



# House of Representatives

General Assembly

**File No. 379**

February Session, 2012

Substitute House Bill No. 5018

*House of Representatives, April 12, 2012*

The Committee on Commerce reported through REP. BERGER of the 73rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING CONNECTICUT INNOVATIONS,  
INCORPORATED, AND THE CONNECTICUT DEVELOPMENT  
AUTHORITY.***

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

1 Section 1. (NEW) (*Effective from passage*) As used in sections 2 to 4,  
2 inclusive, of this act, "authority" means the Connecticut Development  
3 Authority established pursuant to section 32-11a of the general  
4 statutes, as amended by this act, and "corporation" means Connecticut  
5 Innovations, Incorporated, established pursuant to section 32-35 of the  
6 general statutes, as amended by this act.

7 Sec. 2. (NEW) (*Effective July 1, 2012*) (a) In accordance with the  
8 provisions of section 4-38d of the general statutes, which shall be  
9 deemed applicable to the transfers provided for herein, all powers and  
10 duties of the authority under the provisions of chapter 579 of the  
11 general statutes, and under any other provisions of the general statutes  
12 setting forth powers or duties of the authority, shall be transferred to  
13 the corporation. On and after the effective date of this section, the

14 Connecticut Brownfields Redevelopment Authority, a subsidiary of  
15 the authority created pursuant to subsection (l) of section 32-11a of the  
16 general statutes, shall be a subsidiary of the corporation.

17 (b) All notes, bonds or other obligations issued by the authority for  
18 the financing of any project or projects, including any general  
19 obligation bonds of the authority, shall be in accordance with their  
20 terms of full force and effect and valid and binding upon the  
21 corporation as the successor to the authority, and with respect to any  
22 resolution, contract, deed, trust agreement, mortgage, conditional sale  
23 or loan agreement, pledge, security arrangement, commitment,  
24 obligation or liability or other such document, public record, right,  
25 remedy, special act or public act, obligation, liability or responsibility  
26 pertaining thereto, the corporation shall be, and shall be deemed to be,  
27 the successor to the authority. All properties, rights in land, buildings  
28 and equipment and any funds, moneys, revenues and receipts or  
29 assets of such authority pledged or otherwise securing any such notes,  
30 bonds or other obligations shall belong to the corporation as successor  
31 to the authority, subject to such pledges and other security  
32 arrangements and to agreements with the holders of the outstanding  
33 notes, bonds or other obligations. Any resolution with respect to the  
34 issuance of bonds of the authority, and any other action taken by the  
35 authority with respect to assisting in the financing of any project shall  
36 be, or shall be deemed to be, a resolution of the corporation or an  
37 action taken by the corporation subject only to any agreements with  
38 the holders of outstanding notes, bonds or other obligations of such  
39 authority.

40 (c) To carry out the purposes of the authority as defined in  
41 subsection (t) of section 32-23d of the general statutes and the purposes  
42 of the corporation as set forth in section 32-39 of the general statutes, as  
43 amended by this act, the corporation shall have and may exercise all of  
44 the powers of the authority set forth in chapter 579 of the general  
45 statutes as of the effective date of this section and all of the powers of  
46 the corporation set forth in chapter 581 of the general statutes.

47 (d) Whenever the term "Connecticut Development Authority" is  
48 used or referred to in the general statutes, the term "Connecticut  
49 Innovations, Incorporated" shall be substituted in lieu thereof.

50 (e) The procedures of the authority, adopted pursuant to section 1-  
51 121 of the general statutes, shall remain in full force and effect with  
52 respect to any matter before the corporation.

53 (f) Nothing in this section shall be deemed to limit the powers  
54 exercised by the authority or the corporation before the effective date  
55 of this section.

56 Sec. 3. (NEW) (*Effective from passage*) (a) From the effective date of  
57 this section to July 1, 2012, the authority and the corporation may enter  
58 into any agreements, including agreements with third parties, that are  
59 necessary or convenient to facilitate the assignment to and assumption  
60 by the corporation of the rights and responsibilities of the authority  
61 pursuant to section 2 of this act, provided no consent of any third party  
62 and no instrument of assumption or assignment shall be required to  
63 give effect to the transfers provided for in section 2 of this act.

64 (b) The authority shall provide to the corporation such professional  
65 and clerical support, facilities, equipment and supplies during the  
66 period from the passage of this section to July 1, 2012, as may be  
67 necessary to prepare for and complete the transfers contemplated by  
68 section 2 of this act.

69 Sec. 4. (NEW) (*Effective July 1, 2012*) (a) The corporation may form  
70 one or more subsidiaries to carry out the public purposes of the  
71 corporation and may transfer to any such subsidiary any moneys and  
72 real or personal property of any kind or nature. Any such subsidiary  
73 may be organized as a stock or nonstock corporation or a limited  
74 liability company. Each such subsidiary shall have and may exercise  
75 such powers of the corporation as are set forth in the resolution of the  
76 corporation prescribing the purposes for which such subsidiary is  
77 formed and such other powers provided to it by law.

78 (b) (1) Without limiting the authority of the corporation with respect  
79 to establishing other subsidiaries pursuant to subsection (a) of this  
80 section, the corporation may establish one or more subsidiaries to  
81 stimulate, encourage and carry out the remediation, development and  
82 financing of contaminated property within this state, in coordination  
83 with the Department of Energy and Environmental Protection, and to  
84 provide financial, developmental and environmental expertise to  
85 others including, but not limited to, municipalities, interested in or  
86 undertaking such remediation, development or financing which are  
87 determined to be public purposes for which public funds may be  
88 expended. The corporation may transfer to any such subsidiary any  
89 moneys and real or personal property.

90 (2) Neither the Connecticut Brownfields Redevelopment Authority  
91 nor any other subsidiary formed under this subsection may provide  
92 for any bonded indebtedness of the state for the cost of any liability or  
93 contingent liability for the remediation of contaminated real property  
94 unless such indebtedness is specifically authorized by an act of the  
95 General Assembly. Each such subsidiary may do all things necessary  
96 or convenient to carry out the purposes of this subsection, section 12-  
97 81r of the general statutes, subsection (h) of section 22a-133m of the  
98 general statutes, subsection (a) of section 22a-133x of the general  
99 statutes, sections 22a-133aa, 22a-133bb and 22a-133dd of the general  
100 statutes, subsection (l) of section 22a-134a of the general statutes, and  
101 sections 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive, of the general  
102 statutes, including, but not limited to, (A) solicit, receive and accept  
103 aid, grants or contributions from any source of money, property or  
104 labor or other things of value, to be held, used and applied to carry out  
105 the purposes of this subsection, section 12-81r of the general statutes,  
106 subsection (h) of section 22a-133m of the general statutes, subsection  
107 (a) of section 22a-133x of the general statutes, sections 22a-133aa, 22a-  
108 133bb and 22a-133dd of the general statutes, subsection (l) of section  
109 22a-134a of the general statutes, and sections 22a-452f, 32-7e and 32-  
110 23pp to 32-23rr, inclusive, of the general statutes, subject to the  
111 conditions upon which such grants and contributions may be made,  
112 including, but not limited to, gifts, grants or loans, from any

113 department, agency or quasi-public agency of the United States or the  
114 state; (B) enter into agreements with persons upon such terms and  
115 conditions as are consistent with the purposes of such subsidiary to  
116 acquire or facilitate the remediation, development or financing of  
117 contaminated real or personal property; (C) to acquire, take title, lease,  
118 purchase, own, manage, hold and dispose of real and personal  
119 property and lease, convey or deal in or enter into agreements with  
120 respect to such property; (D) examine, inspect, rehabilitate, remediate  
121 or improve real or personal property or engage others to do so on such  
122 subsidiary's behalf, or enter into contracts therefor; (E) mortgage,  
123 convey or dispose of its assets and pledge its revenues to secure any  
124 borrowing, for the purpose of financing, refinancing, rehabilitating,  
125 remediating, improving or developing its assets, provided each such  
126 borrowing or mortgage shall be a special obligation of such subsidiary,  
127 which obligation may be in the form of notes, bonds, bond anticipation  
128 notes and other obligations issued by or to such subsidiary to the  
129 extent permitted under this section and sections 2 and 3 of this act to  
130 fund and refund the same and provide for the rights of the holders  
131 thereof, and to secure the same by pledge of revenues, notes or other  
132 assets and which shall be payable solely from the assets, revenues and  
133 other resources of such subsidiary; (F) to create real estate investment  
134 trusts or similar entities or to become a member of a limited liability  
135 company or to become a partner in limited or general partnerships or  
136 establish other contractual arrangements with private and public  
137 sector entities as such subsidiary deems necessary to remediate,  
138 develop or finance environmentally contaminated property in the  
139 state; and (G) any other powers necessary or appropriate to carry out  
140 the purposes of this subsection, subsection (h) of section 22a-133m of  
141 the general statutes, subsection (a) of section 22a-133x of the general  
142 statutes, sections 22a-133aa, 22a-133bb and 22a-133dd of the general  
143 statutes, subsection (l) of section 22a-134a of the general statutes, and  
144 sections 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive, of the general  
145 statutes. The board of directors, executive director, officers and staff of  
146 the authority may serve as members of any advisory or other board  
147 which may be established to carry out the purposes of this subsection,

148 subsection (h) of section 22a-133m of the general statutes, subsection  
149 (a) of section 22a-133x of the general statutes, sections 22a-133aa, 22a-  
150 133bb and 22a-133dd of the general statutes, subsection (l) of section  
151 22a-134a of the general statutes, and sections 22a-452f, 32-7e and 32-  
152 23pp to 32-23rr, inclusive, of the general statutes.

153 (c) Each subsidiary of the corporation shall be deemed a quasi-  
154 public agency for purposes of chapter 12 of the general statutes and  
155 shall have all the privileges, immunities, tax exemptions and other  
156 exemptions of the corporation. Each such subsidiary may sue and shall  
157 be subject to suit, provided its liability shall be limited solely to the  
158 assets, revenues and resources of the subsidiary and without recourse  
159 to the general funds, revenues, resources or any other assets of the  
160 corporation. Each such subsidiary is authorized to assume or take title  
161 to property subject to any existing lien, encumbrance or mortgage and  
162 to mortgage, convey or dispose of its assets and pledge its revenues to  
163 secure any borrowing, provided each such borrowing or mortgage  
164 shall be a special obligation of the subsidiary, which obligation may be  
165 in the form of bonds, bond anticipation notes and other obligations, to  
166 fund and refund the same and provide for the rights of the holders  
167 thereof, and to secure the same by pledge or revenues, notes and other  
168 assets and which shall be payable solely from the assets, revenues and  
169 other resources of the subsidiary. The corporation may assign to a  
170 subsidiary any rights, moneys or other assets it has under any  
171 governmental program. No subsidiary of the corporation shall borrow  
172 without the approval of the corporation.

173 (d) Each such subsidiary shall act through its board of directors, at  
174 least one-half of which shall be members of the board of directors of  
175 the corporation or their designees or officers or employees of the  
176 corporation. A resolution of the corporation shall prescribe the  
177 purposes for which each such subsidiary is formed.

178 (e) The provisions of section 1-125 of the general statutes, as  
179 amended by this act, and this subsection shall apply to any officer,  
180 director, designee or employee appointed as a member, director or

181 officer of any such subsidiary. Any such person so appointed shall not  
182 be personally liable for the debts, obligations or liabilities of any such  
183 subsidiary as provided in said section 1-125. The subsidiary shall, and  
184 the corporation may, save harmless and indemnify such officer,  
185 director, designee or employee as provided by said section 1-125.

186 (f) The corporation, or such subsidiary, may take such actions as are  
187 necessary to comply with the provisions of the Internal Revenue Code  
188 of 1986, or any subsequent corresponding internal revenue code of the  
189 United States, as amended from time to time, to qualify and maintain  
190 any such subsidiary as a corporation exempt from taxation under said  
191 code.

192 (g) The corporation may make loans to each such subsidiary from its  
193 assets and the proceeds of its bonds, notes and other obligations,  
194 provided the source and security for the repayment of such loans is  
195 derived from the assets, revenues and resources of the subsidiary.

196 Sec. 5. Subsection (l) of section 1-79 of the 2012 supplement to the  
197 general statutes is repealed and the following is substituted in lieu  
198 thereof (*Effective July 1, 2012*):

199 (l) "Quasi-public agency" means [the Connecticut Development  
200 Authority,] Connecticut Innovations, Incorporated, and the  
201 Connecticut Health and Education Facilities Authority, Connecticut  
202 Higher Education Supplemental Loan Authority, Connecticut Housing  
203 Finance Authority, Connecticut Housing Authority, Connecticut  
204 Resources Recovery Authority, Lower Fairfield County Convention  
205 Center Authority, Capital City Economic Development Authority,  
206 Connecticut Lottery Corporation, Connecticut Airport Authority,  
207 Health Information Technology Exchange of Connecticut and  
208 Connecticut Health Insurance Exchange.

209 Sec. 6. Section 1-120 of the 2012 supplement to the general statutes is  
210 repealed and the following is substituted in lieu thereof (*Effective July*  
211 *1, 2012*):

212 As used in sections 1-120 to 1-123, inclusive:

213 (1) "Quasi-public agency" means [the Connecticut Development  
214 Authority,] Connecticut Innovations, Incorporated, and the  
215 Connecticut Health and Educational Facilities Authority, Connecticut  
216 Higher Education Supplemental Loan Authority, Connecticut Housing  
217 Finance Authority, Connecticut Housing Authority, Connecticut  
218 Resources Recovery Authority, Capital City Economic Development  
219 Authority, Connecticut Lottery Corporation, Connecticut Airport  
220 Authority, Health Information Technology Exchange of Connecticut  
221 and Connecticut Health Insurance Exchange.

222 (2) "Procedure" means each statement, by a quasi-public agency, of  
223 general applicability, without regard to its designation, that  
224 implements, interprets or prescribes law or policy, or describes the  
225 organization or procedure of any such agency. The term includes the  
226 amendment or repeal of a prior regulation, but does not include,  
227 unless otherwise provided by any provision of the general statutes, (A)  
228 statements concerning only the internal management of any agency  
229 and not affecting procedures available to the public, and (B) intra-  
230 agency memoranda.

231 (3) "Proposed procedure" means a proposal by a quasi-public  
232 agency under the provisions of section 1-121 for a new procedure or  
233 for a change in, addition to or repeal of an existing procedure.

234 Sec. 7. Section 1-125 of the 2012 supplement to the general statutes is  
235 repealed and the following is substituted in lieu thereof (*Effective July*  
236 *1, 2012*):

237 The directors, officers and employees of [the Connecticut  
238 Development Authority,] Connecticut Innovations, Incorporated, and  
239 the Connecticut Higher Education Supplemental Loan Authority,  
240 Connecticut Housing Finance Authority, Connecticut Housing  
241 Authority, Connecticut Resources Recovery Authority, including ad  
242 hoc members of the Connecticut Resources Recovery Authority,  
243 Connecticut Health and Educational Facilities Authority, Capital City

244 Economic Development Authority, the Health Information Technology  
245 Exchange of Connecticut, Connecticut Airport Authority, Connecticut  
246 Lottery Corporation and Connecticut Health Insurance Exchange and  
247 any person executing the bonds or notes of the agency shall not be  
248 liable personally on such bonds or notes or be subject to any personal  
249 liability or accountability by reason of the issuance thereof, nor shall  
250 any director or employee of the agency, including ad hoc members of  
251 the Connecticut Resources Recovery Authority, be personally liable for  
252 damage or injury, not wanton, reckless, wilful or malicious, caused in  
253 the performance of his or her duties and within the scope of his or her  
254 employment or appointment as such director, officer or employee,  
255 including ad hoc members of the Connecticut Resources Recovery  
256 Authority. The agency shall protect, save harmless and indemnify its  
257 directors, officers or employees, including ad hoc members of the  
258 Connecticut Resources Recovery Authority, from financial loss and  
259 expense, including legal fees and costs, if any, arising out of any claim,  
260 demand, suit or judgment by reason of alleged negligence or alleged  
261 deprivation of any person's civil rights or any other act or omission  
262 resulting in damage or injury, if the director, officer or employee,  
263 including ad hoc members of the Connecticut Resources Recovery  
264 Authority, is found to have been acting in the discharge of his or her  
265 duties or within the scope of his or her employment and such act or  
266 omission is found not to have been wanton, reckless, wilful or  
267 malicious.

268 Sec. 8. Subsection (b) of section 32-35 of the 2012 supplement to the  
269 general statutes is repealed and the following is substituted in lieu  
270 thereof (*Effective July 1, 2012*):

271 (b) The corporation shall be governed by a board of [fifteen]  
272 seventeen directors. [Eight] Nine members shall be appointed by the  
273 Governor, [at least] six of whom shall be knowledgeable, and have  
274 favorable reputations for skill, knowledge and experience, in the  
275 development of innovative [technology and technological processes]  
276 start-up businesses, including, but not limited to, expertise in academic  
277 research, technology transfer and application, the development of

278 technological invention and new enterprise development and three of  
279 whom shall be knowledgeable, and have favorable reputations for  
280 skill, knowledge and experience, in the field of financial lending or the  
281 development of commerce, trade and business. [Three] Four members  
282 shall be the Commissioner of Economic and Community  
283 Development, the president of the Board of Regents for Higher  
284 Education, the Treasurer and the Secretary of the Office of Policy and  
285 Management, who shall serve ex officio and shall have all of the  
286 powers and privileges of a member of the board of directors. Each ex-  
287 officio member may designate his deputy or any member of his staff to  
288 represent him at meetings of the corporation with full power to act and  
289 vote in his behalf. Four members shall be appointed as follows: One by  
290 the president pro tempore of the Senate, one by the minority leader of  
291 the Senate, one by the speaker of the House of Representatives and one  
292 by the minority leader of the House of Representatives. Each member  
293 appointed by the Governor shall serve at the pleasure of the Governor  
294 but no longer than the term of office of the Governor or until the  
295 member's successor is appointed and qualified, whichever is longer.  
296 Each member appointed by a member of the General Assembly shall  
297 serve in accordance with the provisions of section 4-1a. A director shall  
298 be eligible for reappointment. The Governor shall fill any vacancy for  
299 the unexpired term of a member appointed by the Governor. The  
300 appropriate legislative appointing authority shall fill any vacancy for  
301 the unexpired term of a member appointed by such authority.

302 Sec. 9. (NEW) (*Effective July 1, 2012*) (a) (1) Wherever the term  
303 "Connecticut Development Authority" is used in the following sections  
304 of the general statutes, the term "Connecticut Innovations  
305 Incorporated" shall be substituted in lieu thereof: 3-24d, 3-24f, 3-99d, 8-  
306 134, 8-134a, 8-192, 8-192a, 8-240m, 13b-79w, 16-243v, 22a-134, 22a-173,  
307 22a-259, 22a-264, 25-33a, 32-1l, 32-3, 32-4l, 32-5a, 32-6j, 32-9c, 32-9n, 32-  
308 9cc, 32-9kk, 32-9ll, 32-9qq, 32-22b, 32-23d, 32-23l, 32-23o, 32-23q, 32-23r,  
309 32-23s, 32-23t, 32-23v, 32-23x, 32-23z, 32-23aa, 32-23hh, 32-23qq, 32-  
310 23ss, 32-23tt, 32-23yy, 32-23zz, 32-31a, 32-61, 32-68a, 32-141, 32-222, 32-  
311 223, 32-227, 32-244, 32-244a, 32-261, 32-262, 32-263, 32-265, 32-266, 32-  
312 285, 32-341, 32-477, 32-500, 32-503 and 32-609.

313 (2) Wherever the term "authority" is used in the following sections  
314 of the general statutes, the term "corporation" shall be substituted in  
315 lieu thereof: 32-14, 32-15, 32-16, 32-16a, 32-17a, 32-18, 32-19, 32-22, 32-  
316 22a, 32-23a, 32-23d, 32-23f, 32-23g, 32-23i, 32-23j, 32-23o, 32-23p, 32-23q,  
317 32-23r, 32-23s, 32-23v, 32-23x, 32-23y, 32-23z, 32-23bb, 32-23hh, 32-23ii,  
318 32-23jj, 32-23kk, 32-23ll, 32-23qq, 32-23ss, 32-23tt, 32-23uu, 32-23vv, 32-  
319 23yy, 32-23zz, 32-31a, 32-61, 32-62, 32-63, 32-64, 32-65, 32-67, 32-68a, 32-  
320 261, 32-262, 32-263, 32-265, 32-267, 32-269, 32-270, 32-271, 32-272, 32-  
321 280, 32-282, 32-285, 32-341, 32-356, 32-500, 32-503, 32-717 and 32-718.

322 (b) The Legislative Commissioners' Office shall, in codifying the  
323 provisions of this section, make such technical, grammatical and  
324 punctuation changes as are necessary to carry out the purposes of this  
325 section.

326 Sec. 10. Subsection (b) of section 4-124ff of the 2012 supplement to  
327 the general statutes is repealed and the following is substituted in lieu  
328 thereof (*Effective July 1, 2012*):

329 (b) There is established a Council of Advisors on Strategies for the  
330 Knowledge Economy to promote the formation of university-industry  
331 partnerships, identify benchmarks for technology-based workforce  
332 innovation and competitiveness and advise the award process (1) for  
333 innovation challenge grants to public postsecondary schools and their  
334 business partners, and (2) grants under section 4-124hh. The council  
335 shall be chaired by the Commissioner of Economic and Community  
336 Development and shall include the Secretary of the Office of Policy  
337 and Management, the president of the Board of Regents for Higher  
338 Education, the Labor Commissioner, the executive [directors] director  
339 of Connecticut Innovations, Incorporated [and the Connecticut  
340 Development Authority] and four representatives from the technology  
341 industry, one of whom shall be appointed by the president pro  
342 tempore of the Senate, one of whom shall be appointed by the speaker  
343 of the House of Representatives, one of whom shall be appointed by  
344 the minority leader of the Senate and one of whom shall be appointed  
345 by the minority leader of the House of Representatives.

346 Sec. 11. Subdivision (42) of section 8-250 of the general statutes is  
347 repealed and the following is substituted in lieu thereof (*Effective July*  
348 *1, 2012*):

349 (42) To accept from the department: (A) Financial assistance, (B)  
350 revenues or the right to receive revenues with respect to any program  
351 under the supervision of the department, and (C) loan assets or equity  
352 interests in connection with any program under the supervision of the  
353 department; to make advances to and reimburse the department for  
354 any expenses incurred or to be incurred by it in the delivery of such  
355 assistance, revenues, rights, assets, interests or amounts; to enter into  
356 agreements with the department for the delivery of services by the  
357 authority in consultation with the department [, the Connecticut  
358 Development Authority] and Connecticut Innovations, Incorporated,  
359 to third parties which agreements may include provisions for payment  
360 by the department to the authority for the delivery of such services;  
361 and to enter into agreements with the department [or with the  
362 Connecticut Development Authority] or Connecticut Innovations,  
363 Incorporated, for the sharing of assistants, agents and other  
364 consultants, professionals and employees, and facilities and other real  
365 and personal property used in the conduct of the authority's affairs;

366 Sec. 12. Subsection (a) of section 32-1c of the general statutes is  
367 repealed and the following is substituted in lieu thereof (*Effective July*  
368 *1, 2012*):

369 (a) In addition to any other powers, duties and responsibilities  
370 provided for in this chapter, chapter 131, chapter 579 and section 4-8  
371 and subsection (a) of section 10-409, the commissioner shall have the  
372 following powers, duties and responsibilities: (1) To administer and  
373 direct the operations of the Department of Economic and Community  
374 Development; (2) to report annually to the Governor, as provided in  
375 section 4-60; (3) to conduct and administer the research and planning  
376 functions necessary to carry out the purposes of said chapters and  
377 sections; (4) to encourage and promote the development of industry  
378 and business in the state and to investigate, study and undertake ways

379 and means of promoting and encouraging the prosperous  
380 development and protection of the legitimate interest and welfare of  
381 Connecticut business, industry and commerce, within and outside the  
382 state; (5) to serve, ex officio as a director on the board of Connecticut  
383 Innovations, Incorporated; (6) to serve as a member of the Committee  
384 of Concern for Connecticut Jobs; (7) to promote and encourage the  
385 location and development of new business in the state as well as the  
386 maintenance and expansion of existing business and for that purpose  
387 to cooperate with state and local agencies and individuals both within  
388 and outside the state; (8) to plan and conduct a program of information  
389 and publicity designed to attract tourists, visitors and other interested  
390 persons from outside the state to this state and also to encourage and  
391 coordinate the efforts of other public and private organizations or  
392 groups of citizens to publicize the facilities and attractions of the state  
393 for the same purposes; (9) to advise and cooperate with municipalities,  
394 persons and local planning agencies within the state for the purpose of  
395 promoting coordination between the state and such municipalities as  
396 to plans and development; (10) by reallocating funding from other  
397 agency accounts or programs, to assign adequate and available staff to  
398 provide technical assistance to businesses in the state in exporting,  
399 manufacturing and cluster-based initiatives and to provide guidance  
400 and advice on regulatory matters; (11) [to provide all necessary staff,  
401 services, accounting and office space and equipment required by the  
402 Connecticut Development Authority subject to the provisions of  
403 section 4b-23, where real estate acquisitions are involved; (12)] to aid  
404 minority businesses in their development; [(13)] (12) to appoint such  
405 assistants, experts, technicians and clerical staff, subject to the  
406 provisions of chapter 67, as are necessary to carry out the purposes of  
407 said chapters and sections; [(14)] (13) to employ other consultants and  
408 assistants on a contract or other basis for rendering financial, technical  
409 or other assistance and advice; [(15)] (14) to acquire or lease facilities  
410 located outside the state subject to the provisions of section 4b-23;  
411 [(16)] (15) to advise and inform municipal officials concerning  
412 economic development and collect and disseminate information  
413 pertaining thereto, including information about federal, state and

414 private assistance programs and services pertaining thereto; [(17)] (16)  
415 to inquire into the utilization of state government resources and  
416 coordinate federal and state activities for assistance in and solution of  
417 problems of economic development and to inform and advise the  
418 Governor about and propose legislation concerning such problems;  
419 [(18)] (17) to conduct, encourage and maintain research and studies  
420 relating to industrial and commercial development; [(19)] (18) to  
421 prepare and review model ordinances and charters relating to these  
422 areas; [(20)] (19) to maintain an inventory of data and information and  
423 act as a clearinghouse and referral agency for information on state and  
424 federal programs and services relative to the purpose set forth herein.  
425 The inventory shall include information on all federal programs of  
426 financial assistance for defense conversion projects and other projects  
427 consistent with a defense conversion strategy and shall identify  
428 businesses which would be eligible for such assistance and provide  
429 notification to such business of such programs; [(21)] (20) to conduct,  
430 encourage and maintain research and studies and advise municipal  
431 officials about forms of cooperation between public and private  
432 agencies designed to advance economic development; [(22)] (21) to  
433 promote and assist the formation of municipal and other agencies  
434 appropriate to the purposes of this chapter; [(23)] (22) to require notice  
435 of the submission of all applications by municipalities and any agency  
436 thereof for federal and state financial assistance for economic  
437 development programs as relate to the purposes of this chapter; [(24)]  
438 (23) with the approval of the Commissioner of Administrative  
439 Services, to reimburse any employee of the department, including the  
440 commissioner, for reasonable business expenses, including but not  
441 limited to, mileage, travel, lodging, and entertainment of business  
442 prospects and other persons to the extent necessary or advisable to  
443 carry out the purposes of subdivisions (4), (7), (8) and (11) of this  
444 subsection and other provisions of this chapter; [(25)] (24) to assist in  
445 resolving solid waste management issues; [(26)] (25) (A) to serve as an  
446 information clearinghouse for various public and private programs  
447 available to assist businesses, (B) to identify specific micro businesses,  
448 as defined in section 32-344, whose growth and success could benefit

449 from state or private assistance and contact such small businesses in  
450 order to (i) identify their needs, (ii) provide information about public  
451 and private programs for meeting such needs, including, but not  
452 limited to, technical assistance, job training and financial assistance,  
453 and (iii) arrange for the provision of such assistance to such businesses;  
454 [(27)] (26) to enhance and promote the digital media and motion  
455 picture industries in the state; [(28)] (27) by reallocating funding from  
456 other agency accounts or programs, to develop a marketing campaign  
457 that promotes Connecticut as a place of innovation; and [(29)] (28) by  
458 reallocating funding from other agency accounts or programs, to  
459 execute the steps necessary to implement the knowledge corridor  
460 agreement with Massachusetts to promote the biomedical device  
461 industry.

462 Sec. 13. Subsection (a) of section 32-1e of the general statutes is  
463 repealed and the following is substituted in lieu thereof (*Effective July*  
464 *1, 2012*):

465 (a) The Commissioner of Economic and Community Development,  
466 in consultation with the Connecticut Resources Recovery Authority  
467 and the Commissioner of Energy and Environmental Protection, shall  
468 prepare a plan for the support and promotion of industries that use,  
469 process or transport recycled materials. The plan shall outline ways  
470 existing programs of the Department of Economic and Community  
471 Development, the Connecticut Resources Recovery Authority and  
472 agencies such as the Department of Energy and Environmental  
473 Protection [, the Connecticut Development Authority] and Connecticut  
474 Innovations, Incorporated will be used to promote such industries.

475 Sec. 14. Section 32-1k of the general statutes is repealed and the  
476 following is substituted in lieu thereof (*Effective July 1, 2012*):

477 As used in sections 8-244b to 8-244d, inclusive, this section and  
478 section 32-1l, the following terms shall have the following meanings  
479 unless the context clearly indicates another meaning and intent:

480 (1) "Department" means the Department of Economic and

481 Community Development;

482 (2) "Commissioner" means the Commissioner of Economic and  
483 Community Development;

484 [(3) "CDA" means the Connecticut Development Authority, as  
485 created under chapter 579;]

486 [(4)] (3) "CHFA" means the Connecticut Housing Finance Authority,  
487 as created under chapter 134;

488 [(5)] (4) "CII" means Connecticut Innovations, Incorporated, as  
489 created under chapter 581; and

490 [(6)] (5) "SHA" means the State Housing Authority as created under  
491 section 8-244b.

492 Sec. 15. Subsection (a) of section 32-1o of the 2012 supplement to the  
493 general statutes is repealed and the following is substituted in lieu  
494 thereof (*Effective July 1, 2012*):

495 (a) On or before July 1, 2009, and every five years thereafter, the  
496 Commissioner of Economic and Community Development, within  
497 available appropriations, shall prepare an economic strategic plan for  
498 the state in consultation with the Secretary of the Office of Policy and  
499 Management, the Commissioners of Energy and Environmental  
500 Protection and Transportation, the Labor Commissioner, the  
501 chairperson of the Culture and Tourism Advisory Committee, the  
502 executive directors of the Connecticut Housing Finance Authority, [the  
503 Connecticut Development Authority,] Connecticut Innovations,  
504 Incorporated, and the Connecticut Health and Educational Facilities  
505 Authority, or their respective designees, and any other agencies the  
506 Commissioner of Economic and Community Development deems  
507 appropriate.

508 Sec. 16. Section 32-4h of the general statutes is repealed and the  
509 following is substituted in lieu thereof (*Effective July 1, 2012*):

510 Not later than August 1, 1997, and annually thereafter, [the  
511 chairperson of the board of directors of the Connecticut Development  
512 Authority and] the chairperson of the board of directors of Connecticut  
513 Innovations, Incorporated shall submit a report to the joint standing  
514 committee of the General Assembly having cognizance of matters  
515 relating to the Department of Economic and Community  
516 Development, in accordance with the provisions of section 11-4a,  
517 which details the amount of bond funds expended during the previous  
518 fiscal year on each economic cluster in the state by the quasi-public  
519 agency administered by such chairperson.

520 Sec. 17. Section 32-23e of the general statutes is repealed and the  
521 following is substituted in lieu thereof (*Effective July 1, 2012*):

522 To accomplish the purposes of the [authority] corporation, as  
523 defined in subsection (t) of section 32-23d, which are hereby  
524 determined to be public purposes for which public funds may be  
525 expended, and in addition to any other powers provided by law, the  
526 [authority] corporation shall have power to: (1) Determine the location  
527 and character of any project to be financed under the provisions of said  
528 chapters and sections, provided any financial assistance shall be  
529 approved in accordance with written procedures prepared pursuant to  
530 subdivision (14) of this section; (2) purchase, receive, by gift or  
531 otherwise, lease, exchange, or otherwise acquire, and construct,  
532 reconstruct, improve, maintain, equip and furnish one or more  
533 projects, including all real and personal property which the [authority]  
534 corporation may deem necessary in connection therewith, and to enter  
535 into a contract with a person therefor upon such terms and conditions  
536 as the [authority] corporation shall determine to be reasonable,  
537 including but not limited to reimbursement for the planning,  
538 designing, financing, construction, reconstruction, improvement,  
539 equipping, furnishing, operation and maintenance of the project and  
540 any claims arising therefrom and establishment and maintenance of  
541 reserve and insurance funds with respect to the financing of the  
542 project; (3) insure any or all payments to be made by the borrower  
543 under the terms of any agreement for the extension of credit or making

544 of a loan by the [authority] corporation in connection with any  
545 economic development project to be financed, wholly or in part,  
546 through the issuance of bonds or mortgage payments of any mortgage  
547 which is given by a mortgagor to the mortgagee who has provided the  
548 mortgage for an economic development project upon such terms and  
549 conditions as the [authority] corporation may prescribe and as  
550 provided herein, and the faith and credit of the state are pledged  
551 thereto; (4) in connection with the insuring of payments of any  
552 mortgage, request for its guidance a finding of the municipal planning  
553 commission, or, if there is no planning commission, a finding of the  
554 municipal officers, of the municipality in which the economic  
555 development project is proposed to be located, or of the regional  
556 planning agency of which such municipality is a member, as to the  
557 expediency and advisability of the economic development project; (5)  
558 sell or lease to any person, all or any portion of a project, purchase  
559 from eligible financial institutions mortgages with respect to economic  
560 development projects, purchase or repurchase its own bonds, and sell,  
561 pledge or assign to any person any such bonds, mortgages, or other  
562 loans, notes, revenues or assets of the [authority] corporation, or any  
563 interest therein, for such consideration and upon such terms as the  
564 [authority] corporation may determine to be reasonable; (6) mortgage  
565 or otherwise encumber all or any portion of a project whenever it shall  
566 find such action to be in furtherance of the purposes of said chapters  
567 and sections; (7) enter into agreements with any person, including  
568 prospective mortgagees and mortgagors, for the purpose of planning,  
569 designing, constructing, acquiring, altering and financing projects,  
570 providing liquidity or a secondary market for mortgages or other  
571 financial obligations incurred with respect to facilities which would  
572 qualify as a project under this chapter, purchasing loans made by  
573 regional corporations under section 32-276, or for any other purpose in  
574 furtherance of any other power of the [authority] corporation; (8) grant  
575 options to purchase or renew a lease for any of its projects on such  
576 terms as the [authority] corporation may determine to be reasonable;  
577 (9) employ or retain attorneys, accountants and architectural,  
578 engineering and financial consultants and such other employees and

579 agents and to fix their compensation and to employ the Connecticut  
580 Development Credit Corporation on a cost basis as it shall deem  
581 necessary to assist it in carrying out the purposes of said [authority]  
582 corporation legislation; (10) borrow money or accept gifts, grants or  
583 loans of funds, property or service from any source, public or private,  
584 and comply, subject to the provisions of said [authority] corporation  
585 legislation, with the terms and conditions thereof; (11) accept from a  
586 federal agency loans, grants or loan guarantees or otherwise  
587 participate in any loan, grant, loan guarantee or other financing or  
588 economic or project development program of a federal agency in  
589 furtherance of, and consistent with, the purposes of the [authority]  
590 corporation, and enter into agreements with such agency respecting  
591 any such loans, grants, loan guarantees or federal agency programs;  
592 (12) provide tenant lease guarantees and performance guarantees,  
593 invest in, extend credit or make loans to any person for the planning,  
594 designing, financing, acquiring, constructing, reconstructing,  
595 improving, expanding, continuing in operation, equipping and  
596 furnishing of a project and for the refinancing of existing indebtedness  
597 with respect to any facility or part thereof which would qualify as a  
598 project in order to facilitate substantial improvements thereto, which  
599 guarantees, investments, credits or loans may be secured by loan  
600 agreements, lease agreements, installment sale agreements, mortgages,  
601 contracts and all other instruments or fees and charges, upon such  
602 terms and conditions as the [authority] corporation shall determine to  
603 be reasonable in connection with such loans, including provision for  
604 the establishment and maintenance of reserve and insurance funds and  
605 in the exercise of powers granted in this section in connection with a  
606 project for such person, to require the inclusion in any contract, loan  
607 agreement or other instrument, such provisions for the construction,  
608 use, operation and maintenance and financing of a project as the  
609 [authority] corporation may deem necessary or desirable; (13) in  
610 connection with any application for assistance under said [authority]  
611 corporation legislation, or commitments therefor, to make and collect  
612 such fees and charges as the [authority] corporation shall determine to  
613 be reasonable; (14) adopt procedures, in accordance with the

614 provisions of section 1-121, to carry out the provisions of said  
615 [authority] corporation legislation, which may give priority to  
616 applications for financial assistance based upon the extent the project  
617 will materially contribute to the economic base of the state by creating  
618 or retaining jobs, providing increased wages or benefits to employees,  
619 promoting the export of products or services beyond the boundaries of  
620 the state, encouraging innovation in products or services, encouraging  
621 defense-dependent business to diversify to nondefense production,  
622 promoting standards of participation adopted by the Connecticut  
623 partnership compact pursuant to section 33-374g of the general  
624 statutes, revision of 1958, revised to 1991, or will otherwise enhance  
625 existing activities that are important to the economic base of the state,  
626 provided regulation-making proceedings commenced before January  
627 1, 1989, shall be governed by sections 4-166 to 4-174, inclusive; (15)  
628 adopt an official seal and alter the same at pleasure; (16) maintain an  
629 office at such place or places within the state as it may designate; (17)  
630 sue and be sued in its own name and plead and be impleaded, service  
631 of process in any action to be made by service upon the executive  
632 director of said [authority] corporation either in hand or by leaving a  
633 copy of the process at the office of the [authority] corporation with  
634 some person having charge thereof; (18) employ such assistants, agents  
635 and other employees as may be necessary or desirable for its purposes,  
636 which employees shall be exempt from the classified service and shall  
637 not be employees as defined in subsection (b) of section 5-270; establish  
638 all necessary or appropriate personnel practices and policies, including  
639 those relating to hiring, promotion, compensation, retirement and  
640 collective bargaining, which need not be in accordance with chapter 68  
641 and the [authority] corporation shall not be an employer as defined in  
642 subsection (a) of section 5-270; contract for and engage appraisers of  
643 industrial machinery and equipment, consultants and property  
644 management services, and utilize the services of other governmental  
645 agencies; (19) when it becomes necessary or feasible for the [authority]  
646 corporation to safeguard itself from losses, acquire, purchase, manage  
647 and operate, hold and dispose of real and personal property, take  
648 assignments of rentals and leases and make and enter into all

649 contracts, leases, agreements and arrangements necessary or incidental  
650 to the performance of its duties; (20) in order to further the purposes of  
651 said [authority] corporation legislation, or to assure the payment of the  
652 principal and interest on bonds or notes of the [authority] corporation  
653 or to safeguard the mortgage insurance fund, purchase, acquire and  
654 take assignments of notes, mortgages and other forms of security and  
655 evidences of indebtedness, purchase, acquire, attach, seize, accept or  
656 take title to any project by conveyance or, by foreclosure, and sell, lease  
657 or rent any project for a use specified in said chapters and sections or  
658 in this chapter; (21) adopt rules for the conduct of its business; (22)  
659 invest any funds not needed for immediate use or disbursement,  
660 including any funds held in reserve, in obligations issued or  
661 guaranteed by the United States of America or the state of Connecticut  
662 and in other obligations which are legal investments for savings banks  
663 in this state; (23) do, or delegate, any and all things necessary or  
664 convenient to carry out the purposes and to exercise the powers given  
665 and granted in said [authority] corporation legislation; provided, in all  
666 matters concerning the internal administrative functions of the  
667 [authority] corporation which are funded by amounts appropriated by  
668 the state to the [authority] corporation or to the department, the  
669 procedures of the state relating to office space, supplies, facilities,  
670 materials, equipment and professional services shall be followed, and  
671 provided further, that in the acquisition by the [authority] corporation  
672 of real estate involving the use of appropriated funds or bonds  
673 supported by the full faith and credit of the state, the [authority]  
674 corporation shall be subject to the provisions of section 4b-23; (24) to  
675 accept from the department: (A) Financial assistance, (B) revenues or  
676 the right to receive revenues with respect to any program under the  
677 supervision of the department, and (C) loan assets or equity interests  
678 in connection with any program under the supervision of the  
679 department; to make advances to and reimburse the department for  
680 any expenses incurred or to be incurred by it in the delivery of such  
681 assistance, revenues, rights, assets or amounts; to enter into  
682 agreements for the delivery of services by the [authority] corporation,  
683 in consultation with the department [,] and the Connecticut Housing

684 Finance Authority, [and Connecticut Innovations, Incorporated,] to  
685 third parties which agreements may include provisions for payment  
686 by the department to the [authority] corporation for the delivery of  
687 such services; and to enter into agreements with the department or  
688 with the Connecticut Housing Finance Authority [or Connecticut  
689 Innovations, Incorporated] for the sharing of assistants, agents and  
690 other consultants, professionals and employees, and facilities and  
691 other real and personal property used in the conduct of the  
692 [authority's] corporation's affairs; and (25) to transfer to the  
693 department: (A) Financial assistance, (B) revenues or the right to  
694 receive revenues with respect to any program under the supervision of  
695 the [authority] corporation, and (C) loan assets or equity interests in  
696 connection with any program under the supervision of the [authority]  
697 corporation, provided the transfer of such financial assistance,  
698 revenues, rights, assets or interests is determined by the [authority]  
699 corporation to be practicable, within the constraints and not  
700 inconsistent with the fiduciary obligations of the [authority]  
701 corporation imposed upon or established upon the [authority]  
702 corporation by any provision of the general statutes, the [authority's]  
703 corporation's bond resolutions or any other agreement or contract of  
704 the authority and to have no adverse effect on the tax-exempt status of  
705 any bonds of the [authority] corporation or the state.

706 Sec. 18. Subdivision (34) of section 32-39 of the 2012 supplement to  
707 the general statutes is repealed and the following is substituted in lieu  
708 thereof (*Effective July 1, 2012*):

709 (34) To accept from the department: (A) Financial assistance, (B)  
710 revenues or the right to receive revenues with respect to any program  
711 under the supervision of the department, and (C) loan assets or equity  
712 interests in connection with any program under the supervision of the  
713 department; to make advances to and reimburse the department for  
714 any expenses incurred or to be incurred by it in the delivery of such  
715 assistance, revenues, rights, assets, or interests; to enter into  
716 agreements for the delivery of services by the corporation, in  
717 consultation with the department [,] and the Connecticut Housing

718 Finance Authority, [and the Connecticut Development Authority,] to  
719 third parties, which agreements may include provisions for payment  
720 by the department to the corporation for the delivery of such services;  
721 and to enter into agreements with the department or with the  
722 [Connecticut Development Authority or] Connecticut Housing Finance  
723 Authority for the sharing of assistants, agents and other consultants,  
724 professionals and employees, and facilities and other real and personal  
725 property used in the conduct of the corporation's affairs;

726 Sec. 19. Subdivision (1) of section 32-450 of the general statutes is  
727 repealed and the following is substituted in lieu thereof (*Effective July*  
728 *1, 2012*):

729 (1) "Awarding authority" means the Commissioner of Economic and  
730 Community Development [, and the board of directors of [the  
731 Connecticut Development Authority and the board of directors of]  
732 Connecticut Innovations, Incorporated.

733 Sec. 20. Subdivision (1) of subsection (a) of section 32-462 of the  
734 general statutes is repealed and the following is substituted in lieu  
735 thereof (*Effective July 1, 2012*):

736 (1) "Agency" means the Department of Economic and Community  
737 Development [, the Connecticut Development Authority] or  
738 Connecticut Innovations, Incorporated.

739 Sec. 21. Section 32-479 of the general statutes is repealed and the  
740 following is substituted in lieu thereof (*Effective July 1, 2012*):

741 Not later than July 1, 1996, the Commissioner of Economic and  
742 Community Development, the Labor Commissioner [, the Connecticut  
743 Development Authority] and Connecticut Innovations, Incorporated  
744 shall jointly develop goals and objectives and quantifiable outcome  
745 measures related to the percentage of financial assistance which is  
746 being provided to high performance work organizations. The Labor  
747 Commissioner [, the Connecticut Development Authority] and  
748 Connecticut Innovations, Incorporated shall submit an annual report

749 concerning such goals, objectives and measures to the joint standing  
750 committee of the General Assembly having cognizance of matters  
751 relating to labor and public employees and the joint standing  
752 committee having cognizance of matters relating to commerce.

753 Sec. 22. Section 32-480 of the general statutes is repealed and the  
754 following is substituted in lieu thereof (*Effective July 1, 2012*):

755 The Department of Economic and Community Development, the  
756 Labor Department [, the Connecticut Development Authority] and  
757 Connecticut Innovations, Incorporated shall, when appropriate,  
758 encourage persons, firms and corporations which contact said  
759 departments or authorities for financial assistance to utilize high  
760 performance work practices in their business operations.

761 Sec. 23. Subdivision (1) of section 32-700 of the general statutes is  
762 repealed and the following is substituted in lieu thereof (*Effective July*  
763 *1, 2012*):

764 (1) "Awarding authority" means the Commissioner of Economic and  
765 Community Development, [the board of directors of the Connecticut  
766 Development Authority,] the board of directors of Connecticut  
767 Innovations, Incorporated, and the head of any other quasi-public  
768 agency, as defined in section 1-120, as amended by this act, and any  
769 state agency authorized to award state assistance, as defined in  
770 subdivision (2) of this section.

771 Sec. 24. Subsection (a) of section 32-701 of the general statutes is  
772 repealed and the following is substituted in lieu thereof (*Effective July*  
773 *1, 2012*):

774 (a) The terms and conditions of any agreement for state assistance  
775 under any program of the general statutes to a business entity  
776 operated for profit administered by the Department of Economic and  
777 Community Development [, Connecticut Development Authority] and  
778 Connecticut Innovations, Incorporated, shall include provisions for (1)  
779 specific goals for the creation and retention of full-time and part-time

780 jobs and for periodic reports by the recipient on progress in achieving  
781 such goals if the primary purpose of the state assistance is job creation  
782 or retention, and (2) a requirement that an applicant for any type of  
783 state assistance, except grants and loans of a term of less than one year,  
784 provide the agency with appropriate security for such financial  
785 assistance, including, but not limited to, a letter of credit, a lien on real  
786 property or a security interest in goods, equipment, inventory or other  
787 property of any kind and that the recipient of such state assistance will  
788 remain in substantial material compliance with state and federal law.

789 Sec. 25. Subsections (a) and (b) of section 32-11a of the 2012  
790 supplement to the general statutes are repealed and the following is  
791 substituted in lieu thereof (*Effective July 1, 2012*):

792 (a) There is hereby created as a body politic and corporate,  
793 constituting a public instrumentality and political subdivision of the  
794 state created for the performance of an essential public and  
795 governmental function, [the Connecticut Development Authority]  
796 Connecticut Innovations, Incorporated, which is empowered to carry  
797 out the purposes [of the authority, as] defined in subsection (t) of  
798 section 32-23d, which are hereby determined to be public purposes for  
799 which public funds may be expended. [The Connecticut Development  
800 Authority] Connecticut Innovations, Incorporated, shall not be  
801 construed to be a department, institution or agency of the state.

802 (b) All notes, bonds or other obligations issued by the Connecticut  
803 Development Authority or the Connecticut Development Commission  
804 for the financing of any project or projects shall be in accordance with  
805 their terms of full force and effect and valid and binding upon [the  
806 authority] Connecticut Innovations, Incorporated, as the successor to  
807 the Connecticut Development [Commission] Authority and with  
808 respect to any resolution, contract, deed, trust agreement, mortgage,  
809 conditional sale or loan agreement, commitment, obligation or liability  
810 or other such document, public record, right, remedy, special act or  
811 public act, obligation, liability or responsibility pertaining thereto, the  
812 [authority] corporation shall be, and shall be deemed to be, the

813 successor to the Connecticut Development [Commission] Authority.  
814 All properties, rights in land, buildings and equipment and any funds,  
815 moneys, revenues and receipts or assets of such commission pledged  
816 or otherwise securing any such notes, bonds or other obligations shall  
817 belong to the [authority] corporation as successor to the Connecticut  
818 Development [Commission] Authority, subject to such pledges and  
819 other security arrangements and to agreements with the holders of the  
820 outstanding notes, bonds or other obligations. Any resolution with  
821 respect to the issuance of bonds of the commission for the purposes of  
822 the act and any other action taken by the commission with respect to  
823 assisting in the financing of any project shall be, or shall be deemed to  
824 be, a resolution of the [authority] corporation or an action taken by the  
825 [authority] corporation subject only to any agreements with the  
826 holders of outstanding notes, bonds or other obligations of the  
827 commission.

828 Sec. 26. Section 32-23k of the general statutes is repealed and the  
829 following is substituted in lieu thereof (*Effective July 1, 2012*):

830 The state of Connecticut does hereby pledge to and agree with the  
831 holders of any bonds and notes issued under the provisions of the  
832 authority legislation, as defined in subsection (hh) of section 32-23d,  
833 and with those parties who may enter into contracts with the  
834 Connecticut Development Authority, Connecticut Innovations,  
835 Incorporated, or its successor agency, pursuant to the provisions of  
836 such authority legislation, that the state will not limit or alter the rights  
837 hereby vested in the authority or the corporation until such  
838 obligations, together with the interest thereon, are fully met and  
839 discharged and such contracts are fully performed on the part of the  
840 authority or the corporation, provided nothing contained herein shall  
841 preclude such limitation or alteration if and when adequate provision  
842 shall be made by law for the protection of the holders of such bonds  
843 and notes of the authority or the corporation or those entering into  
844 such contracts with the authority or the corporation. The authority or  
845 the corporation is authorized to include this pledge and undertaking  
846 for the state in such bonds and notes or contracts.

847 Sec. 27. Subsection (a) of section 1-124 of the 2012 supplement to the  
848 general statutes is repealed and the following is substituted in lieu  
849 thereof (*Effective July 1, 2012*):

850 (a) [The Connecticut Development Authority] Connecticut  
851 Innovations, Incorporated, the Connecticut Health and Educational  
852 Facilities Authority, the Connecticut Higher Education Supplemental  
853 Loan Authority, the Connecticut Housing Finance Authority, the  
854 Connecticut Housing Authority, the Connecticut Resources Recovery  
855 Authority, the Health Information Technology Exchange of  
856 Connecticut, the Connecticut Airport Authority, the Capital City  
857 Economic Development Authority and the Connecticut Health  
858 Insurance Exchange shall not borrow any money or issue any bonds or  
859 notes which are guaranteed by the state of Connecticut or for which  
860 there is a capital reserve fund of any kind which is in any way  
861 contributed to or guaranteed by the state of Connecticut until and  
862 unless such borrowing or issuance is approved by the State Treasurer  
863 or the Deputy State Treasurer appointed pursuant to section 3-12. The  
864 approval of the State Treasurer or said deputy shall be based on  
865 documentation provided by the authority that it has sufficient  
866 revenues to (1) pay the principal of and interest on the bonds and notes  
867 issued, (2) establish, increase and maintain any reserves deemed by the  
868 authority to be advisable to secure the payment of the principal of and  
869 interest on such bonds and notes, (3) pay the cost of maintaining,  
870 servicing and properly insuring the purpose for which the proceeds of  
871 the bonds and notes have been issued, if applicable, and (4) pay such  
872 other costs as may be required.

873 Sec. 28. Section 32-23h of the general statutes is repealed and the  
874 following is substituted in lieu thereof (*Effective July 1, 2012*):

875 The exercise of the powers granted [by the authority legislation, as  
876 defined in subsection (hh) of section 32-23d,] to the corporation shall  
877 constitute the performance of an essential governmental function and  
878 the [authority] corporation shall not be required to pay any taxes or  
879 assessments upon or in respect of a project, or any property or moneys

880 of the [authority] corporation, levied by any municipality or political  
881 subdivision or special district having taxing powers of the state, nor  
882 shall the [authority] corporation be required to pay state taxes of any  
883 kind, and the [authority] corporation, its projects, property and  
884 moneys and any bonds and notes issued under the provisions of said  
885 chapters and sections, their transfer and the income therefrom,  
886 including any profit made on the sale thereof, shall at all times be free  
887 from taxation of every kind by the state except for estate or succession  
888 taxes and by the municipalities and all other political subdivisions or  
889 special districts having taxing powers of the state; provided any  
890 person leasing a project from the [authority] corporation shall pay to  
891 the municipality, or other political subdivision or special district  
892 having taxing powers, in which such project is located, a payment in  
893 lieu of taxes which shall equal the taxes on real and personal property,  
894 including water and sewer assessments, which such lessee would have  
895 been required to pay had it been the owner of such property during  
896 the period for which such payment is made and neither the [authority]  
897 corporation nor its projects, properties, money or bonds and notes  
898 shall be obligated, liable or subject to lien of any kind for the  
899 enforcement, collection or payment thereof. The sale of tangible  
900 personal property or services by the [authority] corporation is exempt  
901 from the sales tax under chapter 219, and the storage, use or other  
902 consumption in this state of tangible personal property or services  
903 purchased from the [authority] corporation is exempt from the use tax  
904 under chapter 219. If and to the extent the proceedings [under which  
905 the bonds authorized to be issued under the provisions of said  
906 chapters and sections] by the corporation so provide, the [authority]  
907 corporation may agree to cooperate with the lessee of a project in  
908 connection with any administrative or judicial proceedings for  
909 determining the validity or amount of such payments and may agree  
910 to appoint or designate and reserve the right in and for such lessee to  
911 take all action which the [authority] corporation may lawfully take in  
912 respect of such payments and all matters relating thereto, provided  
913 such lessee shall bear and pay all costs and expenses of the [authority]  
914 corporation thereby incurred at the request of such lessee or by reason

915 of any such action taken by such lessee on behalf of the [authority]  
 916 corporation. Any lessee of a project which has paid the amounts in lieu  
 917 of taxes required by this section to be paid shall not be required to pay  
 918 any such taxes in which a payment in lieu thereof has been made to the  
 919 state or to any such municipality or other political subdivision or  
 920 special district having taxing powers, any other statute to the contrary  
 921 notwithstanding. Any industrial pollution control facility financed  
 922 [under said chapters and sections] by the corporation shall be subject  
 923 to such approvals, as may be required by law, of any agency of the  
 924 state and any agency of the United States having jurisdiction in the  
 925 matter and, in the discretion of the [authority] corporation, may be  
 926 acquired, constructed or improved as part of or jointly with a pollution  
 927 control facility undertaken by a municipality or political subdivision or  
 928 special district having taxing powers in the state and the [authority]  
 929 corporation is authorized to cooperate and execute contracts with such  
 930 a municipality or political subdivision or special district.

931 Sec. 29. Section 32-46 of the general statutes is repealed and the  
 932 following is substituted in lieu thereof (*Effective July 1, 2012*):

933 The corporation shall [be and is hereby declared exempt from all  
 934 franchise, corporate business, property and income taxes levied by the  
 935 state or any municipality, provided nothing herein shall be construed  
 936 to exempt from any such taxes, or from any taxes levied in connection  
 937 with the manufacture or sale of any products which are the subject of  
 938 any agreement made by the corporation, any person entering into any  
 939 agreement with the corporation] have the tax exemptions provided  
 940 under section 32-23h, as amended by this act.

941 Sec. 30. Subsections (c) to (j), inclusive, and subsection (l) of section  
 942 32-11a of the 2012 supplement to the general statutes and section 32-  
 943 23c of the general statutes are repealed. (*Effective July 1, 2012*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

Sec. 2	July 1, 2012	New section
Sec. 3	from passage	New section
Sec. 4	July 1, 2012	New section
Sec. 5	July 1, 2012	1-79(l)
Sec. 6	July 1, 2012	1-120
Sec. 7	July 1, 2012	1-125
Sec. 8	July 1, 2012	32-35(b)
Sec. 9	July 1, 2012	New section
Sec. 10	July 1, 2012	4-124ff(b)
Sec. 11	July 1, 2012	8-250(42)
Sec. 12	July 1, 2012	32-1c(a)
Sec. 13	July 1, 2012	32-1e(a)
Sec. 14	July 1, 2012	32-1k
Sec. 15	July 1, 2012	32-1o(a)
Sec. 16	July 1, 2012	32-4h
Sec. 17	July 1, 2012	32-23e
Sec. 18	July 1, 2012	32-39(34)
Sec. 19	July 1, 2012	32-450(1)
Sec. 20	July 1, 2012	32-462(a)(1)
Sec. 21	July 1, 2012	32-479
Sec. 22	July 1, 2012	32-480
Sec. 23	July 1, 2012	32-700(1)
Sec. 24	July 1, 2012	32-701(a)
Sec. 25	July 1, 2012	32-11a(a) and (b)
Sec. 26	July 1, 2012	32-23k
Sec. 27	July 1, 2012	1-124(a)
Sec. 28	July 1, 2012	32-23h
Sec. 29	July 1, 2012	32-46
Sec. 30	July 1, 2012	Repealer section

**Statement of Legislative Commissioners:**

In section 4(b)(2) a reference to "sections 2 to 4, inclusive," was changed to "this section and sections 2 and 3" for accuracy and in section 4(c) "each such subsidiary shall be subject to" was changed to "Each such subsidiary may sue and shall be subject to" for statutory consistency.

**CE**      *Joint Favorable Subst.*

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The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 13 \$</b>	<b>FY 14 \$</b>
CT Innovations Inc. (quasi-public); CT Development Authority (quasi-public)	See Below - Potential Savings	Minimal	Minimal

**Municipal Impact:** None

**Explanation**

The bill may result in minimal savings to the Connecticut Development Authority (CDA) and Connecticut Innovations, Incorporated (CII) by transferring CDA into CII. Both CDA and CII are quasi-public state agencies that are financed by loan repayments, investment returns, and fees, so any savings would not be realized by the state's funds.

Such savings may be achieved from streamlining redundant functions between the two organizations, for example contracting expenses and auditing expenses. Any realized savings would increase available funding for finance assistance to businesses.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sHB 5018*****AN ACT CONCERNING CONNECTICUT INNOVATIONS, INCORPORATED, AND THE CONNECTICUT DEVELOPMENT AUTHORITY*****SUMMARY:**

This bill merges the Connecticut Development Authority (CDA) into Connecticut Innovations, Inc. (CII), transferring CDA's statutory mission, powers, obligations, and assets to CII and allowing the two agencies to take specific steps to facilitate the transfer.

CDA and CII are quasi-public economic development agencies. CDA makes and guarantees business loans and provides other forms of financing for business and infrastructure projects. CII invests venture capital in early stage technology-based businesses and provides other types of financing and technical assistance for developing new products and techniques.

The bill makes a CDA subsidiary, the Connecticut Brownfield Redevelopment Authority, a CII subsidiary. But it also allows CII to form subsidiaries to remediate contaminated property or fulfill its statutory purposes.

Lastly, the bill expands CII's board of directors from 15 to 17 members, adding the treasurer and another gubernatorial appointee. It also changes the board's composition by requiring the governor to appoint three members with backgrounds in business lending and development, in addition to six experienced in developing innovative start-up businesses. Under current law, the governor appoints eight members, at least six of whom must be knowledgeable about technology development.

The bill makes many conforming changes.

EFFECTIVE DATE: July 1, 2012, except for the provisions authorizing the steps CDA and CII can take to facilitate the transfer, which take effect upon passage.

## **TRANSFERS TO CII**

### **§ 2 — Powers, Obligations, and Assets**

The bill transfers CDA's mission, powers, duties, and functions to CII, thus expanding CII's mission to include financing business, infrastructure, and brownfield cleanup projects. It specifically allows CII to exercise these powers to fulfill its statutory duties as well as CDA's.

The bill transfers CDA's obligations to CII, making them CII's obligations. These include bonds, notes, and other debt CDA incurred to finance projects and the terms and conditions under which it did so. The bill specifically makes CDA's resolutions and other actions in support of a project CII's, subject only to agreements with parties holding the outstanding bonds, notes, and other obligations.

The bill also transfers CDA's procedures to CII, specifying that they control any matter before it.

Lastly, the bill transfers to CII the assets CDA pledged to secure its bonds, notes, and other obligations. These assets include real and personal property and funds, money, revenue, and receipts.

### **§ 4 — Subsidiaries**

The bill authorizes CII to form subsidiaries to fulfill its statutory duties and provide money and property to help them do so. Current law allows CII to create affiliates. Under the bill, CII can organize a subsidiary as a stock or nonstock corporation or a limited liability company and specify its powers in a resolution stating the subsidiary's purpose. These subsidiaries operate under similar conditions as CDA's subsidiaries currently do, except the bill prohibits them from borrowing money without CII's approval.

Although the bill makes CDA's brownfield remediation subsidiary a CII subsidiary, it also allows CII to form one or more subsidiaries for the same purposes and under similar conditions. But the bill does not exempt CII or any of its subsidiaries from paying the Department of Energy and Environmental Protection's fee for a covenant not to sue. Current law exempts CDA and its subsidiaries from this fee.

### **§ 3 — Transfer Mechanism**

The bill allows CDA and CII to enter into agreements with each other and third parties to facilitate the transfers described above, including CII's assumption of CDA's rights and responsibilities. They may do so between the bill's effective date and July 1, 2012 (i.e., the transfer period). But transfers occur regardless of whether third parties consent to them or CDA and CII enter into transfer agreements.

Unrelated to the bill's authorization to enter into agreements, the bill requires CDA to help CII prepare for and complete the transfers. In doing so, CDA must give CII the necessary professional and clerical support facilities, equipment, and supplies during the transfer period.

### **§ 26 — State Pledge to CDA Bond Holders and Contractors**

The bill transfers to CII the state's pledge to CDA's bond holders and contractors. Under that pledge, the state agrees not to limit or change CDA's rights until CDA meets its contractual obligations or, if the state does so, it adequately protects these parties. The bill extends this pledge to CII as CDA's successor.

### **§ 8 — CII BOARD OF DIRECTORS**

The bill increases CII's board of directors from 15 to 17 members and changes its composition to reflect CII's new powers and duties. Currently, the board consists of three ex officio and 12 appointed members. The ex officio members are the economic and community development commissioner (who is also the board's chairperson), the Board of Regents of Higher Education's president, and the Office of Policy and Management secretary. The bill adds the treasurer.

Under current law, the governor appoints eight members, at least

six of whom must be known for their knowledge, skills, and experience in developing innovative technology and technological processes, including academic research, technology transfer and applications, and inventions and new enterprises.

The bill increases the gubernatorial appointments from eight to nine and specifies that six such members must have knowledge, skills, and experience in developing innovative start-up businesses, including the activities listed above. It also requires three members to be known for their skill, knowledge, and experience in financial lending or developing trade, commerce, and business.

By law, which the bill does not change, the legislative leaders appoint four members.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute

Yea 17      Nay 0      (03/27/2012)