



General Assembly

January Session, 2011

**Raised Bill No. 926**

LCO No. 3079

\*03079\_\_\_\_\_CE\_\*

Referred to Committee on Commerce

Introduced by:

(CE)

***AN ACT REQUIRING STATE ECONOMIC DEVELOPMENT ENTITIES TO MAKE COMPLETE DISCLOSURE OF THE NAMES OF BUSINESS ENTITIES RECEIVING FINANCIAL ASSISTANCE.***

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

1 Section 1. Subsection (c) of section 32-11a of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (c) The board of directors of the authority shall consist of the  
5 Commissioner of Economic and Community Development, the State  
6 Treasurer and the Secretary of the Office of Policy and Management,  
7 each serving ex officio, four members appointed by the Governor who  
8 shall be experienced in the field of financial lending or the  
9 development of commerce, trade and business and four members  
10 appointed as follows: One by the president pro tempore of the Senate,  
11 one by the minority leader of the Senate, one by the speaker of the  
12 House of Representatives and one by the minority leader of the House  
13 of Representatives. Each ex-officio member may designate a deputy or  
14 any member of the agency staff to represent the member at meetings of  
15 the authority with full powers to act and vote on the member's behalf.

16 The chairperson of the board shall be appointed by the Governor, with  
17 the advice and consent of both houses of the General Assembly. The  
18 board shall annually elect one of its members as vice chairperson. Each  
19 member appointed by the Governor shall serve at the pleasure of the  
20 Governor but no longer than the term of office of the Governor or until  
21 the member's successor is appointed and qualified, whichever is  
22 longer. Each member appointed by a member of the General Assembly  
23 shall serve in accordance with the provisions of section 4-1a. Members  
24 shall receive no compensation but shall be reimbursed for necessary  
25 expenses incurred in the performance of their duties under the  
26 authority legislation, as defined in subsection (hh) of section 32-23d.  
27 The Governor shall fill any vacancy for the unexpired term of a  
28 member appointed by the Governor. The appropriate legislative  
29 appointing authority shall fill any vacancy for the unexpired term of a  
30 member appointed by such authority. A member of the board shall be  
31 eligible for reappointment. Any member of the board may be removed  
32 by the Governor for misfeasance, malfeasance or wilful neglect of  
33 duty. Each member of the authority before entering upon his or her  
34 duties shall take and subscribe the oath or affirmation required by  
35 article XI, section 1, of the State Constitution. A record of each such  
36 oath shall be filed in the office of the Secretary of the State. Meetings of  
37 the board shall be held at such times as shall be specified in the bylaws  
38 adopted by the board and at such other time or times as the  
39 chairperson deems necessary. The board is empowered to adopt  
40 bylaws and regulations for putting into effect the provisions of said  
41 chapters and sections. Not later than November first, annually, the  
42 authority shall submit a report to the Commissioner of Economic and  
43 Community Development, the Auditors of Public Accounts and the  
44 joint standing committees of the General Assembly having cognizance  
45 of matters relating to the Department of Economic and Community  
46 Development, appropriations and capital bonding, which shall include  
47 the following information with respect to new and outstanding  
48 financial assistance provided by the authority during the twelve-  
49 month period ending on June thirtieth next preceding the date of the

50 report for each financial assistance program administered by the  
51 authority: (1) A [list of the names, addresses and locations of all  
52 recipients of such assistance, (2) for each recipient] listing by name,  
53 address and location for each recipient of such assistance of: (A) The  
54 business activities, (B) the Standard Industrial Classification Manual  
55 codes, (C) the gross revenues during the recipient's most recent fiscal  
56 year, (D) the number of employees at the time of application, (E)  
57 whether the recipient is a minority or woman-owned business, (F) a  
58 summary of the terms and conditions for the assistance, including the  
59 type and amount of state financial assistance, job creation or retention  
60 requirements, and anticipated wage rates, [and] (G) the amount of  
61 investments from private and other nonstate sources that have been  
62 leveraged by the assistance, [(3) the economic benefit criteria used in  
63 determining which applications have been approved or disapproved,  
64 and (4) for each recipient of assistance on or after July 1, 1991,] and (H)  
65 a comparison between the number of jobs to be created, the number of  
66 jobs to be retained and the average wage rates for each such category  
67 of jobs, as projected in the recipient's application, versus the actual  
68 number of jobs created, the actual number of jobs retained and the  
69 average wage rates for each such category; and (2) the economic  
70 benefit criteria used in determining which applications have been  
71 approved or disapproved. The report shall also indicate the actual  
72 number of full-time jobs and the actual number of part-time jobs in  
73 each such category and the benefit levels for each such subcategory. In  
74 addition, the report shall state (A) for each final application approved  
75 during the twelve-month period covered by the report, (i) the date that  
76 the final application was received by the authority, and (ii) the date of  
77 such approval; (B) for each final application withdrawn during the  
78 twelve-month period covered by the report, (i) the municipality in  
79 which the applicant is located, (ii) the Standard Industrial  
80 Classification Manual code for the applicant, (iii) the date that the final  
81 application was received by the authority, and (iv) the date of such  
82 withdrawal; (C) for each final application disapproved during the  
83 twelve-month period covered by the report, (i) the municipality in

84 which the applicant is located, (ii) the Standard Industrial  
85 Classification Manual code for the applicant, (iii) the date that the final  
86 application was received by the authority, and (iv) the date of such  
87 disapproval; and (D) for each final application on which no action has  
88 been taken by the applicant or the agency in the twelve-month period  
89 covered by the report and for which no report has been submitted  
90 under this subsection, (i) the municipality in which the applicant is  
91 located, (ii) the Standard Industrial Classification Manual code for the  
92 applicant, and (iii) the date that the final application was received by  
93 the authority. The November first report shall include a summary of  
94 the activities of the authority, including all activities to assist small  
95 businesses and minority business enterprises, as defined in section 4a-  
96 60g, a complete operating and financial statement and  
97 recommendations for legislation to promote the purposes of the  
98 authority. The authority shall furnish such additional reports upon the  
99 written request of any such committee at such times and containing  
100 such information as the committee may request. The accounts of the  
101 authority shall be subject to annual audit by the state Auditors of  
102 Public Accounts. The authority may cause an audit of its books and  
103 accounts to be made at least once each fiscal year by certified public  
104 accountants. The powers of the authority shall be vested in and  
105 exercised by not less than six of the members of the board of directors  
106 then in office. Such number of members shall constitute a quorum and  
107 the affirmative vote of a majority of the members present at a meeting  
108 of the board shall be necessary for any action taken by the authority.  
109 No vacancy in the membership of the board shall impair the right to  
110 exercise all the rights and perform all the duties of the authority. Any  
111 action taken by the board under the provisions of said chapters and  
112 sections may be authorized by resolution at any regular or special  
113 meeting, and each such resolution shall take effect immediately and  
114 need not be published or posted. The authority shall be exempt from  
115 the provisions of section 4-9a.

116 Sec. 2. Section 32-47a of the general statutes is repealed and the  
117 following is substituted in lieu thereof (*Effective from passage*):

118 Not later than January first in each year, Connecticut Innovations,  
119 Incorporated shall submit a business plan containing a summary of its  
120 projected operations for the year to the joint standing committees of  
121 the General Assembly having cognizance of matters relating to the  
122 Department of Economic and Community Development,  
123 appropriations and capital bonding. Not later than November first,  
124 annually, the corporation shall submit a report to the Commissioner of  
125 Economic and Community Development, the Auditors of Public  
126 Accounts and said joint standing committees, which shall include the  
127 following information with respect to new and outstanding financial  
128 assistance provided by the corporation during the twelve-month  
129 period ending on June thirtieth next preceding the date of the report  
130 for each financial assistance program administered by the corporation:  
131 (1) A [list of the names, addresses and locations of all recipients of such  
132 assistance, (2) for each such recipient] listing by name, address and  
133 location for each recipient of such assistance of: (A) The business  
134 activities, (B) the Standard Industrial Classification Manual codes, (C)  
135 the gross revenues during the recipient's most recent fiscal year, if the  
136 recipient is an organization that makes such information public in the  
137 normal course of business, or, if the recipient does not make such  
138 information public in the normal course of business, the gross revenue  
139 information shall be provided for a recipient separately, using a  
140 system in which no recipient is listed by name but each is given a  
141 separate identity in a manner consistent with the provisions of  
142 subsection (c) of section 32-40, (D) the number of employees at the time  
143 of application, (E) whether the recipient is a minority or woman-  
144 owned business, (F) a summary of the terms and conditions for the  
145 assistance, including the type and amount of state financial assistance,  
146 job creation or retention requirements, and anticipated wage rates,  
147 [and] (G) the amount of investments from private and other nonstate  
148 sources that have been leveraged by the assistance, [(3) the economic  
149 benefit criteria used in determining which applications have been  
150 approved or disapproved, and (4) for each recipient of assistance on or  
151 after July 1, 1991,] and (H) a comparison between the number of jobs to

152 be created, the number of jobs to be retained and the average wage  
 153 rates for each such category of jobs, as projected in the recipient's  
 154 application, versus the actual number of jobs created, the actual  
 155 number of jobs retained and the average wage rates for each such  
 156 category; and (2) the economic benefit criteria used in determining  
 157 which applications have been approved or disapproved. The Governor  
 158 and the chairpersons and ranking members of the joint standing  
 159 committees of the General Assembly having cognizance of matters  
 160 relating to finance, revenue and bonding and commerce may, after a  
 161 request to Connecticut Innovations, Incorporated by any of said  
 162 persons, examine, in confidence, the detailed data, including the  
 163 specific revenue data for each identifiable business, submitted  
 164 pursuant to subparagraph (C) of subdivision (2) of this section. The  
 165 chairpersons and ranking members of said committees may disclose  
 166 such data to the members of said committees, who shall also keep such  
 167 data confidential. The report shall also indicate the actual number of  
 168 full-time jobs and the actual number of part-time jobs in each such  
 169 category and the benefit levels for each such subcategory. The  
 170 November first report shall include a summary of the activities of the  
 171 corporation, including all activities to assist small businesses and  
 172 minority business enterprises, as defined in section 4a-60g, a complete  
 173 operating and financial statement and recommendations for legislation  
 174 to promote the purposes of the corporation. The corporation shall  
 175 furnish such additional information upon the written request of any  
 176 such committee at such times as the committee may request.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	32-11a(c)
Sec. 2	<i>from passage</i>	32-47a

**Statement of Purpose:**

To require the Connecticut Development Authority and Connecticut Innovations, Incorporated, to identify all business entities they are providing with financial assistance.

*[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.]*