



House of Representatives

General Assembly

File No. 668

January Session, 2013

Substitute House Bill No. 6566

House of Representatives, May 1, 2013

The Committee on Finance, Revenue and Bonding reported through REP. WIDLITZ of the 98th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING TRANSPARENCY IN ECONOMIC ASSISTANCE PROGRAMS.

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

1 Section 1. (NEW) (*Effective July 1, 2013*) (a) On or before January 1,
2 2014, the Commissioner of Economic and Community Development,
3 in collaboration with the Commissioner of Revenue Services, shall
4 establish and maintain searchable electronic databases on the
5 Department of Economic and Community Development's Internet web
6 site for purposes of posting information regarding economic assistance
7 provided through any tax credit, abatement or other economic
8 assistance program enacted for the purpose of recruitment or retention
9 of businesses. The databases shall include, but need not be limited to,
10 the items listed in subdivisions (1) and (2) of this subsection.

11 (1) For property tax abatements, grants, payments, loans, tax credits
12 authorized under title 32 of the general statutes or other forms of
13 economic assistance:

14 (A) The name and principal location of the recipient of the economic
15 assistance, excluding release of information relating to an individual's
16 place of residence or release of information prohibited by state or
17 federal law;

18 (B) The amount of state funds expended for economic assistance;

19 (C) The type of economic assistance, the statutory authority for such
20 assistance and the state agency providing such assistance;

21 (D) A description of the specific purpose for the economic
22 assistance;

23 (E) The number of persons employed by the recipient of the
24 economic assistance;

25 (F) The number of jobs created or retained, if available and
26 applicable;

27 (G) Actions required from, or conditions required of, a recipient, if
28 any, for receipt of the economic assistance;

29 (H) The status of compliance with such actions or conditions, if
30 applicable; and

31 (I) An analysis of net direct and indirect state economic benefit and
32 state tax impact, if available.

33 (2) For each tax credit authorized under chapters 207, 208 and 229 of
34 the general statutes, with the information on recipients of the tax credit
35 categorized by sector, in accordance with the North American Industry
36 Classification System United States Manual, 2007 edition, and within
37 each such sector by net income and gross income of the recipients:

38 (A) The amount of the credit earned, claimed and carried forward;

39 (B) The specific statutory provision under which a credit has been
40 granted;

- 41 (C) A description of the specific purpose of the credit;
- 42 (D) The number of persons employed by recipients of the credit;
- 43 (E) The number of jobs created or retained, if available and
44 applicable; and
- 45 (F) The result, categorized by sector, of the Department of Economic
46 and Community Development's most recent analysis of the economic
47 impact, employment impact and net revenue generated for the state by
48 each tax credit, as required by section 32-1r of the general statutes.
- 49 (b) Each database established pursuant to subsection (a) of this
50 section shall (1) allow members of the public to export sets of data
51 produced by search query in a standardized exportable form, and (2)
52 include data on economic assistance for the fiscal years ending on and
53 after June 30, 2008, and on state tax credits for taxable periods
54 commencing on and after January 1, 2007. Such data shall be available
55 on each department's Internet web site not later than November first
56 following the start of each fiscal year, except the initial data shall be
57 available not later than January 1, 2014.
- 58 (c) Nothing in this section shall require the disclosure of information
59 which is required to be kept confidential by state or federal law.
- 60 (d) The methodology and assumptions used in carrying out the
61 database creation and analysis required pursuant to subdivisions (1)
62 and (2) of subsection (a) of this section shall be available on each
63 department's Internet web site.
- 64 Sec. 2. (NEW) (*Effective July 1, 2013*) The Commissioner of Revenue
65 Services shall, in consultation with the Secretary of the Office of Policy
66 and Management, develop a plan of action to provide periodic
67 reporting and posting on the Department of Revenue Services' Internet
68 web site of an overall incidence analysis of each state tax with total
69 annual revenues of one hundred million dollars or more. Such plan
70 shall include the estimated cost of providing such reporting and
71 posting. On or before January 1, 2014, the Commissioner of Revenue

72 Services shall report, in accordance with the provisions of section 11-4a
73 of the general statutes, on the plan and recommendations for its
74 implementation to the joint standing committee of the General
75 Assembly having cognizance of the matters relating to finance,
76 revenue and bonding.

77 Sec. 3. (NEW) (*Effective from passage*) (a) Not later than thirty days
78 after the passage of the state budget act signed by the Governor for
79 funding the expenses of operation of the state government in the
80 ensuing biennium, the legislative Office of Fiscal Analysis shall post on
81 its Internet web site the list of all line item appropriations in a
82 downloadable database format.

83 (b) Upon transmission by the Governor to the General Assembly of
84 a budget document as prescribed in section 4-71 of the general statutes,
85 the Office of Policy and Management shall post on its Internet web site
86 a list of all line item appropriations in a downloadable database
87 format.

88 Sec. 4. Section 3-115 of the general statutes, as amended by section
89 44 of public act 11-48, is repealed and the following is substituted in
90 lieu thereof (*Effective July 1, 2013*):

91 The Comptroller shall prepare all accounting statements relating to
92 the financial condition of the state as a whole, the condition and
93 operation of state funds, appropriations, reserves and costs of
94 operations; shall furnish such statements when they are required for
95 administrative purposes; and shall issue cumulative monthly financial
96 statements concerning the state's General Fund which shall include a
97 statement of revenues and expenditures to the end of the
98 last-completed month together with the statement of estimated
99 revenue by source to the end of the fiscal year and the statement of
100 appropriation requirements of the state's General Fund to the end of
101 the fiscal year furnished pursuant to section 4-66 and itemized as far as
102 practicable for each budgeted agency, including estimates of lapsing
103 appropriations, unallocated lapsing balances and unallocated
104 appropriation requirements. The Comptroller shall provide such

105 statements, in the same form and in the same categories as appears in
 106 the budget act enacted by the General Assembly, on or before the first
 107 day of the following month. The Comptroller shall submit a copy of
 108 the monthly trial balance and monthly analysis of expenditure run to
 109 the Office of Fiscal Analysis. On or before September thirtieth,
 110 annually, the Comptroller shall submit a report, prepared in
 111 accordance with generally accepted accounting principles, to the
 112 Governor which shall include (1) a statement of all appropriations and
 113 expenditures of the public funds during the fiscal year next preceding
 114 itemized by each appropriation account of each budgeted agency; (2) a
 115 statement of the revenues of the state classified as far as practicable as
 116 to budgeted agencies, sources and funds during such year; (3) a
 117 statement setting forth the total tax receipts of the state during such
 118 year; (4) a balance sheet setting forth, as of the close of such year, the
 119 financial condition of the state as to its funds; and such other
 120 information as will, in the Comptroller's opinion, be of interest to the
 121 public or as will convey to the General Assembly and the Governor the
 122 essential facts as to the financial condition and operations of the state
 123 government. The annual report of the Comptroller shall be published
 124 and made available to the public on or before the thirty-first day of
 125 December. Any financial tables in such annual report shall be posted
 126 on the Comptroller's Internet web site in a downloadable database
 127 format.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2013	New section
Sec. 2	July 1, 2013	New section
Sec. 3	from passage	New section
Sec. 4	July 1, 2013	3-115

Statement of Legislative Commissioners:

In subsection (b) of section 1, "Internet web site" was changed to "database", for accuracy. In subsection (d) of section 1, "analyses" was changed to "database creation and analysis", for accuracy.

FIN *Joint Favorable Subst.*

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.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 14 \$	FY 15 \$
Department of Economic & Community Development	GF - Potential Cost	Up to 50,000	None

Municipal Impact: None

Explanation

Section 1 results in a one-time potential cost of up to \$50,000 by requiring the Department of Economic and Community Development (DECD) to create a searchable electronic database. DECD does not currently have a searchable database. The agency may therefore require IT upgrades including, but not limited to, hardware and software equipment, as well as consulting services in order to develop such a database.

DECD currently tracks the information which is required to be available in the database; there is therefore no cost to develop any of the required information.

sHB 6350, the FY 14 and FY 15 budget bill, as favorably reported by the Appropriations Committee, does not include an appropriation for DECD for this purpose.

Sections 2, 3 and 4 do not result in any cost as it is anticipated the provisions could be accommodated within the normal course of affected agency's duties.

The Out Years

There is no fiscal impact in the outyears as the cost listed above would be one-time only in FY 14.

OLR Bill Analysis**sHB 6566*****AN ACT CONCERNING TRANSPARENCY IN ECONOMIC ASSISTANCE PROGRAMS.*****SUMMARY:**

This bill requires specified state agencies to create online electronic databases allowing people to search, retrieve, and download economic development, budgetary, and financial data. It specifies the type of data the agencies must provide, the period, and the deadlines for creating and updating the databases.

The bill also requires the Department of Revenue Services commissioner to develop a plan for preparing periodic online reports on how each state tax generating \$100 million or more affects different groups of people and businesses (i.e., tax incidence study). The plan must include cost estimates for reporting and posting the tax incidence study. The commissioner must prepare the plan in consultation with the Office of Policy and Management (OPM) secretary and submit it and implementing recommendations to the Finance, Revenue and Bonding Committee by January 1, 2014.

EFFECTIVE DATE: July 1, 2013, except for the provision governing the budgetary databases, which takes effect upon passage.

ECONOMIC DEVELOPMENT DATABASE***Format***

The bill requires the Department of Economic and Community Development (DECD) commissioner to create databases on the department's website allowing people to access information about economic development assistance given to attract or retain businesses. The databases must specifically allow people to search and download different data sets about businesses and the assistance they received

from DECD, Connecticut Innovations, Inc. and the Capital Region Development Authority.

Content

The bill specifies the type of data DECD must include in the databases, distinguishing between (1) grants, loans, tax abatements, and business tax credits provided under the economic development statutes and (2) tax credits authorized under the insurance premium, corporation business, and personal income tax statutes, respectively. In either case, the databases cannot include any information that cannot legally be disclosed.

Economic Development Assistance. The databases on assistance provided under the economic development statutes must include:

1. the name and principal location of each entity that received economic development assistance, excluding an individual's residential address and other information that cannot be released under state and federal law;
2. the purpose, amount and type of, and statutory authority for, the assistance and the agency that provided it;
3. the number of people each recipient employed and the number of jobs that were created or retained, if available;
4. the terms and conditions imposed on each recipient and whether it has complied with them; and
5. an analysis of the net direct and indirect economic benefits of the assistance and how it affected state taxes, if available.

These databases must provide data for assistance the agencies granted for the fiscal years ending on or after June 30, 2008.

Business Tax Credits. The databases on the business tax credits must sort the recipients by (1) industry sector based on the *North American Industrial Classification System United States Manual, 2007*

edition and (2) within each sector, by net and gross income. The sector-by-sector breakdown must also provide:

1. each recipient's net and gross income;
2. the purpose, amount, and statutory authority for each credit and whether it was earned, claimed, and carried forward;
3. the number of people the recipient employed and the number of jobs it created or retained, if available; and
4. the results, by sector, of DECD's most recent analysis of the economic and employment impact of each credit and the net state revenue it generated, as reported in DECD's three-year assessment of state business tax credit and abatement programs.

The databases for the credits must provide data for the credits the agencies granted for the tax years beginning on or after January 1, 2007.

Availability

The DECD commissioner must create the databases in collaboration with the revenue services commissioner by January 1, 2014, and make them available on each state agency's website by that date. DECD must annually update the databases, which must be available on the agencies' websites by November 1, following the start of each fiscal year.

The bill also requires the sites to provide explanations of the method and assumptions DECD used to (1) create the databases and (2) analyze the economic and revenue effects of the economic development assistance and tax credits.

BUDGETARY DATA

The bill requires OPM and the Office of Fiscal Analysis (OFA) annually to provide a list of all line item appropriations on their respective websites in databases that people can download. OPM must do this when the governor sends his proposed budget to the

legislature. OFA must do it within 30 days of the governor's signing of the budget act.

FINANCIAL DATA

The bill requires the Comptroller to post on his website any financial tables included in his annual report, which is due December 31. He must post the tables in a database people can download. By law, the report must include expense and revenue statements for each state agency receiving general fund appropriations, tax receipt statements, and year-end fund balances.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 44 Nay 5 (04/12/2013)