

**Proposed Substitute
Bill No. 6830**

LCO No. 4967

AN ACT CONCERNING THE REMEDIAL ACTION AND REDEVELOPMENT MUNICIPAL GRANT PROGRAM, THE TARGETED BROWNFIELD DEVELOPMENT LOAN PROGRAM AND THE REMEDIATION OF STATE-OWNED AND FORMERLY STATE-OWNED BROWNFIELDS.

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 Section 32-763 of the general statutes is repealed and the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 July 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 (1) will be used to address unexpected
72 cost overruns or costs related to remedial activities that will provide a
73 greater environmental benefit than those originally proposed, (2) do
74 not exceed fifty per cent of the original grant, and (3) will not result in
75 more than four million dollars in total grants being awarded for a
76 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 whenever 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 July 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 the eligible costs of brownfield
95 remediation projects to potential brownfield purchasers and current
96 brownfield owners who (1) have no direct or related liability for the
97 conditions of the brownfield, and (2) seek to develop brownfields for
98 purposes of reducing blight or for industrial, commercial, residential
99 or mixed use development.

100 (b) Notwithstanding subsection (a) of this section, a current owner
101 of a brownfield on which a manufacturing facility is located shall be
102 eligible for a loan under this section, provided neither such owner nor
103 any partner, member, officer, manager, director, shareholder,
104 subsidiary or affiliate of such owner (1) is liable under section 22a-427,
105 22a-432, 22a-433, 22a-451 or 22a-452 with respect to the property; (2) is
106 otherwise responsible, directly or indirectly, for the discharge, spillage,
107 uncontrolled loss, seepage or filtration of the hazardous substance,
108 material or waste; (3) is a member, officer, manager, director,
109 shareholder, subsidiary, successor of, or affiliated with, directly or
110 indirectly, the person who is otherwise liable under section 22a-427,
111 22a-432, 22a-433, 22a-451 or 22a-452 with respect to the property; or (4)
112 has been found guilty of knowingly or wilfully violating any
113 environmental law.

114 (c) An applicant for a loan pursuant to this section shall submit an

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

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

138 (e) Loans made pursuant to this section shall have such terms and
139 conditions and be subject to such eligibility and loan approval criteria
140 as determined by the commissioner. Such loans shall be for a period
141 not to exceed twenty years.

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

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

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

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

162 Sec. 3. Section 24 of public act 11-1 of the October special session is
163 repealed and the following is substituted in lieu thereof (*Effective July*
164 *1, 2015*):

165 (a) The Department of Economic and Community Development, in
166 consultation with the Department of Energy and Environmental
167 Protection, shall identify, market and remediate five geographically
168 diverse state-owned or formerly state-owned brownfields from the
169 priority [brownfield] list established pursuant to subsection (b) of this
170 section. Selection of brownfields shall be in accordance with the
171 provisions of subsection (c) of this section.

172 (b) On or before January 1, [2012] 2016, the Department of Economic
173 and Community Development shall develop a priority list of [eligible]
174 state-owned and formerly state-owned brownfields to be marketed
175 and remediated based on criteria to include, but not be limited to,
176 [state-owned] brownfields that (1) have economic development
177 viability, (2) [have a predetermined end use, (3)] are located in a
178 municipality with an unemployment rate that exceeds the state's
179 average unemployment rate, [(4)] (3) have access to transportation or

180 other infrastructure, [(5)] (4) are of an environmentally urgent nature,
181 [(6)] (5) the development of which would be consistent with the state
182 plan of conservation and development, and [(7)] (6) the transfer of
183 which to a private party would not conflict with state law or process.

184 (c) The Department of Economic and Community Development
185 shall solicit proposals from companies interested in purchasing any of
186 the state-owned brownfields on the priority list developed pursuant to
187 subsection (b) of this section. The Commissioner of Economic and
188 Community Development (1) shall review proposals, match up to five
189 of the state-owned brownfields with companies, and sell,
190 notwithstanding chapter 59 of the general statutes, prepermitted,
191 cleaned sites to the selected companies, and (2) may remediate [one of]
192 the brownfields on said priority list without identification of a specific
193 commercial purchaser.

194 Sec. 4. Section 25 of public act 11-1 of the October special session is
195 repealed and the following is substituted in lieu thereof (*Effective July*
196 *1, 2015*):

197 (a) For the purposes described in subsection (b) of this section, the
198 State Bond Commission shall have the power, from time to time to
199 authorize the issuance of bonds of the state in one or more series and
200 in principal amounts not exceeding in the aggregate twenty million
201 dollars.

202 (b) The proceeds of the sale of said bonds, to the extent of the
203 amount stated in subsection (a) of this section, shall be used by the
204 Department of Economic and Community Development for the
205 purpose of identifying, marketing and remediating five [state-owned]
206 brownfields pursuant to section 24 of [this act] public act 11-1 of the
207 October special session.

208 (c) All provisions of section 3-20 of the general statutes, or the
209 exercise of any right or power granted thereby, which are not
210 inconsistent with the provisions of this section are hereby adopted and
211 shall apply to all bonds authorized by the State Bond Commission

212 pursuant to this section, and temporary notes in anticipation of the
213 money to be derived from the sale of any such bonds so authorized
214 may be issued in accordance with said section 3-20 and from time to
215 time renewed. Such bonds shall mature at such time or times not
216 exceeding twenty years from their respective dates as may be provided
217 in or pursuant to the resolution or resolutions of the State Bond
218 Commission authorizing such bonds. None of said bonds shall be
219 authorized except upon a finding by the State Bond Commission that
220 there has been filed with it a request for such authorization which is
221 signed by or on behalf of the Secretary of the Office of Policy and
222 Management and states such terms and conditions as said commission,
223 in its discretion, may require. Said bonds issued pursuant to this
224 section shall be general obligations of the state and the full faith and
225 credit of the state of Connecticut are pledged for the payment of the
226 principal of and interest on said bonds as the same become due, and
227 accordingly and as part of the contract of the state with the holders of
228 said bonds, appropriation of all amounts necessary for punctual
229 payment of such principal and interest is hereby made, and the State
230 Treasurer shall pay such principal and interest as the same become
231 due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	32-763
Sec. 2	<i>July 1, 2015</i>	32-765
Sec. 3	<i>July 1, 2015</i>	PA 11-1 of the October Sp. Sess., Sec. 24
Sec. 4	<i>July 1, 2015</i>	PA 11-1 of the October Sp. Sess., Sec. 25