



**House Bill No. 6222**

**Public Act No. 11-104**

**AN ACT CONCERNING THE LEGISLATIVE COMMISSIONERS' RECOMMENDATIONS FOR TECHNICAL CORRECTIONS TO COMMERCE STATUTES.**

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

Section 1. Section 8-240p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

There is established a pilot microloan program for microenterprises under which the Commissioner of Economic and Community Development shall make grants to the Community Economic Development Fund or any other regional revolving loan programs within the state. Said fund shall use [said grant] such grants to support the growth and development of microenterprises.

Sec. 2. Subsection (c) of section 12-81r of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(c) A municipality shall notify the Commissioner of Environmental Protection, the Commissioner of Economic and Community Development and the Secretary of the Office of Policy and Management not later than thirty days after granting any abatement or forgiveness of taxes or any fixed assessment under subsection (a) of

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this section. Such notice shall provide the [owner] owner's or purchaser's name, as the case may be, and the address of the property.

Sec. 3. Section 13b-20o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Notwithstanding any provision of the general statutes, the Department of Transportation may set aside any contract or portions thereof, or require any general or trade contractor or any other entity authorized by the department to award contracts to set aside a portion of any contract for contractors or subcontractors that had gross revenues not exceeding three million dollars in the most recently completed fiscal year prior to the contract award. Nothing in this [subsection] section shall be construed to diminish the total value of contracts that are required to be set aside by the department pursuant to section 4a-60g.

Sec. 4. Subsection (d) of section 32-9yy of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) There is established an account to be known as the "small business assistance account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. [Repayment of principal and interest on loans shall be credited to such fund and shall become part of the assets of the fund. Any balance remaining in such account at the end of any fiscal year shall be carried forward in the fund for the fiscal year next succeeding.] All moneys received in consideration of financial assistance, including payments of principal and interest on any loans, shall be credited to the account. Moneys in the account shall be expended by the Department of Economic and Community Development for the purposes of the small business assistance program established pursuant to subsection (b) of this

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section.

Sec. 5. Section 32-56 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) In view of the contemplated reduction in defense expenditures by the federal government and the fact that Connecticut ranks first in the nation on a per capita basis in defense contracts awarded, the department shall engage special agent technologists who shall take steps to assist [medium] medium-sized and small manufacturers to find solutions for the problems related to defense conversion and in executing adaptation to new technologies. Such assistance shall be made available to medium-sized and small companies which lack sufficient resources to keep abreast of new technologies in fields allied to their own or in entering new markets not oriented to defense production.

(b) It is found and declared that Connecticut ranks very high among the states on a per capita basis in the amounts of prime defense contracts awarded; that the economies of many areas in the state and the employment opportunities offered by many businesses in the state are heavily defense-dependent and would suffer severe adverse impacts in the event of prime defense contract cutbacks or major aerospace or defense plant closures; that, in the event that defense-dependent areas or businesses in the state were severely impacted by a prime defense contract cutback or major aerospace or defense plant closure, there would be a serious need for non-defense-related industrial and commercial development and activity in such areas or by such businesses to provide and maintain employment and tax revenues; that private and public capital investment in the construction, renovation, and expansion of nondefense manufacturing and other industrial facilities will best contribute to maintaining employment and the existing tax base and to the development of a wider-based and more balanced economy in the state; and that the tax

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and other financial incentives provided by this section to encourage such public and private investment in businesses and municipalities severely impacted by prime defense contract cutbacks or major aerospace or defense plant closure, are important and necessary applications of the resources of the state in the exercise of its responsibility to preserve the health, safety and general welfare in the state of its people; and therefore the necessity, in the public interest and for the public benefit and good, of the provisions of this section is hereby declared as a matter of legislative determination.

(c) The [commissioner] Commissioner of Economic and Community Development may determine that the economy of a municipality has been severely impacted by a prime defense contract cutback or the closure of a major aerospace or defense plant [closure] with not less than eight hundred employees. The commissioner shall make such a determination only after a public hearing, at which hearing information shall be submitted to support the findings required by this section.

(d) (1) In determining that a municipality has been severely impacted by a prime defense contract cutback or the closure of a major aerospace or defense plant [closure] with not less than eight hundred employees, the commissioner shall find that (A) one or more businesses in the municipality has experienced a cancellation of one or more prime defense contracts [or major aerospace or defense plant closure with not less than eight hundred employees, or subcontracts entered into in connection with prime defense contracts,] or a significant reduction in prime defense contract or related subcontract awards or orders, or the closure of a major aerospace or defense plant with not less than eight hundred employees; (B) such prime defense contract cutback or major aerospace or defense plant closure has caused or will cause a loss of employment opportunities in the municipality; (C) such prime defense contract cutback or major

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aerospace or defense plant closure [cutback] has caused or will cause a severe adverse impact in the municipality. In making such findings the commissioner may consider the extent to which the businesses in the municipality are, or were at the period in time before the prime defense contract cutback or major aerospace or defense plant closure occurred, dependent on prime defense contracts or on subcontracts related to such prime defense contracts or on the major aerospace or defense plant; [closures;] the extent to which one or more prime defense contractors in the municipality has or plans to reduce its work force or the amount of defense subcontract awards or orders which would be performed by businesses in the municipality; the extent to which the unemployed in the municipality are or were defense workers with specialized skills not easily transferable to other industries; the existence of abandoned or underutilized defense-related manufacturing facilities in the municipality; and any other factors which the commissioner deems relevant to such finding.

(2) The commissioner's determination that a municipality is severely impacted by a prime defense contract cutback or major aerospace or defense plant closure shall be effective for two years from the date of the decision of the commissioner. The commissioner may renew such determination for two additional two-year periods following a public hearing and upon making the findings required by this subsection. Notwithstanding the provisions of this subdivision, if (A) a military installation of the United States Department of Defense at which military vehicle engines were produced is located in any such municipality, (B) the military installation is closed pursuant to 10 USC 2687, and (C) the Department of Defense plans to convey the site of said installation to said municipality, the determination by the commissioner that the municipality is severely impacted by a prime defense contract cutback or major aerospace or defense plant closure shall remain effective until such conveyance and any environmental remediation of the site are completed or until such time as the plant

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has been reoccupied by another business, and such determination may be renewed for a period not exceeding two years.

(e) Any business facility located in a municipality declared by the commissioner to be severely impacted by a prime defense contract cutback or major aerospace or defense plant closure pursuant to subsection (c) of this section, which facility would be a "manufacturing facility", as defined in subsection (d) of section 32-9p, but for the fact that the facility is not in a "distressed municipality", as defined in subsection (b) of section 32-9p, will be deemed a manufacturing facility for the purposes of sections 32-9p to 32-9s, inclusive, section 12-217e, and subdivisions (59) and (60) of section 12-81, if the purpose of the construction, expansion, renovation or acquisition of such facility is not dependent on prime defense contracts or related subcontracts. The provisions of this section shall apply to a business facility located in a building that was vacant on July 1, 1998, and was formerly used for defense manufacturing or as a major aerospace or defense plant.

(f) Any municipality declared by the commissioner to be severely impacted by a prime defense contract cutback or major aerospace or defense plant closure will be deemed a distressed municipality under sections 8-190 and 8-195 for the purpose of assisting non-defense-dependent projects.

Sec. 6. Subdivision (4) of subsection (b) of section 38a-88a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(4) The credit allowed by this [section] subsection may be claimed only with respect to a subject insurance business which (A) occupies the new facility for which an eligibility certificate has been issued by the commissioner and with respect to which the certification required under subdivision (6) of this subsection has been issued as its home office, and (B) employs not less than twenty-five per cent of its total

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work force in new jobs.

Sec. 7. Subdivision (3) of subsection (c) of section 38a-88a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(3) On or before July 1, 2010, the Commissioner of Economic and Community Development shall begin to accept applications for certification as an insurance reinvestment fund and for allocations of tax credits under this subsection. Applications shall include: (A) The amount of eligible capital the applicant will raise; (B) a nonrefundable application fee of seven thousand five hundred dollars; (C) evidence of satisfaction of the requirements of the definition of "insurance reinvestment fund" pursuant to subparagraph (F) of subdivision (1) of this subsection; (D) an affidavit by each taxpayer committing an investment of eligible capital; (E) a business plan detailing (i) the approximate percentage of eligible capital the applicant will invest in eligible businesses by the third, fifth, seventh and ninth anniversaries of its allocation date, (ii) the industry segments listed by the North American Industrial Classification System code and percentage of eligible capital in which the applicant will invest, (iii) the number of jobs that will be created or retained as a result of the [applicants] applicant's investments once all eligible capital has been invested, (iv) the percentage of eligible capital to be invested in eligible businesses primarily engaged in conducting research and development or manufacturing, processing or assembling technology-based products; and (v) a revenue impact assessment demonstrating that the applicant's business plan has a revenue neutral or positive impact on the state; (F) a commitment to invest at least twenty-five per cent of its eligible capital in green technology businesses; and (G) a commitment to invest by the third anniversary of its allocation date, three per cent of its eligible capital in preseed investments in consultation with Connecticut Innovations, Incorporated, pursuant to the corporation's

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program for preseed financing established pursuant to section 32-41x. The commissioner may require the applicant to obtain a revenue impact assessment conducted by an independent third party.

Approved July 8, 2011