



# House of Representatives

General Assembly

**File No. 307**

February Session, 2014

House Bill No. 5518

*House of Representatives, April 2, 2014*

The Committee on Commerce reported through REP. PERONE of the 137th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING THE LIABILITIES OF APPLICANTS FOR STATE FINANCIAL ASSISTANCE.**

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

1 Section 1. (NEW) (*Effective October 1, 2014*) Any awarding authority,  
2 as defined in section 32-450 of the general statutes, as amended by this  
3 act, when determining whether to grant any economic development  
4 financial assistance, shall consider whether the applicant for such  
5 financial assistance or any principal of such applicant (1) is currently  
6 subject to litigation in civil court for a debt, or (2) has any amount of  
7 taxes due and unpaid to the state or a municipality.

8 Sec. 2. Section 32-450 of the general statutes is repealed and the  
9 following is substituted in lieu thereof (*Effective October 1, 2014*):

10 As used in sections 32-450 to 32-457, inclusive, and section 1 of this  
11 act:

12 (1) "Awarding authority" means the Commissioner of Economic and

13 Community Development and the board of directors of Connecticut  
 14 Innovations, Incorporated.

15 (2) "Economic development financial assistance" means any grant,  
 16 loan or loan guarantee, or combination thereof, or any tax credits  
 17 approved pursuant to section 32-9t, provided to a business for the  
 18 purpose of economic development.

19 (3) "Employee representatives" means representatives of any  
 20 certified or recognized bargaining agents for employees of a business.

21 (4) "Threshold project" means (A) a project for which a business  
 22 operating in the state and having twenty-five or more full-time  
 23 employees in the state submits a request to an awarding authority for  
 24 economic development financial assistance in the form of (i) a grant in  
 25 the amount of two hundred fifty thousand dollars or more or (ii) a  
 26 combination of a grant and a loan or loan guarantee, totaling two  
 27 hundred fifty thousand dollars or more, or (B) a project for which a  
 28 business operating in the state and having one hundred or more full-  
 29 time employees in the state submits a request to an awarding authority  
 30 for economic development financial assistance in the form of (i) a loan  
 31 or a loan guarantee, in the amount of one million dollars or more, or  
 32 (ii) a combination of a loan and a loan guarantee, totaling one million  
 33 dollars or more.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	New section
Sec. 2	<i>October 1, 2014</i>	32-450

**CE**            *Joint Favorable*

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

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

**Explanation**

The bill has no fiscal impact to either the Department of Economic and Community Development or Connecticut Innovations, Inc. by requiring the agencies to consider the legal or tax status of an applicant for financial assistance. Both agencies currently review such factors when assessing applications for financial assistance.

**The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis****HB 5518*****AN ACT CONCERNING THE LIABILITIES OF APPLICANTS FOR STATE FINANCIAL ASSISTANCE.*****SUMMARY:**

This bill requires the Department of Economic and Community Development and Connecticut Innovations, Inc., when determining whether to grant economic development financial assistance, to determine if the applicant or any of the applicant's principals is (1) being sued in civil court for a debt or (2) owes taxes to the state or a municipality. "Economic development financial assistance" means any grant, loan, loan guarantee, or urban and industrial sites reinvestment tax credits provided to a business for economic development purposes.

EFFECTIVE DATE: October 1, 2014

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable

Yea 17 Nay 0 (03/18/2014)