmen. The Commissioners of Economic and Community
139 Development, Environmental Protection, Transportation and Public
140 Health shall enter into a memorandum of understanding concerning
141 each entity's responsibilities with respect to the permit ombudsmen
142 and the process for expediting eligible permit applications.

143 (d) The memorandum of understanding may provide for the waiver
144 or modification of procedural rules prescribing forms, fees, procedures
145 or time limits for the review or processing of permit applications under
146 the jurisdiction of those agencies. Notwithstanding any other provision
147 of the general statutes, to the extent feasible, the memorandum of
148 understanding shall provide for proceedings and hearings otherwise
149 held separately by the parties to be combined into one proceeding or
150 held jointly and at one location. Such waivers or modifications shall
151 not be available for permit applications governed by federally
152 delegated or approved permitting programs, the requirements of
153 which would prohibit, or be inconsistent with, such waivers or
154 modifications.

155 (e) The permit ombudsman may develop and recruit two volunteers
156 from the private sector, including a person from a state-wide business
157 association and one from an association representing small businesses.
158 Said volunteers may assist the permit ombudsman in developing the
159 guidelines established pursuant to subsection (f) of this section.

160 (f) The permit ombudsman, subject to the approval of the
161 Commissioner of Economic and Community Development, shall
162 establish, pursuant to subsection (c) of this section, guidelines to be
163 used in working with state permitting authorities to implement the
164 provisions of this section. Guidelines may include, but are not limited
165 to, the following: (1) An agency contact point for filing permit
166 applications and for obtaining information on permit requirements; (2)
167 identification of the individual or individuals within each respective
168 agency who shall be responsible for processing the expedited permit
169 application; (3) a mandatory preapplication review process to reduce
170 permitting conflicts by providing guidance to applicants on (A) the
171 permits needed from each agency, (B) specifications for site planning
172 and development, site suitability and limitations and facility design,
173 and (C) steps the applicant can take to ensure expeditious permit
174 application and local comprehensive plan amendment review; (4) a
175 single, coordinated project description form and checklist and an
176 agreement by state agencies to reduce the necessity that an applicant

177 provide duplicate information to multiple agencies; and (5) an
178 application fee structure for permit expedition.

179 (g) The permit ombudsman, at the request of the Commissioner of
180 Economic and Community Development, may call upon any other
181 department, board, commission or other agency of the state to assist in
182 providing information and assistance as said permit ombudsman
183 determines necessary to expedite its duties and responsibilities. Each
184 officer or employee of such office, department, board, commission or
185 other agency of the state shall make reasonable efforts to cooperate
186 with the permit ombudsman.

187 (h) The expedited permitting process established pursuant to this
188 section shall not modify, qualify or otherwise alter existing agency
189 nonprocedural standards for permit applications, unless expressly
190 authorized by law. If it is determined that the applicant is not eligible
191 to use this process, the applicant may apply for permitting of the
192 project through the normal permitting processes.

193 Sec. 6. (NEW) (*Effective July 1, 2010*) (a) Beginning with the regular
194 session of the General Assembly commencing on January 5, 2011, an
195 employment impact statement shall be prepared with respect to certain
196 bills and amendments that could, if passed, increase or decrease the
197 level of employment in this state.

198 (b) Not later than January 1, 2011, the joint standing committees of
199 the General Assembly on commerce and finance, revenue and bonding
200 shall make recommendations for a provision to be included in the joint
201 rules of the House of Representatives and the Senate concerning the
202 procedure for the preparation of such employment impact statements,
203 the content of such statements and the types of bills and amendments
204 with respect to which such statements should be prepared.

205 Sec. 7. Section 12-217ii of the general statutes is repealed and the
206 following is substituted in lieu thereof (*Effective July 1, 2010, and*
207 *applicable to income or taxable years, as applicable, commencing on or after*
208 *January 1, 2010*):

209 (a) As used in this section:

210 (1) "Commissioner" means the Commissioner of Economic and
211 Community Development;

212 (2) "Income year" means, with respect to entities subject to the
213 insurance premiums tax under chapter 207, the corporation business
214 tax under this chapter or the [utilities company] utility companies tax
215 under chapter 212, the income year as determined under each of said
216 chapters, as the case may be, or with respect to the partners or
217 members of affected business entities, the taxable year as determined
218 under chapter 229;

219 (3) "Taxpayer" means a person subject to tax under chapter 207, this
220 chapter or chapter 212, or an affected business entity, as defined in
221 section 12-284b, the partners or members of which are subject to tax
222 under chapter 229;

223 (4) ["New] "Net new job" means a full-time job which [(A) did not
224 exist in this state prior to a taxpayer's application to the commissioner
225 for an eligibility certificate under this section for a job creation credit,
226 and (B)] is newly-created by the taxpayer and is filled by a new
227 employee;

228 (5) "New employee" means a [person] state resident hired by the
229 taxpayer to fill a new full-time job in Connecticut. A new employee
230 does not include a person who was employed in Connecticut by a
231 related person with respect to the taxpayer during the prior twelve
232 months;

233 (6) "Full-time job" means a job in which an employee is required to
234 work at least thirty-five or more hours per week. A full-time job does
235 not include a temporary or seasonal job;

236 (7) "Related person" means (A) a corporation, limited liability
237 company, partnership, association or trust controlled by the taxpayer,
238 (B) an individual, corporation, limited liability company, partnership,

239 association or trust that is in control of the taxpayer, (C) a corporation,
240 limited liability company, partnership, association or trust controlled
241 by an individual, corporation, limited liability company, partnership,
242 association or trust that is in control of the taxpayer, or (D) a member
243 of the same controlled group as the taxpayer; and

244 (8) "Control", with respect to a corporation, means ownership,
245 directly or indirectly, of stock possessing fifty per cent or more of the
246 total combined voting power of all classes of the stock of such
247 corporation entitled to vote. "Control", with respect to a trust, means
248 ownership, directly or indirectly, of fifty per cent or more of the
249 beneficial interest in the principal or income of such trust. The
250 ownership of stock in a corporation, of a capital or profits interest in a
251 partnership, limited liability company or association or of a beneficial
252 interest in a trust shall be determined in accordance with the rules for
253 constructive ownership of stock provided in Section 267(c) of the
254 Internal Revenue Code of 1986, or any subsequent corresponding
255 internal revenue code of the United States, as from time to time
256 amended, other than paragraph (3) of said Section 267(c).

257 (b) (1) There is established a jobs creation tax credit program
258 whereby a taxpayer who creates [at least ten new jobs in Connecticut]
259 a net new job may be allowed a credit against the tax imposed under
260 chapter 207, this chapter, [or] chapter 212 [, in an amount up to sixty
261 per cent of the income tax deducted and withheld from the wages of
262 new employees and paid over to the state pursuant to chapter 229] or
263 chapter 229, provided the new employee hired for such net new job
264 was, at the time of hiring, receiving benefits pursuant to chapter 567 or
265 had exhausted all such benefits and was not currently working in a
266 full-time job. The amount of such credit shall be in an amount equal to
267 four hundred dollars per month that each new employee remains in
268 the net new job. For each new employee, credits may be granted for
269 thirty-six successive months.

270 [(2) For each new employee, credits may be granted for five
271 successive years.]

272 [(3)] (2) The credit shall be claimed in the income year in which it is
273 earned. Any credits not used in [a tax] an income year shall expire.

274 (c) Any taxpayer planning to create one or more net new jobs and
275 claim a credit under the provisions of this section shall apply to the
276 commissioner in accordance with the provisions of this section. The
277 application shall be on a form provided by the commissioner, and shall
278 contain sufficient information concerning the number of net new jobs
279 to be created, feasibility studies or business plans for the increased
280 number of jobs, projected state and local revenue that might derive as
281 a result of the job growth and other information necessary to
282 demonstrate that there will be net benefits to the economy of the
283 municipality and the state. The commissioner shall impose a fee for
284 such application as the commissioner deems appropriate. The
285 commissioner shall consider applications and approve tax credits to
286 taxpayers in the order in which such applications are received.

287 (d) The commissioner shall determine whether (1) the taxpayer
288 making the application is eligible for the tax credit, (2) the new
289 employee was receiving benefits pursuant to chapter 567 or had
290 exhausted such benefits and was not currently working in a full-time
291 job, and [(2)] (3) the proposed job growth (A) is economically viable
292 only with use of the tax credit, (B) would provide a net benefit to
293 economic development and employment opportunities in the state,
294 and (C) conforms to the state plan of conservation and development
295 prepared pursuant to section 16a-24. The commissioner may require
296 the applicant to submit such additional information as may be
297 necessary to evaluate the application.

298 (e) (1) The commissioner, upon consideration of the application and
299 any additional information the commissioner requires concerning the
300 job growth, may approve the credit application, in whole or in part, if
301 the commissioner concludes that the increase in the number of jobs is
302 economically viable only with the use of the tax credit and that the
303 revenue generated due to economic development and employment
304 opportunities created in the state exceeds the credit and any other

305 credits to be taken. If the commissioner disapproves an application, the
306 commissioner shall specifically identify the defects in the application
307 and specifically explain the reasons for the disapproval. The
308 commissioner shall render a decision on an application not later than
309 ninety days after the date of its receipt by the commissioner.

310 (2) The total amount of credits granted to all taxpayers shall not
311 exceed [ten million] seventeen million five hundred thousand dollars
312 in any one fiscal year. No new tax credits may be allowed pursuant to
313 this section in any one fiscal year once the seventeen-million-five-
314 hundred-thousand-dollar limit is reached.

315 (3) [A credit under this section may be granted to a taxpayer for not
316 more than five successive income years.] No new tax credits shall be
317 allowed pursuant to this section after December 31, 2013.

318 (4) The commissioner may combine approval of a credit application
319 with the exercise of any of the commissioner's other powers, including,
320 but not limited to, the provision of other forms of financial assistance.

321 (f) Upon approving a taxpayer's credit application, the
322 commissioner shall issue a credit allocation notice certifying that the
323 credits will be available to be claimed by the taxpayer if the taxpayer
324 otherwise meets the requirements of this section. No later than thirty
325 days after the close of the taxpayer's income year, the taxpayer shall
326 provide information to the commissioner regarding the number of net
327 new jobs created for the year. [and the income tax deducted and
328 withheld from the wages of such new employees and paid over to the
329 state for such year.] The commissioner shall issue a certificate of
330 eligibility that includes the taxpayer's name, the number of net new
331 jobs created, and the amount of the credit certified for the year. The
332 certificate shall be issued by the commissioner sixty days after the
333 close of the taxpayer's income year or thirty days after the information
334 is provided, whichever comes first.

335 (g) The commissioner shall, upon request, provide a copy of the
336 certificate of eligibility issued under subsection (f) of this section to the

337 Commissioner of Revenue Services.

338 [(h) (1) If (A) the number of new employees on account of which a
 339 taxpayer claimed the credit allowed by this section decreases to less
 340 than the number for which the commissioner issued an eligibility
 341 certificate during any of the four years succeeding the first full income
 342 year following the issuance of an eligibility certificate, and (B) those
 343 employees are not replaced by other employees who have not been
 344 shifted from an existing location of the taxpayer or a related person in
 345 this state, the taxpayer shall be required to recapture a percentage of
 346 the credit allowed under this section on its tax return, as determined
 347 under the provisions of subdivision (2) of this subsection. The
 348 commissioner shall provide notice of the required recapture amount to
 349 both the taxpayer and the Commissioner of Revenue Services.

350 (2) If the taxpayer is required under the provisions of subdivision
 351 (1) of this subsection to recapture a portion of the credit during (A) the
 352 first of such four years, then ninety per cent of the credit allowed shall
 353 be recaptured on the tax return required to be filed for such year, (B)
 354 the second of such four years, then sixty-five per cent of the credit
 355 allowed for the entire period of eligibility shall be recaptured on the
 356 tax return required to be filed for such year, (C) the third of such four
 357 years, then fifty per cent of the credit allowed for the entire period of
 358 eligibility shall be recaptured on the tax return required to be filed for
 359 such year, (D) the fourth of such four years, then thirty per cent of the
 360 credit allowed for the entire period of eligibility shall be recaptured on
 361 the tax return required to be filed for such year.]

362 Sec. 8. Section 12-284b of the general statutes is repealed. (*Effective*
 363 *from passage and applicable to taxable years commencing on or after January*
 364 *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	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>October 1, 2010</i>	New section
Sec. 6	<i>July 1, 2010</i>	New section
Sec. 7	<i>July 1, 2010, and applicable to income or taxable years, as applicable, commencing on or after January 1, 2010</i>	12-217ii
Sec. 8	<i>from passage and applicable to taxable years commencing on or after January 1, 2010</i>	Repealer section