

**Proposed Substitute  
Bill No. 7055**

LCO No. 6588

**AN ACT CONCERNING CONNECTICUT FIRST.**

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

1 Section 1. (NEW) (*Effective July 1, 2015, and applicable to income years*  
2 *commencing on or after January 1, 2017*) (a) As used in this section, the  
3 following terms shall have the following meanings unless the context  
4 clearly indicates another meaning:

5 (1) "Brownfield" means any abandoned or underutilized site where  
6 redevelopment, reuse or expansion has not occurred due to the  
7 presence or potential presence of pollution in soil or groundwater that  
8 requires investigation or remediation before or in conjunction with the  
9 redevelopment, reuse or expansion of the property;

10 (2) "Brownfield remediation plan" means any written narrative or  
11 plan for the substantial remediation of a brownfield, including, but not  
12 limited to, the investigation and remediation of any release or  
13 threatened release of pollution in soil or groundwater within the  
14 boundaries of the brownfield, that is submitted to and approved by the  
15 department;

16 (3) "Commissioner" means the Commissioner of Economic and  
17 Community Development;

18 (4) "Completion of the brownfield remediation" means the  
19 completion of a brownfield remediation plan and the filing of either a  
20 verification or interim verification that meets the requirements of  
21 section 22a-133x, 22a-133y or 22a-134 of the general statutes, or the  
22 written determination by the Commissioner of Energy and  
23 Environmental Protection that (A) the brownfield has been  
24 investigated in accordance with prevailing standards and guidelines,  
25 and (B) remediation has been completed in accordance with the  
26 applicable remediation standards for such property adopted by the  
27 commissioner under section 22a-133k of the general statutes, except for  
28 (i) groundwater monitoring, and (ii) groundwater remediation  
29 standards, provided the selected groundwater remedy is in operation  
30 but has not achieved the remediation standards for groundwater;

31 (5) "Department" means the Department of Economic and  
32 Community Development;

33 (6) "Owner" means any person, firm, limited liability company,  
34 nonprofit or for-profit corporation or other business entity or  
35 municipality that holds title to a brownfield and undertakes a  
36 brownfield remediation plan;

37 (7) "Qualified expenditures" means the expenditures associated with  
38 the investigation, assessment and remediation of a brownfield,  
39 including, but not limited to: (A) Soil, groundwater and infrastructure  
40 investigation, (B) assessment, (C) remediation of soil, sediments,  
41 groundwater or surface water, (D) abatement, (E) hazardous materials  
42 or waste removal and disposal, (F) long-term groundwater or natural  
43 attenuation monitoring, (G) (i) environmental land use restrictions, (ii)  
44 activity and use limitations, or (iii) other forms of institutional control,  
45 (H) reasonable attorneys' fees, (I) planning, engineering and  
46 environmental consulting, and (J) remedial activity to address building  
47 and structural issues, including, but not limited to, demolition,  
48 asbestos abatement, polychlorinated biphenyls removal, contaminated  
49 wood or paint removal and other infrastructure remedial activities.  
50 "Qualified expenditures" do not include expenditures funded for such

51 investigation, assessment, remediation and development directly  
52 through other state brownfield programs administered by the  
53 commissioner.

54 (b) (1) The department shall administer a system of tax credit  
55 vouchers within the resources, requirements and purposes of this  
56 section for the remediation of a brownfield by an owner.

57 (2) The credit authorized by this section shall be available in the tax  
58 year in which the completion of the brownfield remediation takes  
59 place. In the case of a brownfield remediation plan that is completed in  
60 phases, the tax credit shall be prorated to the identifiable portion of the  
61 completed brownfield remediation. If the tax credit is more than the  
62 amount owed by the taxpayer for the year in which the completion of  
63 the brownfield remediation takes place, the amount that is more than  
64 the taxpayer's tax liability may be carried forward and credited against  
65 the taxes imposed for the succeeding five years or until the full credit  
66 is used, whichever occurs first.

67 (3) In the case of a brownfield remediation plan that is completed in  
68 phases, the department may issue vouchers for the identifiable portion  
69 of the completed brownfield remediation.

70 (4) If a credit is allowed under this section for the remediation of a  
71 brownfield with multiple owners, such credit shall be passed through  
72 to such owners, or persons designated as partners or members of such  
73 owners, pro rata or pursuant to an agreement among such owners, or  
74 persons designated as partners or members of such owners,  
75 documenting an alternative distribution method without regard to  
76 other tax or economic attributes of such owners.

77 (5) Any owner entitled to a credit under this section may sell, assign  
78 or otherwise transfer such credit, in whole or in part, to one or more  
79 persons, as defined in section 12-1 of the general statutes, provided  
80 any credit, after issuance, may be sold, assigned or otherwise  
81 transferred, in whole or in part, not more than three times. Such  
82 transferee shall be entitled to offset the tax imposed under chapter 207,

83 208, 209, 210, 211 or 212 of the general statutes as if such transferee had  
84 incurred the qualified expenditure.

85 (6) If a credit under this section is sold, assigned or otherwise  
86 transferred, whether by the owner or any subsequent transferee, the  
87 transferor and transferee shall jointly submit written notification of  
88 such transfer to the department not later than thirty days after such  
89 transfer. The notification after each transfer shall include the credit  
90 voucher number, the date of the transfer, the amount of the credit  
91 transferred, the tax credit balance before and after the transfer, the tax  
92 identification numbers for both the transferor and the transferee and  
93 any other information required by the department. Failure to comply  
94 with this subsection shall result in a disallowance of the tax credit until  
95 there is full compliance on the part of the transferor and the transferee,  
96 and for a second or third transfer, on the part of all subsequent  
97 transferors and transferees.

98 (7) The department shall provide a list to the Commissioner of  
99 Revenue Services, on an annual basis, detailing the credits that have  
100 been approved for the most recent fiscal year and all sales,  
101 assignments and transfers thereof that were made under this section  
102 for said fiscal year.

103 (c) For the purpose of seeking a tax credit pursuant to subsection (b)  
104 of this section, prior to beginning any brownfield remediation, the  
105 owner shall submit to the commissioner a tax credit application on  
106 forms provided by the commissioner and with such information the  
107 commissioner deems necessary, including, but not limited to: (1) A  
108 brownfield remediation plan; (2) a description of the proposed  
109 brownfield remediation and redevelopment project, if any; (3) an  
110 explanation of the expected benefits of the proposed project; (4)  
111 information concerning the financial and technical capacity of the  
112 applicant to undertake the proposed project; (5) an estimate of the  
113 qualified expenditures; and (6) if the owner plans to undertake the  
114 brownfield remediation in phases, a complete description of each such  
115 phase, with anticipated schedules for the completion of brownfield

116 remediation and an estimate of the qualified expenditures in each  
117 phase. The commissioner may charge any owner seeking a tax credit  
118 pursuant to this subsection an application fee in an amount not to  
119 exceed five thousand dollars to cover the cost of administering the  
120 program established pursuant to this section. If an application is not  
121 approved in one fiscal year but is resubmitted in a subsequent fiscal  
122 year, the commissioner may waive the application fee for the  
123 resubmitted application.

124 (d) The commissioner may approve, reject or modify any  
125 application properly submitted in accordance with the provisions of  
126 this section. In reviewing an application and making a determination  
127 to authorize tax credits, if any, the commissioner shall consider the  
128 following criteria: (1) The availability of funds; (2) the estimated  
129 eligible costs; (3) the relative economic condition of the municipality in  
130 which the brownfield is located; (4) the applicant's relative need for  
131 financial assistance to undertake the project; (5) the degree to which a  
132 tax credit under this section is necessary to induce the applicant to  
133 undertake the project; (6) the public health and environmental benefits  
134 of the project; (7) the relative benefits of the project to the municipality,  
135 the region and the state, including, but not limited to, the extent to  
136 which the project will likely result in a contribution to the  
137 municipality's tax base, the retention and creation of jobs and the  
138 reduction of blight; (8) the time frame in which the contamination  
139 occurred; (9) the relationship of the applicant to the person or entity  
140 that caused the contamination; (10) the length of time the brownfield  
141 has been abandoned; and (11) such other criteria as the commissioner  
142 may establish consistent with the purposes of this section.

143 (e) The commissioner shall authorize tax credits on a competitive  
144 basis, based on a request for applications occurring semiannually in  
145 April and October. The commissioner may increase the frequency of  
146 requests for applications and awards depending on the number of  
147 applicants and the availability of funding.

148 (f) If the commissioner approves an application for tax credits, the

149 department shall reserve for the benefit of the owner an allocation for a  
150 tax credit equivalent to the lesser of (1) fifty per cent of the projected  
151 qualified expenditures, or (2) two million dollars.

152 (g) Following the completion of the brownfield remediation plan in  
153 its entirety or in phases to an identifiable portion of the brownfield,  
154 any owner who seeks a tax credit pursuant to subsection (b) of this  
155 section shall notify the commissioner that such substantial completion  
156 of the brownfield remediation has occurred. Such owner shall provide  
157 the department with documentation of the remediation performed on  
158 the brownfield, evidence of the substantial completion of the  
159 brownfield remediation and certification of the qualified expenditures  
160 incurred as part of the substantial completion of the brownfield  
161 remediation plan. The commissioner shall review such remediation  
162 and verify its compliance with the brownfield remediation plan.  
163 Following such verification, the department shall issue a tax credit  
164 voucher to such owner. In an amount equivalent to the amount of the  
165 qualified expenditure, provided such amount does not exceed the  
166 amount reserved under subsection (f) of this section. In order to obtain  
167 a credit against any state tax due that is specified in subsection (h) of  
168 this section, the holder of the tax credit voucher shall file the voucher  
169 with the holder's state tax return.

170 (h) The Commissioner of Revenue Services shall grant a tax credit to  
171 a taxpayer holding the tax credit voucher issued in accordance with  
172 subsections (b) to (g), inclusive, of this section against any tax due  
173 under chapter 207, 208, 209, 210, 211 or 212 of the general statutes in  
174 the amount specified in the tax credit voucher. Such taxpayer shall  
175 submit the voucher and the corresponding tax return to the  
176 Department of Revenue Services.

177 (i) The aggregate amount of all tax credits that may be reserved by  
178 the department upon approval of tax credit applications pursuant to  
179 subsections (b) to (h), inclusive, of this section shall not exceed twenty  
180 million dollars annually for the fiscal years commencing July 1, 2017,  
181 to July 1, 2021, inclusive. No project may receive tax credits in an

182 amount exceeding two million dollars.

183 (j) The commissioner may adopt regulations, in accordance with  
184 chapter 54 of the general statutes, to implement the provisions of this  
185 section.

186 (k) Not later than October 1, 2016, and annually thereafter, the  
187 department shall report, in accordance with section 11-4a of the  
188 general statutes, the total amount of tax credits reserved for the prior  
189 fiscal year pursuant to subsections (b) to (j), inclusive, of this section, to  
190 the joint standing committees of the General Assembly having  
191 cognizance of matters relating to commerce and finance, revenue and  
192 bonding. Each such report shall include the following information for  
193 each project for which a tax credit has been reserved: (1) The total  
194 project costs, and (2) the value of the tax credit reservation pursuant to  
195 subsection (f) of this section.

196 Sec. 2. (*Effective July 1, 2015*) (a) For the purposes described in  
197 subsection (b) of this section, the State Bond Commission shall have  
198 the power from time to time to authorize the issuance of bonds of the  
199 state in one or more series and in principal amounts not exceeding in  
200 the aggregate one hundred million dollars.

201 (b) The proceeds of the sale of such bonds, to the extent of the  
202 amount stated in subsection (a) of this section, shall be used by the  
203 Department of Economic and Community Development for the  
204 purpose of funding the remedial action and redevelopment municipal  
205 grant program established in section 32-763 of the general statutes, and  
206 the targeted brownfield development loan program established in  
207 section 32-765 of the general statutes.

208 (c) All provisions of section 3-20 of the general statutes, or the  
209 exercise of any right or power granted thereby, that 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. Temporary notes in anticipation of the money  
213 to be derived from the sale of any such bonds so authorized may be

214 issued in accordance with section 3-20 of the general statutes and from  
215 time to time renewed. Such bonds shall mature at such time or times  
216 not exceeding twenty years from their respective dates as may be  
217 provided in or pursuant to the resolution or resolutions of the State  
218 Bond Commission authorizing such bonds. None of such bonds shall  
219 be authorized except upon a finding by the State Bond Commission  
220 that there has been filed with it a request for such authorization that 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. Such 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 such bonds as the same become due, and  
227 accordingly and as part of the contract of the state with the holders of  
228 such 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.

232 Sec. 3. Section 16-244r of the general statutes is repealed and the  
233 following is substituted in lieu thereof (*Effective July 1, 2015*):

234 (a) Commencing on January 1, 2012, and within the period  
235 established in subsection (a) of section 16-244s, as amended by this act,  
236 each electric distribution company shall solicit and file with the Public  
237 Utilities Regulatory Authority for its approval one or more long-term  
238 contracts with owners or developers of Class I generation projects that  
239 emit no pollutants and that are less than one thousand kilowatts in  
240 size, [located on the customer side of the revenue meter and] that serve  
241 the distribution system of the electric distribution company and are  
242 located on either (1) the customer side of the revenue meter, or (2) on  
243 or after July 1, 2015, a brownfield, as defined in section 32-760, or a  
244 solid waste disposal area, as defined in section 22a-260, provided such  
245 brownfield or solid waste disposal area has been remediated in  
246 accordance with applicable law and regulations and the standards of  
247 remediation of the Department of Energy and Environmental

248 Protection. The authority may give a preference to contracts for  
249 technologies manufactured, researched or developed in the state.

250 (b) Solicitations conducted by the electric distribution company  
251 shall be for the purchase of renewable energy credits produced by  
252 eligible customer-sited generating projects over the duration of the  
253 long-term contract. For the purposes of this section, a long-term  
254 contract is a contract for fifteen years or more.

255 (c) (1) The aggregate procurement of renewable energy credits by  
256 electric distribution companies pursuant to this section shall (A) be  
257 eight million dollars in the first year, and (B) increase by an additional  
258 eight million dollars per year in years two to four, inclusive.

259 (2) After year four, the authority shall review contracts entered into  
260 pursuant to this section and, if the authority determines that the cost of  
261 the technologies included in such contracts have been reduced, the  
262 authority shall seek to enter new contracts for the total of six years.

263 (A) If the authority determines such costs have been reduced, the  
264 aggregate procurement of renewable energy credits by electric  
265 distribution companies pursuant to this subdivision shall (i) increase  
266 by an additional eight million dollars per year in years five and six, (ii)  
267 be forty-eight million dollars in years seven to fifteen, inclusive, and  
268 (iii) decline by eight million dollars per year in years sixteen to twenty-  
269 one, inclusive, provided any money not allocated in any given year  
270 may roll into the next year's available funds.

271 (B) If the authority determines such costs have not been reduced,  
272 the aggregate procurement of renewable energy credits by electric  
273 distribution companies pursuant to this subdivision shall (i) be thirty-  
274 two million dollars in years five to thirteen, inclusive, and (ii) decline  
275 by eight million dollars per year in years fourteen to nineteen,  
276 inclusive, provided any money not allocated in any given year may  
277 roll into the next year's available funds.

278 (3) The production of a megawatt hour of electricity from a Class I

279 renewable energy source first placed in service on or after July 1, 2011,  
280 shall create one renewable energy credit. A renewable energy credit  
281 shall have an effective life covering the year in which the credit was  
282 created and the following calendar year. The obligation to purchase  
283 renewable energy credits shall be apportioned to electric distribution  
284 companies based on their respective distribution system loads at the  
285 commencement of the procurement period, as determined by the  
286 authority. For contracts entered into in calendar year 2012, an electric  
287 distribution company shall not be required to enter into a contract that  
288 provides a payment of more than three hundred fifty dollars, per  
289 renewable energy credit in any year over the term of the contract. For  
290 contracts entered into in calendar years 2013 to 2017, inclusive, at least  
291 ninety days before each annual electric distribution company  
292 solicitation, the Public Utilities Regulatory Authority may lower the  
293 renewable energy credit price cap specified in this subsection by three  
294 to seven per cent annually, during each of the six years of the program  
295 over the term of the contract. In the course of lowering such price cap  
296 applicable to each annual solicitation, the authority shall, after notice  
297 and opportunity for public comment, consider such factors as the  
298 actual bid results from the most recent electric distribution company  
299 solicitation and reasonably foreseeable reductions in the cost of eligible  
300 technologies.

301 (d) Notwithstanding subdivision (1) of subsection (h) of section 16-  
302 244c, an electric distribution company may retire the renewable energy  
303 credits it procures through long-term contracting to satisfy its  
304 obligation pursuant to section 16-245a.

305 (e) Nothing in this section shall preclude the resale or other  
306 disposition of energy or associated renewable energy credits  
307 purchased by the electric distribution company, provided the  
308 distribution company shall net the cost of payments made to projects  
309 under the long-term contracts against the proceeds of the sale of  
310 energy or renewable energy credits and the difference shall be credited  
311 or charged to distribution customers through a reconciling component  
312 of electric rates as determined by the authority that is nonbypassable

313 when switching electric suppliers.

314 Sec. 4. Section 16-244s of the general statutes is repealed and the  
315 following is substituted in lieu thereof (*Effective July 1, 2015*):

316 (a) To procure the long-term contracts described in section 16-244r,  
317 as amended by this act, each electric distribution company shall, not  
318 later than one hundred eighty days after July 1, 2011, propose a six-  
319 year solicitation plan that shall include (1) a timetable and  
320 methodology for soliciting proposals for the long-term purchase of  
321 renewable energy credits from in-state generators of Class I  
322 technologies that emit no pollutants and are not more than one  
323 megawatt in size, and (2) declining annual incentives during each of  
324 the six years of the program. The electric distribution company's  
325 solicitation plan shall be subject to the review and approval of the  
326 Public Utilities Regulatory Authority.

327 (b) The electric distribution company's approved solicitation plan  
328 shall be designed to foster a diversity of project sizes and participation  
329 among all eligible customer classes subject to cost-effectiveness  
330 considerations. Separate procurement processes shall be conducted for  
331 (1) systems up to one hundred kilowatts; (2) systems greater than one  
332 hundred kilowatts but less than two hundred fifty kilowatts; and (3)  
333 systems between two hundred fifty and one thousand kilowatts. The  
334 Public Utilities Regulatory Authority shall give preference to  
335 competitive bidding for resources of more than one hundred kilowatts,  
336 with bids ranked in order on the basis of lowest net present value of  
337 required renewable energy credit price, unless the authority  
338 determines that an alternative methodology is in the best interests of  
339 the electric distribution company's customers and the development of  
340 a competitive and self-sustaining market. Systems up to one hundred  
341 kilowatts in size shall be eligible to receive, on an ongoing and  
342 continuous basis, a renewable energy credit offer price equivalent to  
343 the weighted average accepted bid price in the most recent solicitation  
344 for systems greater than one hundred kilowatts but less than two  
345 hundred fifty kilowatts, plus an additional incentive of ten per cent.

346 On or after July 1, 2015, systems up to seven hundred fifty kilowatts in  
347 size located on a brownfield, as defined in section 32-760, or a solid  
348 waste disposal area, as defined in section 22a-260, provided such  
349 brownfield or solid waste disposal area has been remediated in  
350 accordance with applicable law and regulations and the standards of  
351 remediation of the Department of Energy and Environmental  
352 Protection, shall be eligible to receive, on an ongoing and continuous  
353 basis, a renewable energy credit offer price equivalent to the weighted  
354 average accepted bid price in the most recent solicitation for systems  
355 greater than seven hundred fifty kilowatts but less than one thousand  
356 kilowatts, plus an additional incentive of ten per cent.

357 (c) Each electric distribution company shall execute its approved  
358 six-year solicitation plan and submit to the Public Utilities Regulatory  
359 Authority for review and approval of its preferred procurement plan  
360 comprised of any proposed contract or contracts with independent  
361 developers. If an electric distribution company's solicitation does not  
362 result in proposed contracts totaling the annual expenditure pursuant  
363 to subsection (a) of section 16-244r, as amended by this act, and the  
364 Public Utilities Regulatory Authority has reduced the cap price by  
365 more than three per cent pursuant to subsection (c) of section 16-244r,  
366 as amended by this act, the authority shall, within ninety days, issue a  
367 request for proposals for additional contracts. The authority shall  
368 approve contract proposals submitted in response to such request on a  
369 least-cost basis, provided an electric distribution company shall not be  
370 required to enter into a contract that provides for a payment in any  
371 year of the contract that exceeds the renewable energy price cap for the  
372 prior year by less than three per cent.

373 (d) The Public Utilities Regulatory Authority shall hold a hearing  
374 [that shall be conducted as an uncontested case,] in accordance with  
375 the provisions of chapter 54, to approve, reject or modify an  
376 application for approval of the electric distribution company's  
377 procurement plan, except that such hearing and proceeding shall not  
378 be a contested case, as defined in section 4-166. The authority shall  
379 only approve such [proposed] procurement plan if the authority finds

380 that (1) the solicitation and evaluation conducted by the electric  
381 distribution company was the result of a fair, open, competitive and  
382 transparent process; (2) approval of the procurement plan would result  
383 in the greatest expected ratepayer value from energy from Class I or  
384 renewable energy credits at the lowest reasonable cost; and (3) such  
385 procurement plan satisfies other criteria established in the approved  
386 solicitation plan. The authority shall not approve any proposal made  
387 under such plan unless it determines that the plan and proposals  
388 encompass all foreseeable sources of revenue or benefits and that such  
389 proposals, together with such revenue or benefits, would result in the  
390 greatest expected ratepayer value from energy technologies that emit  
391 no pollutants or renewable energy credits. The authority may, in its  
392 discretion, retain the services of an independent consultant with  
393 expertise in the area of energy procurement to assist in such  
394 determination. The independent consultant shall be unaffiliated with  
395 the electric distribution company or its affiliates and shall not, directly  
396 or indirectly, have benefited from employment or contracts with the  
397 electric distribution company or its affiliates in the preceding five  
398 years, except as an independent consultant. The electric distribution  
399 company shall provide the independent consultant immediate and  
400 continuing access to all documents and data reviewed, used or  
401 produced by the electric distribution company in its bid solicitation  
402 and evaluation process. The electric distribution company shall make  
403 all of its personnel, agents and contractors used in the bid solicitation  
404 and evaluation available for interview by the consultant. The electric  
405 distribution company shall conduct any additional modeling  
406 requested by the independent consultant to test the assumptions and  
407 results of the bid evaluation process. The independent consultant shall  
408 not participate in or advise the electric distribution company with  
409 respect to any decisions in the bid solicitation or bid evaluation  
410 process. The authority's administrative costs in reviewing the electric  
411 distribution company's procurement plan and the costs of the  
412 consultant shall be recovered through a reconciling component of  
413 electric rates as determined by the authority.

414 (e) The electric distribution company shall be entitled to recover its

415 reasonable costs and fees prudently incurred [of] in complying with its  
416 approved procurement plan through a reconciling component of  
417 electric rates as determined by the authority. Nothing in this section  
418 shall preclude the resale or other disposition of energy or associated  
419 renewable energy credits purchased by the electric distribution  
420 company, provided the distribution company shall net the cost of  
421 payments made to projects under the long-term contracts against the  
422 proceeds of the sale of energy or renewable energy credits and the  
423 difference shall be credited or charged to distribution customers  
424 through a reconciling component of electric rates as determined by the  
425 authority that is nonbypassable when switching electric suppliers.

426 (f) Failure by the electric distribution company to execute its  
427 approved solicitation plan shall result in the assessment of a  
428 noncompliance fee. Unless, upon petition by the electric distribution  
429 company, the authority grants the distribution company an extension  
430 not to exceed ninety days to correct this deficiency, the electric  
431 distribution company shall be assessed a noncompliance fee equal to  
432 one hundred twenty-five per cent of the difference between the annual  
433 distribution company expenditures required pursuant to subsection (c)  
434 of section 16-244r, as amended by this act, and the contractually  
435 committed expenditure for renewable energy credits from eligible zero  
436 emissions customer-sited generating projects in that year. The  
437 noncompliance fees associated with the procurement shortfall shall be  
438 collected by the distribution company, maintained in a separate  
439 interest-bearing account and disbursed to the department on a  
440 quarterly basis. Funds collected by the authority pursuant to this  
441 section shall be used to support the deployment of Class I zero  
442 emissions generating systems installed in the state with priority given  
443 to otherwise underserved market segments, including, but not limited  
444 to, low-income housing, schools and other public buildings and  
445 nonprofits. The authority may waive a noncompliance fee assessed  
446 pursuant to this section if the authority determines that meeting the  
447 requirements of this subsection would be commercially infeasible.

448 (g) Not later than sixty days after its approval of the distribution

449 company procurement plans submitted on or before January 1, 2013,  
450 the Public Utilities Regulatory Authority shall submit a report to the  
451 joint standing committee of the General Assembly having cognizance  
452 of matters relating to energy. The report shall document for each  
453 distribution company procurement plan: (1) The total number of  
454 renewable energy credits bid relative to the number of renewable  
455 energy credits requested by the distribution company; (2) the total  
456 number of bidders in each market segment; (3) the number and value  
457 of contracts awarded; (4) the total weighted average price of the  
458 renewable energy credits or energy so purchased; and (5) the extent to  
459 which the costs of the technology has been reduced. The authority  
460 shall not report individual bid information or other proprietary  
461 information.

462 Sec. 5. Section 12-704d of the general statutes is repealed and the  
463 following is substituted in lieu thereof (*Effective July 1, 2015, and*  
464 *applicable to taxable years commencing on or after January 1, 2017*):

465 (a) As used in this section:

466 (1) "Angel investor" means an accredited investor, as defined by the  
467 Securities and Exchange Commission, or network of accredited  
468 investors who review new or proposed businesses for potential  
469 investment and who may seek active involvement, such as consulting  
470 and mentoring, in a Connecticut business, [but] except that "angel  
471 investor" does not include (A) a person controlling fifty per cent or  
472 more of the Connecticut business invested in by the angel investor, (B)  
473 a venture capital company, or (C) any bank, bank and trust company,  
474 insurance company, trust company, national bank, savings association  
475 or building and loan association for activities that are a part of its  
476 normal course of business;

477 (2) "Cash investment" means the contribution of cash, at a risk of  
478 loss, to a qualified Connecticut business in exchange for qualified  
479 securities;

480 (3) "Connecticut business" means any business with its principal

481 place of business in Connecticut that is engaged in bioscience,  
482 advanced materials, photonics, information technology, clean  
483 technology, cybersecurity technology or any other emerging  
484 technology as determined by the Commissioner of Economic and  
485 Community Development;

486 (4) "Bioscience" means manufacturing pharmaceuticals, medicines,  
487 medical equipment or medical devices and analytical laboratory  
488 instruments, operating medical or diagnostic testing laboratories, or  
489 conducting pure research and development in life sciences;

490 (5) "Advanced materials" means developing, formulating or  
491 manufacturing advanced alloys, coatings, lubricants, refrigerants,  
492 surfactants, emulsifiers or substrates;

493 (6) "Photonics" means generation, emission, transmission,  
494 modulation, signal processing, switching, amplification, detection and  
495 sensing of light from ultraviolet to infrared and the manufacture,  
496 research or development of opto-electronic devices, including, but not  
497 limited to, lasers, masers, fiber optic devices, quantum devices,  
498 holographic devices and related technologies;

499 (7) "Information technology" means software publishing, motion  
500 picture and video production, teleproduction and postproduction  
501 services, telecommunications, data processing, hosting and related  
502 services, custom computer programming services, computer system  
503 design, computer facilities management services, other computer  
504 related services and computer training;

505 (8) "Clean technology" means the production, manufacture, design,  
506 research or development of clean energy, green buildings, smart grid,  
507 high-efficiency transportation vehicles and alternative fuels,  
508 environmental products, environmental remediation and pollution  
509 prevention; [and]

510 (9) "Qualified securities" means any form of equity, including a  
511 general or limited partnership interest, common stock, preferred stock,

512 with or without voting rights, without regard to seniority position that  
513 must be convertible into common stock; and

514 (10) "Cybersecurity technology" means information technology  
515 products or goods intended to detect or prevent activity intended to  
516 result in unauthorized access to, exfiltration of, manipulation of, or  
517 impairment to the integrity, confidentiality or availability of an  
518 information technology system or information stored on, or transiting,  
519 an information technology system.

520 (b) There shall be allowed a credit against the tax imposed under  
521 this chapter, other than the liability imposed by section 12-707, for a  
522 cash investment of not less than twenty-five thousand dollars in the  
523 qualified securities of a Connecticut business by an angel investor. The  
524 credit shall be in an amount equal to thirty-three per cent of such  
525 investor's cash investment in any Connecticut business that is  
526 primarily engaged in bioscience, clean technology or cybersecurity  
527 technology or twenty-five per cent of such investor's cash investment  
528 in any other Connecticut business eligible for the tax credits provided  
529 under this section, provided the total tax credits allowed to any angel  
530 investor shall not exceed two hundred fifty thousand dollars. The  
531 credit shall be claimed in the taxable year in which such cash  
532 investment is made by the angel investor and shall not be transferable.

533 (c) To qualify for a tax credit pursuant to this section, a cash  
534 investment shall be in a Connecticut business that (1) has been  
535 approved as a qualified Connecticut business pursuant to subsection  
536 (d) of this section; (2) had annual gross revenues of less than one  
537 million dollars in the most recent income year of such business; (3) has  
538 fewer than twenty-five employees, not less than seventy-five per cent  
539 of whom reside in this state; (4) has been operating in this state for less  
540 than seven consecutive years; (5) is primarily owned by the  
541 management of the business and their families; and (6) received less  
542 than two million dollars in cash investments eligible for the tax credits  
543 provided [by] under this section.

544 (d) (1) A Connecticut business may apply to Connecticut

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

560 (2) Said chief executive officer shall, on a monthly basis, compile a  
561 list of approved applications, categorized by the cash investments  
562 being sought by the qualified Connecticut business and type of  
563 qualified securities offered.

564 (e) (1) Any angel investor that intends to make a cash investment in  
565 a business on such list may apply to Connecticut Innovations,  
566 Incorporated, to reserve a tax credit in the amount indicated by such  
567 investor. The aggregate amount of all tax credits under this section that  
568 may be reserved by Connecticut Innovations, Incorporated, shall not  
569 exceed six million dollars annually for the fiscal years commencing  
570 July 1, 2010, to July 1, 2012, inclusive, and shall not exceed three  
571 million dollars in each fiscal year thereafter. Connecticut Innovations,  
572 Incorporated, shall not reserve tax credits under this section for any  
573 investment made on or after July 1, [2016] 2017.

574 (2) The amount of the credit allowed to any investor pursuant to this  
575 section shall not exceed the amount of tax due from such investor  
576 under this chapter, other than section 12-707, with respect to such  
577 taxable year. Any tax credit that is claimed by the angel investor but

578 not applied against the tax due under this chapter, other than the  
579 liability imposed under section 12-707, may be carried forward for the  
580 five immediately succeeding taxable years until the full credit has been  
581 applied.

582 (f) If the angel investor is an S corporation or an entity treated as a  
583 partnership for federal income tax purposes, the tax credit may be  
584 claimed by the shareholders or partners of the angel investor. If the  
585 angel investor is a single member limited liability company that is  
586 disregarded as an entity separate from its owner, the tax credit may be  
587 claimed by such limited liability company's owner, provided such  
588 owner is a person subject to the tax imposed under this chapter.

589 (g) [A] Connecticut Innovations, Incorporated, shall conduct a  
590 review of the cumulative effectiveness of the credit under this section  
591 [shall be conducted by Connecticut Innovations, Incorporated,] by July  
592 1, 2014, and by July first annually thereafter. Such review shall include,  
593 but need not be limited to, the number and type of Connecticut  
594 businesses that received angel investments, the number of angel  
595 investors and the aggregate amount of cash investments, the current  
596 status of each Connecticut business that received angel investments,  
597 the number of employees employed in each year following the year in  
598 which such Connecticut business received the angel investment, and  
599 the economic impact in the state, of the Connecticut business that  
600 received the angel investment. Such review shall be submitted to the  
601 Office of Policy and Management and to the joint standing [committee]  
602 committees of the General Assembly having cognizance of matters  
603 relating to commerce and finance, in accordance with the provisions of  
604 section 11-4a.

605 Sec. 6. Section 12-217v of the general statutes is repealed and the  
606 following is substituted in lieu thereof (*Effective July 1, 2015, and*  
607 *applicable to taxable years commencing on or after January 1, 2017*):

608 (a) As used in this section, "qualifying corporation" means a  
609 corporation which is: [created]

610 (1) Created on or after January 1, 1997, in an enterprise zone and  
611 which either [(1)] (A) has at least three hundred seventy-five  
612 employees, at least forty per cent of whom [(A)] (i) are residents of the  
613 enterprise zone or the municipality in which the enterprise zone is  
614 located and [(B)] (ii) qualify under the Job Training Partnership Act or  
615 [(2)] (B) has less than three hundred seventy-five employees, at least  
616 one hundred fifty employees of whom [(A)] (i) are residents of the  
617 enterprise zone or the municipality in which the enterprise zone is  
618 located and [(B)] (ii) qualify under the Job Training Partnership Act; or

619 (2) Created on or after July 1, 2015, in a distressed municipality, as  
620 defined in section 32-9p, and which is primarily engaged in either  
621 bioscience, as defined in section 12-704d, as amended by this act, clean  
622 technology, as defined in section 12-704d, as amended by this act, or  
623 cybersecurity technology as defined in section 12-704d, as amended by  
624 this act.

625 (b) There shall be allowed as a credit against the tax imposed [on  
626 any corporation] under this chapter on any corporation described in  
627 subdivision (1) of subsection (a) of this section which is created on or  
628 after January 1, 1997, in an enterprise zone, or any corporation  
629 described in subdivision (2) of subsection (a) of this section which is  
630 created on or after July 1, 2015, in a distressed municipality in an  
631 amount equal to (1) one hundred per cent of the tax liability of the  
632 corporation under said chapter with respect to the first three taxable  
633 years of the corporation and (2) fifty per cent of the tax liability of the  
634 corporation under this chapter with respect to the next seven taxable  
635 years of the corporation.

636 Sec. 7. Section 12-217w of the general statutes is repealed and the  
637 following is substituted in lieu thereof (*Effective July 1, 2015, and*  
638 *applicable to taxable years commencing on or after January 1, 2017*):

639 (a) For purposes of this section, "fixed capital" means tangible  
640 personal property which (1) has a class life, in years, of more than four  
641 years, as described in Section 168(e) of the Internal Revenue Code of  
642 1986, or any subsequent corresponding internal revenue code of the

643 United States, as from time to time amended, (2) is acquired by  
644 purchase from a person other than a related person, (3) is not acquired  
645 to be leased, and is not leased, to another person or persons during the  
646 twelve full months following its acquisition, and (4) will be held and  
647 used in this state by a corporation in the ordinary course of the  
648 corporation's trade or business in this state for not less than five full  
649 years following its acquisition. "Fixed capital" does not include  
650 inventory, land, buildings or structures, or mobile transportation  
651 property. With respect to a corporation claiming a credit under this  
652 section, a "related person" means a corporation, partnership,  
653 association or trust controlled by such corporation; an individual,  
654 corporation, partnership, association or trust that is in control of such  
655 corporation; a corporation, partnership, association or trust controlled  
656 by an individual, corporation, partnership, association or trust that is  
657 in control of such corporation; or a member of the same controlled  
658 group as such corporation. For purposes of this section, "control", with  
659 respect to a corporation, means ownership, directly or indirectly, of  
660 stock possessing fifty per cent or more of the total combined voting  
661 power of all classes of the stock of such corporation entitled to vote;  
662 with respect to a trust, means ownership, directly or indirectly, of fifty  
663 per cent or more of the beneficial interest in the principal or income of  
664 such trust. The ownership of stock in a corporation, of a capital or  
665 profits interest in a partnership or association or of a beneficial interest  
666 in a trust shall be determined in accordance with the rules for  
667 constructive ownership of stock provided in Section 267(c) of the  
668 Internal Revenue Code of 1986, or any subsequent corresponding  
669 internal revenue code of the United States, as from time to time  
670 amended, other than paragraph (3) of such section.

671 (b) There shall be allowed a credit for any corporation against the  
672 tax imposed under this chapter in an amount paid or incurred by such  
673 corporation for any new fixed capital investment during the income  
674 year in which such fixed capital is acquired as follows: For any income  
675 year commencing on or after January 1, 1998, and prior to January 1,  
676 1999, equal to three per cent of such amount paid or incurred by the  
677 corporation during such income year; for any income year

678 commencing on or after January 1, 1999, and prior to January 1, 2000,  
679 equal to four per cent of such amount paid or incurred by the  
680 corporation during such income year; and for any income year  
681 commencing on or after January 1, 2000, equal to five per cent of such  
682 amount paid or incurred by the corporation during such income year,  
683 except that for any income year commencing on or after January 1,  
684 2017, equal to ten per cent of such amount paid or incurred by the  
685 corporation during such income year for fixed capital acquired for  
686 bioscience, as defined in section 12-704d, as amended by this act, clean  
687 technology, as defined in section 12-704d, as amended by this act, or  
688 cybersecurity technology as defined in section 12-704d, as amended by  
689 this act.

690 (c) The amount of such credit allowed to any corporation under this  
691 section shall not exceed the amount of tax due from such corporation  
692 under this chapter with respect to such income year.

693 (d) No corporation claiming the credit under this section with  
694 respect to the acquisition of fixed capital, as defined in subsection (a) of  
695 this section, may claim a credit against any tax under any other  
696 provision of the general statutes with respect to the same acquisition.

697 (e) Any tax credit not used in the income year during which the  
698 acquisition was made may be carried forward for the five immediately  
699 succeeding income years until the full credit has been allowed.

700 (f) If the fixed capital on account of which a corporation has claimed  
701 the credit allowed by this section is not held and used in this state in  
702 the ordinary course of the corporation's trade or business in this state  
703 for three full years following its acquisition as provided in subsection  
704 (a) of this section, the corporation shall recapture one hundred per cent  
705 of the amount of the credit allowed under this section on its  
706 corporation business tax return required to be filed for the income year  
707 immediately succeeding the income year during which such three-year  
708 period expires. If the fixed capital on account of which a corporation  
709 has claimed the credit allowed by this section is not held and used in  
710 this state in the ordinary course of the corporation's trade or business

711 in this state for five full years following its acquisition as provided in  
712 subsection (a) of this section, the corporation shall recapture fifty per  
713 cent of the amount of the credit allowed under this section on its  
714 corporation business tax return required to be filed for the income year  
715 immediately succeeding the income year during which such five-year  
716 period expires. The provisions of this subsection shall not apply if the  
717 property that is the subject of the credit under this section is replaced.  
718 If any amount of credit required to be recaptured has not been paid to  
719 the commissioner on or before the first day of the fourth month next  
720 succeeding the end of the income year immediately succeeding the  
721 income year during which the three-year or five-year period, as the  
722 case may be, expires, such amount shall bear interest at the rate of one  
723 per cent per month or fraction thereof from such date to the date of  
724 payment.

725 Sec. 8. Section 32-9t of the general statutes is repealed and the  
726 following is substituted in lieu thereof (*Effective July 1, 2015, and*  
727 *applicable to taxable years commencing on or after January 1, 2017*):

728 (a) As used in this section:

729 (1) "Commissioner" means the Commissioner of Economic and  
730 Community Development.

731 (2) "Eligible industrial site investment project" means a project  
732 located within this state for the development or redevelopment of real  
733 property: (A) (i) That has been subject to a "spill", as defined in section  
734 22a-452c, (ii) is an "establishment", as defined in subdivision (3) of  
735 section 22a-134, or (iii) is a "facility", as defined in 42 USC 9601(9); (B)  
736 that, if remediated, renovated or demolished in accordance with  
737 applicable law and regulations and the standards of remediation of the  
738 Department of Energy and Environmental Protection and used for  
739 business purposes, will add significant new economic activity and  
740 employment in the municipality in which the investment is to be  
741 made, and will generate additional tax revenues to the state; (C) for  
742 which the use of the urban and industrial site reinvestment program  
743 will be necessary to attract private investment to the project; (D) the

744 business use of which would be economically viable and would  
745 generate direct and indirect economic benefits to the state that exceed  
746 the amount of the investment during the period for which the tax  
747 credits granted pursuant to public act 00-170 are granted; and (E) that  
748 is, in the judgment of the commissioner, consistent with the strategic  
749 economic development priorities of the state and the municipality.

750 (3) "Eligible urban reinvestment project" means a project: (A) That  
751 would add significant new economic activity in the eligible  
752 municipality in which the project is located, and will generate  
753 significant additional tax revenues to the state or the municipality; (B)  
754 for which the use of the urban and industrial site reinvestment  
755 program will be necessary to attract private investment to an eligible  
756 municipality; (C) that is economically viable; (D) for which the direct  
757 and indirect economic benefits to the state outweigh the costs of the  
758 project; and (E) that is, in the judgment of the commissioner, consistent  
759 with the strategic economic development priorities of the state and the  
760 municipality.

761 (4) "Related person" means: (A) A corporation, limited liability  
762 company, partnership, association or trust controlled by the taxpayer;  
763 (B) an individual, corporation, limited liability company, partnership,  
764 association or trust that is in control of the taxpayer; (C) a corporation,  
765 limited liability company, partnership, association or trust controlled  
766 by an individual, corporation, limited liability company, partnership,  
767 association or trust that is in control of the taxpayer; or (D) a member  
768 of the same controlled group as the taxpayer. For the purposes of this  
769 [section] subdivision, "control", with respect to a corporation, means  
770 ownership, directly or indirectly, of stock possessing fifty per cent or  
771 more of the total combined voting power of all classes of the stock of  
772 such corporation entitled to vote. "Control", with respect to a trust,  
773 means ownership, directly or indirectly, of fifty per cent or more of the  
774 beneficial interest in the principal or income of such trust. The  
775 ownership of stock in a corporation, of a capital or profits interest in a  
776 partnership or association or of a beneficial interest in a trust shall be  
777 determined in accordance with the rules for constructive ownership of

778 stock provided in Section 267(c) of the Internal Revenue Code, other  
779 than paragraph (3) of said section.

780 (5) "Investment" means all amounts invested in an eligible project by  
781 or on behalf of a taxpayer, whether directly, through a fund, or  
782 through a community development entity or a contractually bound  
783 community development entity including, but not limited to, (A)  
784 equity investments made by the taxpayer, and (B) loans.

785 (6) "Income year" means, with respect to entities subject to taxation  
786 under chapters 207 to 212a, the income year as determined under each  
787 of said chapters, as the case may be.

788 (7) "Taxpayer" means any person, as defined in section 12-1,  
789 whether or not subject to any taxes levied by this state.

790 (8) "Fund manager" means a fund manager registered in accordance  
791 with subsection (d) of this section.

792 (9) "New job" means a job that did not exist in the business of a  
793 subject business in this state prior to the subject business' application  
794 to the commissioner for an eligibility certificate under this section for a  
795 new facility and that is filled by a new employee, but does not mean a  
796 job created when an employee is shifted from an existing location of  
797 the subject business in this state to a new facility.

798 (10) "New employee" means a person hired by a subject business to  
799 fill a position for a new job or a person shifted from an existing  
800 location of the subject business outside this state to a new facility in  
801 this state, provided (A) in no case shall the total number of new  
802 employees allowed for purposes of this credit exceed the total increase  
803 in the taxpayer's employment in this state, which increase shall be the  
804 difference between (i) the number of employees employed by the  
805 subject business in this state at the time of application for an eligibility  
806 certificate to the commissioner plus the number of new employees  
807 who would be eligible for inclusion under the credit allowed under  
808 this section without regard to this calculation, and (ii) the highest

809 number of employees employed by the subject business in this state in  
810 the year preceding the subject business' application for an eligibility  
811 certificate to the commissioner, and (B) a person shall be deemed to be  
812 a "new employee" only if such person's duties in connection with the  
813 operation of the facility are on a regular, full-time, or equivalent  
814 thereof, and permanent basis.

815 (11) "New facility" means a facility which (A) is acquired by, leased  
816 to, or constructed by, a subject business on or after the date of the  
817 subject business' application to the commissioner for an eligibility  
818 certificate under this section, unless, upon application of the subject  
819 business and upon good and sufficient cause shown, the commissioner  
820 waives the requirement that such activity take place after the  
821 application, and (B) was not in service or use during the one-year  
822 period immediately prior to the date of the subject business'  
823 application to the commissioner for an eligibility certificate under this  
824 section, unless upon application of the subject business and upon good  
825 and sufficient cause shown, the commissioner consents to waiving the  
826 one-year period.

827 (12) "Eligible municipality" means (A) a municipality with an area  
828 designated as an enterprise zone pursuant to section 32-70, (B) a  
829 distressed municipality, as defined in subsection (b) of section 32-9p,  
830 (C) a municipality that has a population in excess of one hundred  
831 thousand, or (D) any municipality that the commissioner determines is  
832 connected with the relocation of an out-of-state operation or the  
833 expansion of an existing facility that will result in a capital investment  
834 by a company of not less than fifty million dollars.

835 (13) "Eligible project" means an eligible urban reinvestment project  
836 or an eligible industrial site investment project, or both.

837 (14) "Approved investment" means an investment approved by the  
838 commissioner under subsection (g) of this section.

839 (15) "Recapture amount" means the amount by which the total of tax  
840 credits claimed with respect to any approved investment as of the date

841 of calculation exceeds the sum of all state revenue actually generated  
842 through such date by the eligible project in which such approved  
843 investment was made.

844 (16) "Pro rata share" means the percentage the amount of the  
845 approved investment by an individual investor in an eligible project  
846 bears to the total amount of the approved investment in such project,  
847 or in the case of a taxpayer to whom credits are transferred under this  
848 section, the percentage the amount of credits with respect to an  
849 approved investment transferred bears to the total credits with respect  
850 to such approved investment.

851 (17) "Community development entity" means any corporation,  
852 limited partnership or limited liability company qualified to do  
853 business in this state and which (A) is organized for the purpose of  
854 providing investment capital or financing for eligible projects under  
855 this section, (B) maintains accountability to residents of more than one  
856 eligible municipality through representation on the governing board of  
857 the entity, (C) is organized for the purpose of seeking certification and  
858 an allocation of new markets tax credits as provided in Section 45D of  
859 the Internal Revenue Code, and (D) is registered in accordance with  
860 subsection (d) of this section. No community development entity shall  
861 be eligible for any tax credits under this section unless it is certified  
862 under said Section 45D on the date any approved investment is made.  
863 A community development entity shall not be deemed a "fund" for  
864 purposes of this section.

865 (18) "Project" means the acquisition, leasing, demolition,  
866 remediation, construction, renovation, expansion or other  
867 development or redevelopment of real property and improvements  
868 within this state, including furniture, fixtures, equipment and other  
869 personal property which is reasonably necessary in connection  
870 therewith, and associated interest and other financing costs and  
871 charges, relocation and start-up costs, and architectural, engineering,  
872 legal and other professional services, plans, specifications, surveys,  
873 permits, studies and evaluations necessary or incident to the

874 development, financing, completion and placing in operation of such a  
875 project. In the case of a contractually bound community development  
876 entity, "project" [shall] does not include any activities, costs or services  
877 not included in the terms of the allocation agreement with the  
878 community development financial institutions fund under Section 45D  
879 of the Internal Revenue Code.

880 (19) "Contractually bound community development entity" means a  
881 community development entity that (A) has entered into an allocation  
882 agreement with the community development financial institutions  
883 fund pursuant to Section 45D of the Internal Revenue Code, and (B)  
884 whose service area in such allocation agreement includes the state of  
885 Connecticut.

886 (20) "Internal Revenue Code" means the Internal Revenue Code of  
887 1986, or any subsequent corresponding internal revenue code of the  
888 United States, as amended from time to time.

889 (21) "Bioscience" means business related to any one or more of the  
890 following North American Industry Classification codes: 311221,  
891 311224, 325193, 325199, 325220, 325311, 325312, 325314, 325320, 325411,  
892 325412, 325413, 325414, 333314, 334510, 334516, 334517, 339112, 339113,  
893 339114, 339115, 339116, 423450, 423460, 424210, 532291, 541380, 541711,  
894 541712, 621511 and 621512.

895 (22) "Clean technology" means business related to any one or more  
896 of the following North American Industry Classification codes: 221111  
897 to 221118, inclusive, 221330, 237110, 237130, 314994, 333414, 333611,  
898 334413, 335999, 562213 and 926130.

899 (23) "Cybersecurity" means business related to any one or more of  
900 the following North American Industry Classification codes related to  
901 computers: 334112, 334614, 454113, 511210, 541511, 541512, 541513,  
902 541519, 541712 and 811212.

903 (b) There is established an urban and industrial site reinvestment  
904 program under which taxpayers who make investments in eligible

905 urban reinvestment projects or eligible industrial site investment  
906 projects may be allowed a credit against the tax imposed under  
907 chapters 207 to 212a, inclusive, or section 38a-743, or a combination of  
908 said taxes, in an amount equal to the percentage of their approved  
909 investment determined in accordance with subsection (i) of this  
910 section.

911 (c) No project shall be deemed an eligible project unless such project  
912 [shall] will, in the judgment of the commissioner, be of sufficient size,  
913 by itself or in conjunction with related new investments, to generate a  
914 substantial return to the state economy.

915 (d) (1) The commissioner may register managers of funds and  
916 community development entities created for the purpose of investing  
917 in eligible urban reinvestment projects and eligible industrial site  
918 investment projects. Any manager, community development entity or  
919 contractually bound community development entity registered under  
920 this subsection shall have its primary place of business in this state.  
921 Each applicant shall submit an application under oath to the  
922 commissioner to be registered and shall furnish evidence satisfactory  
923 to the commissioner of its financial responsibility, integrity,  
924 professional competence and experience in managing investment  
925 funds. Failure to maintain adequate fiduciary standards with respect  
926 to investments made under this section shall constitute cause for the  
927 commissioner to revoke, after a hearing, any registration granted  
928 under this section or section 38a-88a. The fund manager, community  
929 development entity or contractually bound community development  
930 entity shall make a report on or before the first day of March in each  
931 year, under oath, to the Commissioner of Economic and Community  
932 Development and the Commissioner of Revenue Services specifying  
933 the name, address and Social Security number or employer  
934 identification number of each investor, the year during which each  
935 investment was made by each investor, the amount of each  
936 investment, a description of the fund's investment objectives and  
937 relative performance, or the entity's projects, as the case may be, and a  
938 description, including amounts, of all fees received by such manager

939 or entity in relation to each such fund.

940 (2) Any manager of funds registered on or before July 1, 2000,  
941 pursuant to section 38a-88a shall be deemed registered as a fund  
942 manager for all purposes under the provisions of this section upon  
943 submission, in writing, to the commissioner of such manager's  
944 intention to act as a manager of funds under this section. The  
945 commissioner may request from any such manager such information  
946 as the commissioner may require relating to such manager's financial  
947 responsibility, integrity, professional competence and experience in  
948 managing investment funds.

949 (e) Any taxpayer or fund manager, community development entity  
950 or contractually bound community development entity wishing to  
951 make an investment under the provisions of this section shall apply to  
952 the commissioner in accordance with the provisions of this section. The  
953 application shall contain sufficient information to establish that the  
954 project in which the proposed investment will be made is an eligible  
955 industrial site investment project or an urban reinvestment project, as  
956 [appropriate] the case may be, and information concerning the type of  
957 investment proposed to be made, the location of the project, the  
958 number of jobs to be created or retained, physical infrastructure that  
959 might be created or preserved, feasibility studies or business plans for  
960 the project, projected state and local revenue that might derive as a  
961 result of the project and other information necessary to demonstrate  
962 the financial viability of the project and to demonstrate that the  
963 investment will provide net benefits to the economy of, and  
964 employment for citizens of, the municipality and the state, and in the  
965 case of an eligible industrial site investment project, how such project  
966 will meet the standards of remediation of the Department of Energy  
967 and Environmental Protection. The commissioner shall impose a fee  
968 for such application as the commissioner deems appropriate.

969 (f) (1) The commissioner shall determine whether the project in  
970 which the proposed investment is to be made is an eligible urban  
971 reinvestment project or an eligible industrial site investment project,

972 whether the project is economically viable only with use of the urban  
973 and industrial site reinvestment program, the effects of the project on  
974 the municipality where the investment will be made, and whether the  
975 project would provide a net benefit to economic development and  
976 employment opportunities in the state and whether the project will  
977 conform to the state plan of conservation and development. The  
978 commissioner may require the applicant to submit such additional  
979 information as may be necessary to evaluate the application.

980 (2) The commissioner shall prepare a revenue impact assessment  
981 that estimates the state and local revenue that would be generated as a  
982 result of the project. The commissioner shall prepare an economic  
983 feasibility study relative to such project. The commissioner may retain  
984 any such persons as the commissioner deems appropriate to conduct  
985 such revenue impact assessment or economic feasibility study.

986 (g) (1) The commissioner, upon consideration of the application, the  
987 revenue impact assessment and any additional information that the  
988 commissioner requires concerning a proposed investment, may  
989 approve an investment if the commissioner concludes that the project  
990 in which such investment is to be made is an eligible urban  
991 reinvestment project or an eligible industrial site investment project. If  
992 the commissioner rejects an application, the commissioner shall  
993 specifically identify the defects in the application and specifically  
994 explain the reasons for the rejection. The commissioner shall render a  
995 decision on an application not later than ninety days from its receipt.  
996 The amount of the investment so approved shall not exceed the greater  
997 of: (A) The amount of state revenue that will be generated according to  
998 the revenue impact assessment prepared under this subsection; or (B)  
999 the total of state revenue and local revenue generated according to  
1000 such assessment in the case of a manufacturing business with North  
1001 American [Industrial] Industry Classification codes of 339999, 311211  
1002 [through] to 312140, inclusive, 324191, 325193, 325199, 325220, 325311,  
1003 325312, 325314, 325320, 325411, [and] 325412, 325413, 325414, 333314,  
1004 334510, 334516, 334517, 339112, 339113, 339114, 339115, 339116, 423450,  
1005 423460, 424210, 532291, 541380, 541711, 541712, 621511, 621512, 221111

1006 to 221118, inclusive, 221330, 237110, 237130, 314994, 333414, 333611,  
1007 334413, 335999, 562213, 926130, 334112, 334614, 454113, 511210, 541511,  
1008 541512, 541513, 541519, 541712 and 811212 that is relocating to a site in  
1009 Connecticut from out-of-state, provided the relocation will result in  
1010 new development of at least seven hundred twenty-five thousand  
1011 square feet in a state-sponsored industrial park.

1012 (2) The approval of an investment by the commissioner may be  
1013 combined with the exercise of any of the commissioner's other powers,  
1014 including, but not limited to, the provision of other forms of financial  
1015 assistance.

1016 (3) The commissioner shall require the applicant to reimburse the  
1017 commissioner for all or any part of the cost of any revenue impact  
1018 assessment, economic feasibility study or other activities performed in  
1019 the exercise of due diligence pursuant to subsection (f) of this section.

1020 (4) There is established an account to be known as the "Connecticut  
1021 economic impact and analysis account" which shall be a separate,  
1022 nonlapsing account within the General Fund. The account shall  
1023 contain any moneys required by law to be deposited in the account  
1024 and shall be held separate and apart from other moneys, funds and  
1025 accounts. There shall be deposited in the account any proceeds  
1026 realized by the state from activities pursuant to this section.  
1027 Investment earnings credited to the account shall become part of the  
1028 assets of the account. Any balance remaining in the account at the end  
1029 of any fiscal year shall be carried forward in the account for the next  
1030 fiscal year. Amounts in the account may be used by the Department of  
1031 Economic and Community Development to fund the cost of any  
1032 activities of the department pursuant to this section, including  
1033 administrative costs related to such activities.

1034 (h) Upon approving an investment, the commissioner shall issue a  
1035 certificate of eligibility certifying that the applicant has complied with  
1036 the provisions of this section.

1037 (i) (1) [There] Except as provided in this subdivision, there shall be

1038 allowed as a credit against the tax imposed under chapters 207 to 212a,  
1039 inclusive, or section 38a-743, or a combination of said taxes, an amount  
1040 equal to the following percentage of approved investments made by or  
1041 on behalf of a taxpayer with respect to the following income years of  
1042 the taxpayer: (A) With respect to the income year in which the  
1043 investment in the eligible project was made and the two next  
1044 succeeding income years, zero per cent; (B) with respect to the third  
1045 full income year succeeding the year in which the investment in the  
1046 eligible project was made and the three next succeeding income years,  
1047 ten per cent; (C) with respect to the seventh full income year  
1048 succeeding the year in which the investment in the eligible project was  
1049 made and the next two succeeding years, twenty per cent. With respect  
1050 to approved investments in bioscience, cybersecurity or clean  
1051 technology, a credit shall be allowed equal to twenty per cent of  
1052 approved investments made by or on behalf of a taxpayer in the  
1053 income year in which the investment in the eligible project was made,  
1054 and such twenty per cent credit shall be allowed for the next four  
1055 succeeding income years. The sum of all tax credits granted pursuant  
1056 to the provisions of this section shall not exceed one hundred million  
1057 dollars with respect to a single eligible urban reinvestment project or a  
1058 single eligible industrial site investment project approved by the  
1059 commissioner. The sum of all tax credits granted pursuant to the  
1060 provisions of this section shall not exceed eight hundred million  
1061 dollars.

1062 (2) Notwithstanding the provisions of subdivision (1) of this  
1063 subsection, any applicant may, at the time of application, apply to the  
1064 commissioner for a credit that exceeds the limitations established by  
1065 this subsection. The commissioner shall evaluate the benefits of such  
1066 application and make recommendations to the General Assembly  
1067 relating to [changes in] proposed amendments to the general statutes  
1068 which would be necessary to effect such application if the  
1069 commissioner determines that the proposal would be of economic  
1070 benefit to the state.

1071 (j) The credits allowed by this section may be claimed by a taxpayer

1072 who has made an investment (1) directly only if such investment has a  
1073 total asset value, either alone or in conjunction with other taxpayer  
1074 investments in an eligible project, of not less than five million dollars  
1075 or, in the case of an investment in an eligible project for the  
1076 preservation of an historic facility and redevelopment of the facility for  
1077 mixed uses that includes at least four housing units, a total asset value  
1078 of not less than two million dollars; (2) through a fund managed by a  
1079 fund manager registered under this section only if such fund: (A) Has  
1080 a total asset value of not less than sixty million dollars for the income  
1081 year for which the initial credit is taken; and (B) has not less than three  
1082 investors who are not related persons with respect to each other or to  
1083 any person in which any investment is made other than through the  
1084 fund at the date the investment is made; or (3) through a community  
1085 development entity or a contractually bound community development  
1086 entity.

1087 (k) The commissioner shall, upon request, provide a copy of [the]  
1088 any eligibility certificate issued under subsection (h) of this section to  
1089 the Commissioner of Revenue Services.

1090 (l) The tax credit allowed by this section, when made through a  
1091 fund, shall only be available for investments in funds that are not open  
1092 to additional investments or investors beyond the amount subscribed  
1093 at the formation of the fund.

1094 (m) (1) The Commissioner of Revenue Services may treat one or  
1095 more corporations that are properly included in a combined  
1096 corporation business tax return under section 12-223a as one taxpayer  
1097 in determining whether the appropriate requirements under this  
1098 section are met. [Where] Whenever corporations are treated as one  
1099 taxpayer for purposes of this subsection, [then] the credit shall be  
1100 allowed only against the amount of the combined tax for all  
1101 corporations properly included in a combined return that, under the  
1102 provisions of subdivision (2) of this subsection, is attributable to the  
1103 corporations treated as one taxpayer.

1104 (2) The amount of the combined tax for all corporations properly

1105 included in a combined corporation business tax return that is  
1106 attributable to the corporations that are treated as one taxpayer under  
1107 the provisions of this subsection shall be in the same ratio to such  
1108 combined tax that the net income apportioned to this state of each  
1109 corporation treated as one taxpayer bears to the net income  
1110 apportioned to this state, in the aggregate, of all corporations included  
1111 in such combined return. Solely for the purposes of computing such  
1112 ratio, any net loss apportioned to this state by a corporation treated as  
1113 one taxpayer or by a corporation included in such combined return  
1114 shall be disregarded.

1115 (n) Any taxpayer allowed a credit under this section may assign  
1116 such credit to another taxpayer or taxpayers, provided such other  
1117 taxpayer or taxpayers may claim such credit only with respect to a  
1118 taxable year for which the assigning taxpayer would have been eligible  
1119 to claim such credit and such other taxpayer or taxpayers may not  
1120 further assign such credit. The taxpayer or taxpayers allowed such  
1121 credit, the fund manager, the community development entity or  
1122 contractually bound community development entity shall file with the  
1123 Commissioner of Revenue Services information requested by the  
1124 commissioner regarding such assignments, including, but not limited  
1125 to, the current holders of credits as of the end of the preceding  
1126 calendar year.

1127 (o) No taxpayer shall be eligible for a credit under (1) this section,  
1128 and (2) section 12-217e or 38a-88a, for the same investment. No two  
1129 taxpayers shall be eligible for any tax credit with respect to the same  
1130 investment or the same project costs.

1131 (p) Any credit not used in the income year for which it was allowed  
1132 may be carried forward for the five immediately succeeding income  
1133 years until the full credit has been allowed.

1134 (q) (1) Any tax credits approved under this section that would  
1135 constitute in excess of twenty million dollars in total for a single  
1136 investment shall be submitted by the Commissioner of Economic and  
1137 Community Development to the joint standing committee of the

1138 General Assembly having cognizance of matters relating to finance,  
1139 revenue and bonding prior to the issuance of a certificate of eligibility  
1140 for such investment. Said committee shall have thirty days from the  
1141 date such project is submitted to convene a meeting to recommend  
1142 approval or disapproval of such investment. If such submittal is  
1143 withdrawn, altered, amended or otherwise changed, and resubmitted,  
1144 said committee shall have thirty days from the date of such resubmittal  
1145 to convene a meeting to recommend approval or disapproval of such  
1146 investment. If said committee does not act on a submittal or  
1147 resubmittal, as the case may be, within that time, the investment shall  
1148 be deemed to be approved by said committee.

1149 (2) While the General Assembly is in session, the House of  
1150 Representatives or the Senate, or both, may meet not later than thirty  
1151 days following the date said committee makes a recommendation  
1152 pursuant to subdivision (1) of this subsection. If such submission is not  
1153 disapproved by the House of Representatives or the Senate, or both,  
1154 within such time, the commissioner may issue such certificate.

1155 (3) [~~While~~] Whenever the General Assembly is not in regular  
1156 session, the House of Representatives or the Senate, or both, may meet  
1157 not later than thirty days following the date said committee makes a  
1158 recommendation pursuant to subdivision (1) of this subsection or not  
1159 later than thirty days following the date such investment is deemed  
1160 approved by said committee pursuant to subdivision (1) of this  
1161 subsection. If such submission is not disapproved by the House of  
1162 Representatives, the Senate, or both, within such [time] thirty-day  
1163 period, the commissioner may issue such certificate.

1164 (r) Not later than July first in each year that credits allowed by this  
1165 section are claimed by a taxpayer with respect to an approved  
1166 investment, the commissioner may retain such persons as said  
1167 commissioner [may deem] deems appropriate to conduct a study to  
1168 estimate the state revenue that is being and will be generated by the  
1169 eligible project in which such investment is made. Such economic  
1170 impact study shall determine whether the state revenue actually

1171 generated by such eligible project is equal to the estimate of state  
1172 revenue made at the time the investment in such eligible project was  
1173 approved. If the sum of all state revenue actually generated by such  
1174 eligible project is less than the amount of the total sum of tax credits  
1175 claimed with respect to the approved investment in such project on the  
1176 date of such analysis, the commissioner may determine from the  
1177 person retained pursuant to this subsection the applicable recapture  
1178 amount and may revoke the certificate of eligibility issued under  
1179 subsection (h) of this section. The commissioner may require the  
1180 taxpayer, the fund manager, community development entity or  
1181 contractually bound community development entity that made such  
1182 approved investment to reimburse the commissioner for all or any part  
1183 of the cost of any economic impact study performed under this  
1184 subsection.

1185 (s) (1) Any taxpayer which has claimed credits allowed by this  
1186 section related to an investment concerning which the commissioner  
1187 has revoked the certificate of eligibility issued under subsection (h) of  
1188 this section [ ] shall be required to recapture such taxpayer's pro rata  
1189 share of the recapture amount as determined under the provisions of  
1190 subdivision (2) of this subsection and no subsequent credit shall be  
1191 allowed unless such certificate of eligibility is reinstated under the  
1192 provisions of subdivision (3) of this subsection.

1193 (2) If the taxpayer is required under the provisions of subdivision  
1194 (1) of this subsection to recapture its pro rata share of the recapture  
1195 amount during (A) the first year such credit was claimed, then ninety  
1196 per cent of such share shall be recaptured on the tax return required to  
1197 be filed for such year, (B) the second of such years, then sixty-five per  
1198 cent of such share shall be recaptured on the tax return required to be  
1199 filed for such year, (C) the third of such years, then fifty per cent of  
1200 such share shall be recaptured on the tax return required to be filed for  
1201 such year, (D) the fourth of such years, then thirty per cent of such  
1202 share shall be recaptured on the tax return required to be filed for such  
1203 year, (E) the fifth of such years, then twenty per cent of such share  
1204 shall be recaptured on the tax return required to be filed for such year,

1205 and (F) the sixth or subsequent of such years, then ten per cent of such  
1206 share shall be recaptured on the tax return required to be filed for such  
1207 year. The Commissioner of Revenue Services may recapture such share  
1208 from the taxpayer who has claimed such credits. If the commissioner is  
1209 unable to recapture all or part of such share from such taxpayer, the  
1210 commissioner may seek to recapture such share from any taxpayer  
1211 who has assigned credits in an amount at least equal to such share to  
1212 another taxpayer. If the commissioner is unable to recapture all or part  
1213 of such share from any such taxpayer, the commissioner may  
1214 recapture such share from any fund through which the investment was  
1215 made.

1216 (3) If the commissioner has revoked the certificate of eligibility  
1217 issued under subsection (h) of this section, such certificate of eligibility  
1218 shall be reinstated by the commissioner if, upon a request made by the  
1219 taxpayer, fund manager or community development entity who made  
1220 such approved investment, an economic impact study conducted  
1221 pursuant to subsection (r) of this section [shall determine] indicates  
1222 that the sum of all state revenue actually generated by the project in  
1223 which such investment was made is greater than the amount of the  
1224 total sum of tax credits claimed on the date of such analysis, provided  
1225 no such request shall be made pursuant to this subsection during the  
1226 calendar year in which such certificate was revoked. For the purpose of  
1227 determining whether such certificate shall be reinstated, the  
1228 commissioner shall, upon receipt of a request made under this  
1229 subsection, obtain one such economic impact study per calendar year  
1230 and may obtain additional such economic impact studies as the  
1231 commissioner deems appropriate.

1232 (t) Notwithstanding subsections (r) and (s) of this section, for a  
1233 contractually bound community development entity, credit recapture  
1234 for credits allowed by this section shall be governed by the terms of its  
1235 allocation agreement with the community development financial  
1236 institutions fund or, where such agreement is silent, by Section 45D of  
1237 the Internal Revenue Code and the regulations promulgated by the  
1238 United States Treasury pursuant to said [section] Section 45D.

1239 Sec. 9. Section 32-7g of the general statutes is repealed and the  
1240 following is substituted in lieu thereof (*Effective July 1, 2015*):

1241 (a) There is established within the Department of Economic and  
1242 Community Development the Small Business Express program. Said  
1243 program shall provide small businesses with various forms of financial  
1244 assistance, using a streamlined application process to expedite the  
1245 delivery of such assistance. The Commissioner of Economic and  
1246 Community Development, at his or her discretion, may partner with  
1247 the lenders in the Connecticut Credit Consortium, established  
1248 pursuant to section 32-9yy, in order to fulfill the requirements of this  
1249 section. A small business eligible for assistance through said program  
1250 shall [, as of June 15, 2012,] (1) employ [, on at least fifty per cent of its  
1251 working days during the preceding twelve months,] not more than one  
1252 hundred employees, (2) have operations in Connecticut, [(3) have been  
1253 registered to conduct business for not less than twelve months, and (4)]  
1254 and (3) be in good standing with the payment of all state and local  
1255 taxes and with all state agencies.

1256 (b) The Small Business Express program shall consist of various  
1257 components, including (1) a revolving loan fund, as described in  
1258 subsection (d) of this section, to support small business growth, (2) a  
1259 job creation incentive component, as described in subsection (e) of this  
1260 section, to support hiring, and (3) a matching grant component, as  
1261 described in subsection (f) of this section, to provide capital to small  
1262 businesses that can match the state grant amount. Said program shall  
1263 also include a loan fund established in collaboration with private  
1264 sector lenders doing business in Connecticut, as described in  
1265 subsection (g) of this section, to provide small businesses with access  
1266 to capital. The Commissioner of Economic and Community  
1267 Development shall work with eligible small business applicants to  
1268 provide a package of assistance using the financial assistance provided  
1269 by the Small Business Express program and may refer small business  
1270 applicants to the Subsidized Training and Employment program  
1271 established pursuant to section 31-3pp and any other appropriate state  
1272 program. Notwithstanding the provisions of section 32-5a regarding

1273 relocation limits, the department may require, as a condition of  
1274 receiving financial assistance pursuant to this section, that a small  
1275 business receiving such assistance shall not relocate, as defined in  
1276 [said] section 32-5a, for five years after receiving such assistance or  
1277 during the term of the loan, whichever is longer. All other conditions  
1278 and penalties imposed pursuant to [said] section 32-5a shall continue  
1279 to apply to such small business.

1280 (c) The commissioner shall establish a streamlined application  
1281 process for the Small Business Express program. The small business  
1282 applicant may receive assistance pursuant to said program not later  
1283 than thirty days after submitting a completed application to the  
1284 department. Any small business meeting the eligibility criteria in  
1285 subsection (a) of this section may apply to said program. The  
1286 commissioner shall give priority for available funding to small  
1287 businesses creating jobs and may give priority for available funding to  
1288 (1) economic base industries, as defined in subsection (d) of section 32-  
1289 222, including, but not limited to, those in the fields of precision  
1290 manufacturing, business services, green and sustainable technology,  
1291 bioscience and information technology, and (2) businesses attempting  
1292 to export their products or services to foreign markets.

1293 (d) (1) There is established as part of the Small Business Express  
1294 program a revolving loan fund to provide loans to eligible small  
1295 businesses. Such loans shall be used for acquisition or purchase of  
1296 machinery and equipment, construction or leasehold improvements,  
1297 relocation expenses, working capital or other business-related  
1298 expenses, as authorized by the commissioner.

1299 (2) Loans from the revolving loan fund may be in amounts from  
1300 [ten] one thousand dollars to a maximum of one hundred thousand  
1301 dollars, shall carry a maximum repayment rate of four per cent and  
1302 shall be for a term of not more than ten years. The department shall  
1303 review and approve loan terms, conditions and collateral requirements  
1304 in a manner that prioritizes job growth and retention.

1305 (3) Any eligible small business meeting the eligibility criteria in

1306 subsection (a) of this section may apply for assistance from the  
1307 revolving loan fund, but the commissioner shall give priority to  
1308 applicants that, as part of their business plan, are creating new jobs  
1309 that will be maintained for not less than twelve consecutive months.

1310 (e) (1) There is established as part of the Small Business Express  
1311 program a job creation incentive component to provide loans for job  
1312 creation to small businesses meeting the eligibility criteria in  
1313 subsection (a) of this section, with the option of loan forgiveness based  
1314 on the maintenance of an increased number of jobs for not less than  
1315 twelve consecutive months. Such loans may be used for training,  
1316 marketing, working capital or other expenses, as approved by the  
1317 commissioner, that support job creation.

1318 (2) Loans under the job creation incentive component may be in  
1319 amounts from [ten] one thousand dollars to a maximum of three  
1320 hundred thousand dollars, shall carry a maximum repayment rate of  
1321 four per cent and shall be for a term of not more than ten years.  
1322 Payments on such loans may be deferred, and all or part of such loan  
1323 may be forgiven, based upon the commissioner's assessment of the  
1324 small business's attainment of job creation goals. The department shall  
1325 review and approve loan terms, conditions and collateral requirements  
1326 in a manner that prioritizes job creation.

1327 (f) (1) There is established as part of the Small Business Express  
1328 program a matching grant component to provide grants for capital to  
1329 small businesses meeting the eligibility criteria in subsection (a) of this  
1330 section. Such small businesses shall match any state funds awarded  
1331 under this program. Grant funds may be used for ongoing or new  
1332 training, working capital, acquisition or purchase of machinery and  
1333 equipment, construction or leasehold improvements, relocation within  
1334 the state or other business-related expenses authorized by the  
1335 commissioner.

1336 (2) Matching grants provided under the matching grant component  
1337 may be in amounts from [ten] one thousand dollars to a maximum of  
1338 one hundred thousand dollars. The commissioner shall prioritize

1339 applicants for matching grants based upon the likelihood that such  
1340 grants will assist applicants in maintaining job growth.

1341 (3) The commissioner may waive the matching requirement for  
1342 grants under this subsection for working capital to small businesses  
1343 located within distressed municipalities, as defined in section 32-9p.

1344 (g) (1) The commissioner shall allocate not less than seven per cent  
1345 of available funding under the Small Business Express program to  
1346 regional economic development agencies that will review applications  
1347 for financial assistance pursuant to this section and award financial  
1348 assistance packages pursuant to subsections (d), (e) and (f) of this  
1349 section. The commissioner shall provide such regional economic  
1350 development agencies with guidelines for the review of such  
1351 applications and the award of financial assistance packages, which  
1352 shall include a maximum ratio for administrative costs charged by  
1353 such regional agencies to recipients of awards under this subsection.

1354 (2) Not later than April first, annually, each regional economic  
1355 development agency that awards a financial assistance package  
1356 pursuant to this subsection shall report to the commissioner available  
1357 data as described in subsection (j) of this section. The commissioner  
1358 shall incorporate such data into the report described in said subsection.

1359 (h) The commissioner, in collaboration with private sector lenders  
1360 doing business in Connecticut, shall establish as part of the Small  
1361 Business Express program a loan fund to provide small businesses in  
1362 the state with access to capital. Such capital shall be used for  
1363 acquisition or purchase of machinery and equipment, construction or  
1364 leasehold improvements, relocation expenses, working capital or other  
1365 business-related expenses, as authorized by the commissioner. Such  
1366 loan fund shall be administered by the Department of Economic and  
1367 Community Development. The commissioner may allocate not more  
1368 than ten per cent of available funding under the Small Business  
1369 Express program to such loan fund.

1370 [(g)] (i) Not later than June 30, 2012, and every six months

1371 thereafter, the commissioner shall provide a report, in accordance with  
1372 the provisions of section 11-4a, to the joint standing committees of the  
1373 General Assembly having cognizance of matters relating to finance,  
1374 revenue and bonding, appropriations, commerce and labor. Such  
1375 report shall include available data on (1) the number of small  
1376 businesses that applied to the Small Business Express program, (2) the  
1377 number of small businesses that received assistance under said  
1378 program and the general categories of such businesses, (3) the amounts  
1379 and types of assistance provided, (4) the total number of jobs on the  
1380 date of application and the number proposed to be created or retained,  
1381 and (5) the most recent employment figures of the small businesses  
1382 receiving assistance. The contents of such report shall also be included  
1383 in the department's annual report.

1384       Sec. 10. Section 32-9n of the general statutes is repealed and the  
1385 following is substituted in lieu thereof (*Effective October 1, 2015*):

1386       (a) There is established within the Department of Economic and  
1387 Community Development an Office of Small Business Affairs. Such  
1388 office shall aid and encourage small business enterprises, particularly  
1389 those owned and operated by minorities and other socially or  
1390 economically disadvantaged individuals in Connecticut. As used in  
1391 this section, "minority" means: (1) Black Americans, including all  
1392 persons having origins in any of the Black African racial groups not of  
1393 Hispanic origin; (2) Hispanic Americans, including all persons of  
1394 Mexican, Puerto Rican, Cuban, Central or South American, or other  
1395 Spanish culture or origin, regardless of race; (3) all persons having  
1396 origins in the Iberian Peninsula, including Portugal, regardless of race;  
1397 (4) women; (5) Asian Pacific Americans and Pacific islanders; or (6)  
1398 American Indians and persons having origins in any of the original  
1399 peoples of North America and maintaining identifiable tribal  
1400 affiliations through membership and participation or community  
1401 identification.

1402       (b) Said Office of Small Business Affairs shall: (1) Administer at least  
1403 one regional office of the small business development center program

1404 within the Department of Economic and Community Development; (2)  
1405 coordinate, with the director of the small business development center  
1406 program, the flow of information within the technical and  
1407 management assistance program within the Department of Economic  
1408 and Community Development; (3) encourage Connecticut Innovations,  
1409 Incorporated to grant loans to small businesses, particularly those  
1410 owned and operated by minorities and other socially or economically  
1411 disadvantaged individuals; (4) coordinate and serve as a liaison  
1412 between all federal, state, regional and municipal agencies and  
1413 programs affecting small business affairs; (5) administer any business  
1414 management training program established under section 32-352 or  
1415 section 32-355 as the Commissioner of Economic and Community  
1416 Development may determine; (6) provide a single point of contact for  
1417 small businesses seeking financial and technical assistance from the  
1418 state and quasi-public agencies; (7) coordinate all state funded  
1419 revolving loan funds used to assist small businesses; (8) provide  
1420 procedural information to small businesses seeking to bid on contracts  
1421 offered by state agencies and municipalities; and ~~[(8)]~~ (9) establish, in  
1422 cooperation with the Commissioner of Economic and Community  
1423 Development, and within available appropriations, an informational  
1424 web page with a list and links to all small business resources available  
1425 and post them in a conspicuous place on the department's web site.  
1426 The office shall update this information on its web site on at least a  
1427 quarterly basis.

1428 (c) On or after February 1, 2011, and annually thereafter, the Office  
1429 of Small Business Affairs shall compile (1) a description of its efforts  
1430 pursuant to subsection (b) of this section, including, but not limited to,  
1431 data on the type and number of businesses seeking assistance from  
1432 said office, and (2) a summary of [all small business activities and]  
1433 programs available to small businesses, and incorporate such  
1434 summary into the report required pursuant to section 32-1m.

1435 Sec. 11. (NEW) (*Effective October 1, 2015*) Prior to the adoption of any  
1436 proposed regulation pertaining to activities for which the federal  
1437 government has adopted standards or procedures, and whenever such

1438 proposed regulation deviates from such standards or procedures, an  
1439 agency, as defined in section 4-166 of the general statutes, shall prepare  
1440 a federal deviation analysis that shall: (1) Identify each provision of  
1441 such proposed regulation that deviates from such standards or  
1442 procedures, and (2) explain, in plain language, the reason for each such  
1443 deviation. Such federal deviation analysis shall be: (A) Included in the  
1444 regulation-making record required under section 4-168b of the general  
1445 statutes, as amended by this act, (B) publicly available at the time of  
1446 the notice concerning the regulation required under section 4-168 of  
1447 the general statutes, as amended by this act, and (C) included in the  
1448 submission of the regulation to the standing legislative regulation  
1449 review committee pursuant to subsection (b) of section 4-170 of the  
1450 general statutes, as amended by this act.

1451 Sec. 12. Subsection (a) of section 4-168 of the general statutes is  
1452 repealed and the following is substituted in lieu thereof (*Effective*  
1453 *October 1, 2015*):

1454 (a) Except as provided in subsections (g) and (h) of this section, an  
1455 agency, not less than thirty days prior to adopting a proposed  
1456 regulation, shall (1) post a notice of its intended action on the  
1457 eRegulations System, which notice shall include (A) a specified public  
1458 comment period of not less than thirty days, (B) a description  
1459 sufficiently detailed so as to apprise persons likely to be affected of the  
1460 issues and subjects involved in the proposed regulation, (C) a  
1461 statement of the purposes for which the regulation is proposed, (D) a  
1462 reference to the statutory authority for the proposed regulation, (E)  
1463 when, where and how interested persons may obtain a copy of the  
1464 small business impact and regulatory flexibility analysis required  
1465 pursuant to section 4-168a and a copy of the federal deviation analysis  
1466 required pursuant to section 11 of this act, if applicable, and (F) when,  
1467 where and how interested persons may present their views on the  
1468 proposed regulation; (2) post a copy of the proposed regulation on the  
1469 eRegulations System; (3) give notice electronically to each joint  
1470 standing committee of the General Assembly having cognizance of the  
1471 subject matter of the proposed regulation; (4) give notice electronically

1472 or provide a paper copy notice, if requested, to all persons who have  
1473 made requests to the agency for advance notice of its regulation-  
1474 making proceedings; (5) provide a paper copy or electronic version of  
1475 the proposed regulation to persons requesting it; and (6) prepare a  
1476 fiscal note, including an estimate of the cost or of the revenue impact  
1477 (A) on the state or any municipality of the state, and (B) on small  
1478 businesses in the state, including an estimate of the number of small  
1479 businesses subject to the proposed regulation and the projected costs,  
1480 including but not limited to, reporting, recordkeeping and  
1481 administrative, associated with compliance with the proposed  
1482 regulation and, if applicable, the regulatory flexibility analysis  
1483 prepared under section 4-168a. The governing body of any  
1484 municipality, if requested, shall provide the agency, within twenty  
1485 working days, with any information that may be necessary for analysis  
1486 in preparation of such fiscal note.

1487 Sec. 13. Subsection (b) of section 4-168b of the general statutes is  
1488 repealed and the following is substituted in lieu thereof (*Effective*  
1489 *October 1, 2015*):

1490 (b) The regulation-making record shall contain at least: (1) The  
1491 agency's notice of intent to adopt regulations; (2) any written analysis  
1492 prepared for the proceeding upon which the regulation is based,  
1493 including the regulatory flexibility analysis required pursuant to  
1494 section 4-168a and the federal deviation analysis required pursuant to  
1495 section 11 of this act, if applicable; (3) all comments submitted on the  
1496 proposed regulation; (4) the official transcript, if any, of proceedings  
1497 upon which the regulation is based or, if not transcribed, any audio  
1498 recording or stenographic record of such proceedings, and any  
1499 memoranda prepared by any member or employee of the agency  
1500 summarizing the contents of the proceedings; (5) all official documents  
1501 relating to the regulation, including the regulation submitted to the  
1502 office of the Secretary of the State in accordance with section 4-172, a  
1503 statement of the principal considerations in opposition to the agency's  
1504 action, and the agency's reasons for rejecting such considerations, as  
1505 required pursuant to section 4-168, as amended by this act, and the

1506 fiscal note prepared pursuant to subsection (a) of section 4-168, as  
1507 amended by this act, and section 4-170, as amended by this act; (6) any  
1508 petition for the regulation filed pursuant to section 4-174; and (7) all  
1509 comments or communications between the agency and the legislative  
1510 regulation review committee. No audio recording of a hearing held  
1511 pursuant to section 4-168, as amended by this act, shall be posted on  
1512 the eRegulations System unless the Secretary of the State confirms that  
1513 such posting will not constitute a violation of any state or federal law  
1514 regarding accessibility for persons with disabilities. Any audio  
1515 recording of a hearing held pursuant to section 4-168, as amended by  
1516 this act, that is not posted on the eRegulations System shall be  
1517 maintained by the agency and made available to the public upon  
1518 request. If an agency determines that any part of the regulation-  
1519 making record is impractical to display or is inappropriate for public  
1520 display on the eRegulations System, the agency shall describe the part  
1521 omitted in a statement posted on the eRegulations System and shall  
1522 maintain a copy of the omitted material readily available for public  
1523 inspection at the principal office of the agency.

1524 Sec. 14. Subsection (b) of section 4-170 of the general statutes is  
1525 repealed and the following is substituted in lieu thereof (*Effective*  
1526 *October 1, 2015*):

1527 (b) (1) No adoption, amendment or repeal of any regulation, except  
1528 a regulation issued pursuant to subsection (g) of section 4-168, shall be  
1529 effective until (A) an electronic copy of (i) the proposed regulation  
1530 approved by the Attorney General, as provided in section 4-169, [and  
1531 an electronic copy of] (ii) the regulatory flexibility analysis, as  
1532 provided in section 4-168a, and (iii) the federal deviation analysis, as  
1533 provided in section 11 of this act, if applicable, are submitted to the  
1534 standing legislative regulation review committee in a manner  
1535 designated by the committee, by the agency proposing the regulation,  
1536 (B) the regulation is approved by the committee, at a regular meeting  
1537 or a special meeting called for the purpose, and (C) a certified  
1538 electronic copy of the regulation is submitted to the office of the  
1539 Secretary of the State by the agency, as provided in section 4-172, and

1540 the regulation is posted on the eRegulations System by the Secretary.  
1541 (2) The date of submission for purposes of subsection (c) of this section  
1542 shall be the first Tuesday of each month. Any regulation received by  
1543 the committee on or before the first Tuesday of a month shall be  
1544 deemed to have been submitted on the first Tuesday of that month.  
1545 Any regulation submitted after the first Tuesday of a month shall be  
1546 deemed to be submitted on the first Tuesday of the next succeeding  
1547 month. (3) The form of proposed regulations which are submitted to  
1548 the committee shall be as follows: New language added to an existing  
1549 regulation shall be underlined; language to be deleted shall be  
1550 enclosed in brackets and a new regulation or new section of a  
1551 regulation shall be preceded by the word "(NEW)" in capital letters.  
1552 Each proposed regulation shall have a statement of its purpose  
1553 following the final section of the regulation. (4) The committee may  
1554 permit any proposed regulation, including, but not limited to, a  
1555 proposed regulation which by reference incorporates in whole or in  
1556 part, any other code, rule, regulation, standard or specification, to be  
1557 submitted in summary form together with a statement of purpose for  
1558 the proposed regulation. On and after October 1, 1994, if the committee  
1559 finds that a federal statute requires, as a condition of the state  
1560 exercising regulatory authority, that a Connecticut regulation at all  
1561 times must be identical to a federal statute or regulation, then the  
1562 committee may approve a Connecticut regulation that by reference  
1563 specifically incorporates future amendments to such federal statute or  
1564 regulation provided the agency that proposed the Connecticut  
1565 regulation shall submit for approval amendments to such Connecticut  
1566 regulations to the committee not later than thirty days after the  
1567 effective date of such amendment, and provided further the committee  
1568 may hold a public hearing on such Connecticut amendments. (5) The  
1569 agency shall also provide the committee with a copy of the fiscal note  
1570 prepared pursuant to subsection (a) of section 4-168, as amended by  
1571 this act. At the time of submission to the committee, the agency shall  
1572 submit an electronic copy of the proposed regulation and the fiscal  
1573 note to (A) the Office of Fiscal Analysis which, not later than seven  
1574 days after receipt, shall submit an analysis of the fiscal note to the

1575 committee; and (B) each joint standing committee of the General  
 1576 Assembly having cognizance of the subject matter of the proposed  
 1577 regulation. No regulation shall be found invalid due to the failure of an  
 1578 agency to submit an electronic copy of the proposed regulation and the  
 1579 fiscal note to each committee of cognizance, provided such regulation  
 1580 and fiscal note have been electronically submitted to one such  
 1581 committee.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015, and applicable to income years commencing on or after January 1, 2017</i>	New section
Sec. 2	<i>July 1, 2015</i>	New section
Sec. 3	<i>July 1, 2015</i>	16-244r
Sec. 4	<i>July 1, 2015</i>	16-244s
Sec. 5	<i>July 1, 2015, and applicable to taxable years commencing on or after January 1, 2017</i>	12-704d
Sec. 6	<i>July 1, 2015, and applicable to taxable years commencing on or after January 1, 2017</i>	12-217v
Sec. 7	<i>July 1, 2015, and applicable to taxable years commencing on or after January 1, 2017</i>	12-217w
Sec. 8	<i>July 1, 2015, and applicable to taxable years commencing on or after January 1, 2017</i>	32-9t
Sec. 9	<i>July 1, 2015</i>	32-7g
Sec. 10	<i>October 1, 2015</i>	32-9n
Sec. 11	<i>October 1, 2015</i>	New section
Sec. 12	<i>October 1, 2015</i>	4-168(a)
Sec. 13	<i>October 1, 2015</i>	4-168b(b)
Sec. 14	<i>October 1, 2015</i>	4-170(b)