



House of Representatives

File No. 885

General Assembly

January Session, 2013

(Reprint of File No. 668)

Substitute House Bill No. 6566
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 31, 2013

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) As used in this section:
- 2 (1) "Department" means the Department of Economic and
3 Community Development;
- 4 (2) "Economic assistance" means state authorized grants, payments,
5 loans and enterprise zone property tax abatements administered by
6 the department; and
- 7 (3) "Tax credits" means the tax credits established under sections 12-
8 217j, 12-217n, 12-217t, 12-217w, 12-217jj, 12-217kk, 12-217ll, 12-217pp
9 and 32-9t of the general statutes.
- 10 (b) On or before January 1, 2014, the Commissioner of Economic and
11 Community Development, in collaboration with the Commissioner of
12 Revenue Services, shall establish and maintain searchable electronic

13 databases on the department's Internet web site that contain
14 information regarding certain economic assistance and tax credits that
15 were utilized by the Commissioner of Economic and Community
16 Development for the purpose of recruitment or retention of businesses
17 within the state. The information listed in subdivisions (1) and (2) of
18 this subsection shall be contained in the databases.

19 (1) With regard to economic assistance, and to the extent allowed
20 under state or federal law, the databases shall contain the following
21 information:

22 (A) The name and principal location of the recipient of the economic
23 assistance, excluding release of information relating to an officer or
24 employee's place of residence;

25 (B) The amount or value of the economic assistance;

26 (C) The statutory authority pursuant to which such assistance was
27 made available;

28 (D) The number of persons employed by the recipient at the time
29 the economic assistance was awarded;

30 (E) The number of jobs created or retained, if available and
31 applicable;

32 (F) The terms and conditions pursuant to which the economic
33 assistance was awarded; and

34 (G) A statement as to whether the recipient is in compliance with
35 the terms and conditions under which the economic assistance was
36 awarded.

37 (2) With regard to tax credits, and to the extent allowed under state
38 or federal law, the databases shall contain the following information:

39 (A) To the extent applicable, the amount of each tax credit that was
40 approved or otherwise authorized by the department;

41 (B) The amount of each tax credit that was claimed and applied
42 toward a tax liability;

43 (C) To the extent applicable, the amount of each tax credit that was
44 carried forward; and

45 (D) To the extent available, the result of the department's most
46 recent analysis of the economic impact and employment impact of
47 each such tax credit, as required by section 32-1r of the general
48 statutes.

49 (c) Each database established pursuant to subsection (b) 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 preceding five fiscal years
53 and tax credit data for the preceding five tax years. Such data shall be
54 available on the department's Internet web site not later than January
55 first of each year.

56 (d) Nothing in this section shall require the disclosure of
57 information that is required to be kept confidential by state or federal
58 law.

59 Sec. 2. (NEW) (*Effective July 1, 2013*) The Commissioner of Revenue
60 Services shall, in consultation with the Secretary of the Office of Policy
61 and Management, develop a plan of action to provide periodic
62 reporting and posting on the Department of Revenue Services' Internet
63 web site of an overall incidence analysis of each state tax with total
64 annual revenues of one hundred million dollars or more. Such plan
65 shall include the estimated cost of providing such reporting and
66 posting. On or before January 1, 2014, the Commissioner of Revenue
67 Services shall report, in accordance with the provisions of section 11-4a
68 of the general statutes, on the plan and recommendations for its
69 implementation to the joint standing committee of the General
70 Assembly having cognizance of the matters relating to finance,
71 revenue and bonding.

72 Sec. 3. Section 3-115 of the general statutes, as amended by section
73 44 of public act 11-48, is repealed and the following is substituted in
74 lieu thereof (*Effective July 1, 2013*):

75 The Comptroller shall prepare all accounting statements relating to
76 the financial condition of the state as a whole, the condition and
77 operation of state funds, appropriations, reserves and costs of
78 operations; shall furnish such statements when they are required for
79 administrative purposes; and shall issue cumulative monthly financial
80 statements concerning the state's General Fund which shall include a
81 statement of revenues and expenditures to the end of the
82 last-completed month together with the statement of estimated
83 revenue by source to the end of the fiscal year and the statement of
84 appropriation requirements of the state's General Fund to the end of
85 the fiscal year furnished pursuant to section 4-66 and itemized as far as
86 practicable for each budgeted agency, including estimates of lapsing
87 appropriations, unallocated lapsing balances and unallocated
88 appropriation requirements. The Comptroller shall provide such
89 statements, in the same form and in the same categories as appears in
90 the budget act enacted by the General Assembly, on or before the first
91 day of the following month. The Comptroller shall submit a copy of
92 the monthly trial balance and monthly analysis of expenditure run to
93 the Office of Fiscal Analysis. On or before September thirtieth,
94 annually, the Comptroller shall submit a report, prepared in
95 accordance with generally accepted accounting principles, to the
96 Governor which shall include (1) a statement of all appropriations and
97 expenditures of the public funds during the fiscal year next preceding
98 itemized by each appropriation account of each budgeted agency; (2) a
99 statement of the revenues of the state classified as far as practicable as
100 to budgeted agencies, sources and funds during such year; (3) a
101 statement setting forth the total tax receipts of the state during such
102 year; (4) a balance sheet setting forth, as of the close of such year, the
103 financial condition of the state as to its funds; and such other
104 information as will, in the Comptroller's opinion, be of interest to the
105 public or as will convey to the General Assembly and the Governor the

106 essential facts as to the financial condition and operations of the state
107 government. The annual report of the Comptroller shall be published
108 and made available to the public on or before the thirty-first day of
109 December. Any financial tables in such annual report shall be posted
110 on the Comptroller's Internet web site in a downloadable database
111 format.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	New section
Sec. 2	<i>July 1, 2013</i>	New section
Sec. 3	<i>July 1, 2013</i>	3-115

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

House "A" eliminates the original bill and its associated fiscal

impact and results in the impact described above.

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 (as amended by House "A")******AN ACT CONCERNING TRANSPARENCY IN ECONOMIC ASSISTANCE PROGRAMS.*****SUMMARY:**

By January 1, 2014, this bill requires the Department of Economic and Community Development (DECD) to create online electronic databases allowing people to search, retrieve, and download economic development data. It specifies the type of data DECD must provide, the time period it covers, and the deadlines for creating and updating the databases.

The bill requires the Department of Revenue Services (DRS) 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.

Lastly, the bill requires the comptroller to make more financial information available on his website.

*House Amendment "A" replaces the underlying bill. It (1) limits the content of the economic development databases to DECD programs, excluding those administered by Connecticut Innovations, Inc. and the Capital Region Development Authority; (2) narrows the type of data DECD must include in the databases; (3) changes the timing for the data and the annual cycle for updating it; and (4) drops

the requirements that (a) DECD explain the method and assumptions it used to create the databases and (b) the Office of Policy and Management and the Office of Fiscal Analysis provide budgetary data on their websites.

EFFECTIVE DATE: July 1, 2013

ECONOMIC DEVELOPMENT DATABASE

Format

The bill requires the DECD commissioner to create databases on the department's website allowing people to access information about economic development assistance given to recruit 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. But they must provide access to this information only to the extent federal and state law allows. The bill further specifies that it does not require DECD to disclose any information it must keep confidential under state and federal law.

Content

The bill specifies the type of data DECD must include in the databases, distinguishing between (1) grants, loans, payments, and enterprise zone property tax abatements DECD administers and (2) tax credits for:

1. research and experiment expenditures (CGS § 12-217j),
2. research and development expenditures (CGS § 12-217n),
3. property taxes paid for electronic data processing equipment (CGS § 12-217t),
4. fixed capital (CGS § 12-217w),
5. film production (CGS § 12-217jj),
6. entertainment industry infrastructure (CGS § 12-217kk),

7. digital animation production (CGS § 12-217ll),
8. job expansion (hires before January 1, 2014) (CGS § 12-217pp),
and
9. urban and industrial sites reinvestment (CGS § 32-9t).

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

1. the name and principal location of each recipient of economic development assistance, excluding information related to an officer's or employee's residence;
2. the amount or value of assistance and the statutory authority under which it was provided;
3. the number of people each recipient employed when it was awarded assistance, and the number of jobs it created or retained, if available; and
4. the terms and conditions imposed on each recipient and whether it has complied with them.

Business Tax Credits. The databases on the business tax credits must provide:

1. the amount of each credit that DECD approved or otherwise authorized;
2. the amount of credit that was claimed and applied toward a tax liability and the carried forward amount; and
3. to the extent available, the results of DECD's most recent analysis of the economic and employment impact of each credit and the most recent analysis of each credit's economic and employment impact, as reported in DECD's three-year assessment of state business tax credit and abatement programs.

Availability

The DECD commissioner must create the databases in collaboration with the revenue services commissioner and make them available on DECD's website. The data for economic assistance and tax credits must provide data for the preceding five fiscal years and the preceding five tax years, respectively. DECD must update the data by January 1 annually, and make it available on its website.

FINANCIAL DATA

The bill requires the comptroller to post on his website any financial tables included in his annual report, which is due each 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)