



General Assembly

January Session, 2015

Committee Bill No. 6638

LCO No. 5888



Referred to Committee on GOVERNMENT ADMINISTRATION
AND ELECTIONS

Introduced by:
(GAE)

***AN ACT CONCERNING STATE-WIDE PERCENTAGE GOALS FOR
THE AWARD OF STATE PROCUREMENT CONTRACTS TO WOMEN-
OWNED AND MINORITY BUSINESS ENTERPRISES.***

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

1 Section 1. Section 4a-60g of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) As used in this section and sections 4a-60h to 4a-60j, inclusive, as
4 amended by this act, the following terms have the following meanings:

5 (1) "Small contractor" means any contractor, subcontractor,
6 manufacturer, service company or nonprofit corporation (A) that
7 maintains its principal place of business in the state, (B) (i) that had
8 gross revenues not exceeding fifteen million dollars in the most
9 recently completed fiscal year prior to such application, or (ii) of which
10 fifty-one per cent or more of the capital stock, if any, or assets are
11 owned, or in the case of a nonprofit corporation, fifty-one per cent or
12 more of the corporation is managed, by a person or persons who are
13 individuals with a disability, and (C) that is independent. "Small

14 contractor" does not include any person who is affiliated with another
15 person if both persons considered together have a gross revenue
16 exceeding fifteen million dollars.

17 (2) "Independent" means the viability of the enterprise of the small
18 contractor does not depend upon another person, as determined by an
19 analysis of the small contractor's relationship with any other person in
20 regards to the provision of personnel, facilities, equipment, other
21 resources and financial support, including bonding.

22 (3) "State agency" means each state board, commission, department,
23 office, institution, council or other agency with the power to contract
24 for goods or services itself or through its head.

25 (4) "Minority business enterprise" means any [small] contractor
26 [(A)] of which fifty-one per cent or more of the capital stock, if any, or
27 assets [of which] are owned, or in the case of a nonprofit corporation
28 fifty-one per cent or more of the corporation is managed, by a person
29 or persons who [(i)] (A) exercise operational authority over the daily
30 affairs of the enterprise, [(ii)] (B) have the power to direct the
31 management and policies and receive the beneficial interest of the
32 enterprise, [(iii)] (C) possess managerial and technical competence and
33 experience directly related to the principal business activities of the
34 enterprise, and [(iv)] (D) are members of a minority. [, as such term is
35 defined in subsection (a) of section 32-9n, or are individuals with a
36 disability, or (B) which is a nonprofit corporation in which fifty-one
37 per cent or more of the persons who (i) exercise operational authority
38 over the enterprise, (ii) possess managerial and technical competence
39 and experience directly related to the principal business activities of
40 the enterprise, (iii) have the power to direct the management and
41 policies of the enterprise, and (iv) are members of a minority, as
42 defined in this subsection, or are individuals with a disability.]

43 (5) "Minority" means (A) Black Americans, including all persons
44 having origins in any of the Black African racial groups not of
45 Hispanic origin, (B) Hispanic Americans, including all persons of

46 Mexican, Puerto Rican, Cuban, Central or South American, or other
47 Spanish culture or origin, regardless of race, (C) all persons having
48 origins in the Iberian Peninsula, including Portugal, regardless of race,
49 (D) Asian Pacific Americans and Pacific Islanders, or (E) American
50 Indians and persons having origins in any of the original peoples of
51 North America and maintaining identifiable tribal affiliations through
52 membership and participation or community identification.

53 (6) "Women-owned business enterprise" means any contractor of
54 which fifty-one per cent or more of the capital stock, if any, or assets
55 are owned, or in the case of a nonprofit corporation fifty-one per cent
56 or more of the corporation is managed, by a person or persons who (A)
57 exercise operational authority over the daily affairs of the enterprise,
58 (B) have the power to direct the management and policies and receive
59 the beneficial interest of the enterprise, (C) possess managerial and
60 technical competence and experience directly related to the principal
61 business activities of the enterprise, and (D) are women.

62 [(5)] (7) "Affiliated" means the relationship in which a person
63 directly, or indirectly through one or more intermediaries, controls, is
64 controlled by or is under common control with another person.

65 [(6)] (8) "Control" means the power to direct or cause the direction of
66 the management and policies of any person, whether through the
67 ownership of voting securities, by contract or through any other direct
68 or indirect means. Control shall be presumed to exist if any person,
69 directly or indirectly, owns, controls, holds with the power to vote, or
70 holds proxies representing, twenty per cent or more of any voting
71 securities of another person.

72 [(7)] (9) "Person" means any individual, corporation, limited liability
73 company, partnership, association, joint stock company, business trust,
74 unincorporated organization or other entity.

75 [(8)] (10) "Individual with a disability" means an individual (A)
76 having a physical or mental impairment that substantially limits one or

77 more of the major life activities of the individual, which mental
78 impairment may include, but is not limited to, having one or more
79 mental disorders, as defined in the most recent edition of the American
80 Psychiatric Association's "Diagnostic and Statistical Manual of Mental
81 Disorders", or (B) having a record of such an impairment.

82 [(9)] (11) "Nonprofit corporation" means a nonprofit corporation
83 incorporated pursuant to chapter 602 or any predecessor statutes
84 thereto.

85 (12) "Contractor" includes any contractor, subcontractor,
86 manufacturer, service company or nonprofit corporation that enters
87 into a contract for goods or services with a state agency.

88 (13) "Reserved contract" means a contract offered or awarded to a
89 minority business enterprise or women-owned business enterprise to
90 meet the goals established under subsections (b) and (c) of this section.

91 (14) "Procurement contract" means a contract entered into by a state
92 agency or political subdivision other than a municipality for the
93 construction, reconstruction or rehabilitation of public buildings, the
94 construction and maintenance of highways or the purchase of goods
95 and services.

96 (b) It is found and determined that there is a serious need to help
97 small contractors, minority business enterprises, women-owned
98 business enterprises, nonprofit organizations and individuals with
99 disabilities to be considered for and awarded state procurement
100 contracts. [for the construction, reconstruction or rehabilitation of
101 public buildings, the construction and maintenance of highways and
102 the purchase of goods and services.] Accordingly, the necessity, in the
103 public interest and for the public benefit and good, of the provisions of
104 this section, sections 4a-60h to 4a-60j, inclusive, as amended by this act,
105 and sections 32-9i to 32-9p, inclusive, is declared as a matter of
106 legislative determination. Notwithstanding any provisions of the
107 general statutes, [to the contrary,] and except as set forth [herein] in

108 this section, the head of each state agency and each political
109 subdivision of the state other than a municipality shall set aside in each
110 fiscal year, for award to small contractors, on the basis of competitive
111 bidding procedures, procurement contracts or portions of procurement
112 contracts. [for the construction, reconstruction or rehabilitation of
113 public buildings, the construction and maintenance of highways and
114 the purchase of goods and services.] Eligibility of nonprofit
115 corporations under the provisions of this section shall be limited to
116 predevelopment contracts awarded by the Commissioner of Housing
117 for housing projects. The total value of such contracts or portions
118 [thereof] of such contracts to be set aside by each such agency shall be
119 at least twenty-five per cent of the total value of all contracts let by the
120 head of such agency in each fiscal year, provided that neither: (1) A
121 contract that may not be set aside due to a conflict with a federal law
122 or regulation; or (2) a contract for any goods or services which have
123 been determined by the Commissioner of Administrative Services to
124 be not customarily available from or supplied by small contractors,
125 shall be included. [Contracts] Each fiscal year, each such agency and
126 political subdivision of the state other than a municipality shall also
127 have the goal of reserving a percentage of the total value of
128 procurement contracts or portions [thereof having a value of not less
129 than twenty-five per cent of the total value of all contracts or portions
130 thereof to be set aside shall be reserved] of such contracts for awards to
131 minority business enterprises and women-owned business enterprises
132 on the basis of competitive bidding procedures. Until such time as the
133 Secretary of the Office of Policy and Management establishes the state-
134 wide goal pursuant to subparagraph (A) of subdivision (1) of
135 subsection (c) of this section, such percentage goal shall be equivalent
136 to twenty-five per cent of the total value of all procurement contracts
137 or portions of contracts let by the head of such agency or political
138 subdivision and in accordance with any guidelines issued under said
139 subsection.

140 (c) (1) Not later than January 1, 2016, and every two years thereafter,
141 the Secretary of the Office of Policy and Management, in consultation

142 with the Commissioners of Transportation and Administrative
143 Services and the Attorney General, shall establish (A) a state-wide goal
144 for the percentage of state procurement contracts to be awarded to
145 minority and women-owned business enterprises for each of the next
146 succeeding two years, (B) women-owned and minority business
147 enterprise participation percentage goals for such contracts, with
148 separate goals for African-American-owned business enterprises,
149 Hispanic-American-owned business enterprises and for women-
150 owned business enterprises, and (C) biennial guidelines to assist the
151 heads of state agencies and political subdivisions other than a
152 municipality in determining what the appropriate percentage goal is
153 for a procurement contract. If during any two-year period following
154 the establishing of the initial goals pursuant to subparagraphs (A) and
155 (B) of this subdivision, the secretary fails to establish the goals
156 described in said subparagraphs (A) and (B), the goals established for
157 the immediately preceding two-year period shall apply.

158 (2) In establishing goals and guidelines under this subsection, the
159 secretary shall consider (A) the relative availability of minority and
160 women-owned business enterprises to participate in state procurement
161 as demonstrated by the state's most recent disparity study, and (B) past
162 participation of minority and women-owned business enterprises in
163 state procurement.

164 (3) The head of each state agency or political subdivision of the state
165 other than a municipality shall evaluate each procurement contract to
166 determine the appropriate women-owned or minority business
167 enterprise participation goals for the contract based on (A) the
168 potential subcontract opportunities available in the contract, (B) the
169 availability of certified women-owned business enterprises and
170 certified minority business enterprises to respond competitively to the
171 potential subcontract opportunities, (C) the contract goal guidelines
172 established by the secretary in accordance with subdivision (1) of this
173 subsection, and (D) the women-owned and minority business
174 enterprise participation percentage goals established by the secretary

175 in accordance with subdivision (1) of this subsection. No such agency
176 or political subdivision shall use a quota or any goal-setting that solely
177 relies on the state's percentage goal established in subdivision (1) of
178 this subsection or subsection (b) of this section.

179 [(c)] (d) The head of any state agency or political subdivision of the
180 state other than a municipality may, (1) in lieu of setting aside or
181 reserving any contract or portions thereof, require any general or trade
182 contractor or any other entity authorized by such agency to award
183 contracts, to set aside or reserve a portion of any contract for
184 subcontractors who are eligible for set-aside or reserved contracts
185 under this section, or (2) require the general or trade contractor or any
186 other entity authorized by such agency to award contracts to make a
187 reasonable effort to reserve a portion of the contract for subcontractors
188 who are women-owned or minority business enterprises. Nothing in
189 this subsection shall be construed to diminish the total value of
190 contracts which are required to be set aside or the percentage goals to
191 be reserved by any state agency or political subdivision of the state
192 other than a municipality pursuant to this section.

193 [(d)] (e) The heads of all state agencies and of each political
194 subdivision of the state other than a municipality shall notify the
195 Commissioner of Administrative Services of all contracts to be set
196 aside or reserved pursuant to subsection (b), [or] (c) or (d) of this
197 section at the time that bid documents for such contracts are made
198 available to potential contractors.

199 [(e)] (f) The awarding authority shall require that a contractor or
200 subcontractor awarded a contract or a portion of a contract under this
201 section perform not less than thirty per cent of the work with the
202 workforces of such contractor or subcontractor and shall require that
203 not less than fifty per cent of the work be performed by contractors or
204 subcontractors eligible for awards under this section. A contractor
205 awarded a contract or a portion of a contract under this section shall
206 not subcontract with any person with whom the contractor is affiliated.

207 No person who is affiliated with another person shall be eligible for
208 awards under this section if both affiliated persons considered together
209 would not qualify as a small contractor or a women-owned or minority
210 business enterprise under subsection (a) of this section. The awarding
211 authority shall require that a contractor awarded a contract pursuant
212 to this section submit, in writing, an explanation of any subcontract to
213 such contract that is entered into with any person that is not eligible
214 for the award of a contract pursuant to this section, prior to the
215 performance of any work pursuant to such subcontract.

216 [(f)] (g) The awarding authority may require that a contractor or
217 subcontractor awarded a contract or a portion of a contract under this
218 section furnish the following documentation: (1) A copy of the
219 certificate of incorporation, certificate of limited partnership,
220 partnership agreement or other organizational documents of the
221 contractor or subcontractor; (2) a copy of federal income tax returns
222 filed by the contractor or subcontractor for the previous year; and (3)
223 evidence of payment of fair market value for the purchase or lease by
224 the contractor or subcontractor of property or equipment from another
225 contractor who is not eligible for set-aside or reserved contracts under
226 this section.

227 [(g)] (h) The awarding authority or the Commissioner of
228 Administrative Services or the Commission on Human Rights and
229 Opportunities may conduct an audit of the financial, corporate and
230 business records and conduct an investigation of any small contractor
231 [or minority business enterprise which] that applies for or is awarded a
232 set-aside contract or any women-owned or minority business
233 enterprise that applies for or is awarded a reserved contract for the
234 purpose of determining eligibility for awards or compliance with the
235 requirements established under this section.

236 [(h)] (i) The provisions of this section shall not apply to any state
237 agency or political subdivision of the state other than a municipality
238 for which the total value of all procurement contracts or portions of

239 contracts [of the types enumerated in subsection (b) of this section] is
240 anticipated to be equal to ten thousand dollars or less.

241 [(i)] (j) In lieu of a performance, bid, labor and materials or other
242 required bond, a contractor or subcontractor awarded a contract under
243 this section may provide to the awarding authority, and the awarding
244 authority shall accept a letter of credit. Any such letter of credit shall
245 be in an amount equal to ten per cent of the contract for any contract
246 that is less than one hundred thousand dollars and in an amount equal
247 to twenty-five per cent of the contract for any contract that exceeds one
248 hundred thousand dollars.

249 [(j)] (k) (1) Whenever the awarding authority has reason to believe
250 that any contractor or subcontractor awarded a set-aside or reserved
251 contract has wilfully violated any provision of this section, the
252 awarding authority shall send a notice to such contractor or
253 subcontractor by certified mail, return receipt requested. Such notice
254 shall include: (A) A reference to the provision alleged to be violated;
255 (B) a short and plain statement of the matter asserted; (C) the
256 maximum civil penalty that may be imposed for such violation; and
257 (D) the time and place for the hearing. Such hearing shall be fixed for a
258 date not earlier than fourteen days after the notice is mailed. The
259 awarding authority shall send a copy of such notice to the Commission
260 on Human Rights and Opportunities.

261 (2) The awarding authority shall hold a hearing on the violation
262 asserted unless such contractor or subcontractor fails to appear. The
263 hearing shall be held in accordance with the provisions of chapter 54.
264 If, after the hearing, the awarding authority finds that the contractor or
265 subcontractor has wilfully violated any provision of this section, the
266 awarding authority shall suspend all set-aside or reserved contract
267 payments to the contractor or subcontractor and may, in its discretion,
268 order that a civil penalty not exceeding ten thousand dollars per
269 violation be imposed on the contractor or subcontractor. If such
270 contractor or subcontractor fails to appear for the hearing, the

271 awarding authority may, as the facts require, order that a civil penalty
272 not exceeding ten thousand dollars per violation be imposed on the
273 contractor or subcontractor. The awarding authority shall send a copy
274 of any order issued pursuant to this subsection by certified mail, return
275 receipt requested, to the contractor or subcontractor named in such
276 order. The awarding authority may cause proceedings to be instituted
277 by the Attorney General for the enforcement of any order imposing a
278 civil penalty issued under this subsection.

279 [(k)] (l) (1) On or before January 1, [2000] 2016, the Commissioner of
280 Administrative Services shall establish a process for certification of
281 small contractors [and minority business enterprises] as eligible for set-
282 aside contracts and women-owned and minority business enterprises
283 as eligible for reserved contracts. Each certification shall be valid for a
284 period not to exceed two years. Any paper application for certification
285 shall be no longer than six pages. The Department of Administrative
286 Services shall maintain on its web site an updated directory of small
287 contractors, women-owned business enterprises and minority business
288 enterprises certified under this section.

289 (2) The Commissioner of Administrative Services may deny an
290 application for the initial issuance or renewal of such certification after
291 issuing a written decision to the applicant setting forth the basis for
292 such denial. The commissioner may revoke such certification for cause
293 after notice and an opportunity for a hearing in accordance with the
294 provisions of chapter 54. Any person aggrieved by the commissioner's
295 decision to deny the issuance or renewal of or to revoke such
296 certification may appeal such decision to the Superior Court, in
297 accordance with the provisions of section 4-183.

298 (3) Whenever the Commissioner of Administrative Services has
299 reason to believe that a small contractor, women-owned business
300 enterprise or minority business enterprise who has applied for or
301 received certification under this section has included a materially false
302 statement in his or her application, the commissioner may impose a

303 penalty not exceeding ten thousand dollars after notice and a hearing
304 held in accordance with chapter 54. Such notice shall include (A) a
305 reference to the statement or statements contained in the application
306 alleged to be false, (B) the maximum civil penalty that may be imposed
307 for such misrepresentation, and (C) the time and place of the hearing.
308 Such hearing shall be fixed for a date not later than fourteen days from
309 the date such notice is sent. The commissioner shall send a copy of
310 such notice to the Commission on Human Rights and Opportunities.

311 (4) The commissioner shall hold a hearing prior to such revocation
312 or denial or the imposition of a penalty, unless such contractor or
313 subcontractor fails to appear. If, after the hearing, the commissioner
314 finds that the contractor or subcontractor has wilfully included a
315 materially false statement in his or her application for certification
316 under this subsection, the commissioner shall revoke or deny the
317 certification and may order that a civil penalty not exceeding ten
318 thousand dollars be imposed on the contractor or subcontractor. If
319 such contractor or subcontractor fails to appear for the hearing, the
320 commissioner may, as the facts require, revoke or deny the certification
321 and order that a civil penalty not exceeding ten thousand dollars be
322 imposed on the contractor or subcontractor. The commissioner shall
323 send a copy of any order issued pursuant to this subsection to the
324 contractor or subcontractor named in such order. The commissioner
325 may cause proceedings to be instituted by the Attorney General for the
326 enforcement of any order imposing a civil penalty issued under this
327 subsection.

328 [(l)] (m) On or before August 30, 2007, and annually thereafter, each
329 state agency and each political subdivision of the state other than a
330 municipality setting aside contracts or portions of contracts shall
331 prepare a report establishing small [and minority business] contractor
332 set-aside program goals for the twelve-month period beginning July
333 first in the same year. On or before August 30, 2016, and annually
334 thereafter, each state agency and each political subdivision of the state
335 other than a municipality reserving procurement contracts or portions

336 of procurement contracts shall prepare a report establishing women-
337 owned and minority business enterprise contract goals in accordance
338 with the guidelines established pursuant to subsection (c) of this
339 section. Each such report shall be submitted to the Commissioner of
340 Administrative Services, the Secretary of the Office of Policy and
341 Management, the Commission on Human Rights and Opportunities
342 and the cochairpersons and ranking members of the joint standing
343 committees of the General Assembly having cognizance of matters
344 relating to planning and development and government administration,
345 [and elections.]

346 [(m)] (n) On or before November 1, 1995, and quarterly thereafter,
347 each state agency and each political subdivision of the state other than
348 a municipality setting aside contracts or portions of contracts shall
349 prepare a status report on the implementation and results of its small
350 [business and minority business enterprise] contractor set-aside
351 program goals during the three-month period ending one month
352 before the due date for the report. On or before November 1, 2016, and
353 quarterly thereafter, each such report shall also contain a status report
354 on the implementation and results of such agency's or such political
355 subdivision's women-owned and minority business enterprise
356 reserved contract program goals during the three-month period
357 ending one month before the due date for the report. Each report shall
358 be submitted to the Commissioner of Administrative Services, the
359 Secretary of the Office of Policy and Management and the Commission
360 on Human Rights and Opportunities. Any state agency or political
361 subdivision of the state, other than a municipality, that achieves less
362 than fifty per cent of its small contractor [and minority business
363 enterprise] set-aside program goals or women-owned or minority
364 business enterprise reserved contract program goals by the end of the
365 second reporting period in any twelve-month period beginning on July
366 first shall provide a written explanation to the Commissioner of
367 Administrative Services and the Commission on Human Rights and
368 Opportunities detailing how the agency or political subdivision will
369 achieve its goals in the final reporting period. The Commission on

370 Human Rights and Opportunities shall: (1) Monitor the achievement of
371 the annual goals established by each state agency and political
372 subdivision of the state other than a municipality; and (2) prepare a
373 quarterly report concerning such goal achievement. The report shall be
374 submitted to each state agency that submitted a report, the
375 Commissioner of Economic and Community Development, the
376 Commissioner of Administrative Services and the cochairpersons and
377 ranking members of the joint standing committees of the General
378 Assembly having cognizance of matters relating to planning and
379 development and government administration. [and elections.] Failure
380 by any state agency or political subdivision of the state other than a
381 municipality to submit any reports required by this section shall be a
382 violation of section 46a-77.

383 [(n)] (o) Nothing in this section shall be construed to apply to the
384 janitorial or service contracts awarded pursuant to subsections (b) to
385 (d), inclusive, of section 4a-82.

386 [(o)] (p) The Commissioner of Administrative Services may adopt
387 regulations in accordance with the provisions of chapter 54 to
388 implement the provisions of this section.

389 Sec. 2. Section 4a-60h of the general statutes is repealed and the
390 following is substituted in lieu thereof (*Effective October 1, 2015*):

391 (a) The Commissioner of Administrative Services shall be
392 responsible for the administration of the set-aside and reserved
393 contract program. The commissioner shall conduct regular training
394 sessions, as the commissioner deems necessary, for state agencies to
395 explain the set-aside and reserved contract program and to specify the
396 factors that must be addressed in calculating agency goals under the
397 program. Such factors shall be in accordance with the guidelines
398 established by the Secretary of the Office of Policy and Management
399 under subsection (c) of section 4a-60g, as amended by this act. The
400 commissioner shall conduct informational workshops to inform
401 businesses of set-aside and reserved contract opportunities and

402 responsibilities.

403 (b) The commissioner shall adopt regulations in accordance with the
404 provisions of chapter 54 to carry out the purposes of sections 4a-60g to
405 4a-60j, inclusive, as amended by this act. Such regulations shall include
406 (1) provisions concerning the application of the program to individuals
407 with a disability; (2) guidelines for a legally acceptable format for, and
408 content of, letters of credit authorized under subsection (j) of section
409 4a-60g, as amended by this act; (3) procedures for random site visits to
410 the place of business of an applicant for certification at the time of
411 application and at subsequent times, as necessary, to ensure the
412 integrity of the application process; and (4) time limits for approval or
413 disapproval of applications.

414 (c) [On or before January 1, 1994, the] The Commissioner of
415 Administrative Services shall, by regulations adopted in accordance
416 with chapter 54, establish a process to ensure that small contractors,
417 small businesses, women-owned business enterprises and minority
418 business enterprises have fair access to all competitive contracts
419 outside of the set-aside and reserved contract program.

420 Sec. 3. Subsection (e) of section 4a-52a of the general statutes is
421 repealed and the following is substituted in lieu thereof (*Effective*
422 *October 1, 2015*):

423 (e) Notwithstanding the provisions of sections 4a-51 and 4a-52, the
424 Commissioner of Administrative Services may delegate authority to
425 any state agency to purchase supplies, materials, equipment and
426 contractual services, consistent with section 4a-67c, if the commissioner
427 determines, in writing, that (1) such delegation would reduce state
428 purchasing costs or result in more efficient state purchasing, and (2)
429 the agency has employees with experience and expertise in state
430 purchasing statutes, regulations and procedures. In determining which
431 agencies to delegate such purchasing authority to, the commissioner
432 shall give preference to agencies which have exceeded the set-aside or
433 reserved contract requirements of section 4a-60g, as amended by this

434 act. An agency to whom such authority is delegated shall comply with
435 all such statutes, regulations and procedures and shall submit annual
436 reports to the Commissioner of Administrative Services on its
437 purchase orders, in a format prescribed by the commissioner. The
438 Commissioner of Administrative Services or his or her designee shall
439 periodically review each such delegation of purchasing authority and
440 may revoke or modify a delegation upon determining that the agency
441 has violated any provision of the delegation or that there is evidence of
442 insufficient competition in the competitive bidding or competitive
443 negotiation process.

444 Sec. 4. Subsection (a) of section 4a-57 of the general statutes is
445 repealed and the following is substituted in lieu thereof (*Effective*
446 *October 1, 2015*):

447 (a) All purchases of, and contracts for, supplies, materials,
448 equipment and contractual services, except purchases and contracts
449 made pursuant to the provisions of subsection (b) of this section and
450 public utility services as provided in subsection (e) of this section shall
451 be based, when possible, on competitive bids or competitive
452 negotiation. The commissioner shall solicit competitive bids or
453 proposals by providing notice of the planned purchase in a form and
454 manner that the commissioner determines will maximize public
455 participation in the competitive bidding or competitive negotiation
456 process, including participation by small contractors, as defined in
457 section 4a-60g, as amended by this act, and promote competition. In
458 the case of an expenditure that is estimated to exceed fifty thousand
459 dollars, such notice shall be posted, not less than five calendar days
460 before the final date of submitting bids or proposals, on the State
461 Contracting Portal. Each notice of a planned purchase under this
462 subsection shall indicate the type of goods and services to be
463 purchased and the estimated value of the contract award. The notice
464 shall also contain a notice of state contract requirements concerning
465 nondiscrimination and affirmative action pursuant to section 4a-60
466 and, when applicable, requirements concerning the awarding of

467 contracts to small contractors, women-owned business enterprises,
468 minority business enterprises, individuals with a disability and
469 nonprofit corporations pursuant to section 4a-60g, as amended by this
470 act. Each bid and proposal shall be kept sealed or secured until opened
471 publicly at the time stated in the notice soliciting such bid or proposal.

472 Sec. 5. Section 4a-61 of the general statutes is repealed and the
473 following is substituted in lieu thereof (*Effective October 1, 2015*):

474 The Commissioner of Administrative Services, with the advice of
475 the Commissioner of Economic and Community Development, shall
476 adopt regulations, in accordance with chapter 54, establishing
477 procedures for the award of contracts concerning minority business
478 enterprises and women-owned business enterprises by the state or any
479 political subdivision of the state other than a municipality.

480 Sec. 6. Section 4a-62 of the general statutes is repealed and the
481 following is substituted in lieu thereof (*Effective October 1, 2015*):

482 (a) There is established a Minority and Women-Owned Business
483 Enterprise Review Committee. The committee shall consist of two
484 members of the House of Representatives appointed by the speaker of
485 the House, two members of the House appointed by the minority
486 leader of the House, two members of the Senate appointed by the
487 president pro tempore of the Senate, and two members of the Senate
488 appointed by the minority leader of the Senate. The committee shall
489 conduct an ongoing study of contract awards, loans and bonds made
490 or guaranteed by the state or any political subdivision of the state
491 other than a municipality for the purpose of determining the extent of
492 compliance with the provisions of the general statutes concerning
493 contract awards, loans and bonds for minority and women-owned
494 business enterprises, including the [set-aside] reserved contract
495 program for such business enterprises.

496 (b) The committee may request any agency of the state authorized to
497 award public works contracts or to enter into purchase of goods or

498 services contracts to submit such information on compliance with
499 sections 4a-60 and 4a-60g, as amended by this act, and at such times as
500 the committee may require. The committee shall consult with the
501 Departments of Administrative Services, Transportation and Economic
502 and Community Development and the Commission on Human Rights
503 and Opportunities concerning compliance with the state programs for
504 minority business enterprises. The committee shall report annually on
505 or before February first to the Joint Committee on Legislative
506 Management on the results of its ongoing study and include its
507 recommendations, if any, for legislation.

508 Sec. 7. Subdivision (5) of subsection (a) of section 4b-91 of the
509 general statutes is repealed and the following is substituted in lieu
510 thereof (*Effective October 1, 2015*):

511 (5) (A) The Commissioner of Administrative Services may select
512 contractors to be on lists established for the purpose of providing
513 contractor services for the construction, reconstruction, alteration,
514 remodeling, repair or demolition of any public building or other public
515 works project administered by the Department of Administrative
516 Services involving an expense to the state of one million five hundred
517 thousand dollars or less. The commissioner shall use the
518 prequalification classifications established pursuant to section 4a-100
519 to determine the specific categories of services that contractors may
520 perform after being selected in accordance with this subparagraph and
521 subparagraph (B) of this subdivision and awarded a contract in
522 accordance with subparagraph (C) of this subdivision. The
523 commissioner may establish a separate list for projects involving an
524 expense to the state of less than five hundred thousand dollars for the
525 purpose of selecting and utilizing the services of small contractors,
526 women-owned business enterprises and minority business enterprises,
527 as such terms are defined in section 4a-60g, as amended by this act.

528 (B) The commissioner shall invite contractors to submit
529 qualifications for each specific category of services sought by the

530 department by posting notice of such invitation on the State
531 Contracting Portal. The notice shall be in the form determined by the
532 commissioner, and shall set forth the information that a contractor is
533 required to submit to be considered for selection. Upon receipt of the
534 submittal from the contractor, the commissioner shall select, for each
535 specified category, those contractors who (i) are determined to be the
536 most responsible and qualified, as such terms are defined in section 4b-
537 92, to perform the work required under the specified category, (ii) have
538 demonstrated the skill, ability and integrity to fulfill contract
539 obligations considering their past performance, financial responsibility
540 and experience with projects of the size, scope and complexity
541 required by the state under the specified category, and (iii) for projects
542 with a cost exceeding five hundred thousand dollars, have the ability
543 to obtain the requisite bonding. The commissioner shall establish the
544 duration that each list remains in effect, which in no event may exceed
545 three years.

546 (C) For any public building or public works project involving an
547 expense to the state of one million five hundred thousand dollars or
548 less, the commissioner shall invite bids from only those contractors
549 selected pursuant to subparagraphs (A) and (B) of this subdivision for
550 the specific category of services required for the particular project. The
551 commissioner shall determine the form of bid invitation, the manner
552 of, and time for, submission of bids, and the conditions and
553 requirements of such bids. The contract shall be awarded to the lowest
554 responsible and qualified bidder, subject to the provisions of sections
555 4b-92 and 4b-94. In the event that fewer than three bids are received in
556 response to an invitation to bid under this subdivision, or that all the
557 bids are in excess of the amount of available funds for the project, the
558 commissioner may negotiate a contract with any of the contractors
559 submitting a bid, or reject the bids received and rebid the project in
560 accordance with this section.

561 Sec. 8. Section 4e-15 of the general statutes is repealed and the
562 following is substituted in lieu thereof (*Effective October 1, 2015*):

563 Nothing in sections 4e-1 to 4e-14, inclusive, and 4e-16 shall be
564 construed to affect the requirements of subsection (f) of section 4a-57,
565 subsection [(p)] (o) of section 4a-60g, as amended by this act, sections
566 4a-82 and 17b-656 and subsection (c) of section 31-57g.

567 Sec. 9. Section 22a-263a of the general statutes is repealed and the
568 following is substituted in lieu thereof (*Effective October 1, 2015*):

569 The Materials Innovation and Recycling Authority shall make the
570 following information available to the public through the Internet,
571 except for any such information which is not required to be disclosed
572 to the public pursuant to the Freedom of Information Act, as defined in
573 section 1-200:

574 (1) The schedule of meetings of the board of directors of the
575 authority and each committee established by said board, not later than
576 seven days after such schedule is established;

577 (2) Draft minutes of each meeting of the board of directors of the
578 authority and each committee established by said board, not later than
579 seven days after each such meeting is held;

580 (3) Each report required under section 4a-60g, as amended by this
581 act, setting forth small [and minority-business] contractor set-aside
582 program goals and women-owned and minority business enterprise
583 reserved contract goals and addressing the authority's progress in
584 meeting said goals, not later than seven days after each such report is
585 required to be submitted to the Commission on Human Rights and
586 Opportunities under said section; [4a-60g;]

587 (4) The annual plan of operations which the authority is required to
588 prepare pursuant to section 22a-264, not later than seven days after the
589 plan is promulgated;

590 (5) Each report that the authority is required to submit to the
591 General Assembly pursuant to the general statutes, not later than
592 seven days after the report is submitted;

593 (6) Each audit of the authority conducted by the Auditors of Public
594 Accounts, each compliance audit of the authority's activities conducted
595 pursuant to section 1-122 and each audit conducted by an independent
596 auditing firm, not later than seven days after each such audit is
597 received by the board of directors of the authority; and

598 (7) A report on any contract between the authority and a person,
599 other than a director, officer or employee of the authority, for the
600 purpose of influencing any legislative or administrative action on
601 behalf of the authority or providing legal advice to the authority. The
602 report shall indicate for each such contract (A) the names of the parties
603 to the contract, (B) the cost of the contract, (C) the term of the contract,
604 (D) a summary of the services to be provided under the contract, (E)
605 the method used by the authority to award the contract, and (F) a
606 summary of the authority's need for the services provided under the
607 contract. Such report shall be made available through the Internet not
608 later than fifteen days after the contract is entered into between the
609 authority and the person.

610 Sec. 10. Section 32-9qq of the general statutes is repealed and the
611 following is substituted in lieu thereof (*Effective October 1, 2015*):

612 (a) It is hereby found and declared as a matter of legislative
613 determination that there is a continuing need in the state for
614 stimulation and encouragement of economic growth and development
615 within the state through the establishment of business outreach centers
616 located in certain regions of the state or for certain industry sectors to
617 assist in providing services to small [~~businesses~~] contractors, women-
618 owned business enterprises and minority business enterprises, as
619 defined in section 4a-60g, as amended by this act, in the areas of
620 business plan development, financial projection and planning, loan
621 packaging, business counseling and related follow-up services,
622 including the monitoring of any of the foregoing.

623 (b) The business outreach center challenge grant program is hereby
624 created. In order to stimulate and encourage economic growth and

625 development, the state, acting through the Department of Economic
626 and Community Development, may make grants for the establishment
627 of business outreach centers located in certain regions of the state or
628 for certain industry sectors to assist in providing services to small
629 [businesses] contractors, women-owned business enterprises and
630 minority business enterprises. Such grants shall be made under such
631 terms and conditions as the department deems appropriate and shall
632 be payable from the proceeds of the sale of bonds authorized under
633 subsection (f) of this section and funds received by the department
634 from any other source, in accordance with the following provisions:

635 (1) A business outreach center shall be any nonprofit or
636 governmental entity providing or able to provide assistance to small
637 [businesses] contractors, women-owned business enterprises and
638 minority business enterprises in the areas of business plan
639 development, financial projection, loan package planning, including
640 loan packaging for small [businesses] contractors, women-owned
641 business enterprises and minority business enterprises which are
642 seeking financial assistance from Connecticut Innovations,
643 Incorporated, business counseling and related monitoring and follow-
644 up services.

645 (2) The department may require any entity receiving a grant
646 pursuant to this section to obtain a matching grant in such amount as
647 the department determines in its discretion. Such matching grant may
648 include cash and in-kind contributions.

649 (c) Grants may be made under this section to municipalities and
650 other organizations for the purpose of providing funds to develop
651 greenways, including, but not limited to, transportation-related
652 greenways supported by the federal Transportation Equity Act for the
653 21st Century, as amended from time to time. The amount of any grant
654 shall be as follows: (1) For transportation greenways projects that are
655 part of interstate greenways, not more than twenty per cent of the
656 project cost; (2) for transportation greenways projects that are local

657 spurs from interstate greenways or that are intertown greenways
658 projects, not more than ten per cent of the project cost; and (3) for
659 greenways that are not transportation greenways, not more than half
660 of the capital costs of the project.

661 (d) Applications for grants under this section shall be submitted on
662 forms provided by the department. When reviewing applications, the
663 department shall consider such factors as the impact on certain regions
664 of the state or certain industry sectors, the applicant's plan for outreach
665 efforts designed to inform small [businesses] contractors, women-
666 owned business enterprises and minority business enterprises of
667 available sources of financial and technical assistance and the
668 commitment and capacity of the applicant to provide assistance to
669 small [businesses] contractors, women-owned business enterprises and
670 minority business enterprises under this section.

671 (e) Each grant made under this section shall be authorized pursuant
672 to regulations adopted by the Department of Economic and
673 Community Development in accordance with the provisions of chapter
674 54, which regulations may include, but shall not be limited to,
675 provisions concerning application requirements, grant amounts and
676 eligible use of funds, provided the amount of any grant under
677 subsection (b) of this section shall be not more than the amount
678 specified in said subsection.

679 (f) For the purposes of this section, the State Bond Commission shall
680 have the power, from time to time, to authorize the issuance of bonds
681 of the state in one or more series and in principal amounts not
682 exceeding in the aggregate two million five hundred thousand dollars.
683 The proceeds of the sale of said bonds shall be used by the Department
684 of Economic and Community Development for grants under the
685 business outreach center challenge grant program created under this
686 section. All provisions of section 3-20 or the exercise of any right or
687 power granted thereby which are not inconsistent with the provisions
688 of this section are hereby adopted and shall apply to all bonds

689 authorized by the State Bond Commission pursuant to this section, and
690 temporary notes in anticipation of the money to be derived from the
691 sale of any such bonds so authorized may be issued in accordance with
692 said section 3-20 and from time to time renewed. Said bonds shall
693 mature at such time or times not exceeding twenty years from their
694 respective dates as may be provided in or pursuant to the resolution or
695 resolutions of the State Bond Commission authorizing such bonds.
696 None of such bonds shall be authorized except upon a finding by the
697 State Bond Commission that there has been filed with it a request for
698 such authorization, which is signed by or on behalf of the Secretary of
699 the Office of Policy and Management and states such terms and
700 conditions as said commission in its discretion may require. Said
701 bonds issued pursuant to this section shall be general obligations of the
702 state and the full faith and credit of the state of Connecticut are
703 pledged for the payment of the principal of and interest on said bonds
704 as the same become due, and accordingly and as part of the contract of
705 the state with the holders of said bonds, appropriation of all amounts
706 necessary for punctual payment of such principal and interest is
707 hereby made, and the Treasurer shall pay such principal and interest
708 as the same become due. Net earnings on investments or
709 reinvestments of proceeds, accrued interest and premiums on the
710 issuance of such bonds, after payment therefrom of expenses incurred
711 by the Treasurer or State Bond Commission in connection with their
712 issuance, shall become part of the business outreach center challenge
713 grant program.

714 Sec. 11. Section 32-23x of the general statutes is repealed and the
715 following is substituted in lieu thereof (*Effective October 1, 2015*):

716 (a) As used in this section:

717 (1) "Affiliate" means a business concern which directly controls or is
718 controlled by another business concern, or a third party which controls
719 both business concerns;

720 (2) "Corporation" means Connecticut Innovations, Incorporated

721 established under section 32-35 or its successor;

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

724 (4) "Enterprise zone" has the same meaning as provided in section
725 32-70;

726 (5) "Impacted business" means any person impacted by (A) a
727 disaster caused by natural forces including, but not limited to, floods
728 or hurricanes, or (B) an economic emergency including, but not limited
729 to, an existing or threatened major plant shutdown, business
730 disruption from a major road or bridge repair project or other existing
731 or potential economic emergency, provided such disaster or
732 emergency described in subparagraph (A) or (B) of this subdivision is
733 proclaimed as such by declaration of the Commissioner of Economic
734 and Community Development, with the consent of the Secretary of the
735 Office of Policy and Management, upon a determination by the
736 Commissioner of Economic and Community Development that such
737 disaster or emergency is of a magnitude that could materially affect the
738 health or well-being of the citizens of the impacted area and that the
739 financial assistance provided for under this section is necessary to
740 assure timely and effective relief and restoration;

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

742 (7) "Minority business enterprise" means any person who meets the
743 criteria contained in section 4a-60g, as amended by this act, and who is
744 receiving a state contract award;

745 (8) "Person" means any person or entity, including affiliates,
746 engaged in a for-profit activity or activities in this state and who,
747 except for an impacted business, is not an eligible borrower for
748 assistance under the provisions of the Connecticut Growth Fund
749 established under section 32-23v;

750 (9) "Rate of interest" means the interest rate which the corporation

751 shall charge and collect on each loan made by the state under this
752 section, which rate shall not exceed one per cent above the interest rate
753 borne by the general obligation bonds of the state last issued prior to
754 the date such loan is made, provided, such rate shall not exceed the
755 maximum allowable under federal law;

756 (10) "Small contractor" means any person who is a contractor,
757 subcontractor, manufacturer or service company who has been in
758 business for at least one year prior to the date of its application for
759 assistance under this section and whose gross revenues, including
760 revenues of affiliates, did not exceed three million dollars in its most
761 recently completed fiscal year prior to the date of its application for
762 assistance under this section;

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

767 (12) "Targeted business" means a person located in an enterprise
768 zone whose gross revenues did not exceed three million dollars in its
769 most recently completed fiscal year prior to the date of its application
770 for assistance under this section, or if such person has not been in
771 business for at least one year prior to the date of such application, if
772 the corporation determines in its discretion that such person's gross
773 revenues, including revenues of affiliates, are not likely to exceed three
774 million dollars in its first fiscal year;

775 (13) "Water facilities" means (A) investor-owned water companies
776 which supply water to at least twenty-five but less than ten thousand
777 customers, (B) municipally-owned water companies, and (C) owners
778 of privately and municipally-owned dams which the Commissioner of
779 Energy and Environmental Protection has determined benefit the
780 public; and

781 (14) "Women-owned business enterprise" means any person who

782 meets the criteria contained in section 4a-60g, as amended by this act,
783 and who is receiving a state contract award.

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

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

807 (1) The corporation may make loans at the rate of interest to small
808 contractors, women-owned business enterprises and minority business
809 enterprises for the purpose of financing labor and material costs only.
810 The aggregate outstanding amount of any loans made under this
811 subdivision to any one person, including affiliates, shall not exceed
812 two hundred fifty thousand dollars. The maximum term for
813 repayment of any loan made under this subdivision shall not exceed

814 one year.

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

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

837 (4) The corporation may make loans at the rate of interest to water
838 facilities. Such loans shall be used for the planning, design,
839 modification or construction of drinking water facilities made
840 necessary by the requirements of the Safe Water Act of 1974 or by an
841 order of the Department of Public Health, which drinking water
842 facilities shall include, but shall not be limited to, collection facilities,
843 treatment facilities, wells, tanks, mains, pumps, transmission facilities
844 and any other machinery and equipment necessary to meet the
845 requirements of said act. Such loans shall also be used for the repair of

846 dams subject to the jurisdiction of the Department of Energy and
847 Environmental Protection under chapter 446j. For the purposes of this
848 subdivision, repair costs include, but shall not be limited to, fees and
849 expenses of architects, engineers, attorneys, accountants and other
850 professional consultants, and costs of preparing surveys, studies, site
851 plans and specifications for such repair. The aggregate outstanding
852 amount of any loans made under this subdivision to any water facility,
853 including affiliates, shall not exceed two hundred fifty thousand
854 dollars. The maximum term for repayment of any loan made under
855 this subdivision shall not exceed (A) twenty years for real property;
856 and (B) ten years for machinery and equipment.

857 (5) The corporation may make loans at zero per cent interest to
858 municipal economic development commissions established under
859 section 7-136 or business outreach centers described in section 32-9qq,
860 as amended by this act, that establish or participate in loan pools that
861 lend funds to (A) persons or groups of persons who complete
862 entrepreneurial training programs funded or approved by the
863 Commissioner of Economic and Community Development, or (B)
864 business support groups. As used in this subdivision, "business
865 support group" means a group of five or more persons, firms or
866 corporations which plans to start or expand separate businesses, has
867 community or other ties demonstrating a common mission or purpose,
868 agrees to undergo an entrepreneurial training program funded or
869 approved by the commissioner, and each member of which agrees to
870 provide business support to other members of the group. The
871 aggregate outstanding amount of any loans made under this
872 subdivision to any one person, group of persons or business support
873 group shall not exceed twenty-five thousand dollars. The maximum
874 term for repayment of any loan made under this subdivision shall not
875 exceed ten years.

876 (6) The corporation shall make loans at the rate of interest to
877 entertainment or entertainment support service businesses located in
878 the municipality with the pilot entertainment district established

879 pursuant to section 2 of public act 93-311, and on and after July 1, 1995,
880 may make loans at the rate of interest to entertainment or
881 entertainment support service businesses located in municipalities
882 with entertainment districts designated under section 32-76.

883 (d) The state, acting through the corporation, may make loans to
884 state or local development corporations, for the purpose of providing
885 funds to enable such state or local development corporations to make
886 loans to any person eligible for assistance under subsection (c) of this
887 section. The aggregate outstanding amount of any loan made under
888 this subsection to a state or local development corporation for a loan
889 with respect to any one project shall not exceed one million dollars.

890 (e) To carry out the purposes of this section, the corporation shall
891 have those powers set forth in section 32-23e. The corporation shall
892 also have the power to take all reasonable steps and exercise all
893 available remedies necessary or desirable to protect the obligations or
894 interests of the corporation including, but not limited to, the purchase
895 or redemption on foreclosure proceedings, bankruptcy proceedings or
896 in other judicial proceedings of any property on which it holds a
897 mortgage or other lien or in which it has an interest, and for such
898 purposes payment may be made from the Comprehensive Business
899 Assistance Fund.

900 (f) The borrower shall pay such costs of processing applications for
901 loans made under this section, including closing costs, as the
902 corporation determines are reasonable and necessary. The department
903 may assist the corporation in carrying out the provisions of this section
904 and any administrative expenses incurred by the department for
905 services provided to the corporation or expenses incurred by the
906 corporation in carrying out the provisions of this section to the extent
907 not paid by the borrower or from moneys appropriated to the
908 department or the corporation for such purposes, may be paid from
909 the Comprehensive Business Assistance Fund.

910 (g) Each loan may be authorized by the corporation or, if the

911 corporation so determines, by a committee of the corporation, one of
912 whose members may be its chief executive officer.

913 (h) Payments from the Comprehensive Business Assistance Fund to
914 eligible borrowers or to pay administrative expenses shall be made
915 upon certification by the chief executive officer of the corporation that
916 payment is authorized under the provisions of this section and under
917 any applicable regulations or program criteria of the corporation.

918 (i) For the purposes of this section, the State Bond Commission shall
919 have the power, from time to time, to authorize the issuance of bonds
920 of the state in one or more series and in principal amounts not
921 exceeding in the aggregate seventeen million three hundred fifty
922 thousand dollars. The proceeds from the sale of said bonds shall be
923 used by the department to make grants to the corporation for deposit
924 in the Comprehensive Business Assistance Fund for the purposes
925 authorized under this section. The terms and conditions of such grants
926 shall be governed in accordance with a grant contract entered into
927 between the department and the corporation. All provisions of section
928 3-20 or the exercise of any right or power granted thereby which are
929 not inconsistent with the provisions of this section are hereby adopted
930 and shall apply to all bonds authorized by the State Bond Commission
931 pursuant to this section, and temporary notes in anticipation of the
932 money to be derived from the sale of any such bonds so authorized
933 may be issued in accordance with said section 3-20 and from time to
934 time renewed. Such bonds shall mature at such time or times not
935 exceeding twenty years from their respective dates as may be provided
936 in or pursuant to the resolution or resolutions of the State Bond
937 Commission authorizing such bonds. None of such bonds shall be
938 authorized except upon a finding by the State Bond Commission that
939 there has been filed with it a request for such authorization, which is
940 signed by or on behalf of the Secretary of the Office of Policy and
941 Management and states such terms and conditions as said commission
942 in its discretion may require. Said bonds issued pursuant to this
943 section shall be general obligations of the state and the full faith and

944 credit of the state of Connecticut are pledged for the payment of the
945 principal of and interest on said bonds as the same become due, and
946 accordingly and as part of the contract of the state with the holders of
947 said bonds, appropriation of all amounts necessary for punctual
948 payment of such principal and interest is hereby made, and the
949 Treasurer shall pay such principal and interest as the same become
950 due. Net earnings on any assets of the Comprehensive Business
951 Assistance Fund, including investments or reinvestments of proceeds,
952 accrued interest and premiums on the issuance of such bonds, after
953 payment therefrom of expenses incurred by the Treasurer or State
954 Bond Commission in connection with their issuance, shall become part
955 of the Comprehensive Business Assistance Fund.

956 Sec. 12. Section 32-47a of the general statutes is repealed and the
957 following is substituted in lieu thereof (*Effective October 1, 2015*):

958 Not later than January first in each year, Connecticut Innovations,
959 Incorporated shall submit a business plan containing a summary of its
960 projected operations for the year to the joint standing committees of
961 the General Assembly having cognizance of matters relating to the
962 Department of Economic and Community Development,
963 appropriations and capital bonding. Not later than November first,
964 annually, the corporation shall submit a report to the Commissioner of
965 Economic and Community Development, the Auditors of Public
966 Accounts and said joint standing committees, which shall include the
967 following information with respect to new and outstanding financial
968 assistance provided by the corporation during the twelve-month
969 period ending on June thirtieth next preceding the date of the report
970 for each financial assistance program administered by the corporation:
971 (1) A list of the names, addresses and locations of all recipients of such
972 assistance, (2) for each such recipient: (A) The business activities, (B)
973 the Standard Industrial Classification Manual codes, (C) the gross
974 revenues during the recipient's most recent fiscal year, if the recipient
975 is an organization that makes such information public in the normal
976 course of business, or, if the recipient does not make such information

977 public in the normal course of business, the gross revenue information
978 shall be provided for a recipient separately, using a system in which no
979 recipient is listed by name but each is given a separate identity in a
980 manner consistent with the provisions of subsection (c) of section 32-
981 40, (D) the number of employees at the time of application, (E) whether
982 the recipient is a minority or woman-owned business, (F) a summary
983 of the terms and conditions for the assistance, including the type and
984 amount of state financial assistance, job creation or retention
985 requirements, and anticipated wage rates, and (G) the amount of
986 investments from private and other nonstate sources that have been
987 leveraged by the assistance, (3) the economic benefit criteria used in
988 determining which applications have been approved or disapproved,
989 and (4) for each recipient of assistance on or after July 1, 1991, a
990 comparison between the number of jobs to be created, the number of
991 jobs to be retained and the average wage rates for each such category
992 of jobs, as projected in the recipient's application, versus the actual
993 number of jobs created, the actual number of jobs retained and the
994 average wage rates for each such category. The Governor and the
995 chairpersons and ranking members of the joint standing committees of
996 the General Assembly having cognizance of matters relating to finance,
997 revenue and bonding and commerce may, after a request to
998 Connecticut Innovations, Incorporated by any of said persons,
999 examine, in confidence, the detailed data, including the specific
1000 revenue data for each identifiable business, submitted pursuant to
1001 subparagraph (C) of subdivision (2) of this section. The chairpersons
1002 and ranking members of said committees may disclose such data to the
1003 members of said committees, who shall also keep such data
1004 confidential. The report shall also indicate the actual number of full-
1005 time jobs and the actual number of part-time jobs in each such category
1006 and the benefit levels for each such subcategory. The November first
1007 report shall include a summary of the activities of the corporation,
1008 including all activities to assist small [businesses] contractors, women-
1009 owned business enterprises and minority business enterprises, as
1010 defined in section 4a-60g, as amended by this act, a complete operating

1011 and financial statement and recommendations for legislation to
1012 promote the purposes of the corporation. The corporation shall furnish
1013 such additional information upon the written request of any such
1014 committee at such times as the committee may request.

1015 Sec. 13. Section 32-353 of the general statutes is repealed and the
1016 following is substituted in lieu thereof (*Effective October 1, 2015*):

1017 As used in [sections 32-353 to 32-355, inclusive] this section and
1018 sections 32-354 and 32-355:

1019 (1) "Commissioner" means the Commissioner of Economic and
1020 Community Development;

1021 (2) "Minority-owned business" means any business (A) that is a
1022 minority business enterprise, as defined in section 4a-60g, as amended
1023 by this act, and (B) that is a small business having fifty or fewer
1024 employees; [and]

1025 (3) "Women-owned business" means any business (A) that is a
1026 women-owned business enterprise, as defined in section 4a-60g, as
1027 amended by this act, and (B) that is a small business having fifty or
1028 fewer employees; and

1029 [(3)] (4) "Financial institution" means any trust company, bank,
1030 savings bank, credit union, savings and loan association, insurance
1031 company, investment company, mortgage banker, trustee, executor,
1032 pension fund, retirement fund or other fiduciary or private financial
1033 institution.

1034 Sec. 14. Section 32-354 of the general statutes is repealed and the
1035 following is substituted in lieu thereof (*Effective October 1, 2015*):

1036 (a) (1) There is established a micro-loan program for minority-
1037 owned and women-owned businesses. The commissioner may enter
1038 into a contract with a quasi-public agency, financial institution or
1039 nonprofit corporation to provide for the administration and the state-

1040 wide promotion of the program. On or before July 1, 2001, the program
1041 shall be a self sustaining revolving loan fund. No loan or loan
1042 guarantee that is not in accordance with the provisions of such contract
1043 shall be made from the fund established under subdivision (2) of this
1044 subsection.

1045 (2) There is established a fund to be known as the "Micro-Loan
1046 Revolving Fund for Minority-Owned and Women-Owned Businesses".
1047 The fund shall contain (A) any moneys allocated pursuant to
1048 subdivision (3) of this subsection, and (B) any moneys required by law
1049 to be deposited into the fund, including, but not limited to, any
1050 moneys appropriated by the state and interest payments and principal
1051 payments on loans. Any balance remaining in the fund at the end of
1052 any fiscal year shall be carried forward in the fund for the next
1053 succeeding fiscal year. The fund shall be used to make loans and loan
1054 guarantees pursuant to subsection (b) of this section and to pay
1055 reasonable and necessary expenses incurred in administering such
1056 loans and loan guarantees and the program established under this
1057 subsection.

1058 (3) The commissioner may allocate moneys from the Economic
1059 Assistance Revolving Fund, established under section 32-231, to the
1060 fund established under subdivision (2) of this subsection.

1061 (b) The state, acting by and in the discretion of the commissioner,
1062 may, pursuant to a contract entered into under subdivision (1) of
1063 subsection (a) of this section, provide funds to a quasi-public agency,
1064 financial institution or nonprofit corporation to be used by such quasi-
1065 public agency, financial institution or nonprofit corporation to make
1066 loans, interest-free loans, deferred loans or loan guarantees to
1067 minority-owned and women-owned businesses. Any such loan or loan
1068 guarantee shall be used by the minority-owned or women-owned
1069 business for business start-up costs or the day-to-day operation of the
1070 business. The proceeds from any loan made pursuant to this
1071 subsection shall not be used for the refinancing of existing loans.

1072 (c) The amount of any loan made pursuant to subsection (b) of this
1073 section shall not exceed fifty thousand dollars. The amount of any loan
1074 guarantee made pursuant to subsection (b) of this section shall not
1075 exceed thirty per cent of the principal amount.

1076 (d) Each minority-owned or women-owned business applying for a
1077 loan or loan guarantee under subsection (b) of this section shall submit
1078 an application in such form and containing such information as the
1079 commissioner shall require. Security for such loan may include a
1080 security interest, an assignment of a lease or the subordination of a
1081 mortgage. In addition to any other conditions of default under such
1082 loan or loan guarantee, the minority-owned or women-owned
1083 business shall be in default if such loan or loan guarantee is not used
1084 for the purposes set forth in subsection (b) of this section or if the
1085 minority-owned or women-owned business fails to participate in the
1086 business management training program required under section 32-355,
1087 as amended by this act.

1088 (e) Payments of principal and any interest on loans, interest-free
1089 loans and deferred loans made pursuant to subsection (b) of this
1090 section shall be deposited into the Micro-Loan Revolving Fund for
1091 Minority-Owned and Women-Owned Businesses established under
1092 subdivision (2) of subsection (a) of this section.

1093 (f) The commissioner may adopt regulations, in accordance with
1094 chapter 54, to carry out the provisions of this section. Such regulations
1095 may provide for loan procedures, repayment terms, interest and
1096 security requirements, default and remedy provisions, and such other
1097 terms and conditions as the commissioner deems appropriate.

1098 Sec. 15. Section 32-355 of the general statutes is repealed and the
1099 following is substituted in lieu thereof (*Effective October 1, 2015*):

1100 Each minority-owned or women-owned business that receives a
1101 loan or loan guarantee pursuant to section 32-354, as amended by this
1102 act, shall participate in a business management training program as

1103 designated by the commissioner. The commissioner may establish a
1104 business management training program to be administered by either
1105 the Office of Small Business Affairs or a nonprofit corporation, as
1106 determined by the commissioner, and may arrange for the
1107 participation of such other programs as the commissioner deems
1108 appropriate in implementing the business management training
1109 program. The commissioner may enter into a contract with a nonprofit
1110 corporation to provide for the administration of the business
1111 management training program pursuant to this section.

1112 Sec. 16. Subsection (e) of section 32-602 of the general statutes is
1113 repealed and the following is substituted in lieu thereof (*Effective*
1114 *October 1, 2015*):

1115 (e) The authority shall have the power to negotiate, and, with the
1116 approval of the Secretary of the Office of Policy and Management, to
1117 enter into an agreement with any private developer, owner or lessee of
1118 any building or improvement located on land in a private
1119 development district, as defined in section 32-600, providing for
1120 payments to the authority in lieu of real property taxes. Such an
1121 agreement shall be made a condition of any private right of
1122 development within the private development district, and shall
1123 include a requirement that such private developer, owner or lessee
1124 make good-faith efforts to hire, or cause to be hired, available and
1125 qualified women-owned business enterprises and minority business
1126 enterprises, as defined in section 4a-60g, as amended by this act, to
1127 provide construction services and materials for improvements to be
1128 constructed within the private development district in an effort to
1129 achieve a minority business enterprise utilization goal of ten per cent
1130 of the total costs of construction services and materials for such
1131 improvements. Such payments to the authority in lieu of real property
1132 taxes shall have the same lien and priority, and may be enforced by the
1133 authority in the same manner, as provided for municipal real property
1134 taxes. Such payments as received by the authority shall be used to
1135 carry out the purposes of the authority set forth in subsection (a) of this

1136 section.

1137 Sec. 17. Subsection (b) of section 32-669 of the general statutes is
1138 repealed and the following is substituted in lieu thereof (*Effective*
1139 *October 1, 2015*):

1140 (b) Such report shall be separated into a section on the Adriaen's
1141 Landing project and a section on The University of Connecticut
1142 football stadium project and shall contain the following information:
1143 (1) A detailed estimated budget for the overall project; (2) the current
1144 timeline for the entire project, with significant milestone events, from
1145 inception to projected completion date; (3) for each project component,
1146 including, but not limited to, the science center, (A) a description of the
1147 component, (B) its current budget in detail, comparing it to the budget
1148 presented to the General Assembly prior to May 2, 2000, (C) projected
1149 completion date, (D) any change made in the course of planning and
1150 execution over the prior calendar year and reasons for such change,
1151 and (E) status at the end of such calendar year; (4) problems
1152 encountered in the prior calendar year and potential problems in the
1153 future; (5) status of the project's compliance with the provisions of
1154 section 32-605, including, but not limited to, (A) a description of each
1155 contract entered into during the prior calendar year, (B) whether any
1156 contractor is a [woman-owned] women-owned business enterprise, a
1157 minority business enterprise or a small business enterprise, as those
1158 terms are defined in section 4a-60g, as amended by this act, (C) the
1159 value of such contract, (D) any subcontractors under such contract, the
1160 value of the subcontract and whether any subcontractor is a [woman-
1161 owned] women-owned business enterprise, a minority business
1162 enterprise or a small business enterprise, as those terms are defined in
1163 section 4a-60g, as amended by this act, (E) the number of jobs
1164 associated with such contract, including the number of jobs held by
1165 residents of Hartford and East Hartford and the number of jobs held
1166 by women and minorities, and (F) any steps being taken for
1167 affirmative action and corrective measures for any deficiencies; (6) a
1168 detailed projected annual operating budget for each facility, including

1169 information regarding how much funding the state will be required to
1170 provide and how much the municipality will be required to provide;
1171 (7) a timeline showing when operating expenses may be incurred prior
1172 to the project's completion, including how much of such expenses will
1173 be provided by the state in each year and how much will be provided
1174 by the host municipality; (8) current estimates for funding from all
1175 state and private sources for each component of the project for each
1176 fiscal year in which the funding is made available; (9) a summary of
1177 the total funding for the project from each of the following sources: (A)
1178 General obligation bonds, (B) funding from the General Fund
1179 operating surplus, (C) revenue bonds issued by the Capital Region
1180 Development Authority, with the associated General Fund costs,
1181 including, but not limited to, General Fund debt service
1182 reimbursement for the parking garage and utility plant, (D) tax
1183 exemptions or credits granted to any part of the project, (E) payments
1184 in lieu of taxes made to any municipality for any component of the
1185 project, (F) the operating subsidy for the convention center and the
1186 science center, (G) private investments, and (H) any other sources; and
1187 (10) detailed financial information regarding the income and expenses
1188 of any public entities operating at Adriaen's Landing.

1189 Sec. 18. Section 46a-68b of the general statutes is repealed and the
1190 following is substituted in lieu thereof (*Effective October 1, 2015*):

1191 As used in this section and sections 4a-60, 4a-60a, [4a-60g,] 4a-62, as
1192 amended by this act, 46a-56 and 46a-68c to 46a-68k, inclusive: "Public
1193 works contract" means any agreement between any individual, firm or
1194 corporation and the state or any political subdivision of the state other
1195 than a municipality for construction, rehabilitation, conversion,
1196 extension, demolition or repair of a public building, highway or other
1197 changes or improvements in real property, or which is financed in
1198 whole or in part by the state, including, but not limited to, matching
1199 expenditures, grants, loans, insurance or guarantees.

| | | |
|---|-----------------|-------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | October 1, 2015 | 4a-60g |
| Sec. 2 | October 1, 2015 | 4a-60h |
| Sec. 3 | October 1, 2015 | 4a-52a(e) |
| Sec. 4 | October 1, 2015 | 4a-57(a) |
| Sec. 5 | October 1, 2015 | 4a-61 |
| Sec. 6 | October 1, 2015 | 4a-62 |
| Sec. 7 | October 1, 2015 | 4b-91(a)(5) |
| Sec. 8 | October 1, 2015 | 4e-15 |
| Sec. 9 | October 1, 2015 | 22a-263a |
| Sec. 10 | October 1, 2015 | 32-9qq |
| Sec. 11 | October 1, 2015 | 32-23x |
| Sec. 12 | October 1, 2015 | 32-47a |
| Sec. 13 | October 1, 2015 | 32-353 |
| Sec. 14 | October 1, 2015 | 32-354 |
| Sec. 15 | October 1, 2015 | 32-355 |
| Sec. 16 | October 1, 2015 | 32-602(e) |
| Sec. 17 | October 1, 2015 | 32-669(b) |
| Sec. 18 | October 1, 2015 | 46a-68b |

Statement of Purpose:

To require state-wide percentage goals for the award of state procurement contracts to women-owned and minority business enterprises and participation percentage goals for such enterprises.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. CANDELARIA, 95th Dist.

H.B. 6638