



General Assembly

January Session, 2015

***Raised Bill No. 6830***

LCO No. 4014



Referred to Committee on COMMERCE

Introduced by:  
(CE)

***AN ACT REVISING THE REMEDIAL ACTION AND REDEVELOPMENT MUNICIPAL GRANT PROGRAM AND THE TARGETED BROWNFIELD DEVELOPMENT LOAN PROGRAM.***

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

1 Section 1. Section 32-763 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) There is established a remedial action and redevelopment  
4 municipal grant program to be administered by the Department of  
5 Economic and Community Development for the purpose of providing  
6 grants to municipalities and economic development agencies for the  
7 eligible costs of brownfield remediation projects, brownfield  
8 assessment projects and reasonable administrative expenses not to  
9 exceed five per cent of any grant awarded. A grant awarded under this  
10 section shall not exceed four million dollars.

11 (b) A grant applicant shall submit an application to the  
12 Commissioner of Economic and Community Development on forms  
13 provided by the commissioner and with such information the

14 commissioner deems necessary, including, but not limited to: (1) A  
15 description of the proposed project; (2) an explanation of the expected  
16 benefits of the project in relation to the purposes of this section; (3)  
17 information concerning the financial and technical capacity of the  
18 applicant to undertake the proposed project; (4) a project budget; and  
19 (5) with respect to a brownfield remediation project, a description of  
20 the condition of the brownfield, including the results of any  
21 environmental assessment of the brownfield in the possession of or  
22 available to the applicant.

23 (c) The commissioner may approve, reject or modify any application  
24 properly submitted in accordance with the provisions of this section.  
25 In reviewing an application and determining the amount of the grant,  
26 if any, to be provided, the commissioner shall consider the following  
27 criteria: (1) The availability of funds; (2) the estimated costs of  
28 assessing and remediating the brownfield, if known; (3) the relative  
29 economic condition of the municipality in which the brownfield is  
30 located; (4) the relative need of the project for financial assistance; (5)  
31 the degree to which a grant under this section is necessary to induce  
32 the applicant to undertake the project; (6) the public health and  
33 environmental benefits of the project; (7) the relative benefits of the  
34 project to the municipality, the region and the state, including, but not  
35 limited to, the extent to which the project will likely result in a  
36 contribution to the municipality's tax base, the retention and creation  
37 of jobs and the reduction of blight; (8) the time frame in which the  
38 contamination occurred; (9) the relationship of the applicant to the  
39 person or entity that caused the contamination; (10) the length of time  
40 the brownfield has been abandoned; (11) the taxes owed and the  
41 projected revenues that may be restored to the community; (12) the  
42 relative need for assessment of the brownfield within the municipality  
43 or region; and (13) such other criteria as the commissioner may  
44 establish consistent with the purposes of this section.

45 (d) The commissioner shall award grants on a competitive basis,  
46 based on a request for applications occurring on or before October

47 first, annually. The commissioner may increase the frequency of  
48 requests for applications and awards depending upon the number of  
49 applicants and the availability of funding.

50 [(e) A grant recipient may make low-interest loans to a brownfield  
51 redeveloper if (1) such recipient coapplied for the grant under this  
52 section with such brownfield redeveloper, and (2) not later than ninety  
53 days after receiving the grant, such recipient enters into a written  
54 agreement with such brownfield redeveloper for an identified future  
55 reuse of such brownfield after remediation. Loan principal and interest  
56 payments shall be returned to the brownfield remediation and  
57 development account established pursuant to section 32-762, minus  
58 twenty per cent of the principal, which the eligible grant recipient shall  
59 retain. If the eligible grant recipient provides a loan, such loan may be  
60 secured by a state or municipal lien on the property.

61 (f) Any recipient of a loan pursuant to subsection (e) of this section,  
62 as a condition of such loan, shall enter a program for remediation of  
63 the property pursuant to section 22a-133x, 22a-133y, 32-768 or 32-769.]

64 (e) The commissioner, in consultation with the Commissioner of  
65 Energy and Environmental Protection and following the award of a  
66 grant to a municipality or economic development agency pursuant to  
67 subsections (c) and (d) of this section, may award an additional grant  
68 to such municipality or economic development agency to enable the  
69 completion of a brownfield remediation or assessment project,  
70 provided such project is identified as a priority by said commissioners  
71 and such additional grant funds shall (1) be used to address  
72 unexpected cost overruns or costs related to remedial activities that  
73 will provide a greater environmental benefit than those originally  
74 proposed, (2) not exceed fifty per cent of the original grant, and (3) not  
75 result in more than four million dollars in total grants being awarded  
76 for a single brownfield remediation or assessment project.

77 (f) The commissioner may award grants to municipalities, economic

78 development agencies and regional councils of governments organized  
79 under sections 4-124i to 4-124p, inclusive, for the eligible costs of  
80 developing comprehensive plans for the remediation and  
81 redevelopment of multiple brownfields, provided such plans are  
82 consistent with the state plan of conservation and development,  
83 adopted pursuant to chapter 297, and the plan of conservation and  
84 development, adopted pursuant to section 8-23, for each municipality  
85 in which such brownfields are located. For purposes of this subsection,  
86 "eligible costs" shall also include expenditures associated with the  
87 development of such plans for remediation and redevelopment.

88 (g) The provisions of sections 32-5a and 32-701 shall not apply to  
89 grants provided pursuant to this section.

90 Sec. 2. Section 32-765 of the general statutes is repealed and the  
91 following is substituted in lieu thereof (*Effective October 1, 2015*):

92 (a) The Department of Economic and Community Development  
93 shall establish a targeted brownfield development loan program to  
94 provide low-interest loans for (1) the eligible costs of brownfield  
95 remediation projects to potential brownfield purchasers and current  
96 brownfield owners who [(1)] (A) have no direct or related liability for  
97 the conditions of the brownfield, and [(2)] (B) seek to develop  
98 brownfields for purposes of reducing blight or for industrial,  
99 commercial, residential or mixed use development; and (2) the  
100 acquisition of a brownfield, provided (A) the commissioner consents to  
101 such acquisition, and (B) the acquisition price does not exceed the  
102 assessed value of the land on the last-completed grand list of the  
103 municipality in which such brownfield is located.

104 (b) Notwithstanding subsection (a) of this section, a current owner  
105 of a brownfield on which a manufacturing facility is located shall be  
106 eligible for a loan under this section, provided neither such owner nor  
107 any partner, member, officer, manager, director, shareholder,  
108 subsidiary or affiliate of such owner (1) is liable under section 22a-427,

109 22a-432, 22a-433, 22a-451 or 22a-452 with respect to the property; (2) is  
110 otherwise responsible, directly or indirectly, for the discharge, spillage,  
111 uncontrolled loss, seepage or filtration of the hazardous substance,  
112 material or waste; (3) is a member, officer, manager, director,  
113 shareholder, subsidiary, successor of, or affiliated with, directly or  
114 indirectly, the person who is otherwise liable under section 22a-427,  
115 22a-432, 22a-433, 22a-451 or 22a-452 with respect to the property; or (4)  
116 has been found guilty of knowingly or wilfully violating any  
117 environmental law.

118 (c) An applicant for a loan pursuant to this section shall submit an  
119 application to the Commissioner of Economic and Community  
120 Development on forms provided by the commissioner and with such  
121 information the commissioner deems necessary, including, but not  
122 limited to: (1) A description of the proposed project; (2) an explanation  
123 of the expected benefits of the project in relation to the purposes of this  
124 section; (3) information concerning the financial and technical capacity  
125 of the applicant to undertake the proposed project; (4) a project budget;  
126 and (5) a description of the condition of the brownfield involved,  
127 including the results of any environmental assessment of the  
128 brownfield in the possession of or available to the applicant. The  
129 commissioner shall provide loans based upon project merit and  
130 viability, the economic and community development opportunity,  
131 municipal support, contribution to the community's tax base, past  
132 experience of the applicant, compliance history and ability to pay.

133 (d) If a loan recipient is not subject to section 22a-134a, such  
134 recipient shall enter a program for remediation of the property  
135 pursuant to either section 22a-133x, 22a-133y, 32-768 or 32-769, as  
136 determined by the commissioner, except if the loan funds are used for  
137 the abatement of hazardous building materials that, based on due  
138 diligence, represent the sole or sole remaining environmental  
139 contamination issue on the property.

140 (e) Loans made pursuant to this section shall have such terms and

141 conditions and be subject to such eligibility and loan approval criteria  
142 as determined by the commissioner. Such loans shall be for a period  
143 not to exceed twenty years.

144 (f) If a loan recipient sells a property subject to a loan granted  
145 pursuant to this section before the loan is repaid, the loan shall be  
146 payable upon closing of such sale, according to its terms, unless the  
147 commissioner agrees otherwise. The commissioner may carry the loan  
148 forward as an encumbrance to the purchaser with the same terms and  
149 conditions as the original loan.

150 (g) A loan recipient may be eligible for a loan of not more than [two]  
151 four million dollars per year, [for not more than two years,] subject to  
152 agency underwriting and reasonable and customary requirements to  
153 assure performance. If additional funds are required, the commissioner  
154 may recommend that the project be funded through other programs  
155 administered by the commissioner.

156 (h) The commissioner may modify the terms of any loan made  
157 pursuant to this section to provide for forgiveness of interest,  
158 principal, or both, or delay in repayment of interest, principal, or both,  
159 when the commissioner determines such forgiveness or delay is in the  
160 best interest of the state from an economic or community development  
161 perspective.

162 (i) The provisions of sections 32-5a and 32-701 shall not apply to  
163 loans provided pursuant to this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	32-763
Sec. 2	<i>October 1, 2015</i>	32-765

**Statement of Purpose:**

To modify the brownfield grant program to allow funds to be used for remediation and redevelopment plans for multiple brownfield sites

and to allow the commissioner to award additional grant funds to a grant recipient, and to modify the brownfield loan program to allow loan funds to be used to acquire a brownfield, to change the maximum loan amount, and to exempt certain loan recipients from the requirement that they enter an additional brownfield remediation program.

*[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.]*