



House Bill No. 5407

Public Act No. 14-79

**AN ACT CONCERNING MINOR AND TECHNICAL CHANGES TO
COMMERCE-RELATED STATUTES.**

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

Section 1. Subsection (f) of section 4-66a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(f) The Secretary of the Office of Policy and Management is authorized to do all things necessary to apply for and accept federal funds allotted or available to the state under any federal act or program [which] that could support activities [which] the secretary is authorized to undertake. He shall administer such funds in accordance with state and federal law. The secretary, in consultation with the [executive director] chief executive officer of Connecticut Innovations, Incorporated, or the Commissioner of Economic and Community Development, when applicable, may apply for all federal funds available to the state for defense conversion projects and other projects consistent with a defense conversion strategy.

Sec. 2. Subsection (d) of section 12-704d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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(d) (1) A Connecticut business may apply to Connecticut Innovations, Incorporated, for approval as a Connecticut business qualified to receive cash investments eligible for a tax credit pursuant to this section. The application shall include (A) the name of the business and a copy of the organizational documents of such business, (B) a business plan, including a description of the business and the management, product, market and financial plan of the business, (C) a description of the business's innovative technology, product or service, (D) a statement of the potential economic impact of the business, including the number, location and types of jobs expected to be created, (E) a description of the qualified securities to be issued and the amount of cash investment sought by the qualified Connecticut business, (F) a statement of the amount, timing and projected use of the proceeds to be raised from the proposed sale of qualified securities, and (G) such other information as the [executive director] chief executive officer of Connecticut Innovations, Incorporated, may require.

(2) Said [executive director] chief executive officer shall, on or before August 1, 2010, and monthly thereafter, compile a list of approved applications, categorized by the cash investments being sought by the qualified Connecticut business and type of qualified securities offered.

Sec. 3. Subsection (a) of section 32-10 of the 2014 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) On or before July 1, 2015, and every four years thereafter, the Commissioner of Economic and Community Development, within available appropriations, shall prepare an economic development strategic plan for the state in consultation with the Secretary of the Office of Policy and Management, the Commissioners of Energy and Environmental Protection and Transportation, the Labor Commissioner, the chairperson of the Culture and Tourism Advisory

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Committee, the executive directors of the Connecticut Housing Finance Authority [, Connecticut Innovations, Incorporated,] and the Connecticut Health and Educational Facilities Authority, and the chief executive officer of Connecticut Innovations, Incorporated, or their respective designees, and any other agencies the Commissioner of Economic and Community Development deems appropriate.

Sec. 4. Section 32-23e of the 2014 supplement to the general statutes, as amended by section 307 of public act 13-247, is repealed and the following is substituted in lieu thereof (*Effective January 1, 2015*):

To accomplish the purposes of the corporation, which are hereby determined to be public purposes for which public funds may be expended, and in addition to any other powers provided by law, the corporation shall have power to: (1) Determine the location and character of any project to be financed [under the provisions of said chapters and sections] by the corporation, provided any financial assistance shall be approved in accordance with written procedures prepared pursuant to subdivision (14) of this section; (2) purchase, receive, by gift or otherwise, lease, exchange, or otherwise acquire, and construct, reconstruct, improve, maintain, equip and furnish one or more projects, including all real and personal property which the corporation may deem necessary in connection therewith, and to enter into a contract with a person therefor upon such terms and conditions as the corporation shall determine to be reasonable, including but not limited to reimbursement for the planning, designing, financing, construction, reconstruction, improvement, equipping, furnishing, operation and maintenance of the project and any claims arising therefrom and establishment and maintenance of reserve and insurance funds with respect to the financing of the project; (3) insure any or all payments to be made by the borrower under the terms of any agreement for the extension of credit or making of a loan by the corporation in connection with any economic development project to

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be financed, wholly or in part, through the issuance of bonds or mortgage payments of any mortgage which is given by a mortgagor to the mortgagee who has provided the mortgage for an economic development project upon such terms and conditions as the corporation may prescribe and as provided herein, and the faith and credit of the state are pledged thereto; (4) in connection with the insuring of payments of any mortgage, request for its guidance a finding of the municipal planning commission, or, if there is no planning commission, a finding of the municipal officers, of the municipality in which the economic development project is proposed to be located, or of the regional council of governments of which such municipality is a member, as to the expediency and advisability of the economic development project; (5) sell or lease to any person, all or any portion of a project, purchase from eligible financial institutions mortgages with respect to economic development projects, purchase or repurchase its own bonds, and sell, pledge or assign to any person any such bonds, mortgages, or other loans, notes, revenues or assets of the corporation, or any interest therein, for such consideration and upon such terms as the corporation may determine to be reasonable; (6) mortgage or otherwise encumber all or any portion of a project whenever it shall find such action to be in furtherance of the purposes of [said chapters and sections] the corporation; (7) enter into agreements with any person, including prospective mortgagees and mortgagors, for the purpose of planning, designing, constructing, acquiring, altering and financing projects, providing liquidity or a secondary market for mortgages or other financial obligations incurred with respect to facilities [which] that would qualify as a project under this chapter, purchasing loans made by regional corporations under section 32-276, or for any other purpose in furtherance of any other power of the corporation; (8) grant options to purchase or renew a lease for any of its projects on such terms as the corporation may determine to be reasonable; (9) employ or retain attorneys, accountants and architectural, engineering and financial consultants and such other

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employees and agents and to fix their compensation [and to employ the Connecticut Development Credit Corporation on a cost basis] as it shall deem necessary to assist it in carrying out the purposes of [said] the corporation; [legislation;] (10) accept from a federal agency loans, grants or loan guarantees or otherwise participate in any loan, grant, loan guarantee or other financing or economic or project development program of a federal agency in furtherance of, and consistent with, the purposes of the corporation, and enter into agreements with such agency respecting any such loans, grants, loan guarantees or federal agency programs; (11) provide tenant lease guarantees and performance guarantees, invest in, extend credit or make loans to any person for the planning, designing, financing, acquiring, constructing, reconstructing, improving, expanding, continuing in operation, equipping and furnishing of a project and for the refinancing of existing indebtedness with respect to any facility or part thereof which would qualify as a project in order to facilitate substantial improvements thereto, which guarantees, investments, credits or loans may be secured by loan agreements, lease agreements, installment sale agreements, mortgages, contracts and all other instruments or fees and charges, upon such terms and conditions as the corporation shall determine to be reasonable in connection with such loans, including provision for the establishment and maintenance of reserve and insurance funds and in the exercise of powers granted in this section in connection with a project for such person, to require the inclusion in any contract, loan agreement or other instrument, such provisions for the construction, use, operation and maintenance and financing of a project as the corporation may deem necessary or desirable; (12) in connection with any application for assistance, [under said corporation legislation,] or commitments therefor, to make and collect such fees and charges as the corporation shall determine to be reasonable; (13) adopt procedures, in accordance with the provisions of section 1-121, to carry out the purposes of the corporation, which may give priority to applications for financial assistance based upon the extent the

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project will materially contribute to the economic base of the state by creating or retaining jobs, providing increased wages or benefits to employees, promoting the export of products or services beyond the boundaries of the state, encouraging innovation in products or services, encouraging defense-dependent business to diversify to nondefense production, promoting standards of participation adopted by the Connecticut partnership compact pursuant to section 33-374g of the general statutes, revision of 1958, revised to 1991, or will otherwise enhance existing activities that are important to the economic base of the state, provided regulation-making proceedings commenced before January 1, 1989, shall be governed by sections 4-166 to 4-174, inclusive; (14) maintain an office at such place or places within the state as it may designate; (15) when it becomes necessary or feasible for the corporation to safeguard itself from losses, acquire, purchase, manage and operate, hold and dispose of real and personal property, take assignments of rentals and leases and make and enter into all contracts, leases, agreements and arrangements necessary or incidental to the performance of its duties; (16) in order to further the purposes of the corporation, or to assure the payment of the principal and interest on bonds or notes of the corporation or to safeguard the mortgage insurance fund, purchase, acquire and take assignments of notes, mortgages and other forms of security and evidences of indebtedness, purchase, acquire, attach, seize, accept or take title to any project by conveyance or [,] by foreclosure, and sell, lease or rent any project for a use specified [in said chapters and sections or in this chapter] for the corporation; (17) do, or delegate, any and all things necessary or convenient to carry out the purposes and to exercise the powers given and granted to the corporation; (18) to accept from the department: (A) Financial assistance, (B) revenues or the right to receive revenues with respect to any program under the supervision of the department, and (C) loan assets or equity interests in connection with any program under the supervision of the department; to make advances to and reimburse the department for any expenses incurred or to be incurred

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by it in the delivery of such assistance, revenues, rights, assets or amounts; to enter into agreements for the delivery of services by the corporation, in consultation with the department and the Connecticut Housing Finance Authority, to third parties which agreements may include provisions for payment by the department to the corporation for the delivery of such services; and to enter into agreements with the department or with the Connecticut Housing Finance Authority for the sharing of assistants, agents and other consultants, professionals and employees, and facilities and other real and personal property used in the conduct of the corporation's affairs; and (19) to transfer to the department: (A) Financial assistance, (B) revenues or the right to receive revenues with respect to any program under the supervision of the corporation, and (C) loan assets or equity interests in connection with any program under the supervision of the corporation, provided the transfer of such financial assistance, revenues, rights, assets or interests is determined by the corporation to be practicable, within the constraints and not inconsistent with the fiduciary obligations of the corporation imposed upon or established upon the corporation by any provision of the general statutes, the corporation's bond resolutions or any other agreement or contract of the authority and to have no adverse effect on the tax-exempt status of any bonds of the corporation or the state.

Sec. 5. Subsections (b) and (c) of section 32-23v of the 2014 supplement to the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) In order to stimulate and encourage the growth and development of the state economy, the Connecticut Growth Fund is hereby created to provide fixed asset financing, working capital and high risk and start-up capital to firms important to the state's economic base. The state, acting through the corporation, may make, or participate with private sector financial institutions in making, loans

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from said fund to eligible borrowers, state and local development corporations and small business investment companies, in accordance with the provisions of this section. Payments of principal and interest or other payments on such loans, and funds received by the corporation from any other source for the purposes of the Connecticut Growth Fund, shall be deposited into said fund and shall be used to make additional loans and for such other purposes authorized by this section.

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

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

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

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

(4) Subdivisions (2) and (3) of this subsection shall not apply if and

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to the extent that the corporation determines in its discretion that such provisions are inappropriate for the purpose of providing either start-up, high risk or acquisition financing.

Sec. 6. Subsections (b) and (c) of section 32-23x of the 2014 supplement to the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

(c) The state, acting through the corporation, may make, or participate with private sector financial institutions in making, loans from the Comprehensive Business Assistance Fund to any person who in the discretion of the corporation, demonstrates financial need by either its inability to obtain conventional financial assistance in satisfactory amounts or on satisfactory terms in accordance with the following provisions:

(1) The corporation may make loans at the rate of interest to small

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contractors and minority business enterprises for the purpose of financing labor and material costs only. The aggregate outstanding amount of any loans made under this subdivision to any one person, including affiliates, shall not exceed two hundred fifty thousand dollars. The maximum term for repayment of any loan made under this subdivision shall not exceed one year.

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

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

(4) The corporation may make loans at the rate of interest to water facilities. Such loans shall be used for the planning, design, modification or construction of drinking water facilities made

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necessary by the requirements of the Safe Water Act of 1974 or by an order of the Department of Public Health, which drinking water facilities shall include, but shall not be limited to, collection facilities, treatment facilities, wells, tanks, mains, pumps, transmission facilities and any other machinery and equipment necessary to meet the requirements of said act. Such loans shall also be used for the repair of dams subject to the jurisdiction of the Department of Energy and Environmental Protection under chapter 446j. For the purposes of this subdivision, repair costs include, but shall not be limited to, fees and expenses of architects, engineers, attorneys, accountants and other professional consultants, and costs of preparing surveys, studies, site plans and specifications for such repair. The aggregate outstanding amount of any loans made under this subdivision to any water facility, including affiliates, shall not exceed two hundred fifty thousand dollars. The maximum term for repayment of any loan made under this subdivision shall not exceed (A) twenty years for real property; and (B) ten years for machinery and equipment.

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

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business support group shall not exceed twenty-five thousand dollars. The maximum term for repayment of any loan made under this subdivision shall not exceed ten years.

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

Sec. 7. Subsection (a) of section 32-41bb of the 2014 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) There shall be a Bioscience Innovation Advisory Committee that shall consist of the following thirteen members: (1) Four appointed by the Governor; (2) one appointed by the president pro tempore of the Senate; (3) one appointed by the speaker of the House of Representatives; (4) one appointed by the majority leader of the Senate; (5) one appointed by the majority leader of the House of Representatives; (6) one appointed by the minority leader of the Senate; (7) one appointed by the minority leader of the House of Representatives; (8) the Commissioner of Economic and Community Development and the Commissioner of Public Health, or their designees, who shall serve as ex-officio, voting members; and (9) the chief executive officer [and executive director] of Connecticut Innovations, Incorporated, who shall serve as the chairperson of the advisory committee. Each appointed member shall have skill, knowledge and experience in relevant businesses and sciences related to health care delivery, medical devices, life sciences, insurance or information technology. All initial appointments to the committee pursuant to this subsection shall be made not later than July 1, 2013.

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Appointed members shall each serve a term that is coterminous with the respective appointing authority. Each member shall hold office until a successor is appointed. Any vacancy occurring on the committee, other than by expiration of term, shall be filled in the same manner as the original appointment for the balance of the unexpired term.

Sec. 8. Section 32-246 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The Department of Economic and Community Development shall provide the necessary personnel and resources to assist the [Connecticut Commission on Business Opportunity, Defense Diversification and Industrial Policy] Commission on Connecticut's Future in performing its tasks in accordance with section 32-245.

Sec. 9. Subsections (d) and (e) of section 32-285 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) Upon receiving an application for participation in the tax incremental financing program and any supporting information, the [executive director] chief executive officer of the corporation shall make a preliminary determination as to whether a proposed project may be eligible for participation in the program.

(e) (1) The corporation shall review each application that has been preliminarily determined to be eligible under subsection (d) of this section. In reviewing an application, the corporation shall obtain such additional information as may be necessary to make a final determination as to whether the project is eligible for participation in the program, whether the project is economically viable with use of the tax incremental financing mechanism, the effects of the project on the municipality and whether the project would provide net benefits to

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economic development and employment opportunity in the state. The corporation may require the project sponsor to submit such additional information as may be necessary to evaluate the application.

(2) The corporation shall retain such financial advisors and other experts as it deems appropriate to conduct an independent financial assessment of the application and supporting information, including, in particular, the amount of the incremental hotel taxes, or, if applicable, the incremental sales and admissions, cabaret and dues taxes to be generated by the project, whether the project will be economically viable and whether the bonds will be self-sustaining.

(3) The corporation shall prepare a revenue impact assessment that estimates the incremental hotel taxes or, if applicable, the incremental sales and admissions, cabaret and dues taxes that would be generated by the project, the state and local revenues that would be foregone as a result of the project, all state and local revenues that would be generated by the project and the economic benefits that would likely result from construction of the project, including revenue effects of such economic benefits.

(4) (A) Not later than seventy-two hours before presenting a proposed project to the board of directors of the corporation for final approval, if such project uses incremental hotel taxes, the [executive director] chief executive officer of the corporation shall give notice of the proposed project and meeting to the president pro tempore and minority leader of the Senate, the speaker and minority leader of the House of Representatives and the chairpersons and ranking members of the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding and the Department of Economic and Community Development. Such notice shall include such information about the project, the estimated tax increments and the revenue impact assessment, as may be appropriate, consistent with the protection of any confidential financial information

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provided by the project sponsor. Any such member of the General Assembly may, by notifying the [executive director] chief executive officer, request that the board of directors of the corporation defer final consideration of the project for thirty days.

(B) If such project uses incremental sales and admissions, cabaret and dues taxes, the notice required pursuant to subparagraph (A) of this subdivision shall not be required, but the procedure in subdivision (6) of subsection (f) of this section shall be followed after the board of directors of the corporation has given approval to such project.

Approved June 3, 2014