



General Assembly

January Session, 2013

Raised Bill No. 6652

LCO No. 4604



Referred to Committee on COMMERCE

Introduced by:
(CE)

**AN ACT CONCERNING MINOR AND TECHNICAL CHANGES TO
ECONOMIC DEVELOPMENT STATUTES.**

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

1 Section 1. Subsection (b) of section 4-124ff of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (b) There is established a Council of Advisors on Strategies for the
5 Knowledge Economy to promote the formation of university-industry
6 partnerships, identify benchmarks for technology-based workforce
7 innovation and competitiveness and advise the award process (1) for
8 innovation challenge grants to public postsecondary schools and their
9 business partners, and (2) grants under section 4-124hh. The council
10 shall be chaired by the Secretary of the Office of Policy and
11 Management and shall include the Commissioner of Economic and
12 Community Development, the president of the Board of Regents for
13 Higher Education, the Labor Commissioner, the chief executive officer
14 of Connecticut Innovations, Incorporated [and the Connecticut
15 Development Authority] and four representatives from the technology
16 industry, one of whom shall be appointed by the president pro

17 tempore of the Senate, one of whom shall be appointed by the speaker
18 of the House of Representatives, one of whom shall be appointed by
19 the minority leader of the Senate and one of whom shall be appointed
20 by the minority leader of the House of Representatives.

21 Sec. 2. Section 8-134 of the general statutes is repealed and the
22 following is substituted in lieu thereof (*Effective from passage*):

23 For the purpose of carrying out or administering a redevelopment
24 plan or other functions authorized under this chapter, a municipality,
25 acting by and through its redevelopment agency, is hereby authorized,
26 subject only to the limitations and procedures set forth in this section,
27 to issue from time to time bonds of the municipality which are payable
28 solely from and secured by: (a) A pledge of and lien upon any or all of
29 the income, proceeds, revenues and property of redevelopment
30 projects, including the proceeds of grants, loans, advances or
31 contributions from the federal government, the state or other source,
32 including financial assistance furnished by the municipality or any
33 other public body pursuant to section 8-135; (b) taxes or payments in
34 lieu of taxes, or both, in whole or in part, allocated to and paid into a
35 special fund of the municipality pursuant to the provisions of section
36 8-134a; or (c) any combination of the methods in subsections (a) and (b)
37 of this section. For the purposes of a specified project only, Connecticut
38 Innovations, Incorporated may, upon a resolution with respect to such
39 project adopted by the legislative body of the municipality, issue and
40 administer bonds which are payable solely or in part from and secured
41 by the pledge and security provided for in this section subject to the
42 general terms and provisions of law applicable to the issuance of
43 bonds by Connecticut Innovations, Incorporated, except that the
44 provisions of subsection (b) of section 32-23j, as amended by this act,
45 shall not apply. Any bonds payable and secured as provided in this
46 section shall be authorized by a resolution adopted by the legislative
47 body of the municipality, notwithstanding the provisions of any other
48 statute, local law or charter governing the authorization and issuance
49 of bonds generally by the municipality. No such resolution shall be

50 adopted until after a public hearing has been held upon such
51 authorization. Notice of such hearing shall be published not less than
52 five days prior to such hearing in a newspaper having a general
53 circulation in the municipality. Such bonds shall be issued and sold in
54 such manner; bear interest at such rate or rates, including variable
55 rates to be determined in such manner as set forth in the proceedings
56 authorizing the issuance of the bonds; provide for the payment of
57 interest on such dates, whether before or at maturity; be issued at,
58 above or below par; mature at such time or times not exceeding forty
59 years from their date in the case of bonds issued to finance housing
60 and facilities related thereto or thirty years from their date in all other
61 cases; have such rank or priority; be payable in such medium of
62 payment; be issued in such form, including, without limitation,
63 registered or book-entry form, carry such registration and transfer
64 privileges and be made subject to purchase or redemption before
65 maturity at such price or prices and under such terms and conditions,
66 including the condition that such bonds be subject to purchase or
67 redemption on the demand of the owner thereof; and contain such
68 other terms and particulars as the legislative body of the municipality
69 or the officers delegated such authority by the legislative body of the
70 municipality body shall determine. The proceedings under which
71 bonds are authorized to be issued may, subject to the provisions of the
72 general statutes, contain any or all of the following: (1) Provisions
73 respecting custody of the proceeds from the sale of the bonds and any
74 bond anticipation notes, including any requirements that such
75 proceeds be held separate from or not be commingled with other funds
76 of the municipality; (2) provisions for the investment and reinvestment
77 of bond proceeds until such proceeds are used to pay project costs and
78 for the disposition of any excess bond proceeds or investment earnings
79 thereon; (3) provisions for the execution of reimbursement agreements,
80 or similar agreements, in connection with credit facilities, including,
81 but not limited to, letters of credit or policies of bond insurance,
82 remarketing agreements and agreements for the purpose of
83 moderating interest rate fluctuations; (4) provisions for the collection,
84 custody, investment, reinvestment and use of the pledged revenues or

85 other receipts, funds or moneys pledged for payment of bonds as
86 provided in this section; (5) provisions regarding the establishment
87 and maintenance of reserves, sinking funds and any other funds and
88 accounts as shall be approved by the legislative body of the
89 municipality in such amounts as may be established by the legislative
90 body of the municipality and the regulation and disposition thereof,
91 including requirements that any such funds and accounts be held
92 separate from or not be commingled with other funds of the
93 municipality; (6) covenants for the establishment of maintenance
94 requirements with respect to facilities and properties; (7) provisions for
95 the issuance of additional bonds on a parity with bonds issued prior to
96 the issuance of such additional bonds, including establishment of
97 coverage requirements with respect to such bonds as herein provided;
98 (8) provisions regarding the rights and remedies available to the bond
99 owners, note owners or any trustee under any contract, loan
100 agreement, document, instrument or trust indenture in case of a
101 default, including the right to appoint a trustee to represent their
102 interests upon occurrence of any event of default, as defined in any
103 such default proceedings, provided that if any bonds or bond
104 anticipation notes are secured by a trust indenture, the respective
105 owners of such bonds or notes shall have no authority except as set
106 forth in such trust indenture to appoint a separate trustee to represent
107 them; and (9) other provisions or covenants of like or different
108 character from the foregoing which are consistent with this section and
109 which the legislative body of the municipality determines in such
110 proceedings are necessary, convenient or desirable in order to better
111 secure the bonds or bond anticipation notes, or will tend to make the
112 bonds or bond anticipation notes more marketable, and which are in
113 the best interests of the municipality. Any provisions which may be
114 included in proceedings authorizing the issuance of bonds under this
115 section may be included in an indenture of trust duly approved in
116 accordance with this section which secures the bonds and any notes
117 issued in anticipation thereof, and in such case the provisions of such
118 indenture shall be deemed to be a part of such proceedings as though
119 they were expressly included therein. Any pledge made by the

120 municipality shall be valid and binding from the time when the pledge
121 is made, and any revenues or other receipts, funds or moneys so
122 pledged and thereafter received by the municipality shall be subject
123 immediately to the lien of such pledge without any physical delivery
124 thereof or further act. The lien of any such pledge shall be valid and
125 binding as against all parties having claims of any kind in tort, contract
126 or otherwise against the municipality, irrespective of whether such
127 parties have notice of such lien. Neither the resolution nor any other
128 instrument by which a pledge is created need be recorded. The
129 legislative body of the municipality may enter into a trust indenture by
130 and between the municipality and a corporate trustee, which may be
131 any trust company or bank having the powers of a trust company
132 within or without the municipality. Such trust indenture may contain
133 such provisions for protecting and enforcing the rights and remedies
134 of the bond owners and note owners as may be reasonable and proper
135 and not in violation of law, including covenants setting forth the duties
136 of the municipality in relation to the exercise of its powers pursuant to
137 this section and the custody, safeguarding and application of all
138 moneys. The municipality may provide by such trust indenture for the
139 payment of the pledged revenues or other receipts, funds or moneys to
140 the trustee under such trust indenture or to any other depository, and
141 for the method of disbursement thereof, with such safeguards and
142 restrictions as it may determine. All expenses incurred in carrying out
143 such trust indenture may be treated as project costs. Such bonds shall
144 not be included in computing the aggregate indebtedness of the
145 municipality, provided, if such bonds are made payable, in whole or in
146 part, from funds contracted to be advanced by the municipality, the
147 aggregate amount of such funds not yet appropriated to such purpose
148 shall be included in computing the aggregate indebtedness of the
149 municipality. As used in this section, "bonds" means any bonds,
150 including refunding bonds, notes, interim certificates, debentures or
151 other obligations. For purposes of this section and section 8-134a,
152 references to Connecticut Innovations, Incorporated shall include any
153 subsidiary of Connecticut Innovations, Incorporated established
154 pursuant to subsection [(l)] (a) of section [32-11a] 32-11e.

155 Sec. 3. Subsection (d) of section 8-192 of the general statutes is
156 repealed and the following is substituted in lieu thereof (*Effective from*
157 *passage*):

158 (d) For the purposes of carrying out or administering a specified
159 development plan authorized under this chapter, Connecticut
160 Innovations, Incorporated may, upon a resolution with respect to such
161 project adopted by the legislative body of the municipality, issue and
162 administer bonds which are payable solely or in part from and secured
163 by the pledge and security provided for in subsection (a) of this section
164 subject to the general terms and provisions of law applicable to the
165 issuance of bonds by Connecticut Innovations, Incorporated, except
166 that the provisions of subsection (b) of section 32-23j, as amended by
167 this act, shall not apply. For purposes of this section and section 8-
168 192a, references to Connecticut Innovations, Incorporated shall include
169 any subsidiary of Connecticut Innovations, Incorporated established
170 pursuant to subsection [(l)] (a) of section [32-11a] 32-11e.

171 Sec. 4. Subsection (e) of section 12-217pp of the general statutes is
172 repealed and the following is substituted in lieu thereof (*Effective from*
173 *passage*):

174 (e) (1) To be eligible to claim the credit, a taxpayer shall apply to the
175 commissioner in accordance with the provisions of this section. The
176 application shall be on a form provided by the commissioner and shall
177 contain sufficient information as required by the commissioner,
178 including, but not limited to, the activities that the taxpayer primarily
179 engages in, the North American Industrial Classification System code
180 of the taxpayer, the current number of employees employed by the
181 taxpayer as of the application date, and if applicable, the name and
182 position or job title of the new, qualifying or veteran employee. The
183 commissioner shall consult with the Labor Commissioner, the
184 Commissioner of Rehabilitation Services, [or] the Commissioner of
185 Veterans' Affairs, the Commissioner of Mental Health and Addiction
186 Services or the Commissioner of Developmental Services, as
187 applicable, for any verification the commissioner deems necessary of

188 unemployment compensation or vocational rehabilitation services
189 received by a qualifying employee, or of service in the armed forces of
190 the United States by a veteran employee. The commissioner may
191 impose a fee for such application as the commissioner deems
192 appropriate.

193 (2) Upon receipt of an application, the commissioner shall render a
194 decision, in writing, on each completed application not later than thirty
195 days after the date of its receipt by the commissioner. If the
196 commissioner approves such application, the commissioner shall issue
197 a certification letter to the taxpayer indicating that the credit will be
198 available to be claimed by the taxpayer if the taxpayer and new,
199 qualifying or veteran employee otherwise meets the requirements of
200 this section.

201 Sec. 5. Subsection (c) of section 25-33a of the general statutes is
202 repealed and the following is substituted in lieu thereof (*Effective from*
203 *passage*):

204 (c) Each grant made pursuant to subsection (a) of this section shall
205 be authorized by Connecticut Innovations, Incorporated or, if the
206 [authority] corporation so determines, by a committee of the
207 [authority] corporation consisting of the chairman and either one other
208 board member of the [authority] corporation or its [executive director]
209 chief executive officer. Connecticut Innovations, Incorporated shall
210 charge reasonable application and other fees to be applied to the
211 administrative expenses incurred in carrying out the provisions of this
212 section, to the extent such expenses are not paid by the [authority]
213 corporation or from moneys appropriated to the department. Each
214 such payment shall be made by the Treasurer upon certification by the
215 Commissioner of Economic and Community Development that the
216 payment is authorized under the provisions of this section under the
217 applicable rules and regulations of the department, and under the
218 terms and conditions established by the [authority] corporation or the
219 duly appointed committee thereof in authorizing the making of the
220 grant.

221 Sec. 6. Section 32-6j of the general statutes is repealed and the
222 following is substituted in lieu thereof (*Effective from passage*):

223 In the assessment and provision of job training for employers, the
224 Commissioner of Economic and Community Development and the
225 [executive director] chief executive officer of Connecticut Innovations,
226 Incorporated shall request the assistance of the Labor Commissioner.
227 Upon receipt of a request for job training pursuant to this section, the
228 Labor Commissioner shall notify the president of the Board of Regents
229 for Higher Education, or his or her designee, of such request. The
230 president, or his or her designee, shall determine if a training program
231 exists or can be designed at a regional community-technical college to
232 meet such training need and shall notify the Labor Commissioner of
233 such determination. The Labor Commissioner shall to the extent
234 possible make arrangements for the participation of the regional
235 community-technical colleges, the Connecticut State University
236 System, other institutions of higher education, other postsecondary
237 institutions, adult education programs and state technical high schools
238 in implementing the program. Nothing in this section shall preclude
239 the Labor Commissioner from considering or choosing other providers
240 to meet such training need.

241 Sec. 7. Subsection (a) of section 32-7h of the general statutes is
242 repealed and the following is substituted in lieu thereof (*Effective from*
243 *passage*):

244 (a) There is established an account to be known as the "small
245 business express assistance account" which will be a separate,
246 nonlapsing account within the General Fund. The account shall
247 contain any [money] moneys required by law to be deposited in the
248 account. Repayment of principal and interest on loans shall be credited
249 to such fund and shall become part of the assets of the fund. Moneys in
250 the account shall be expended by the Department of Economic and
251 Community Development for the purposes of the Small Business
252 Express program established pursuant to section 32-7g. All moneys
253 received for the purposes of the Small Business Express program and

254 payments of principal and interest on any loans given under said
255 program shall be credited to the account.

256 Sec. 8. Subsection (b) of section 32-9w of the general statutes is
257 repealed and the following is substituted in lieu thereof (*Effective from*
258 *passage*):

259 (b) The Department of Economic and Community Development
260 shall prepare a written evaluation of the impact of the overall project
261 on the environment. Such evaluation shall include a list of all permits,
262 licenses or other approvals required by the Department of Energy and
263 Environmental Protection and a detailed evaluation of environmental
264 impacts that addresses all of the matters in subsection (c) of section
265 22a-1b. The commissioner shall consider all public comments in
266 preparing such environmental impact evaluation. The Commissioner
267 of Economic and Community Development shall submit such
268 evaluation and a summary thereof, including any negative findings to
269 the Commissioner of Energy and Environmental Protection and the
270 Secretary of the Office of Policy and Management and shall make the
271 evaluation and summary available to the public for inspection and
272 comment at the same time. The Commissioner of Economic and
273 Community Development shall hold a public hearing on the
274 evaluation and shall publish notice of the availability of such
275 evaluation and summary in the Environmental Monitor and a
276 newspaper of general circulation in the [effected] affected
277 municipalities not less than fourteen calendar days before the date of
278 such hearing. Any person may comment at the public hearing or in
279 writing not later than the second day following the close of the public
280 hearing. All public comments received by the Department of Economic
281 and Community Development shall be promptly forwarded to the
282 Commissioner of Energy and Environmental Protection and the
283 Secretary of the Office of Policy and Management and shall be made
284 available for public inspection.

285 Sec. 9. Subsection (d) of section 32-9cc of the general statutes is
286 repealed and the following is substituted in lieu thereof (*Effective from*

287 *passage*):

288 (d) The Department of Energy and Environmental Protection,
289 Connecticut Innovations, Incorporated, the Office of Policy and
290 Management and the Department of Public Health shall each
291 designate one or more staff members to act as a liaison between their
292 offices and the Office of Brownfield Remediation and Development.
293 The Commissioners of Economic and Community Development,
294 Energy and Environmental Protection and Public Health, the Secretary
295 of the Office of Policy and Management and the [executive director]
296 chief executive officer of Connecticut Innovations, Incorporated shall
297 enter into a memorandum of understanding concerning each entity's
298 responsibilities with respect to the Office of Brownfield Remediation
299 and Development. The Office of Brownfield Remediation and
300 Development may recruit two volunteers from the private sector,
301 including a person from the Connecticut chapter of the National
302 Brownfield Association, with experience in different aspects of
303 brownfield remediation and development. Said volunteers may assist
304 the Office of Brownfield Remediation and Development in marketing
305 the brownfields programs and redevelopment activities of the state.

306 Sec. 10. Subsection (a) of section 32-9kk of the general statutes is
307 repealed and the following is substituted in lieu thereof (*Effective from*
308 *passage*):

309 (a) As used in subsections (b) to (k), inclusive, of this section:

310 (1) "Brownfield" means any abandoned or underutilized site where
311 redevelopment, reuse or expansion has not occurred due to the
312 presence or potential presence of pollution in the buildings, soil or
313 groundwater that requires investigation or remediation before or in
314 conjunction with the restoration, redevelopment and reuse of the
315 property;

316 (2) "Commissioner" means the Commissioner of Economic and
317 Community Development;

318 (3) "Department" means the Department of Economic and
319 Community Development;

320 (4) "Eligible applicant" means [any] a municipality, a for-profit or
321 nonprofit organization or entity, or an economic development agency,
322 or any combination thereof;

323 (5) "Financial assistance" means grants, extensions of credit, loans or
324 loan guarantees, participation interests in loans made to eligible
325 applicants by Connecticut Innovations, Incorporated or combinations
326 thereof;

327 (6) "Municipality" means a town, city, consolidated town and city or
328 consolidated town and borough;

329 (7) "Eligible brownfield project" means the foreclosure,
330 investigation, assessment, remediation and development of a
331 brownfield undertaken pursuant to this subsection and subsections (b)
332 to (k), inclusive, of this section;

333 (8) "Project area" means the area within which a brownfield
334 development project is located;

335 (9) "Real property" means land, buildings and other structures and
336 improvements thereto, subterranean or subsurface rights, any and all
337 easements, air rights and franchises of any kind or nature;

338 (10) "State" means the state of Connecticut;

339 (11) "Eligible grant recipients" means municipalities or economic
340 development agencies; and

341 (12) "Economic development agency" means (A) a municipal
342 economic development agency or entity created or operating under
343 chapter 130 or 132; (B) a nonprofit economic development corporation
344 formed to promote the common good, general welfare and economic
345 development of a municipality that is funded, either directly or

346 through in-kind services, in part by a municipality; or (C) a nonstock
347 corporation or limited liability company established or controlled by a
348 municipality, municipal economic development agency or an entity
349 created or operating under chapter 130 or 132.

350 Sec. 11. Subsection (b) of section 32-11a of the general statutes is
351 repealed and the following is substituted in lieu thereof (*Effective from*
352 *passage*):

353 (b) All notes, bonds or other obligations issued by the Connecticut
354 Development Authority or the Connecticut Development Commission
355 for the financing of any project or projects shall be in accordance with
356 their terms of full force and effect and valid and binding upon
357 Connecticut Innovations, Incorporated, as the successor to the
358 Connecticut Development Authority, and with respect to any
359 resolution, contract, deed, trust agreement, mortgage, conditional sale
360 or loan agreement, commitment, obligation or liability or other such
361 document, public record, right, remedy, special act or public act,
362 obligation, liability or responsibility pertaining thereto, the corporation
363 shall be, and shall be deemed to be, the successor to the Connecticut
364 Development Authority. All properties, rights in land, buildings and
365 equipment and any funds, moneys, revenues and receipts or assets of
366 [such commission] the Connecticut Development Commission pledged
367 or otherwise securing any such notes, bonds or other obligations shall
368 belong to the corporation as successor to the Connecticut Development
369 Authority, subject to such pledges and other security arrangements
370 and to agreements with the holders of the outstanding notes, bonds or
371 other obligations. Any resolution with respect to the issuance of bonds
372 of the commission for the purposes of the act and any other action
373 taken by the commission with respect to assisting in the financing of
374 any project shall be, or shall be deemed to be, a resolution of the
375 corporation or an action taken by the corporation subject only to any
376 agreements with the holders of outstanding notes, bonds or other
377 obligations of the commission.

378 Sec. 12. Subsection (b) of section 32-11e of the general statutes is

379 repealed and the following is substituted in lieu thereof (*Effective from*
380 *passage*):

381 (b) (1) Without limiting the authority of the corporation with respect
382 to establishing other subsidiaries pursuant to subsection (a) of this
383 section, the corporation may establish one or more subsidiaries to
384 stimulate, encourage and carry out the remediation, development and
385 financing of contaminated property within this state, in coordination
386 with the Department of Energy and Environmental Protection, and to
387 provide financial, developmental and environmental expertise to
388 others including, but not limited to, municipalities, interested in or
389 undertaking such remediation, development or financing which are
390 determined to be public purposes for which public funds may be
391 expended. The corporation may transfer to any such subsidiary any
392 moneys and real or personal property.

393 (2) Neither the Connecticut Brownfields Redevelopment Authority
394 nor any other subsidiary formed under this subsection may provide
395 for any bonded indebtedness of the state for the cost of any liability or
396 contingent liability for the remediation of contaminated real property
397 unless such indebtedness is specifically authorized by an act of the
398 General Assembly. Each such subsidiary may do all things necessary
399 or convenient to carry out the purposes of this subsection, section 12-
400 81r, subsection (h) of section 22a-133m, subsection (a) of section 22a-
401 133x, sections 22a-133aa, 22a-133bb and 22a-133dd, subsection (l) of
402 section 22a-134a and sections 22a-452f, 32-7e and 32-23pp to 32-23rr,
403 inclusive, including, but not limited to, (A) solicit, receive and accept
404 aid, grants or contributions from any source of money, property or
405 labor or other things of value, to be held, used and applied to carry out
406 the purposes of this subsection, section 12-81r, subsection (h) of section
407 22a-133m, subsection (a) of section 22a-133x, sections 22a-133aa, 22a-
408 133bb and 22a-133dd, subsection (l) of section 22a-134a and sections
409 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive, subject to the
410 conditions upon which such grants and contributions may be made,
411 including, but not limited to, gifts, grants or loans, from any

412 department, agency or quasi-public agency of the United States or the
413 state; (B) enter into agreements with persons upon such terms and
414 conditions as are consistent with the purposes of such subsidiary to
415 acquire or facilitate the remediation, development or financing of
416 contaminated real or personal property; (C) to acquire, take title, lease,
417 purchase, own, manage, hold and dispose of real and personal
418 property and lease, convey or deal in or enter into agreements with
419 respect to such property; (D) examine, inspect, rehabilitate, remediate
420 or improve real or personal property or engage others to do so on such
421 subsidiary's behalf, or enter into contracts therefor; (E) mortgage,
422 convey or dispose of its assets and pledge its revenues to secure any
423 borrowing, for the purpose of financing, refinancing, rehabilitating,
424 remediating, improving or developing its assets, provided each such
425 borrowing or mortgage shall be a special obligation of such subsidiary,
426 which obligation may be in the form of notes, bonds, bond anticipation
427 notes and other obligations issued by or to such subsidiary to the
428 extent permitted under this section and sections 32-11c and 32-11d to
429 fund and refund the same and provide for the rights of the holders
430 thereof, and to secure the same by pledge of revenues, notes or other
431 assets and which shall be payable solely from the assets, revenues and
432 other resources of such subsidiary; (F) to create real estate investment
433 trusts or similar entities or to become a member of a limited liability
434 company or to become a partner in limited or general partnerships or
435 establish other contractual arrangements with private and public
436 sector entities as such subsidiary deems necessary to remediate,
437 develop or finance environmentally contaminated property in the
438 state; and (G) any other powers necessary or appropriate to carry out
439 the purposes of this subsection, subsection (h) of section 22a-133m,
440 subsection (a) of section 22a-133x, sections 22a-133aa, 22a-133bb and
441 22a-133dd, subsection (l) of section 22a-134a and sections 22a-452f, 32-
442 7e and 32-23pp to 32-23rr, inclusive. The board of directors, [executive
443 director] chief executive officer, officers and staff of the corporation
444 may serve as members of any advisory or other board which may be
445 established to carry out the purposes of this subsection, subsection (h)
446 of section 22a-133m, subsection (a) of section 22a-133x, sections 22a-

447 133aa, 22a-133bb and 22a-133dd, subsection (l) of section 22a-134a and
448 sections 22a-452f, 32-7e and 32-23pp to 32-23rr, inclusive.

449 Sec. 13. Section 32-15 of the general statutes is repealed and the
450 following is substituted in lieu thereof (*Effective from passage*):

451 All applications for insurance shall be forwarded, together with an
452 application fee, if any, prescribed by the corporation, to the [executive
453 director] chief executive officer of the corporation. The [executive
454 director] chief executive officer, after preparing necessary records for
455 the corporation, shall prepare a report which may include, but shall
456 not be limited to, such facts about the company under consideration as
457 its history, wage standards, job opportunities, stability of employment,
458 past and present financial condition and structure, pro-forma income
459 statements, present and future markets and prospects, and integrity of
460 management. Such report shall conclude with a brief discussion and
461 opinion as to whether the applicant would contribute to the
462 development and advancement of the business prosperity and
463 economic welfare of the state of Connecticut. Such report shall be
464 submitted to the corporation through its [executive director] chief
465 executive officer and shall be advisory in nature only. After receipt and
466 consideration of the above report and after such other action as is
467 deemed appropriate, the corporation shall approve or deny the
468 application. The applicant shall be promptly notified of such action by
469 the corporation. If the application is approved, notice of such approval
470 shall be transmitted to the proposed mortgagee or lender chosen by
471 the applicant. Such approval shall be conditioned upon payment to the
472 corporation, within such reasonable time after notification of approval
473 as may be specified by the corporation, of a commitment fee
474 prescribed by the corporation. No mortgage or loan shall be accepted
475 for insurance unless the corporation finds that the project with respect
476 to which the mortgage or loan is executed is financially sound.

477 Sec. 14. Section 32-23e of the general statutes is repealed and the
478 following is substituted in lieu thereof (*Effective from passage*):

479 To accomplish the purposes of the corporation, which are hereby
480 determined to be public purposes for which public funds may be
481 expended, and in addition to any other powers provided by law, the
482 corporation shall have power to: (1) Determine the location and
483 character of any project to be financed [under the provisions of said
484 chapters and sections] by the corporation, provided any financial
485 assistance shall be approved in accordance with written procedures
486 prepared pursuant to subdivision (14) of this section; (2) purchase,
487 receive, by gift or otherwise, lease, exchange, or otherwise acquire, and
488 construct, reconstruct, improve, maintain, equip and furnish one or
489 more projects, including all real and personal property which the
490 corporation may deem necessary in connection therewith, and to enter
491 into a contract with a person therefor upon such terms and conditions
492 as the corporation shall determine to be reasonable, including but not
493 limited to reimbursement for the planning, designing, financing,
494 construction, reconstruction, improvement, equipping, furnishing,
495 operation and maintenance of the project and any claims arising
496 therefrom and establishment and maintenance of reserve and
497 insurance funds with respect to the financing of the project; (3) insure
498 any or all payments to be made by the borrower under the terms of
499 any agreement for the extension of credit or making of a loan by the
500 corporation in connection with any economic development project to
501 be financed, wholly or in part, through the issuance of bonds or
502 mortgage payments of any mortgage which is given by a mortgagor to
503 the mortgagee who has provided the mortgage for an economic
504 development project upon such terms and conditions as the
505 corporation may prescribe and as provided herein, and the faith and
506 credit of the state are pledged thereto; (4) in connection with the
507 insuring of payments of any mortgage, request for its guidance a
508 finding of the municipal planning commission, or, if there is no
509 planning commission, a finding of the municipal officers, of the
510 municipality in which the economic development project is proposed
511 to be located, or of the regional planning agency of which such
512 municipality is a member, as to the expediency and advisability of the
513 economic development project; (5) sell or lease to any person, all or

514 any portion of a project, purchase from eligible financial institutions
515 mortgages with respect to economic development projects, purchase or
516 repurchase its own bonds, and sell, pledge or assign to any person any
517 such bonds, mortgages, or other loans, notes, revenues or assets of the
518 corporation, or any interest therein, for such consideration and upon
519 such terms as the corporation may determine to be reasonable; (6)
520 mortgage or otherwise encumber all or any portion of a project
521 whenever it shall find such action to be in furtherance of the purposes
522 of [said chapters and sections] the corporation; (7) enter into
523 agreements with any person, including prospective mortgagees and
524 mortgagors, for the purpose of planning, designing, constructing,
525 acquiring, altering and financing projects, providing liquidity or a
526 secondary market for mortgages or other financial obligations incurred
527 with respect to facilities which would qualify as a project under this
528 chapter, purchasing loans made by regional corporations under section
529 32-276, or for any other purpose in furtherance of any other power of
530 the corporation; (8) grant options to purchase or renew a lease for any
531 of its projects on such terms as the corporation may determine to be
532 reasonable; (9) employ or retain attorneys, accountants and
533 architectural, engineering and financial consultants and such other
534 employees and agents and to fix their compensation [and to employ
535 the Connecticut Development Credit Corporation on a cost basis] as it
536 shall deem necessary to assist it in carrying out the purposes of [said]
537 the corporation; [legislation;] (10) accept from a federal agency loans,
538 grants or loan guarantees or otherwise participate in any loan, grant,
539 loan guarantee or other financing or economic or project development
540 program of a federal agency in furtherance of, and consistent with, the
541 purposes of the corporation, and enter into agreements with such
542 agency respecting any such loans, grants, loan guarantees or federal
543 agency programs; (11) provide tenant lease guarantees and
544 performance guarantees, invest in, extend credit or make loans to any
545 person for the planning, designing, financing, acquiring, constructing,
546 reconstructing, improving, expanding, continuing in operation,
547 equipping and furnishing of a project and for the refinancing of
548 existing indebtedness with respect to any facility or part thereof which

549 would qualify as a project in order to facilitate substantial
550 improvements thereto, which guarantees, investments, credits or loans
551 may be secured by loan agreements, lease agreements, installment sale
552 agreements, mortgages, contracts and all other instruments or fees and
553 charges, upon such terms and conditions as the corporation shall
554 determine to be reasonable in connection with such loans, including
555 provision for the establishment and maintenance of reserve and
556 insurance funds and in the exercise of powers granted in this section in
557 connection with a project for such person, to require the inclusion in
558 any contract, loan agreement or other instrument, such provisions for
559 the construction, use, operation and maintenance and financing of a
560 project as the corporation may deem necessary or desirable; (12) in
561 connection with any application for assistance, [under said corporation
562 legislation,] or commitments therefor, to make and collect such fees
563 and charges as the corporation shall determine to be reasonable; (13)
564 adopt procedures, in accordance with the provisions of section 1-121,
565 to carry out the purposes of the corporation, which may give priority
566 to applications for financial assistance based upon the extent the
567 project will materially contribute to the economic base of the state by
568 creating or retaining jobs, providing increased wages or benefits to
569 employees, promoting the export of products or services beyond the
570 boundaries of the state, encouraging innovation in products or
571 services, encouraging defense-dependent business to diversify to
572 nondefense production, promoting standards of participation adopted
573 by the Connecticut partnership compact pursuant to section 33-374g of
574 the general statutes, revision of 1958, revised to 1991, or will otherwise
575 enhance existing activities that are important to the economic base of
576 the state, provided regulation-making proceedings commenced before
577 January 1, 1989, shall be governed by sections 4-166 to 4-174, inclusive;
578 (14) maintain an office at such place or places within the state as it may
579 designate; (15) when it becomes necessary or feasible for the
580 corporation to safeguard itself from losses, acquire, purchase, manage
581 and operate, hold and dispose of real and personal property, take
582 assignments of rentals and leases and make and enter into all
583 contracts, leases, agreements and arrangements necessary or incidental

584 to the performance of its duties; (16) in order to further the purposes of
585 the corporation, or to assure the payment of the principal and interest
586 on bonds or notes of the corporation or to safeguard the mortgage
587 insurance fund, purchase, acquire and take assignments of notes,
588 mortgages and other forms of security and evidences of indebtedness,
589 purchase, acquire, attach, seize, accept or take title to any project by
590 conveyance or, by foreclosure, and sell, lease or rent any project for a
591 use specified [in said chapters and sections or in this chapter] for the
592 corporation; (17) do, or delegate, any and all things necessary or
593 convenient to carry out the purposes and to exercise the powers given
594 and granted to the corporation; (18) to accept from the department: (A)
595 Financial assistance, (B) revenues or the right to receive revenues with
596 respect to any program under the supervision of the department, and
597 (C) loan assets or equity interests in connection with any program
598 under the supervision of the department; to make advances to and
599 reimburse the department for any expenses incurred or to be incurred
600 by it in the delivery of such assistance, revenues, rights, assets or
601 amounts; to enter into agreements for the delivery of services by the
602 corporation, in consultation with the department and the Connecticut
603 Housing Finance Authority, to third parties which agreements may
604 include provisions for payment by the department to the corporation
605 for the delivery of such services; and to enter into agreements with the
606 department or with the Connecticut Housing Finance Authority for the
607 sharing of assistants, agents and other consultants, professionals and
608 employees, and facilities and other real and personal property used in
609 the conduct of the corporation's affairs; and (19) to transfer to the
610 department: (A) Financial assistance, (B) revenues or the right to
611 receive revenues with respect to any program under the supervision of
612 the corporation, and (C) loan assets or equity interests in connection
613 with any program under the supervision of the corporation, provided
614 the transfer of such financial assistance, revenues, rights, assets or
615 interests is determined by the corporation to be practicable, within the
616 constraints and not inconsistent with the fiduciary obligations of the
617 corporation imposed upon or established upon the corporation by any
618 provision of the general statutes, the corporation's bond resolutions or

619 any other agreement or contract of the authority and to have no
620 adverse effect on the tax-exempt status of any bonds of the corporation
621 or the state.

622 Sec. 15. Subsection (b) of section 32-23j of the general statutes is
623 repealed and the following is substituted in lieu thereof (*Effective from*
624 *passage*):

625 (b) The corporation may create and establish one or more reserve
626 funds to be known as special capital reserve funds and may pay into
627 such special capital reserve funds (1) any moneys appropriated and
628 made available by the state for the purposes of such funds, (2) any
629 proceeds of sale of notes or bonds, to the extent provided in the
630 resolution of the corporation authorizing the issuance thereof, and (3)
631 any other moneys which may be made available to the corporation for
632 the purpose of such funds from any other source or sources. The
633 moneys held in or credited to any special capital reserve fund
634 established under this section, except as hereinafter provided, shall be
635 used solely for the payment of the principal of bonds of the
636 corporation secured by such special capital reserve fund as the same
637 become due, the purchase of such bonds of the corporation, the
638 payment of interest on such bonds of the corporation or the payment
639 of any redemption premium required to be paid when such bonds are
640 redeemed prior to maturity; provided, the corporation shall have
641 power to provide that moneys in any such fund shall not be
642 withdrawn therefrom at any time in such amount as would reduce the
643 amount of such funds to less than the maximum amount of principal
644 and interest becoming due by reason of maturity or a required sinking
645 fund installment in the succeeding calendar year on the bonds of the
646 corporation then outstanding and secured by such special capital
647 reserve fund or such lesser amount specified by the corporation in its
648 resolution authorizing the issuance of any such bonds, such amount
649 being herein referred to as the "required minimum capital reserve",
650 except for the purpose of paying such principal of, redemption
651 premium and interest on such bonds of the corporation secured by

652 such special capital reserve becoming due and for the payment of
653 which other moneys of the corporation are not available. The
654 corporation may provide that it shall not issue bonds at any time if the
655 required minimum capital reserve on the bonds outstanding and the
656 bonds then to be issued and secured by a special capital reserve fund
657 will exceed the amount of such special capital reserve fund at the time
658 of issuance, unless the corporation, at the time of the issuance of such
659 bonds, shall deposit in such special capital reserve fund from the
660 proceeds of the bonds so to be issued, or otherwise, an amount which,
661 together with the amount then in such special capital reserve fund, will
662 be not less than the required minimum capital reserve. On or before
663 December first, annually, there is deemed to be appropriated from the
664 state General Fund such sums, if any, as shall be certified by the
665 commissioner to the Secretary of the Office of Policy and Management
666 and Treasurer of the state, as necessary to restore each such special
667 capital reserve fund to the amount equal to the required minimum
668 capital reserve of such fund, and such amounts shall be allotted and
669 paid to the corporation. For the purpose of evaluation of any such
670 special capital reserve fund, obligations acquired as an investment for
671 any such fund shall be valued at amortized cost. Nothing contained in
672 this section shall preclude the corporation from establishing and
673 creating other debt service reserve funds in connection with the
674 issuance of bonds or notes of the corporation. Subject to any agreement
675 or agreements with holders of outstanding notes and bonds of the
676 corporation, any amount or amounts allotted and paid to the
677 corporation by the state pursuant to this section shall be repaid to the
678 state from moneys of the corporation at such time as such moneys are
679 not required for any other of its corporate purposes and in any event
680 shall be repaid to the state on the date one year after all bonds and
681 notes of the corporation theretofore issued on the date or dates such
682 amount or amounts are allotted and paid to the corporation or
683 thereafter issued, together with interest on such bonds and notes, with
684 interest on any unpaid installments of interest and all costs and
685 expenses in connection with any action or proceeding by or on behalf
686 of the holders thereof, are fully met and discharged. Notwithstanding

687 any other [provisions] provision contained in [said chapters and
688 sections] this section, the aggregate amount of bonds secured by such
689 special capital reserve funds authorized to be created and established
690 by this section, shall not exceed four hundred fifty million dollars.
691 Only economic development projects may be assisted or financed by
692 such bonds and the proceeds of such bonds shall not be used for such
693 purpose unless the corporation is of the opinion and determines that
694 the revenues derived from the economic development project or
695 projects shall be sufficient (1) to pay the applicable principal of and
696 interest on the bonds, the proceeds of which are used to finance the
697 economic development project or projects, (2) to establish, increase and
698 maintain any reserves deemed by the corporation to be advisable to
699 secure the payment of the principal of and interest on such bonds, (3)
700 unless the contract with the person obligates the person to pay for the
701 maintenance and insurance of the economic development project, to
702 pay the cost of maintaining the economic development project in good
703 repair and keeping it properly insured, and (4) to pay such other costs
704 or taxes on the economic development project as may be required and
705 that such person is found by the corporation to be financially
706 responsible and presumptively able to comply with the terms and
707 conditions of any lease, conditional sale or credit agreement or loan
708 agreement, agreement of sale, mortgage or other agreement as made
709 by it with the corporation with respect to the industrial project; in
710 making these determinations and this finding, the corporation shall
711 consider all information reasonably available to it including
712 information as to the business reputation of such person, the character
713 and ability of its management, the adequacy of its financial resources,
714 the market demand for its products, the adequacy of its distribution
715 methods, its past earnings and the likelihood that it can successfully
716 meet any required payments under such lease, mortgage, loan
717 agreement or other agreement out of current income.

718 Sec. 16. Section 32-23l of the general statutes is repealed and the
719 following is substituted in lieu thereof (*Effective from passage*):

720 Sections [32-23b] 32-23d to 32-23k, inclusive, shall be deemed to
721 provide a complete method for the doing of the things authorized
722 thereby and shall be regarded as not in conflict with, or as restrictive
723 of, powers conferred by any other laws, any other existing provisions
724 of the general statutes notwithstanding. No proceedings, notice or
725 approval shall be required for the issuance of any bonds or notes or
726 any instrument as security therefor, except as is herein provided.

727 Sec. 17. Subsection (b) of section 32-23o of the general statutes is
728 repealed and the following is substituted in lieu thereof (*Effective from*
729 *passage*):

730 (b) Each such loan or extension of credit shall be authorized by
731 Connecticut Innovations, Incorporated or, if the corporation so
732 determines, by a committee of the corporation consisting of the
733 chairman and either one other member of the corporation or its
734 [executive director] chief executive officer, as specified in the
735 determination of the corporation. Any administrative expenses
736 incurred in carrying out the provisions of this section, to the extent not
737 paid by the corporation or from moneys appropriated to the
738 department, shall be paid from the Small Contractors' Revolving Loan
739 Fund. Payments from the Small Contractors' Revolving Loan Fund to
740 small contractors or to pay such administrative expenses shall be made
741 by the Treasurer upon certification by the Commissioner of Economic
742 and Community Development that the payment is authorized under
743 the provisions of this section, under the applicable rules and
744 regulations of the department, and, if made to a small contractor,
745 under the terms and conditions established by the corporation or the
746 duly appointed committee thereof in authorizing the making of the
747 loan or the extension of credit.

748 Sec. 18. Section 32-23v of the general statutes is repealed and the
749 following is substituted in lieu thereof (*Effective from passage*):

750 (a) As used in this section:

751 (1) "Affiliate" means a business concern which directly controls or is
752 controlled by another business concern, or a third party which controls
753 both business concerns;

754 (2) "Appraised value" means the cost or fair market value of an asset
755 as determined in the discretion of Connecticut Innovations,
756 Incorporated;

757 (3) "Corporation" means Connecticut Innovations, Incorporated
758 established under section [32-11a] 32-35 or its successor;

759 (4) "Department" means the Department of Economic and
760 Community Development or its successor agency;

761 (5) "Eligible borrower" means any person who, in the discretion of
762 the corporation, demonstrates (A) financial need by either its inability
763 to obtain conventional financial assistance in satisfactory amounts or
764 satisfactory terms, or to remain or locate or continue operations in this
765 state without the assistance provided for in this section; and (B) that
766 the project for which the assistance provided for in this section is being
767 requested will materially contribute or provide support to the
768 economic base of the state, as evidenced by one or more of the
769 following criteria: (i) That such project will create or retain high quality
770 jobs within the state and not simply replace existing jobs in other
771 locations or businesses within the state; (ii) that such project will
772 effectuate or facilitate the export of goods or services beyond the state
773 boundaries; (iii) that such project represents a new product or service
774 that has the potential for significant future contribution to the state's
775 economic base; or (iv) that such project will significantly contribute to,
776 support or enhance existing activities which are important to the
777 economic base of the state;

778 (6) "Loans" means (A) loans and extensions of lines of credit, (B) any
779 and all forms of equity investments in any business entity, and (C) any
780 combination of such loans, lines of credit and equity investments;

781 (7) "Person" means any person or entity, including affiliates,

782 engaged in or for the purpose of acquiring a for-profit activity or
783 activities in this state, and whose gross revenues, including revenues
784 of affiliates, did not exceed twenty-five million dollars in its most
785 recently completed fiscal year prior to the date of its application for
786 assistance under this section, or if such person has not been in business
787 for at least one year prior to the date of such application, if the
788 corporation determines in its discretion that such person's gross
789 revenues, including revenues of affiliates, are not likely to exceed
790 twenty-five million dollars in its first fiscal year;

791 (8) "Small business investment company" means any entity defined
792 in 15 USC 662(3); and

793 (9) "State or local development corporation" means any entity
794 organized under the laws of this state which has the authority to
795 promote and assist the growth and development of business concerns
796 in the areas covered by their operations.

797 (b) In order to stimulate and encourage the growth and
798 development of the state economy, the Connecticut Growth Fund is
799 hereby created to provide fixed asset financing, working capital and
800 high risk and start-up capital to firms important to the state's economic
801 base. The state, acting through the corporation, may make, or
802 participate with private sector financial institutions in making loans
803 from said fund to eligible borrowers, state and local development
804 corporations and small business investment companies, in accordance
805 with the provisions of this section. Payments of principal and interest
806 or other payments on such loans, and funds received by the
807 corporation from any other source for the purposes of the Connecticut
808 Growth Fund, shall be deposited into said fund and shall be used to
809 make additional loans and for such other purposes authorized by this
810 section.

811 (c) The state, acting through the corporation, may make, or
812 participate with private sector financial institutions in making loans
813 from the Connecticut Growth Fund to eligible borrowers in accordance

814 with the following provisions:

815 (1) The aggregate outstanding amount of any loans made under this
816 section to any one eligible borrower, including affiliates, shall not
817 exceed four million dollars;

818 (2) The amount of any loan made under this section shall not (A) for
819 real property exceed ninety per cent of either the cost or appraised
820 value of the real property; (B) for machinery and equipment exceed
821 eighty per cent of either the cost or appraised value of the machinery
822 and equipment; and (C) for working capital, which may include, but
823 need not be limited to, capital for expansion or restructuring of a
824 business, exceed such eligible borrower's total working capital needs
825 as determined by the corporation in its discretion at the time of
826 application for assistance under this section;

827 (3) The maximum term for repayment of any loan made under this
828 section shall not exceed (A) twenty years for real property; (B) ten
829 years for machinery and equipment; and (C) seven years for working
830 capital; and

831 (4) Subdivisions (2) and (3) of this subsection shall not apply if and
832 to the extent that the corporation determines in its discretion that such
833 provisions are inappropriate for the purpose of providing either start-
834 up, high risk or acquisition financing.

835 (d) The state, acting through the corporation, may make loans to
836 state or local development corporations and small business investment
837 companies for the purpose of providing funds to enable such state or
838 local development corporations or small business investment
839 companies to make loans to eligible borrowers. The aggregate
840 outstanding amount of any loan made under this subsection to a state
841 or local development corporation or small business investment
842 company for a loan to any one eligible borrower shall not exceed one
843 million dollars, provided such aggregate limit shall not apply in the
844 case of a loan in the form of an equity investment made under this

845 subsection to a small business investment company for a loan in the
846 form of an equity investment. Assets of the Connecticut Growth Fund
847 may be allocated for such equity investments.

848 (e) To carry out the purposes of this section, the corporation shall
849 have those powers set forth in section 32-23e, as amended by this act.
850 The corporation shall also have the power to take all reasonable steps
851 and exercise all available remedies necessary or desirable to protect the
852 obligations or interest of the corporation including, but not limited to,
853 the purchase or redemption in foreclosure proceedings, bankruptcy
854 proceedings or in other judicial proceedings of any property on which
855 it holds a mortgage or other lien or in which it has an interest, and for
856 such purposes payment may be made from the Connecticut Growth
857 Fund.

858 (f) The borrowers shall pay such costs of processing applications for
859 loans made under this section, including closing costs, as the
860 corporation determines are reasonable and necessary. The department
861 may assist the corporation in carrying out the provisions of this section
862 and any administrative expenses incurred by the department for
863 services provided to the corporation or expenses incurred by the
864 corporation in carrying out the provisions of this section, to the extent
865 not paid by the borrower or from moneys appropriated to the
866 department or the corporation for such purposes, may be paid from
867 the Connecticut Growth Fund.

868 (g) Each loan may be authorized by the corporation or, if the
869 corporation so determines, by a committee of the corporation, one of
870 whose members may be its [executive director] chief executive officer.
871 The rate of interest and other terms of each loan to the extent not
872 specifically provided for herein shall be determined by the corporation
873 in its discretion.

874 (h) Payments from the Connecticut Growth Fund to eligible
875 borrowers, state and local development corporations or small business
876 investment companies or to pay administrative expenses shall be made

877 upon certification by the [executive director] chief executive officer of
878 the corporation that payment is authorized under the provisions of this
879 section and under any applicable regulations or program criteria of the
880 corporation.

881 (i) For the purposes of this section, the State Bond Commission shall
882 have the power, from time to time, to authorize the issuance of bonds
883 of the state in one or more series and in principal amounts not
884 exceeding in the aggregate fifty million five hundred eighty thousand
885 dollars. The proceeds from the sale of said bonds shall be used by the
886 department to make grants to the corporation for deposit in the
887 Connecticut Growth Fund for the purposes authorized under this
888 section. The terms and conditions of said grants shall be governed in
889 accordance with a grant contract entered into between the department
890 and corporation. All provisions of section 3-20, or the exercise of any
891 right or power granted thereby which are not inconsistent with the
892 provisions of this section are hereby adopted and shall apply to all
893 bonds authorized by the State Bond Commission pursuant to this
894 section, and temporary notes in anticipation of the money to be
895 derived from the sale of any such bonds so authorized may be issued
896 in accordance with said section 3-20 and from time to time renewed.
897 Said bonds shall mature at such time or times not exceeding twenty
898 years from their respective dates as may be provided in or pursuant to
899 the resolution or resolutions of the State Bond Commission authorizing
900 such bonds. None of such bonds shall be authorized except upon a
901 finding by the State Bond Commission that there has been filed with it
902 a request for such authorization, which is signed by or on behalf of the
903 Secretary of the Office of Policy and Management and states such
904 terms and conditions as said commission in its discretion may require.
905 Said bonds issued pursuant to this section shall be general obligations
906 of the state and the full faith and credit of the state of Connecticut are
907 pledged for the payment of the principal of and interest on said bonds
908 as the same become due, and accordingly and as part of the contract of
909 the state with the holders of said bonds, appropriation of all amounts
910 necessary for the punctual payment of such principal and interest is

911 hereby made, and the Treasurer shall pay such principal and interest
912 as the same become due. Net earnings on any assets of the Connecticut
913 Growth Fund, including investments or reinvestments of proceeds,
914 accrued interest and premiums on the issuance of such bonds, after
915 payment therefrom of expenses incurred by the Treasurer or State
916 Bond Commission in connection with their issuance, shall become part
917 of the Connecticut Growth Fund.

918 Sec. 19. Section 32-23x of the general statutes is repealed and the
919 following is substituted in lieu thereof (*Effective from passage*):

920 (a) As used in this section:

921 (1) "Affiliate" means a business concern which directly controls or is
922 controlled by another business concern, or a third party which controls
923 both business concerns;

924 (2) "Corporation" means Connecticut Innovations, Incorporated
925 established under section [32-11a] 32-35 or its successor;

926 (3) "Department" means the Department of Economic and
927 Community Development or its successor agency;

928 (4) "Enterprise zone" has the same meaning as provided in section
929 32-70;

930 (5) "Impacted business" means any person impacted by (A) a
931 disaster caused by natural forces including, but not limited to, floods
932 or hurricanes, or (B) an economic emergency including, but not limited
933 to, an existing or threatened major plant shutdown, business
934 disruption from a major road or bridge repair project or other existing
935 or potential economic emergency, provided such disaster or
936 emergency described in subparagraph (A) or (B) of this subdivision is
937 proclaimed as such by declaration of the Commissioner of Economic
938 and Community Development, with the consent of the Secretary of the
939 Office of Policy and Management, upon a determination by the
940 Commissioner of Economic and Community Development that such

941 disaster or emergency is of a magnitude that could materially affect the
942 health or well-being of the citizens of the impacted area and that the
943 financial assistance provided for under this section is necessary to
944 assure timely and effective relief and restoration;

945 (6) "Loans" means loans and extensions of lines of credit;

946 (7) "Minority business enterprise" means any person who meets the
947 criteria contained in section 4a-60g and who is receiving a state
948 contract award;

949 (8) "Person" means any person or entity, including affiliates,
950 engaged in a for-profit activity or activities in this state and who,
951 except for an impacted business, is not an eligible borrower for
952 assistance under the provisions of the Connecticut Growth Fund
953 established under section 32-23v, as amended by this act;

954 (9) "Rate of interest" means the interest rate which the corporation
955 shall charge and collect on each loan made by the state under this
956 section, which rate shall not exceed one per cent above the interest rate
957 borne by the general obligation bonds of the state last issued prior to
958 the date such loan is made, provided, such rate shall not exceed the
959 maximum allowable under federal law;

960 (10) "Small contractor" means any person who is a contractor,
961 subcontractor, manufacturer or service company who has been in
962 business for at least one year prior to the date of its application for
963 assistance under this section and whose gross revenues, including
964 revenues of affiliates, did not exceed three million dollars in its most
965 recently completed fiscal year prior to the date of its application for
966 assistance under this section;

967 (11) "State or local development corporation" means any entity
968 organized under the laws of this state which has the authority to
969 promote and assist the growth and development of business concerns
970 in the areas covered by their operations;

971 (12) "Targeted business" means a person located in an enterprise
972 zone whose gross revenues did not exceed three million dollars in its
973 most recently completed fiscal year prior to the date of its application
974 for assistance under this section, or if such person has not been in
975 business for at least one year prior to the date of such application, if
976 the corporation determines in its discretion that such person's gross
977 revenues, including revenues of affiliates, are not likely to exceed three
978 million dollars in its first fiscal year;

979 (13) "Water facilities" means (A) investor-owned water companies
980 which supply water to at least twenty-five but less than ten thousand
981 customers, (B) municipally-owned water companies, and (C) owners
982 of privately and municipally-owned dams which the Commissioner of
983 Energy and Environmental Protection has determined benefit the
984 public.

985 (b) In order to stimulate and encourage the growth and
986 development of the state economy, the Comprehensive Business
987 Assistance Fund is hereby created to provide financial assistance to
988 targeted businesses, businesses impacted by economic emergencies
989 and natural disasters, businesses located in certain regions of the state
990 and certain industry sectors, including businesses located in
991 entertainment districts designated under section 32-76 or established
992 under section 2 of public act 93-311, and to assist in the development of
993 clean water facilities. The state, acting through the corporation, may
994 make or participate with private sector financial institutions in making
995 loans from said fund to persons in accordance with the provisions of
996 this section. Payments of principal and interest on such loans, and
997 funds received by the corporation from any other source for the
998 purposes of the Comprehensive Business Assistance Fund, shall be
999 deposited into said fund and shall be used to make additional loans
1000 and for such other purposes authorized by this section.

1001 (c) The state, acting through the corporation, may make, or
1002 participate with private sector financial institutions in making loans
1003 from the Comprehensive Business Assistance Fund to any person who

1004 in the discretion of the corporation, demonstrates financial need by
1005 either its inability to obtain conventional financial assistance in
1006 satisfactory amounts or on satisfactory terms in accordance with the
1007 following provisions:

1008 (1) The corporation may make loans at the rate of interest to small
1009 contractors and minority business enterprises for the purpose of
1010 financing labor and material costs only. The aggregate outstanding
1011 amount of any loans made under this subdivision to any one person,
1012 including affiliates, shall not exceed two hundred fifty thousand
1013 dollars. The maximum term for repayment of any loan made under
1014 this subdivision shall not exceed one year.

1015 (2) The corporation may make loans at the rate of interest to
1016 targeted businesses. The aggregate outstanding amount of any loans
1017 made under this subdivision to any one person, including affiliates,
1018 shall not exceed three hundred thousand dollars. The maximum term
1019 for repayment of any loan made under this subdivision shall not
1020 exceed (A) twenty years for real property; (B) ten years for machinery
1021 and equipment; and (C) seven years for working capital. For the
1022 purposes of this subdivision and subdivision (3) of this subsection,
1023 working capital may include, but shall not be limited to, capital for
1024 expansion or restructuring of a business.

1025 (3) The corporation may make loans at the rate of interest to
1026 impacted businesses. The aggregate outstanding amount of any loans
1027 made under this subdivision to any one person, including affiliates,
1028 shall not exceed five hundred thousand dollars, except the corporation,
1029 with the consent of the Secretary of the Office of Policy and
1030 Management, may increase the maximum loan amount under this
1031 subdivision to one million dollars if the corporation in its discretion
1032 determines that the particular needs and conditions of such impacted
1033 business warrant such increase. The maximum term for repayment of
1034 any loan made under this subdivision shall not exceed (A) twenty
1035 years for real property; (B) ten years for machinery and equipment;
1036 and (C) seven years for working capital.

1037 (4) The corporation may make loans at the rate of interest to water
1038 facilities. Such loans shall be used for the planning, design,
1039 modification or construction of drinking water facilities made
1040 necessary by the requirements of the Safe Water Act of 1974 or by an
1041 order of the Department of Public Health, which drinking water
1042 facilities shall include, but shall not be limited to, collection facilities,
1043 treatment facilities, wells, tanks, mains, pumps, transmission facilities
1044 and any other machinery and equipment necessary to meet the
1045 requirements of said act. Such loans shall also be used for the repair of
1046 dams subject to the jurisdiction of the Department of Energy and
1047 Environmental Protection under chapter 446j. For the purposes of this
1048 subdivision, repair costs include, but shall not be limited to, fees and
1049 expenses of architects, engineers, attorneys, accountants and other
1050 professional consultants, and costs of preparing surveys, studies, site
1051 plans and specifications for such repair. The aggregate outstanding
1052 amount of any loans made under this subdivision to any water facility,
1053 including affiliates, shall not exceed two hundred fifty thousand
1054 dollars. The maximum term for repayment of any loan made under
1055 this subdivision shall not exceed (A) twenty years for real property;
1056 and (B) ten years for machinery and equipment.

1057 (5) The corporation may make loans at zero per cent interest to
1058 municipal economic development commissions established under
1059 section 7-136 or business outreach centers described in section 32-9qq,
1060 that establish or participate in loan pools that lend funds to (A)
1061 persons or groups of persons who complete entrepreneurial training
1062 programs funded or approved by the Commissioner of Economic and
1063 Community Development, or (B) business support groups. As used in
1064 this subdivision, "business support group" means a group of five or
1065 more persons, firms or corporations which plans to start or expand
1066 separate businesses, has community or other ties demonstrating a
1067 common mission or purpose, agrees to undergo an entrepreneurial
1068 training program funded or approved by the commissioner, and each
1069 member of which agrees to provide business support to other
1070 members of the group. The aggregate outstanding amount of any loans

1071 made under this subdivision to any one person, group of persons or
1072 business support group shall not exceed twenty-five thousand dollars.
1073 The maximum term for repayment of any loan made under this
1074 subdivision shall not exceed ten years.

1075 (6) The corporation shall make loans at the rate of interest to
1076 entertainment or entertainment support service businesses located in
1077 the municipality with the pilot entertainment district established
1078 pursuant to section 2 of public act 93-311, and on and after July 1, 1995,
1079 may make loans at the rate of interest to entertainment or
1080 entertainment support service businesses located in municipalities
1081 with entertainment districts designated under section 32-76.

1082 (d) The state, acting through the corporation, may make loans to
1083 state or local development corporations, for the purpose of providing
1084 funds to enable such state or local development corporations to make
1085 loans to any person eligible for assistance under subsection (c) of this
1086 section. The aggregate outstanding amount of any loan made under
1087 this subsection to a state or local development corporation for a loan
1088 with respect to any one project shall not exceed one million dollars.

1089 (e) To carry out the purposes of this section, the corporation shall
1090 have those powers set forth in section 32-23e, as amended by this act.
1091 The corporation shall also have the power to take all reasonable steps
1092 and exercise all available remedies necessary or desirable to protect the
1093 obligations or interests of the corporation including, but not limited to,
1094 the purchase or redemption on foreclosure proceedings, bankruptcy
1095 proceedings or in other judicial proceedings of any property on which
1096 it holds a mortgage or other lien or in which it has an interest, and for
1097 such purposes payment may be made from the Comprehensive
1098 Business Assistance Fund.

1099 (f) The borrower shall pay such costs of processing applications for
1100 loans made under this section, including closing costs, as the
1101 corporation determines are reasonable and necessary. The department
1102 may assist the corporation in carrying out the provisions of this section

1103 and any administrative expenses incurred by the department for
1104 services provided to the corporation or expenses incurred by the
1105 corporation in carrying out the provisions of this section to the extent
1106 not paid by the borrower or from moneys appropriated to the
1107 department or the corporation for such purposes, may be paid from
1108 the Comprehensive Business Assistance Fund.

1109 (g) Each loan may be authorized by the corporation or, if the
1110 corporation so determines, by a committee of the corporation, one of
1111 whose members may be its [executive director] chief executive officer.

1112 (h) Payments from the Comprehensive Business Assistance Fund to
1113 eligible borrowers or to pay administrative expenses shall be made
1114 upon certification by the [executive director] chief executive officer of
1115 the corporation that payment is authorized under the provisions of this
1116 section and under any applicable regulations or program criteria of the
1117 corporation.

1118 (i) For the purposes of this section, the State Bond Commission shall
1119 have the power, from time to time, to authorize the issuance of bonds
1120 of the state in one or more series and in principal amounts not
1121 exceeding in the aggregate seventeen million three hundred fifty
1122 thousand dollars. The proceeds from the sale of said bonds shall be
1123 used by the department to make grants to the corporation for deposit
1124 in the Comprehensive Business Assistance Fund for the purposes
1125 authorized under this section. The terms and conditions of such grants
1126 shall be governed in accordance with a grant contract entered into
1127 between the department and the corporation. All provisions of section
1128 3-20 or the exercise of any right or power granted thereby which are
1129 not inconsistent with the provisions of this section are hereby adopted
1130 and shall apply to all bonds authorized by the State Bond Commission
1131 pursuant to this section, and temporary notes in anticipation of the
1132 money to be derived from the sale of any such bonds so authorized
1133 may be issued in accordance with said section 3-20 and from time to
1134 time renewed. Such bonds shall mature at such time or times not
1135 exceeding twenty years from their respective dates as may be provided

1136 in or pursuant to the resolution or resolutions of the State Bond
1137 Commission authorizing such bonds. None of such bonds shall be
1138 authorized except upon a finding by the State Bond Commission that
1139 there has been filed with it a request for such authorization, which is
1140 signed by or on behalf of the Secretary of the Office of Policy and
1141 Management and states such terms and conditions as said commission
1142 in its discretion may require. Said bonds issued pursuant to this
1143 section shall be general obligations of the state and the full faith and
1144 credit of the state of Connecticut are pledged for the payment of the
1145 principal of and interest on said bonds as the same become due, and
1146 accordingly and as part of the contract of the state with the holders of
1147 said bonds, appropriation of all amounts necessary for punctual
1148 payment of such principal and interest is hereby made, and the
1149 Treasurer shall pay such principal and interest as the same become
1150 due. Net earnings on any assets of the Comprehensive Business
1151 Assistance Fund, including investments or reinvestments of proceeds,
1152 accrued interest and premiums on the issuance of such bonds, after
1153 payment therefrom of expenses incurred by the Treasurer or State
1154 Bond Commission in connection with their issuance, shall become part
1155 of the Comprehensive Business Assistance Fund.

1156 Sec. 20. Subsection (d) of section 32-23z of the general statutes is
1157 repealed and the following is substituted in lieu thereof (*Effective from*
1158 *passage*):

1159 (d) Each such loan or extension of credit shall be authorized by
1160 Connecticut Innovations, Incorporated or, if the corporation so
1161 determines, by a committee of the corporation consisting of the
1162 chairman and either one other member of the corporation or its
1163 [executive director] chief executive officer, as specified in the
1164 determination of the corporation. Any administrative expenses
1165 incurred in carrying out the provisions of this section, to the extent not
1166 paid by the corporation, shall be paid from the Business
1167 Environmental Clean-Up Revolving Loan Fund. Payments from the
1168 Business Environmental Clean-Up Revolving Loan Fund to businesses

1169 or to pay such administrative expenses shall be made by the Treasurer
1170 upon certification by the [executive director] chief executive officer of
1171 the corporation that the payment is authorized under the provisions of
1172 this section, under the applicable rules and regulations of the
1173 corporation, and, if made to a business, under the terms and
1174 conditions established by the corporation or the duly appointed
1175 committee thereof in authorizing the making of the loan or the
1176 extension of credit.

1177 Sec. 21. Section 32-23hh of the general statutes is repealed and the
1178 following is substituted in lieu thereof (*Effective from passage*):

1179 As used in sections 32-23gg to 32-23ll, inclusive:

1180 (1) "Corporation" means Connecticut Innovations, Incorporated,
1181 created under section [32-11a] 32-35;

1182 (2) ["Executive director" means the executive director] "Chief
1183 executive officer" means the chief executive officer of Connecticut
1184 Innovations, Incorporated;

1185 (3) "Financial assistance" means any and all forms of loans,
1186 extensions of credit, guarantees, equity investments or any other form
1187 of financing or refinancing to persons for the purchase, acquisition,
1188 construction, expansion, continued operation, reconstruction,
1189 financing, refinancing or placing in operation of an economic
1190 development project, including, but not limited to, fixed assets,
1191 working capital, equity participations and acquisitions, employee
1192 buyouts, refinancing, financial restructuring, and other purposes
1193 which the corporation determines further the purposes of sections 32-
1194 23gg to 32-23ll, inclusive;

1195 (4) "Economic development project" means any project (A) which is
1196 to be used or occupied by any person for manufacturing, industrial,
1197 research or product warehousing or distribution purposes, or any
1198 combination thereof, and which the corporation determines will tend
1199 to maintain or provide gainful employment, maintain or increase the

1200 tax base of the economy, or maintain, expand or diversify industry in
1201 the state, or for any other purpose which the corporation determines
1202 will materially support the economic base of the state, by creating or
1203 retaining jobs, promoting the export of products or services beyond
1204 state boundaries, encouraging innovation in products or services, or
1205 otherwise contributing to, supporting or enhancing existing activities
1206 that are important to the economic base of the state and (B) which is
1207 unable to obtain conventional financing in satisfactory amounts or on
1208 satisfactory terms in the sole judgment of the corporation, or whose
1209 ability, in the judgment of the corporation, to start, continue to operate,
1210 expand, or maintain operations or relocate to Connecticut, is
1211 dependent upon financial assistance;

1212 (5) "Person" means a person as defined in subsection (s) of section
1213 32-23d; and

1214 (6) "Return on investment" means any and all forms of principal or
1215 interest payments, insurance premiums or guarantee fees, equity
1216 participations, options, warrants, debentures and any or all other
1217 forms of remuneration to the corporation in return for any financial
1218 assistance provided or offered.

1219 Sec. 22. Section 32-23ii of the general statutes is repealed and the
1220 following is substituted in lieu thereof (*Effective from passage*):

1221 (a) There is created within the corporation the Connecticut Works
1222 Fund. The state acting through the corporation may provide financial
1223 assistance for economic development projects directly or in
1224 participation with any other financial institutions, funds or other
1225 persons or other sources of financing, public or private, and may enter
1226 into any agreements or contracts it deems necessary or convenient in
1227 connection therewith. Within the Connecticut Works Fund, a loan
1228 subfund is created solely to provide any form of loan or other form of
1229 financial assistance as provided in this section except for any guarantee
1230 or contract of insurance, and a guarantee subfund is created solely to
1231 provide any form of guarantee or contract of insurance as provided in

1232 this section. No financial assistance, nor any commitment to provide
1233 financial assistance, shall be provided or entered into by the
1234 corporation pursuant to sections 32-23gg to 32-23ll, inclusive, which
1235 would cause the aggregate amount of all such financial assistance and
1236 commitments then outstanding to exceed the sum of the amounts
1237 available in the applicable subfund of the Connecticut Works Fund
1238 plus the amount of any unpaid grants authorized to be made by the
1239 Department of Economic and Community Development to the
1240 corporation for deposit in the applicable subfund of the Connecticut
1241 Works Fund which remain available for purposes of such subfund
1242 pursuant to the bond authorization in section 32-23ll, provided the
1243 amount of financial assistance in the form of any guarantee or contract
1244 of insurance shall be measured by the portion of unpaid principal
1245 which is insured or guaranteed by the corporation. Notwithstanding
1246 the above, the aggregate amount of financial assistance in the form of
1247 guarantees and contracts of insurance and commitments with respect
1248 thereto, calculated as above, may be up to four times the sum of the
1249 amounts available in the guarantee subfund of the Connecticut Works
1250 Fund plus the amount of any unpaid grants which remain available
1251 and are specifically designated by the department for purposes of such
1252 subfund pursuant to the bond authorization in section 32-23ll.
1253 Payments of insurance premiums, principal, interest or other forms of
1254 return on investment received by the corporation shall be deposited in
1255 or held on behalf of said fund and shall be either used to provide
1256 financial assistance for economic development projects or shall be
1257 returned to the state in whole or in part at the discretion of the
1258 Secretary of the Office of Policy and Management, pursuant to any
1259 such restrictions or financial obligations existing as a result of
1260 agreements entered into by the corporation under sections 32-23gg to
1261 32-23ll, inclusive.

1262 (b) The corporation may provide financial assistance in such
1263 amounts, in such form and under such terms and conditions as the
1264 corporation shall prescribe, in written procedures adopted in
1265 accordance with section 1-121. Such procedures shall provide for

1266 returns on investment as the corporation deems appropriate to reflect
1267 the nature of the risk, provided a single project shall not receive an
1268 amount in excess of twenty-five million dollars and shall not be for a
1269 term longer than twenty-five years.

1270 (c) In addition to other forms of financial assistance, the corporation
1271 may insure or make advance commitments to insure all or any portion
1272 of the payments required under any loan, bond or other form of
1273 indebtedness for an economic development project upon such terms
1274 and conditions as the corporation may establish. Such financial
1275 assistance may be in such amounts, including provisions for the
1276 payment of fees, expenses or other costs, insurance, payment of taxes
1277 and assessments, delinquency charges, default remedies and other
1278 matters, as the corporation determines, except that the maximum
1279 amount paid by the corporation under any guarantee or insurance
1280 agreement for any one project under sections 32-23gg to 32-23ll,
1281 inclusive, shall not exceed fifteen million dollars.

1282 (d) The corporation may take all reasonable steps and exercise all
1283 reasonable remedies necessary or desirable to protect the obligations
1284 or interests of the corporation, including, but not limited to, the
1285 purchase or redemption in foreclosure proceedings, bankruptcy
1286 proceedings or in other judicial proceedings of any property on which
1287 it holds a mortgage or other lien or in which it has an interest, and for
1288 such purposes and any other purposes provided in sections 32-23gg to
1289 32-23ll, inclusive, payment may be made from the Connecticut Works
1290 Fund upon certification by the [executive director] chief executive
1291 officer that payment is authorized under the provisions of said
1292 sections, or other sections of the general statutes, applicable
1293 procedures or other programs of the corporation.

1294 (e) Any contract of insurance or guarantee agreement, including
1295 advance commitments executed by the [executive director] chief
1296 executive officer, shall be conclusive evidence of eligibility and its
1297 validity shall be incontestable in the hands of an approved borrower or
1298 the party so insured or guaranteed from the date of execution and

1299 delivery of the contract, agreement or commitment, except for fraud
1300 and misrepresentation on the part of the borrower and as to
1301 commitments, noncompliance with the commitment or any rules, or
1302 procedures of the corporation or provisions of sections 32-23gg to 32-
1303 23ll, inclusive, in force at the time of issuance of the commitment.

1304 (f) Applicants for financial assistance shall pay the costs the
1305 corporation deems reasonable and necessary incurred in processing
1306 applications made under this section, including application and
1307 commitment fees, closing costs or other costs. In carrying out the
1308 provisions of this section, any administrative expenses incurred by the
1309 corporation, to the extent not paid by the borrower or from moneys
1310 appropriated to the corporation for such purposes, may be paid from
1311 the Connecticut Works Fund.

1312 (g) In providing financial assistance under this section, the
1313 corporation shall give priority to manufacturing projects and to
1314 projects that encourage defense dependent industries to diversify.

1315 Sec. 23. Subsection (c) of section 32-23qq of the general statutes is
1316 repealed and the following is substituted in lieu thereof (*Effective from*
1317 *passage*):

1318 (c) Each such grant, loan, guarantee or extension of credit shall be
1319 authorized by Connecticut Innovations, Incorporated or any
1320 subsidiary of the corporation or, if the corporation or any subsidiary of
1321 the corporation so determines, by a committee of the corporation or
1322 any subsidiary of the corporation consisting of the chairman and either
1323 one other member of the corporation or subsidiary or its [executive
1324 director] chief executive officer, as specified in the determination of the
1325 corporation or subsidiary. Any administrative expenses incurred in
1326 carrying out the provisions of this section, to the extent not paid by the
1327 corporation or any subsidiary of the corporation or from moneys
1328 appropriated to the corporation or any subsidiary of the corporation,
1329 shall be paid from the Environmental Assistance Revolving Loan
1330 Fund. Payments from the Environmental Assistance Revolving Loan

1331 Fund to businesses or municipalities or to pay such administrative
1332 expenses shall be made by the corporation or any subsidiary of the
1333 corporation upon certification by the chairman of the corporation or
1334 such subsidiary that the payment is authorized under the provisions of
1335 this section, under the applicable rules and regulations of the
1336 corporation or subsidiary, and, if made to a business or municipality
1337 under the terms and conditions established by the corporation or
1338 subsidiary or the duly appointed committee thereof in authorizing the
1339 making of the grant, loan or the extension of credit.

1340 Sec. 24. Section 32-23yy of the general statutes is repealed and the
1341 following is substituted in lieu thereof (*Effective from passage*):

1342 (a) As used in this section, the following terms shall have the
1343 following meanings unless the context indicates another meaning and
1344 intent:

1345 (1) "Corporation" means Connecticut Innovations, Incorporated,
1346 created under section [32-11a] 32-35, and any of its subsidiaries or
1347 affiliates;

1348 (2) ["Executive director" means the executive director] "Chief
1349 executive officer" means the chief executive officer of Connecticut
1350 Innovations, Incorporated;

1351 (3) "Financial assistance" means any and all forms of grants, loans,
1352 extensions of credit, guarantees, equity investments or other forms of
1353 financing or refinancing to persons for the purchase, acquisition,
1354 leasing, construction, expansion, continued operation, reconstruction,
1355 financing, refinancing or placing in operation of an information
1356 technology project, including, but not limited to, fixed assets, working
1357 capital, equity participations and acquisitions, employee buyouts,
1358 refinancing, lease guarantees, financial restructuring and other
1359 purposes which the corporation determines further the purposes of
1360 this section. For purposes of this section financial assistance shall not
1361 be considered financial assistance under the provisions of section 32-

1362 462;

1363 (4) "Information technology project" means an information
1364 technology project, as defined in section 32-23d;

1365 (5) "Person" means a person, as defined in subsection (s) of section
1366 32-23d;

1367 (6) "Return on investment" means any and all forms of principal or
1368 interest payments, guarantee fees, equity participations, options,
1369 warrants, debentures and any or all other forms of remuneration to the
1370 corporation in return for any financial assistance provided or offered.

1371 (b) There is created within the corporation the High-Technology
1372 Infrastructure Fund. The state, acting through the corporation, may
1373 provide financial assistance from said fund that enables the
1374 development of information technology projects. Such financial
1375 assistance may be provided directly or in participation with any other
1376 financial institutions, funds or other persons or other sources of
1377 financing, public or private, and the corporation may enter into any
1378 agreements or contracts it deems necessary or convenient in
1379 connection therewith. Payments of principal, interest or other forms of
1380 return on investment received by the corporation shall be deposited in
1381 or held on behalf of said fund.

1382 (c) The corporation may provide financial assistance in such
1383 amounts, in such form and under such terms and conditions as the
1384 corporation shall prescribe, in written procedures adopted in
1385 accordance with section 1-121. Such procedures shall provide, in the
1386 case of financial assistance in a form other than a grant, for returns on
1387 investment as the corporation deems appropriate to reflect the nature
1388 of the risk, provided a single project shall not receive an amount in
1389 excess of fifteen million dollars and shall not be for a term longer than
1390 thirty years.

1391 (d) The corporation may take all reasonable steps and exercise all
1392 reasonable remedies necessary or desirable to protect the obligations

1393 or interests of the corporation, including, but not limited to, the
1394 purchase or redemption in foreclosure proceedings, bankruptcy
1395 proceedings or in other judicial proceedings, of any property on which
1396 it holds a mortgage or other lien or in which it has an interest, and for
1397 such purposes and any other purposes provided in this section
1398 payment may be made from the High-Technology Infrastructure Fund
1399 upon certification by the [executive director] chief executive officer
1400 that payment is authorized under the provisions of this section, or
1401 other sections of the general statutes, applicable procedures or other
1402 programs of the corporation.

1403 (e) Applicants for financial assistance shall pay the costs the
1404 corporation deems reasonable and necessary incurred in processing
1405 applications made under this section, including application and
1406 commitment fees, closing costs or other costs. In carrying out the
1407 provisions of this section, any administrative expenses incurred by the
1408 corporation, to the extent not paid by the borrower or from moneys
1409 appropriated to the corporation for such purposes, may be paid from
1410 the High-Technology Infrastructure Fund.

1411 Sec. 25. Subdivision (17) of section 32-39 of the general statutes is
1412 repealed and the following is substituted in lieu thereof (*Effective from*
1413 *passage*):

1414 (17) To enter into limited partnerships or other contractual
1415 arrangements with private and public sector entities as the corporation
1416 deems necessary to provide financial aid which shall be used to make
1417 investments of seed venture capital in companies based in or
1418 relocating to the state in a manner which shall foster additional capital
1419 investment, the establishment of new businesses, the creation of new
1420 jobs and additional commercially-oriented research and development
1421 activity. The repayment of such financial aid shall be structured in
1422 such manner as the corporation deems will best encourage private
1423 sector participation in such limited partnerships or other
1424 arrangements. The board of directors, [executive director] chief
1425 executive officer, officers and staff of the corporation may serve as

1426 members of any advisory or other board which may be established to
1427 carry out the purposes of this subdivision;

1428 Sec. 26. Subsection (d) of section 32-41y of the general statutes is
1429 repealed and the following is substituted in lieu thereof (*Effective from*
1430 *passage*):

1431 (d) (1) The board shall establish an application process, with
1432 guidelines and terms for grants and loans awarded under the
1433 Connecticut Bioscience Collaboration program. The board shall review
1434 and approve each such application.

1435 (2) Not later than April 15, 2012, and quarterly thereafter, the board
1436 shall provide a report, in accordance with the provisions of section 11-
1437 4a, to the joint standing committees of the General Assembly having
1438 cognizance of matters relating to finance, revenue and bonding,
1439 appropriations, commerce and higher education. Such report shall
1440 contain available information on the status and progress of the
1441 operations and funding of the Connecticut Bioscience Collaboration
1442 program.

1443 (3) The [executive director] chief executive officer of the corporation
1444 shall prepare for each fiscal year an operating and capital budget for
1445 the Connecticut Bioscience Collaboration program. Not later than
1446 ninety days prior to the start of the fiscal year, the [executive director]
1447 chief executive officer shall submit the budget to the board. The board
1448 shall submit a copy of such annual budget, in accordance with the
1449 provisions of section 11-4a, to the Governor, the Secretary of the Office
1450 of Policy and Management, and the joint standing committees of the
1451 General Assembly having cognizance of matters relating to finance,
1452 revenue and bonding, appropriations, commerce and higher
1453 education.

1454 Sec. 27. Section 32-61 of the general statutes is repealed and the
1455 following is substituted in lieu thereof (*Effective from passage*):

1456 As used in this chapter, "corporation" means Connecticut

1457 Innovations, Incorporated created under subsection (a) of section [32-
1458 11a; "executive director" means the executive director] 32-35; "chief
1459 executive officer" means the chief executive officer of Connecticut
1460 Innovations, Incorporated appointed pursuant to [subsection (d) of
1461 section 32-11a] section 32-38; "project" means a project as defined in
1462 subsection (d) of section 32-23d; "insurance fund" means the Revenue
1463 Bond Mortgage Insurance Fund created under section 32-62; "eligible
1464 financial institution" means an eligible financial institution as defined
1465 in section 32-65; "state" means the state of Connecticut; and "loan"
1466 means loans, notes, bonds or other forms of indebtedness related to the
1467 financing or refinancing of a project by the corporation or an eligible
1468 financial institution, or any participation or other interest therein,
1469 however evidenced, or any pool or portion of the foregoing.

1470 Sec. 28. Section 32-63 of the general statutes is repealed and the
1471 following is substituted in lieu thereof (*Effective from passage*):

1472 The corporation may insure and make advance commitments to
1473 insure all or any portion of the payment required by a loan or any
1474 portion of a loan upon such terms and conditions as the corporation
1475 may prescribe in accordance with this chapter. In administering the
1476 insurance program authorized by this chapter, the corporation may
1477 establish application fees and prescribe application, notification,
1478 contract and insurance forms, rules and regulations it deems necessary
1479 or appropriate. The [~~executive director~~] chief executive officer shall, on
1480 the basis of the application and any other appropriate information,
1481 prepare a report to the corporation concerning the credit-worthiness of
1482 the proposed borrower, the manner in which the project will advance
1483 the purposes of state commerce and the soundness of the proposed
1484 loan.

1485 Sec. 29. Subsection (k) of section 32-261 of the general statutes is
1486 repealed and the following is substituted in lieu thereof (*Effective from*
1487 *passage*):

1488 (k) As used in this section, the following terms shall have the

1489 following meanings unless the context indicates another meaning and
1490 intent:

1491 (1) "Corporation" means Connecticut Innovations, Incorporated
1492 created under subsection (a) of section [32-23d] 32-35;

1493 (2) "Eligible financial institution" shall have the same meaning as
1494 "eligible financial institution", as defined in subsection (e) of section 32-
1495 23d;

1496 (3) "Loans" means loans, notes, bonds and all other forms of debt
1497 financing or extensions of credit, secured or unsecured, including
1498 loans for working capital purposes;

1499 (4) "Other investments" means (A) any and all forms of equity
1500 financing made by the corporation or an eligible financial institution,
1501 (B) any participation or other interest in such equity financing,
1502 however evidenced, or (C) any pool or portfolio of, or position in,
1503 loans, such equity financing or any combination thereof;

1504 (5) "Person" means a person, as defined in subsection (s) of section
1505 32-23d; and

1506 (6) "State" means the state of Connecticut.

1507 Sec. 30. Section 32-280 of the general statutes is repealed and the
1508 following is substituted in lieu thereof (*Effective from passage*):

1509 The corporation shall adopt written procedures in accordance with
1510 the provisions of section 1-121 setting forth the process to be followed
1511 by, and the responsibilities and obligations of regional corporations
1512 and the corporation under sections 32-271 to 32-284, inclusive. Such
1513 procedures shall establish underwriting standards for the purchase of
1514 loans made by regional corporations under section 32-276.

1515 Sec. 31. Subsection (a) of section 32-602 of the general statutes is
1516 repealed and the following is substituted in lieu thereof (*Effective from*

1517 *passage*):

1518 (a) The purpose of the Capital Region Development Authority shall
1519 be (1) to stimulate new investment within the capital region and
1520 provide support for multicultural destinations and the creation of a
1521 vibrant multidimensional downtown; (2) to work with the Department
1522 of Economic and Community Development to attract through a
1523 coordinated sales and marketing effort with the state's major sports,
1524 convention and exhibition venues large conventions, trade shows,
1525 exhibitions, conferences, consumer shows and events; (3) to encourage
1526 residential housing development; (4) to operate, maintain and market
1527 the convention center; (5) to stimulate family-oriented tourism, art,
1528 culture, history, education and entertainment through cooperation and
1529 coordination with city and regional organizations; (6) to manage
1530 facilities through contractual agreement or other legal instrument; (7)
1531 to stimulate economic development in the capital region; (8) upon
1532 request from the legislative body of a city or town within the capital
1533 region, to work with such city or town to assist in the development
1534 and redevelopment efforts to stimulate the economy of the region and
1535 increase tourism; (9) upon request of the Secretary of the Office of
1536 Policy and Management, [may] to enter into an agreement for funding
1537 to facilitate the relocation of state offices within the capital city
1538 economic development district; (10) in addition to the authority set
1539 forth in subdivision (9) of section 32-600, to develop and redevelop
1540 property within the town and city of Hartford; and (11) to market and
1541 develop the capital city economic development district as a
1542 multicultural destination and create a vibrant, multidimensional
1543 downtown.

1544 Sec. 32. Section 32-604 of the general statutes is repealed and the
1545 following is substituted in lieu thereof (*Effective from passage*):

1546 (a) The [Capital City Economic Development Authority] Capital
1547 Region Development Authority shall conduct a feasibility and
1548 implementation study to determine the financial feasibility of the
1549 convention center project, as defined in subdivision (3) of section 32-

1550 600, and the sportsplex and the parking facilities, each as defined in
1551 section 32-651, which shall include, but not be limited to, consideration
1552 of proper planning, engineering, siting, cost of construction, revenue
1553 and expense projections and operation as a multipurpose facility or
1554 facilities.

1555 (b) The authority shall determine if the feasibility and
1556 implementation study clearly establishes, considering all relevant
1557 factors, the financial viability of (1) the convention center, (2) the
1558 sportsplex, (3) the parking facilities, or (4) any combination of the
1559 foregoing. The authority shall deliver the implementation and
1560 feasibility study, together with its determination as to financial
1561 viability, to the Governor for submission to the General Assembly as
1562 part of the master development plan pursuant to subsection (b) of
1563 section 32-654.

1564 (c) The Capital Region Development Authority shall conduct a
1565 feasibility and implementation study to determine the financial
1566 feasibility of undertaking development and redevelopment projects to
1567 further the purposes of the authority, which shall include, but not be
1568 limited to, consideration of proper planning, engineering, siting, cost
1569 of construction, revenue and expense projections and operational
1570 costs.

1571 (d) The authority shall monitor the progress of all capital city
1572 projects, projects in East Hartford and any project in the capital region
1573 and shall, on a regular basis, determine the extent to which each such
1574 project has, up to that point, met the purposes set forth in section 32-
1575 602, as amended by this act. The authority shall report semiannually to
1576 the Governor and the General Assembly in accordance with the
1577 provisions of section 11-4a with respect to the operations, finances and
1578 achievement of its economic development objectives.

1579 (e) The authority shall review and evaluate the progress of each
1580 capital city project and any project in the capital region for which
1581 financing is provided and shall devise and employ techniques for

1582 forecasting and measuring relevant indices of accomplishment of its
1583 goals of economic development, including, but not limited to, (1) the
1584 number of jobs created, or to be created, by or as a result of the project,
1585 (2) the cost or estimated cost, to the authority, involved in the creation
1586 of those jobs, (3) the amount of private capital investment in, or
1587 stimulated by, a project, in proportion to the public funds invested in
1588 such project, (4) the number of additional businesses created and
1589 associated jobs, (5) increased housing availability in downtown
1590 Hartford, and (6) the impact on tourism.

1591 Sec. 33. Section 32-609 of the general statutes is repealed and the
1592 following is substituted in lieu thereof (*Effective from passage*):

1593 With the concurrence of the Secretary of the Office of Policy and
1594 Management and the State Treasurer, the Capital Region Development
1595 Authority may submit an application to Connecticut Innovations,
1596 Incorporated on behalf of the convention center project, as defined in
1597 subdivision (3) of section 32-600, for a loan or loans consistent with the
1598 requirements of chapter 579 and Connecticut Innovations,
1599 Incorporated is hereby authorized to review such application as a
1600 package for the purposes of its requirements, including eligibility for
1601 federal or state funding in addition to the financing applied for. Any
1602 loan by Connecticut Innovations, Incorporated to the Capital Region
1603 Development Authority shall be evidenced by the general obligation
1604 bond of [such authority] Connecticut Innovations, Incorporated, in
1605 fully marketable form, duly executed and accompanied by an
1606 approving legal opinion with respect to validity, security and tax
1607 matters as would otherwise be required in a public offering. Any loan
1608 with respect to the hotel or other portions of private investment
1609 pertaining to the convention center project shall be on such terms and
1610 conditions as Connecticut Innovations, Incorporated requires to satisfy
1611 its eligibility for financing of a loan from the proceeds of its general
1612 obligation program bonds.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	4-124ff(b)
Sec. 2	<i>from passage</i>	8-134
Sec. 3	<i>from passage</i>	8-192(d)
Sec. 4	<i>from passage</i>	12-217pp(e)
Sec. 5	<i>from passage</i>	25-33a(c)
Sec. 6	<i>from passage</i>	32-6j
Sec. 7	<i>from passage</i>	32-7h(a)
Sec. 8	<i>from passage</i>	32-9w(b)
Sec. 9	<i>from passage</i>	32-9cc(d)
Sec. 10	<i>from passage</i>	32-9kk(a)
Sec. 11	<i>from passage</i>	32-11a(b)
Sec. 12	<i>from passage</i>	32-11e(b)
Sec. 13	<i>from passage</i>	32-15
Sec. 14	<i>from passage</i>	32-23e
Sec. 15	<i>from passage</i>	32-23j(b)
Sec. 16	<i>from passage</i>	32-23l
Sec. 17	<i>from passage</i>	32-23o(b)
Sec. 18	<i>from passage</i>	32-23v
Sec. 19	<i>from passage</i>	32-23x
Sec. 20	<i>from passage</i>	32-23z(d)
Sec. 21	<i>from passage</i>	32-23hh
Sec. 22	<i>from passage</i>	32-23ii
Sec. 23	<i>from passage</i>	32-23qq(c)
Sec. 24	<i>from passage</i>	32-23yy
Sec. 25	<i>from passage</i>	32-39(17)
Sec. 26	<i>from passage</i>	32-41y(d)
Sec. 27	<i>from passage</i>	32-61
Sec. 28	<i>from passage</i>	32-63
Sec. 29	<i>from passage</i>	32-261(k)
Sec. 30	<i>from passage</i>	32-280
Sec. 31	<i>from passage</i>	32-602(a)
Sec. 32	<i>from passage</i>	32-604
Sec. 33	<i>from passage</i>	32-609

CE Joint Favorable

