



General Assembly

Amendment

January Session, 2015

LCO No. 9434



Offered by:

REP. BERGER, 73rd Dist.
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To: Subst. House Bill No. 7055

File No. 843

Cal. No. 576

"AN ACT CONCERNING CONNECTICUT FIRST."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2015, and applicable to income years*
4 *commencing on or after January 1, 2018*) (a) As used in this section, the
5 following terms shall have the following meanings unless the context
6 clearly indicates another meaning:

7 (1) "Brownfield" has the same meaning as provided in section 32-760
8 of the general statutes;

9 (2) "Brownfield remediation plan" means any written narrative or
10 plan for the substantial remediation of a brownfield, including, but not
11 limited to, the investigation and remediation of any release or
12 threatened release of pollution to soil or groundwater at the

13 brownfield or the abatement of hazardous building materials, that is
14 submitted to and approved by the commissioner, in consultation with
15 the Commissioner of Energy and Environmental Protection;

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

18 (4) "Completion of the brownfield remediation" means the
19 documentation by an owner of the completion of a brownfield
20 remediation plan to the satisfactions of the commissioner, including,
21 but not limited to, the filing of either a verification or interim
22 verification that meets the requirements of section 22a-133x, 22a-133y
23 or 22a-134 of the general statutes, or the written determination by the
24 Commissioner of Energy and Environmental Protection that (A) the
25 investigation of the brownfield has been performed in accordance with
26 prevailing standards and guidelines, (B) the remediation has been
27 completed in accordance with the remediation standards, except that,
28 for remediation standards for groundwater, the selected remedy is in
29 operation but has not achieved the remediation standards for
30 groundwater, (C) there is an identified long-term remedy being
31 implemented to achieve groundwater standards, along with an
32 estimated duration for such remedy, and established ongoing
33 operation and maintenance requirements for continued operation of
34 such remedy, and (D) there are not current exposure pathways to the
35 groundwater area that have not yet met the remediation standards;

36 (5) "Department" means the Department of Economic and
37 Community Development;

38 (6) "Owner" means any person, firm, limited liability company,
39 nonprofit or for-profit corporation or other business entity or
40 municipality that (A) holds title to a brownfield and undertakes a
41 brownfield remediation plan, and (B) did not establish, create or
42 maintain a source of pollution to the waters of the state for purposes of
43 section 22a-432 and is not responsible pursuant to any other provision
44 of the general statutes for any pollution or source of pollution on such

45 brownfield;

46 (7) "Qualified expenditures" means the expenditures associated with
47 the investigation, assessment and remediation of a brownfield,
48 including, but not limited to: (A) Soil, groundwater and infrastructure
49 investigation, (B) assessment, (C) remediation of soil, sediments,
50 groundwater or surface water, (D) abatement, (E) hazardous materials
51 or waste removal and disposal, (F) long-term groundwater or natural
52 attenuation monitoring, (G) (i) environmental land use restrictions, (ii)
53 activity and use limitations, or (iii) other forms of institutional control,
54 (H) reasonable attorneys' fees, (I) planning, engineering and
55 environmental consulting, and (J) remedial activity to address building
56 and structural issues, including, but not limited to, demolition,
57 asbestos abatement, polychlorinated biphenyls removal, contaminated
58 wood or paint removal and other infrastructure remedial activities.
59 "Qualified expenditures" do not include expenditures funded for such
60 investigation, assessment, remediation and development directly
61 through other state brownfield programs administered by the
62 commissioner.

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

66 (2) The credit authorized by this section shall be available in the tax
67 year in which the completion of the brownfield remediation takes
68 place. In the case of a brownfield remediation plan that is completed in
69 phases, the tax credit shall be prorated to the identifiable portion of the
70 completed brownfield remediation. If the tax credit is more than the
71 amount owed by the taxpayer for the year in which the completion of
72 the brownfield remediation takes place, the amount that is more than
73 the taxpayer's tax liability may be carried forward and credited against
74 the taxes imposed for the succeeding five years or until the full credit
75 is used, whichever occurs first.

76 (3) In the case of a brownfield remediation plan that is completed in

77 phases, the department may issue vouchers for the identifiable portion
78 of the completed brownfield remediation.

79 (4) If a credit is allowed under this section for the remediation of a
80 brownfield with multiple owners, such credit shall be passed through
81 to such owners, or persons designated as partners or members of such
82 owners, pro rata or pursuant to an agreement among such owners, or
83 persons designated as partners or members of such owners,
84 documenting an alternative distribution method without regard to
85 other tax or economic attributes of such owners.

86 (5) Any owner entitled to a credit under this section may sell, assign
87 or otherwise transfer such credit, in whole or in part, to one or more
88 persons, as defined in section 12-1 of the general statutes, provided
89 any credit, after issuance, may be sold, assigned or otherwise
90 transferred, in whole or in part, not more than three times. Such
91 transferee shall be entitled to offset the tax imposed under chapter 207,
92 208, 209, 210, 211 or 212 of the general statutes as if such transferee had
93 incurred the qualified expenditure.

94 (6) If a credit under this section is sold, assigned or otherwise
95 transferred, whether by the owner or any subsequent transferee, the
96 transferor and transferee shall jointly submit written notification of
97 such transfer to the department not later than thirty days after such
98 transfer. The notification after each transfer shall include the credit
99 voucher number, the date of the transfer, the amount of the credit
100 transferred, the tax credit balance before and after the transfer, the tax
101 identification numbers for both the transferor and the transferee and
102 any other information required by the Commissioner of Revenue
103 Services. Failure to comply with this subsection shall result in a
104 disallowance of the tax credit until there is full compliance on the part
105 of the transferor and the transferee, and for a second or third transfer,
106 on the part of all subsequent transferors and transferees.

107 (7) The department shall provide a list to the Commissioner of
108 Revenue Services, on an annual basis, detailing the credits that have

109 been approved for the most recent fiscal year and all sales,
110 assignments and transfers thereof that were made under this section
111 for said fiscal year.

112 (c) For the purpose of seeking a tax credit voucher pursuant to
113 subsection (b) of this section, prior to beginning any brownfield
114 remediation, the owner shall submit to the commissioner a tax credit
115 application on forms provided by the commissioner and with such
116 information the commissioner deems necessary, including, but not
117 limited to: (1) A brownfield remediation plan; (2) a description of the
118 proposed brownfield remediation and redevelopment project; (3) an
119 explanation of the expected benefits of the proposed project; (4)
120 information concerning the financial and technical capacity of the
121 applicant to undertake the proposed project; (5) an estimate of the
122 qualified expenditures; and (6) if the owner plans to undertake the
123 brownfield remediation in phases, a complete description of each such
124 phase, with anticipated schedules for the completion of brownfield
125 remediation and an estimate of the qualified expenditures in each
126 phase. The commissioner may charge any owner seeking a tax credit
127 voucher pursuant to this subsection an application fee in an amount
128 not to exceed five thousand dollars to cover the cost of administering
129 the program established pursuant to this section. If an application is
130 not approved in one fiscal year but is resubmitted in a subsequent
131 fiscal year, the commissioner may waive the application fee for the
132 resubmitted application.

133 (d) The commissioner may approve, reject or modify any
134 application properly submitted in accordance with the provisions of
135 this section. In reviewing an application and determining whether to
136 issue tax credit vouchers, the commissioner shall consider the
137 following criteria: (1) The availability of tax credits for the applicable
138 fiscal year; (2) the estimated eligible costs; (3) the relative economic
139 condition of the municipality in which the brownfield is located; (4)
140 the degree to which a tax credit under this section is necessary to
141 induce the applicant to undertake the project; (5) the public health and

142 environmental benefits of the project; (6) the relative benefits of the
143 project to the municipality, the region and the state, including, but not
144 limited to, the extent to which the project will likely result in a
145 contribution to the municipality's tax base, the retention and creation
146 of jobs and the reduction of blight; (7) the time frame in which the
147 contamination occurred; (8) the length of time the brownfield has been
148 abandoned; and (9) such other criteria as the commissioner may
149 establish consistent with the purposes of this section.

150 (e) The commissioner shall issue tax credit vouchers on a
151 competitive basis, based on a request for applications occurring
152 semiannually in April and October. The commissioner may increase
153 the frequency of requests for applications and awards depending on
154 the number of applicants and the availability of tax credits for the
155 applicable fiscal year.

156 (f) If the commissioner approves an application for a tax credit
157 voucher, the department shall reserve for the benefit of the owner an
158 allocation for a tax credit equivalent to the lesser of (1) twenty-five per
159 cent of the projected qualified expenditures, or (2) two million dollars.

160 (g) Following the completion of the brownfield remediation plan in
161 its entirety or in phases to an identifiable portion of the brownfield,
162 any owner who seeks a tax credit voucher pursuant to subsection (b) of
163 this section shall notify the commissioner that such completion of the
164 brownfield remediation has occurred. Such owner shall provide the
165 department with documentation of the remediation performed on the
166 brownfield, evidence of the completion of the brownfield remediation
167 and certification by a licensed environmental professional of the
168 qualified expenditures incurred as part of the completion of the
169 brownfield remediation plan. The commissioner, in consultation with
170 the Commissioner of Energy and Environmental Protection, shall
171 review such remediation and verify its compliance with the brownfield
172 remediation plan. Following such verification, the department shall
173 issue a tax credit voucher to such owner in an amount equivalent to
174 the amount of the qualified expenditure, provided such amount does

175 not exceed the amount reserved under subsection (f) of this section. In
176 order to obtain a credit against any state tax due that is specified in
177 subsection (h) of this section, the holder of the tax credit voucher shall
178 file the voucher with the holder's state tax return.

179 (h) The Commissioner of Revenue Services shall grant a tax credit to
180 a taxpayer holding the tax credit voucher issued in accordance with
181 subsections (b) to (g), inclusive, of this section against any tax due
182 under chapter 207, 208, 209, 210, 211 or 212 of the general statutes in
183 the amount specified in the tax credit voucher. Such taxpayer shall
184 submit the voucher and the corresponding tax return to the
185 Department of Revenue Services.

186 (i) The aggregate amount of all tax credit vouchers that may be
187 reserved by the department upon approval of tax credit applications
188 pursuant to subsections (b) to (h), inclusive, of this section shall not
189 exceed ten million dollars annually for the fiscal years commencing
190 July 1, 2018, and July 1, 2019. No project may receive tax credits in an
191 amount exceeding two million dollars.

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

195 (k) Not later than October 1, 2019, and annually thereafter, the
196 department shall report, in accordance with section 11-4a of the
197 general statutes, the total amount of tax credit vouchers reserved for
198 the prior fiscal year pursuant to subsections (b) to (j), inclusive, of this
199 section, to the joint standing committees of the General Assembly
200 having cognizance of matters relating to commerce and finance,
201 revenue and bonding. Each such report shall include the following
202 information for each project for which a tax credit voucher has been
203 reserved: (1) The total project costs, and (2) the value of the tax credit
204 vouchers reserved pursuant to subsection (f) of this section.

205 Sec. 2. (*Effective July 1, 2015*) (a) For the purposes described in

206 subsection (b) of this section, the State Bond Commission shall have
207 the power from time to time to authorize the issuance of bonds of the
208 state in one or more series and in principal amounts not exceeding in
209 the aggregate twenty million dollars, provided ten million dollars shall
210 be effective July 1, 2016.

211 (b) The proceeds of the sale of such bonds, to the extent of the
212 amount stated in subsection (a) of this section, shall be used by the
213 Department of Economic and Community Development for the
214 purpose of funding the remedial action and redevelopment municipal
215 grant program established in section 32-763 of the general statutes, and
216 the targeted brownfield development loan program established in
217 section 32-765 of the general statutes.

218 (c) All provisions of section 3-20 of the general statutes, or the
219 exercise of any right or power granted thereby, that are not
220 inconsistent with the provisions of this section are hereby adopted and
221 shall apply to all bonds authorized by the State Bond Commission
222 pursuant to this section. Temporary notes in anticipation of the money
223 to be derived from the sale of any such bonds so authorized may be
224 issued in accordance with section 3-20 of the general statutes and from
225 time to time renewed. Such bonds shall mature at such time or times
226 not exceeding twenty years from their respective dates as may be
227 provided in or pursuant to the resolution or resolutions of the State
228 Bond Commission authorizing such bonds. None of such bonds shall
229 be authorized except upon a finding by the State Bond Commission
230 that there has been filed with it a request for such authorization that is
231 signed by or on behalf of the Secretary of the Office of Policy and
232 Management and states such terms and conditions as said commission,
233 in its discretion, may require. Such bonds issued pursuant to this
234 section shall be general obligations of the state and the full faith and
235 credit of the state of Connecticut are pledged for the payment of the
236 principal of and interest on such bonds as the same become due, and
237 accordingly and as part of the contract of the state with the holders of
238 such bonds, appropriation of all amounts necessary for punctual

239 payment of such principal and interest is hereby made, and the State
240 Treasurer shall pay such principal and interest as the same become
241 due.

242 Sec. 3. Section 16-244r of the general statutes is repealed and the
243 following is substituted in lieu thereof (*Effective July 1, 2016*):

244 (a) Commencing on January 1, 2012, and within the period
245 established in subsection (a) of section 16-244s, as amended by this act,
246 each electric distribution company shall solicit and file with the Public
247 Utilities Regulatory Authority for its approval one or more long-term
248 contracts with owners or developers of Class I generation projects that
249 emit no pollutants and that are less than one thousand kilowatts in
250 size, [located on the customer side of the revenue meter and] that serve
251 the distribution system of the electric distribution company and are
252 located on either (1) the customer side of the revenue meter, or (2) on
253 or after July 1, 2016, a brownfield, as defined in section 32-760, or a
254 solid waste disposal area, as defined in section 22a-260, provided (A)
255 such brownfield has been remediated or such solid waste disposal area
256 has been closed in accordance with applicable law and regulations and
257 the standards of the Department of Energy and Environmental
258 Protection, or (B) with respect to a brownfield, the Commissioner of
259 Energy and Environmental Protection has approved, for inclusion in
260 any procurement process authorized by this section, such Class I
261 generation project proposed to be located on a brownfield where
262 remediation is not yet completed pursuant to subparagraph (A) of this
263 subdivision, and a licensed environmental professional certifies that (i)
264 the brownfield is suitable for the installation of such Class I generation
265 project, and (ii) such project is consistent with the remedial action plan
266 for the brownfield and will not impede the remediation of such
267 brownfield, or (C) with respect to a solid waste disposal area, the
268 Commissioner of Energy and Environmental Protection has approved,
269 for inclusion in any procurement process authorized by this section,
270 such Class I generation project proposed to be located on a solid waste
271 disposal area where closure of such solid waste disposal area is not yet

272 completed pursuant to subparagraph (A) of this subdivision, and a
273 professional engineer licensed by the state certifies that (i) such solid
274 waste disposal area is suitable for the installation of such Class I
275 generation project, and (ii) such project is consistent with the closure
276 plan for such solid waste disposal area and will not impede the closure
277 of such solid waste disposal area. The authority may give a preference
278 to contracts for technologies manufactured, researched or developed in
279 the state.

280 (b) Solicitations conducted by the electric distribution company
281 shall be for the purchase of renewable energy credits produced by
282 eligible [customer-sited generating] generation projects over the
283 duration of the long-term contract. For the purposes of this section, a
284 long-term contract is a contract for fifteen years.

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

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

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

301 (B) If the authority determines such costs have not been reduced,
302 the aggregate procurement of renewable energy credits by electric

303 distribution companies pursuant to this subdivision shall (i) be thirty-
304 two million dollars in years five to thirteen, inclusive, and (ii) decline
305 by eight million dollars per year in years fourteen to nineteen,
306 inclusive, provided any money not allocated in any given year may
307 roll into the next year's available funds.

308 (3) The production of a megawatt hour of electricity from a Class I
309 renewable energy source first placed in service on or after July 1, 2011,
310 shall create one renewable energy credit. A renewable energy credit
311 shall have an effective life covering the year in which the credit was
312 created and the following calendar year. The obligation to purchase
313 renewable energy credits shall be apportioned to electric distribution
314 companies based on their respective distribution system loads at the
315 commencement of the procurement period, as determined by the
316 authority. For contracts entered into in calendar year 2012, an electric
317 distribution company shall not be required to enter into a contract that
318 provides a payment of more than three hundred fifty dollars [.] per
319 renewable energy credit in any year over the term of the contract. For
320 contracts entered into in calendar years 2013 to 2017, inclusive, at least
321 ninety days before each annual electric distribution company
322 solicitation, the Public Utilities Regulatory Authority may lower the
323 renewable energy credit price cap specified in this subsection by three
324 to seven per cent annually, during each of the six years of the program
325 over the term of the contract. In the course of lowering such price cap
326 applicable to each annual solicitation, the authority shall, after notice
327 and opportunity for public comment, consider such factors as the
328 actual bid results from the most recent electric distribution company
329 solicitation and reasonably foreseeable reductions in the cost of eligible
330 technologies.

331 (d) Notwithstanding subdivision (1) of subsection (h) of section 16-
332 244c, an electric distribution company may retire the renewable energy
333 credits it procures through long-term contracting to satisfy its
334 obligation pursuant to section 16-245a.

335 (e) Nothing in this section shall preclude the resale or other

336 disposition of energy or associated renewable energy credits
337 purchased by the electric distribution company, provided the
338 distribution company shall net the cost of payments made to projects
339 under the long-term contracts against the proceeds of the sale of
340 energy or renewable energy credits and the difference shall be credited
341 or charged to distribution customers through a reconciling component
342 of electric rates as determined by the authority that is nonbypassable
343 when switching electric suppliers.

344 Sec. 4. Section 16-244s of the general statutes is repealed and the
345 following is substituted in lieu thereof (*Effective July 1, 2016*):

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

357 (b) The electric distribution company's approved solicitation plan
358 shall be designed to foster a diversity of project sizes and participation
359 among all eligible customer classes subject to cost-effectiveness
360 considerations. Separate procurement processes shall be conducted for
361 (1) systems up to one hundred kilowatts; (2) systems greater than one
362 hundred kilowatts but less than two hundred fifty kilowatts; and (3)
363 systems between two hundred fifty and one thousand kilowatts. The
364 Public Utilities Regulatory Authority shall give preference to
365 competitive bidding for resources of more than one hundred kilowatts,
366 with bids ranked in order on the basis of lowest net present value of
367 required renewable energy credit price, unless the authority
368 determines that an alternative methodology is in the best interests of

369 the electric distribution company's customers and the development of
370 a competitive and self-sustaining market. Systems up to one hundred
371 kilowatts in size shall be eligible to receive, on an ongoing and
372 continuous basis, a renewable energy credit offer price equivalent to
373 the weighted average accepted bid price in the most recent solicitation
374 for systems greater than one hundred kilowatts but less than two
375 hundred fifty kilowatts, plus an additional incentive of ten per cent.
376 On and after July 1, 2016, systems up to seven hundred fifty kilowatts
377 in size located on a brownfield, as defined in section 32-760, or a solid
378 waste disposal area, as defined in section 22a-260, provided such
379 brownfield or solid waste disposal area has been remediated in
380 accordance with applicable law and regulations and the standards of
381 remediation of the Department of Energy and Environmental
382 Protection, shall receive a bid preference of ten per cent for the
383 purpose of competitive bid evaluation by the electric distribution
384 company, with such bids being evaluated as if they were ten per cent
385 lower than other submitted bids.

386 (c) Each electric distribution company shall execute its approved
387 six-year solicitation plan and submit to the Public Utilities Regulatory
388 Authority for review and approval of its preferred procurement plan
389 comprised of any proposed contract or contracts with independent
390 developers. If an electric distribution company's solicitation does not
391 result in proposed contracts totaling the annual expenditure pursuant
392 to subsection (a) of section 16-244r, as amended by this act, and the
393 Public Utilities Regulatory Authority has reduced the cap price by
394 more than three per cent pursuant to subsection (c) of section 16-244r,
395 as amended by this act, the authority shall, within ninety days, issue a
396 request for proposals for additional contracts. The authority shall
397 approve contract proposals submitted in response to such request on a
398 least-cost basis, provided an electric distribution company shall not be
399 required to enter into a contract that provides for a payment in any
400 year of the contract that exceeds the renewable energy price cap for the
401 prior year by less than three per cent.

402 (d) The Public Utilities Regulatory Authority shall hold a hearing
403 that shall be conducted as an uncontested case, in accordance with the
404 provisions of chapter 54, to approve, reject or modify an application
405 for approval of the electric distribution company's procurement plan.
406 The authority shall only approve such [proposed] procurement plan if
407 the authority finds that (1) the solicitation and evaluation conducted
408 by the electric distribution company was the result of a fair, open,
409 competitive and transparent process; (2) approval of the procurement
410 plan would result in the greatest expected ratepayer value from energy
411 from Class I or renewable energy credits at the lowest reasonable cost;
412 and (3) such procurement plan satisfies other criteria established in the
413 approved solicitation plan. The authority shall not approve any
414 proposal made under such plan unless it determines that the plan and
415 proposals encompass all foreseeable sources of revenue or benefits and
416 that such proposals, together with such revenue or benefits, would
417 result in the greatest expected ratepayer value from energy
418 technologies that emit no pollutants or renewable energy credits. The
419 authority may, in its discretion, retain the services of an independent
420 consultant with expertise in the area of energy procurement to assist in
421 such determination. The independent consultant shall be unaffiliated
422 with the electric distribution company or its affiliates and shall not,
423 directly or indirectly, have benefited from employment or contracts
424 with the electric distribution company or its affiliates in the preceding
425 five years, except as an independent consultant. The electric
426 distribution company shall provide the independent consultant
427 immediate and continuing access to all documents and data reviewed,
428 used or produced by the electric distribution company in its bid
429 solicitation and evaluation process. The electric distribution company
430 shall make all of its personnel, agents and contractors used in the bid
431 solicitation and evaluation available for interview by the consultant.
432 The electric distribution company shall conduct any additional
433 modeling requested by the independent consultant to test the
434 assumptions and results of the bid evaluation process. The
435 independent consultant shall not participate in or advise the electric
436 distribution company with respect to any decisions in the bid

437 solicitation or bid evaluation process. The authority's administrative
438 costs in reviewing the electric distribution company's procurement
439 plan and the costs of the consultant shall be recovered through a
440 reconciling component of electric rates as determined by the authority.

441 (e) The electric distribution company shall be entitled to recover its
442 reasonable costs and fees prudently incurred [of] in complying with its
443 approved procurement plan through a reconciling component of
444 electric rates as determined by the authority. Nothing in this section
445 shall preclude the resale or other disposition of energy or associated
446 renewable energy credits purchased by the electric distribution
447 company, provided the distribution company shall net the cost of
448 payments made to projects under the long-term contracts against the
449 proceeds of the sale of energy or renewable energy credits and the
450 difference shall be credited or charged to distribution customers
451 through a reconciling component of electric rates as determined by the
452 authority that is nonbypassable when switching electric suppliers.

453 (f) Failure by the electric distribution company to execute its
454 approved solicitation plan shall result in the assessment of a
455 noncompliance fee. Unless, upon petition by the electric distribution
456 company, the authority grants the distribution company an extension
457 not to exceed ninety days to correct this deficiency, the electric
458 distribution company shall be assessed a noncompliance fee equal to
459 one hundred twenty-five per cent of the difference between the annual
460 distribution company expenditures required pursuant to subsection (c)
461 of section 16-244r, as amended by this act, and the contractually
462 committed expenditure for renewable energy credits from eligible zero
463 emissions customer-sited generating projects in that year. The
464 noncompliance fees associated with the procurement shortfall shall be
465 collected by the distribution company, maintained in a separate
466 interest-bearing account and disbursed to the department on a
467 quarterly basis. Funds collected by the authority pursuant to this
468 section shall be used to support the deployment of Class I zero
469 emissions generating systems installed in the state with priority given

470 to otherwise underserved market segments, including, but not limited
471 to, low-income housing, schools and other public buildings and
472 nonprofits. The authority may waive a noncompliance fee assessed
473 pursuant to this section if the authority determines that meeting the
474 requirements of this subsection would be commercially infeasible.

475 (g) Not later than sixty days after its approval of the distribution
476 company procurement plans submitted on or before January 1, 2013,
477 the Public Utilities Regulatory Authority shall submit a report to the
478 joint standing committee of the General Assembly having cognizance
479 of matters relating to energy. The report shall document for each
480 distribution company procurement plan: (1) The total number of
481 renewable energy credits bid relative to the number of renewable
482 energy credits requested by the distribution company; (2) the total
483 number of bidders in each market segment; (3) the number and value
484 of contracts awarded; (4) the total weighted average price of the
485 renewable energy credits or energy so purchased; and (5) the extent to
486 which the costs of the technology has been reduced. The authority
487 shall not report individual bid information or other proprietary
488 information.

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

492 (a) As used in this section:

493 (1) "Angel investor" means an accredited investor, as defined by the
494 Securities and Exchange Commission, or network of accredited
495 investors who review new or proposed businesses for potential
496 investment and who may seek active involvement, such as consulting
497 and mentoring, in a Connecticut business, [but] except that "angel
498 investor" does not include (A) a person controlling fifty per cent or
499 more of the Connecticut business invested in by the angel investor, (B)
500 a venture capital company, or (C) any bank, bank and trust company,
501 insurance company, trust company, national bank, savings association

502 or building and loan association for activities that are a part of its
503 normal course of business;

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

507 (3) "Connecticut business" means any business with its principal
508 place of business in Connecticut that is engaged in bioscience,
509 advanced materials, photonics, information technology, clean
510 technology, cybersecurity technology or any other emerging
511 technology as determined by the Commissioner of Economic and
512 Community Development;

513 (4) "Bioscience" means manufacturing pharmaceuticals, medicines,
514 medical equipment or medical devices and analytical laboratory
515 instruments, operating medical or diagnostic testing laboratories, or
516 conducting pure research and development in life sciences;

517 (5) "Advanced materials" means developing, formulating or
518 manufacturing advanced alloys, coatings, lubricants, refrigerants,
519 surfactants, emulsifiers or substrates;

520 (6) "Photonics" means generation, emission, transmission,
521 modulation, signal processing, switching, amplification, detection and
522 sensing of light from ultraviolet to infrared and the manufacture,
523 research or development of opto-electronic devices, including, but not
524 limited to, lasers, masers, fiber optic devices, quantum devices,
525 holographic devices and related technologies;

526 (7) "Information technology" means software publishing, motion
527 picture and video production, teleproduction and postproduction
528 services, telecommunications, data processing, hosting and related
529 services, custom computer programming services, computer system
530 design, computer facilities management services, other computer
531 related services and computer training;

532 (8) "Clean technology" means the production, manufacture, design,
533 research or development of clean energy, green buildings, smart grid,
534 high-efficiency transportation vehicles and alternative fuels,
535 environmental products, environmental remediation and pollution
536 prevention; [and]

537 (9) "Qualified securities" means any form of equity, including a
538 general or limited partnership interest, common stock, preferred stock,
539 with or without voting rights, without regard to seniority position that
540 must be convertible into common stock; and

541 (10) "Cybersecurity technology" means information technology
542 products or goods intended to detect or prevent activity intended to
543 result in unauthorized access to, exfiltration of, manipulation of, or
544 impairment to the integrity, confidentiality or availability of an
545 information technology system or information stored on, or transiting,
546 an information technology system.

547 (b) There shall be allowed a credit against the tax imposed under
548 this chapter, other than the liability imposed by section 12-707, for a
549 cash investment of not less than twenty-five thousand dollars in the
550 qualified securities of a Connecticut business by an angel investor. The
551 credit shall be in an amount equal to thirty-three per cent of such
552 investor's cash investment in any Connecticut business that is
553 primarily engaged in bioscience, clean technology or cybersecurity
554 technology or twenty-five per cent of such investor's cash investment
555 in any other Connecticut business eligible for the tax credits provided
556 under this section, provided the total tax credits allowed to any angel
557 investor shall not exceed two hundred fifty thousand dollars. The
558 credit shall be claimed in the taxable year in which such cash
559 investment is made by the angel investor and shall not be transferable.

560 (c) To qualify for a tax credit pursuant to this section, a cash
561 investment shall be in a Connecticut business that (1) has been
562 approved as a qualified Connecticut business pursuant to subsection
563 (d) of this section; (2) had annual gross revenues of less than one

564 million dollars in the most recent income year of such business; (3) has
565 fewer than twenty-five employees, not less than seventy-five per cent
566 of whom reside in this state; (4) has been operating in this state for less
567 than seven consecutive years; (5) is primarily owned by the
568 management of the business and their families; and (6) received less
569 than two million dollars in cash investments eligible for the tax credits
570 provided [by] under this section.

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

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

591 (e) (1) Any angel investor that intends to make a cash investment in
592 a business on such list may apply to Connecticut Innovations,
593 Incorporated, to reserve a tax credit in the amount indicated by such
594 investor. The aggregate amount of all tax credits under this section that
595 may be reserved by Connecticut Innovations, Incorporated, shall not
596 exceed six million dollars annually for the fiscal years commencing

597 July 1, 2010, to July 1, 2012, inclusive, and shall not exceed three
598 million dollars in each fiscal year thereafter. Connecticut Innovations,
599 Incorporated, shall not reserve tax credits under this section for any
600 investment made on or after July 1, [2016] 2017.

601 (2) The amount of the credit allowed to any investor pursuant to this
602 section shall not exceed the amount of tax due from such investor
603 under this chapter, other than section 12-707, with respect to such
604 taxable year. Any tax credit that is claimed by the angel investor but
605 not applied against the tax due under this chapter, other than the
606 liability imposed under section 12-707, may be carried forward for the
607 five immediately succeeding taxable years until the full credit has been
608 applied.

609 (f) If the angel investor is an S corporation or an entity treated as a
610 partnership for federal income tax purposes, the tax credit may be
611 claimed by the shareholders or partners of the angel investor. If the
612 angel investor is a single member limited liability company that is
613 disregarded as an entity separate from its owner, the tax credit may be
614 claimed by such limited liability company's owner, provided such
615 owner is a person subject to the tax imposed under this chapter.

616 (g) [A] Connecticut Innovations, Incorporated, shall conduct a
617 review of the cumulative effectiveness of the credit under this section
618 [shall be conducted by Connecticut Innovations, Incorporated,] by July
619 1, 2014, and by July first annually thereafter. Such review shall include,
620 but need not be limited to, the number and type of Connecticut
621 businesses that received angel investments, the number of angel
622 investors and the aggregate amount of cash investments, the current
623 status of each Connecticut business that received angel investments,
624 the number of employees employed in each year following the year in
625 which such Connecticut business received the angel investment, and
626 the economic impact in the state, of the Connecticut business that
627 received the angel investment. Such review shall be submitted to the
628 Office of Policy and Management and to the joint standing [committee]
629 committees of the General Assembly having cognizance of matters

630 relating to commerce and finance, in accordance with the provisions of
631 section 11-4a.

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

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

637 (1) Created on or after January 1, 1997, in an enterprise zone and
638 which either [(1)] (A) has at least three hundred seventy-five
639 employees, at least forty per cent of whom [(A)] (i) are residents of the
640 enterprise zone or the municipality in which the enterprise zone is
641 located, and [(B)] (ii) qualify under the Job Training Partnership Act, or
642 [(2)] (B) has less than three hundred seventy-five employees, at least
643 one hundred fifty employees of whom [(A)] (i) are residents of the
644 enterprise zone or the municipality in which the enterprise zone is
645 located, and [(B)] (ii) qualify under the Job Training Partnership Act; or

646 (2) Created on or after July 1, 2015, in an enterprise zone, and which
647 is primarily engaged in either bioscience, as defined in section 12-704d,
648 as amended by this act, clean technology, as defined in section 12-704d,
649 as amended by this act, or cybersecurity technology as defined in
650 section 12-704d, as amended by this act.

651 (b) There shall be allowed as a credit against the tax imposed [on
652 any corporation] under this chapter on any corporation described in
653 subdivision (1) of subsection (a) of this section which is created on or
654 after January 1, 1997, in an enterprise zone, or any corporation
655 described in subdivision (2) of subsection (a) of this section which is
656 created on or after July 1, 2015, in an enterprise zone in an amount
657 equal to (1) one hundred per cent of the tax liability of the corporation
658 under said chapter with respect to the first three taxable years of the
659 corporation and (2) fifty per cent of the tax liability of the corporation
660 under this chapter with respect to the next seven taxable years of the

661 corporation.

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

665 (a) For purposes of this section, "fixed capital" means tangible
666 personal property which (1) has a class life, in years, of more than four
667 years, as described in Section 168(e) of the Internal Revenue Code of
668 1986, or any subsequent corresponding internal revenue code of the
669 United States, as from time to time amended, (2) is acquired by
670 purchase from a person other than a related person, (3) is not acquired
671 to be leased, and is not leased, to another person or persons during the
672 twelve full months following its acquisition, and (4) will be held and
673 used in this state by a corporation in the ordinary course of the
674 corporation's trade or business in this state for not less than five full
675 years following its acquisition. "Fixed capital" does not include
676 inventory, land, buildings or structures, or mobile transportation
677 property. With respect to a corporation claiming a credit under this
678 section, a "related person" means a corporation, partnership,
679 association or trust controlled by such corporation; an individual,
680 corporation, partnership, association or trust that is in control of such
681 corporation; a corporation, partnership, association or trust controlled
682 by an individual, corporation, partnership, association or trust that is
683 in control of such corporation; or a member of the same controlled
684 group as such corporation. For purposes of this section, "control", with
685 respect to a corporation, means ownership, directly or indirectly, of
686 stock possessing fifty per cent or more of the total combined voting
687 power of all classes of the stock of such corporation entitled to vote;
688 with respect to a trust, means ownership, directly or indirectly, of fifty
689 per cent or more of the beneficial interest in the principal or income of
690 such trust. The ownership of stock in a corporation, of a capital or
691 profits interest in a partnership or association or of a beneficial interest
692 in a trust shall be determined in accordance with the rules for
693 constructive ownership of stock provided in Section 267(c) of the

694 Internal Revenue Code of 1986, or any subsequent corresponding
695 internal revenue code of the United States, as from time to time
696 amended, other than paragraph (3) of such section.

697 (b) There shall be allowed a credit for any corporation against the
698 tax imposed under this chapter in an amount paid or incurred by such
699 corporation for any new fixed capital investment during the income
700 year in which such fixed capital is acquired as follows: For any income
701 year commencing on or after January 1, 1998, and prior to January 1,
702 1999, equal to three per cent of such amount paid or incurred by the
703 corporation during such income year; for any income year
704 commencing on or after January 1, 1999, and prior to January 1, 2000,
705 equal to four per cent of such amount paid or incurred by the
706 corporation during such income year; and for any income year
707 commencing on or after January 1, 2000, equal to five per cent of such
708 amount paid or incurred by the corporation during such income year,
709 except that for any income year commencing on or after January 1,
710 2017, equal to ten per cent of such amount paid or incurred by the
711 corporation during such income year for fixed capital acquired for
712 bioscience, as defined in section 12-704d, as amended by this act, clean
713 technology, as defined in section 12-704d, as amended by this act, or
714 cybersecurity technology, as defined in section 12-704d, as amended by
715 this act.

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

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

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

726 (f) If the fixed capital on account of which a corporation has claimed
727 the credit allowed by this section is not held and used in this state in
728 the ordinary course of the corporation's trade or business in this state
729 for three full years following its acquisition as provided in subsection
730 (a) of this section, the corporation shall recapture one hundred per cent
731 of the amount of the credit allowed under this section on its
732 corporation business tax return required to be filed for the income year
733 immediately succeeding the income year during which such three-year
734 period expires. If the fixed capital on account of which a corporation
735 has claimed the credit allowed by this section is not held and used in
736 this state in the ordinary course of the corporation's trade or business
737 in this state for five full years following its acquisition as provided in
738 subsection (a) of this section, the corporation shall recapture fifty per
739 cent of the amount of the credit allowed under this section on its
740 corporation business tax return required to be filed for the income year
741 immediately succeeding the income year during which such five-year
742 period expires. The provisions of this subsection shall not apply if the
743 property that is the subject of the credit under this section is replaced.
744 If any amount of credit required to be recaptured has not been paid to
745 the commissioner on or before the first day of the fourth month next
746 succeeding the end of the income year immediately succeeding the
747 income year during which the three-year or five-year period, as the
748 case may be, expires, such amount shall bear interest at the rate of one
749 per cent per month or fraction thereof from such date to the date of
750 payment.

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

754 (a) As used in this section:

755 (1) "Commissioner" means the Commissioner of Economic and
756 Community Development.

757 (2) "Eligible industrial site investment project" means a project

758 located within this state for the development or redevelopment of real
759 property: (A) (i) That has been subject to a "spill", as defined in section
760 22a-452c, (ii) is an "establishment", as defined in subdivision (3) of
761 section 22a-134, or (iii) is a "facility", as defined in 42 USC 9601(9); (B)
762 that, if remediated, renovated or demolished in accordance with
763 applicable law and regulations and the standards of remediation of the
764 Department of Energy and Environmental Protection and used for
765 business purposes, will add significant new economic activity and
766 employment in the municipality in which the investment is to be
767 made, and will generate additional tax revenues to the state; (C) for
768 which the use of the urban and industrial site reinvestment program
769 will be necessary to attract private investment to the project; (D) the
770 business use of which would be economically viable and would
771 generate direct and indirect economic benefits to the state that exceed
772 the amount of the investment during the period for which the tax
773 credits granted pursuant to public act 00-170 are granted; and (E) that
774 is, in the judgment of the commissioner, consistent with the strategic
775 economic development priorities of the state and the municipality.

776 (3) "Eligible urban reinvestment project" means a project: (A) That
777 would add significant new economic activity in the eligible
778 municipality in which the project is located, and will generate
779 significant additional tax revenues to the state or the municipality; (B)
780 for which the use of the urban and industrial site reinvestment
781 program will be necessary to attract private investment to an eligible
782 municipality; (C) that is economically viable; (D) for which the direct
783 and indirect economic benefits to the state outweigh the costs of the
784 project; and (E) that is, in the judgment of the commissioner, consistent
785 with the strategic economic development priorities of the state and the
786 municipality.

787 (4) "Related person" means: (A) A corporation, limited liability
788 company, partnership, association or trust controlled by the taxpayer;
789 (B) an individual, corporation, limited liability company, partnership,
790 association or trust that is in control of the taxpayer; (C) a corporation,

791 limited liability company, partnership, association or trust controlled
792 by an individual, corporation, limited liability company, partnership,
793 association or trust that is in control of the taxpayer; or (D) a member
794 of the same controlled group as the taxpayer. For the purposes of this
795 [section] subdivision, "control", with respect to a corporation, means
796 ownership, directly or indirectly, of stock possessing fifty per cent or
797 more of the total combined voting power of all classes of the stock of
798 such corporation entitled to vote. "Control", with respect to a trust,
799 means ownership, directly or indirectly, of fifty per cent or more of the
800 beneficial interest in the principal or income of such trust. The
801 ownership of stock in a corporation, of a capital or profits interest in a
802 partnership or association or of a beneficial interest in a trust shall be
803 determined in accordance with the rules for constructive ownership of
804 stock provided in Section 267(c) of the Internal Revenue Code, other
805 than paragraph (3) of said section.

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

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

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

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

818 (9) "New job" means a job that did not exist in the business of a
819 subject business in this state prior to the subject business' application
820 to the commissioner for an eligibility certificate under this section for a
821 new facility and that is filled by a new employee, but does not mean a

822 job created when an employee is shifted from an existing location of
823 the subject business in this state to a new facility.

824 (10) "New employee" means a person hired by a subject business to
825 fill a position for a new job or a person shifted from an existing
826 location of the subject business outside this state to a new facility in
827 this state, provided (A) in no case shall the total number of new
828 employees allowed for purposes of this credit exceed the total increase
829 in the taxpayer's employment in this state, which increase shall be the
830 difference between (i) the number of employees employed by the
831 subject business in this state at the time of application for an eligibility
832 certificate to the commissioner plus the number of new employees
833 who would be eligible for inclusion under the credit allowed under
834 this section without regard to this calculation, and (ii) the highest
835 number of employees employed by the subject business in this state in
836 the year preceding the subject business' application for an eligibility
837 certificate to the commissioner, and (B) a person shall be deemed to be
838 a "new employee" only if such person's duties in connection with the
839 operation of the facility are on a regular, full-time, or equivalent
840 thereof, and permanent basis.

841 (11) "New facility" means a facility which (A) is acquired by, leased
842 to, or constructed by, a subject business on or after the date of the
843 subject business' application to the commissioner for an eligibility
844 certificate under this section, unless, upon application of the subject
845 business and upon good and sufficient cause shown, the commissioner
846 waives the requirement that such activity take place after the
847 application, and (B) was not in service or use during the one-year
848 period immediately prior to the date of the subject business'
849 application to the commissioner for an eligibility certificate under this
850 section, unless upon application of the subject business and upon good
851 and sufficient cause shown, the commissioner consents to waiving the
852 one-year period.

853 (12) "Eligible municipality" means (A) a municipality with an area
854 designated as an enterprise zone pursuant to section 32-70, (B) a

855 distressed municipality, as defined in subsection (b) of section 32-9p,
856 (C) a municipality that has a population in excess of one hundred
857 thousand, or (D) any municipality that the commissioner determines is
858 connected with the relocation of an out-of-state operation or the
859 expansion of an existing facility that will result in a capital investment
860 by a company of not less than fifty million dollars.

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

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

865 (15) "Recapture amount" means the amount by which the total of tax
866 credits claimed with respect to any approved investment as of the date
867 of calculation exceeds the sum of all state revenue actually generated
868 through such date by the eligible project in which such approved
869 investment was made.

870 (16) "Pro rata share" means the percentage the amount of the
871 approved investment by an individual investor in an eligible project
872 bears to the total amount of the approved investment in such project,
873 or in the case of a taxpayer to whom credits are transferred under this
874 section, the percentage the amount of credits with respect to an
875 approved investment transferred bears to the total credits with respect
876 to such approved investment.

877 (17) "Community development entity" means any corporation,
878 limited partnership or limited liability company qualified to do
879 business in this state and which (A) is organized for the purpose of
880 providing investment capital or financing for eligible projects under
881 this section, (B) maintains accountability to residents of more than one
882 eligible municipality through representation on the governing board of
883 the entity, (C) is organized for the purpose of seeking certification and
884 an allocation of new markets tax credits as provided in Section 45D of
885 the Internal Revenue Code, and (D) is registered in accordance with

886 subsection (d) of this section. No community development entity shall
887 be eligible for any tax credits under this section unless it is certified
888 under said Section 45D on the date any approved investment is made.
889 A community development entity shall not be deemed a "fund" for
890 purposes of this section.

891 (18) "Project" means the acquisition, leasing, demolition,
892 remediation, construction, renovation, expansion or other
893 development or redevelopment of real property and improvements
894 within this state, including furniture, fixtures, equipment and other
895 personal property which is reasonably necessary in connection
896 therewith, and associated interest and other financing costs and
897 charges, relocation and start-up costs, and architectural, engineering,
898 legal and other professional services, plans, specifications, surveys,
899 permits, studies and evaluations necessary or incident to the
900 development, financing, completion and placing in operation of such a
901 project. In the case of a contractually bound community development
902 entity, "project" [shall] does not include any activities, costs or services
903 not included in the terms of the allocation agreement with the
904 community development financial institutions fund under Section 45D
905 of the Internal Revenue Code.

906 (19) "Contractually bound community development entity" means a
907 community development entity that (A) has entered into an allocation
908 agreement with the community development financial institutions
909 fund pursuant to Section 45D of the Internal Revenue Code, and (B)
910 whose service area in such allocation agreement includes the state of
911 Connecticut.

912 (20) "Internal Revenue Code" means the Internal Revenue Code of
913 1986, or any subsequent corresponding internal revenue code of the
914 United States, as amended from time to time.

915 (21) "Bioscience" means business related to any one or more of the
916 following North American Industry Classification codes: 311221,
917 311224, 325193, 325199, 325220, 325311, 325312, 325314, 325320, 325411,

918 325412, 325413, 325414, 333314, 334510, 334516, 334517, 339112 to
919 339116, inclusive, 423450, 423460, 424210, 532291, 541380, 541711,
920 541712, 621511 and 621512.

921 (22) "Clean technology" means business related to any one or more
922 of the following North American Industry Classification codes: 221111
923 to 221118, inclusive, 221330, 237110, 237130, 314994, 333414, 333611,
924 334413, 335999, 562213 and 926130.

925 (23) "Cybersecurity" means business related to any one or more of
926 the following North American Industry Classification codes related to
927 computers: 334112, 334614, 454113, 511210, 541511 to 541513, inclusive,
928 541519, 541712 and 811212.

929 (b) There is established an urban and industrial site reinvestment
930 program under which taxpayers who make investments in eligible
931 urban reinvestment projects or eligible industrial site investment
932 projects may be allowed a credit against the tax imposed under
933 chapters 207 to 212a, inclusive, or section 38a-743, or a combination of
934 said taxes, in an amount equal to the percentage of their approved
935 investment determined in accordance with subsection (i) of this
936 section.

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

941 (d) (1) The commissioner may register managers of funds and
942 community development entities created for the purpose of investing
943 in eligible urban reinvestment projects and eligible industrial site
944 investment projects. Any manager, community development entity or
945 contractually bound community development entity registered under
946 this subsection shall have its primary place of business in this state.
947 Each applicant shall submit an application under oath to the
948 commissioner to be registered and shall furnish evidence satisfactory

949 to the commissioner of its financial responsibility, integrity,
950 professional competence and experience in managing investment
951 funds. Failure to maintain adequate fiduciary standards with respect
952 to investments made under this section shall constitute cause for the
953 commissioner to revoke, after a hearing, any registration granted
954 under this section or section 38a-88a. The fund manager, community
955 development entity or contractually bound community development
956 entity shall make a report on or before the first day of March in each
957 year, under oath, to the Commissioner of Economic and Community
958 Development and the Commissioner of Revenue Services specifying
959 the name, address and Social Security number or employer
960 identification number of each investor, the year during which each
961 investment was made by each investor, the amount of each
962 investment, a description of the fund's investment objectives and
963 relative performance, or the entity's projects, as the case may be, and a
964 description, including amounts, of all fees received by such manager
965 or entity in relation to each such fund.

966 (2) Any manager of funds registered on or before July 1, 2000,
967 pursuant to section 38a-88a shall be deemed registered as a fund
968 manager for all purposes under the provisions of this section upon
969 submission, in writing, to the commissioner of such manager's
970 intention to act as a manager of funds under this section. The
971 commissioner may request from any such manager such information
972 as the commissioner may require relating to such manager's financial
973 responsibility, integrity, professional competence and experience in
974 managing investment funds.

975 (e) Any taxpayer or fund manager, community development entity
976 or contractually bound community development entity wishing to
977 make an investment under the provisions of this section shall apply to
978 the commissioner in accordance with the provisions of this section. The
979 application shall contain sufficient information to establish that the
980 project in which the proposed investment will be made is an eligible
981 industrial site investment project or an urban reinvestment project, as

982 [appropriate] the case may be, and information concerning the type of
983 investment proposed to be made, the location of the project, the
984 number of jobs to be created or retained, physical infrastructure that
985 might be created or preserved, feasibility studies or business plans for
986 the project, projected state and local revenue that might derive as a
987 result of the project and other information necessary to demonstrate
988 the financial viability of the project and to demonstrate that the
989 investment will provide net benefits to the economy of, and
990 employment for citizens of, the municipality and the state, and in the
991 case of an eligible industrial site investment project, how such project
992 will meet the standards of remediation of the Department of Energy
993 and Environmental Protection. The commissioner shall impose a fee
994 for such application as the commissioner deems appropriate.

995 (f) (1) The commissioner shall determine whether the project in
996 which the proposed investment is to be made is an eligible urban
997 reinvestment project or an eligible industrial site investment project,
998 whether the project is economically viable only with use of the urban
999 and industrial site reinvestment program, the effects of the project on
1000 the municipality where the investment will be made, and whether the
1001 project would provide a net benefit to economic development and
1002 employment opportunities in the state and whether the project will
1003 conform to the state plan of conservation and development. The
1004 commissioner may require the applicant to submit such additional
1005 information as may be necessary to evaluate the application.

1006 (2) The commissioner shall prepare a revenue impact assessment
1007 that estimates the state and local revenue that would be generated as a
1008 result of the project. The commissioner shall prepare an economic
1009 feasibility study relative to such project. The commissioner may retain
1010 any such persons as the commissioner deems appropriate to conduct
1011 such revenue impact assessment or economic feasibility study.

1012 (g) (1) The commissioner, upon consideration of the application, the
1013 revenue impact assessment and any additional information that the
1014 commissioner requires concerning a proposed investment, may

1015 approve an investment if the commissioner concludes that the project
1016 in which such investment is to be made is an eligible urban
1017 reinvestment project or an eligible industrial site investment project. If
1018 the commissioner rejects an application, the commissioner shall
1019 specifically identify the defects in the application and specifically
1020 explain the reasons for the rejection. The commissioner shall render a
1021 decision on an application not later than ninety days from its receipt.
1022 The amount of the investment so approved shall not exceed the greater
1023 of: (A) The amount of state revenue that will be generated according to
1024 the revenue impact assessment prepared under this subsection; or (B)
1025 the total of state revenue and local revenue generated according to
1026 such assessment in the case of a manufacturing business with North
1027 American [Industrial] Industry Classification codes of 339999, 311211
1028 [through] to 312140, inclusive, 324191, [and] 325193, 325199, 325220,
1029 325311, 325312, 325314, 325320, 325411, 325412, 325413, 325414, 333314,
1030 334510, 334516, 334517, 339112, 339113, 339114, 339115, 339116, 423450,
1031 423460, 424210, 532291, 541380, 541711, 541712, 621511, 621512, 221111
1032 to 221118, inclusive, 221330, 237110, 237130, 314994, 333414, 333611,
1033 334413, 335999, 562213, 926130, 334112, 334614, 454113, 511210, 541511,
1034 541512, 541513, 541519, 541712 and 811212 that is relocating to a site in
1035 Connecticut from out-of-state, provided the relocation will result in
1036 new development of at least seven hundred twenty-five thousand
1037 square feet in a state-sponsored industrial park.

1038 (2) The approval of an investment by the commissioner may be
1039 combined with the exercise of any of the commissioner's other powers,
1040 including, but not limited to, the provision of other forms of financial
1041 assistance.

1042 (3) The commissioner shall require the applicant to reimburse the
1043 commissioner for all or any part of the cost of any revenue impact
1044 assessment, economic feasibility study or other activities performed in
1045 the exercise of due diligence pursuant to subsection (f) of this section.

1046 (4) There is established an account to be known as the "Connecticut
1047 economic impact and analysis account" which shall be a separate,

1048 nonlapsing account within the General Fund. The account shall
1049 contain any moneys required by law to be deposited in the account
1050 and shall be held separate and apart from other moneys, funds and
1051 accounts. There shall be deposited in the account any proceeds
1052 realized by the state from activities pursuant to this section.
1053 Investment earnings credited to the account shall become part of the
1054 assets of the account. Any balance remaining in the account at the end
1055 of any fiscal year shall be carried forward in the account for the next
1056 fiscal year. Amounts in the account may be used by the Department of
1057 Economic and Community Development to fund the cost of any
1058 activities of the department pursuant to this section, including
1059 administrative costs related to such activities.

1060 (h) Upon approving an investment, the commissioner shall issue a
1061 certificate of eligibility certifying that the applicant has complied with
1062 the provisions of this section.

1063 (i) (1) [There] Except as provided in this subdivision, there shall be
1064 allowed as a credit against the tax imposed under chapters 207 to 212a,
1065 inclusive, or section 38a-743, or a combination of said taxes, an amount
1066 equal to the following percentage of approved investments made by or
1067 on behalf of a taxpayer with respect to the following income years of
1068 the taxpayer: (A) With respect to the income year in which the
1069 investment in the eligible project was made and the two next
1070 succeeding income years, zero per cent; (B) with respect to the third
1071 full income year succeeding the year in which the investment in the
1072 eligible project was made and the three next succeeding income years,
1073 ten per cent; (C) with respect to the seventh full income year
1074 succeeding the year in which the investment in the eligible project was
1075 made and the next two succeeding years, twenty per cent. The sum of
1076 all tax credits granted pursuant to the provisions of this section shall
1077 not exceed one hundred million dollars with respect to a single eligible
1078 urban reinvestment project or a single eligible industrial site
1079 investment project approved by the commissioner. The sum of all tax
1080 credits granted pursuant to the provisions of this section shall not

1081 exceed eight hundred million dollars.

1082 (2) Notwithstanding the provisions of subdivision (1) of this
1083 subsection, any applicant may, at the time of application, apply to the
1084 commissioner for a credit that exceeds the limitations established by
1085 this subsection. The commissioner shall evaluate the benefits of such
1086 application and make recommendations to the General Assembly
1087 relating to [changes in] proposed amendments to the general statutes
1088 which would be necessary to effect such application if the
1089 commissioner determines that the proposal would be of economic
1090 benefit to the state.

1091 (j) The credits allowed by this section may be claimed by a taxpayer
1092 who has made an investment (1) directly only if such investment has a
1093 total asset value, either alone or in conjunction with other taxpayer
1094 investments in an eligible project, of not less than five million dollars
1095 or, in the case of an investment in an eligible project for the
1096 preservation of an historic facility and redevelopment of the facility for
1097 mixed uses that includes at least four housing units, a total asset value
1098 of not less than two million dollars; (2) through a fund managed by a
1099 fund manager registered under this section only if such fund: (A) Has
1100 a total asset value of not less than sixty million dollars for the income
1101 year for which the initial credit is taken; and (B) has not less than three
1102 investors who are not related persons with respect to each other or to
1103 any person in which any investment is made other than through the
1104 fund at the date the investment is made; or (3) through a community
1105 development entity or a contractually bound community development
1106 entity.

1107 (k) The commissioner shall, upon request, provide a copy of [the]
1108 any eligibility certificate issued under subsection (h) of this section to
1109 the Commissioner of Revenue Services.

1110 (l) The tax credit allowed by this section, when made through a
1111 fund, shall only be available for investments in funds that are not open
1112 to additional investments or investors beyond the amount subscribed

1113 at the formation of the fund.

1114 (m) (1) The Commissioner of Revenue Services may treat one or
1115 more corporations that are properly included in a combined
1116 corporation business tax return under section 12-223a as one taxpayer
1117 in determining whether the appropriate requirements under this
1118 section are met. [Where] Whenever corporations are treated as one
1119 taxpayer for purposes of this subsection, [then] the credit shall be
1120 allowed only against the amount of the combined tax for all
1121 corporations properly included in a combined return that, under the
1122 provisions of subdivision (2) of this subsection, is attributable to the
1123 corporations treated as one taxpayer.

1124 (2) The amount of the combined tax for all corporations properly
1125 included in a combined corporation business tax return that is
1126 attributable to the corporations that are treated as one taxpayer under
1127 the provisions of this subsection shall be in the same ratio to such
1128 combined tax that the net income apportioned to this state of each
1129 corporation treated as one taxpayer bears to the net income
1130 apportioned to this state, in the aggregate, of all corporations included
1131 in such combined return. Solely for the purposes of computing such
1132 ratio, any net loss apportioned to this state by a corporation treated as
1133 one taxpayer or by a corporation included in such combined return
1134 shall be disregarded.

1135 (n) Any taxpayer allowed a credit under this section may assign
1136 such credit to another taxpayer or taxpayers, provided such other
1137 taxpayer or taxpayers may claim such credit only with respect to a
1138 taxable year for which the assigning taxpayer would have been eligible
1139 to claim such credit and such other taxpayer or taxpayers may not
1140 further assign such credit. The taxpayer or taxpayers allowed such
1141 credit, the fund manager, the community development entity or
1142 contractually bound community development entity shall file with the
1143 Commissioner of Revenue Services information requested by the
1144 commissioner regarding such assignments, including, but not limited
1145 to, the current holders of credits as of the end of the preceding

1146 calendar year.

1147 (o) No taxpayer shall be eligible for a credit under (1) this section,
1148 and (2) section 12-217e or 38a-88a, for the same investment. No two
1149 taxpayers shall be eligible for any tax credit with respect to the same
1150 investment or the same project costs.

1151 (p) Any credit not used in the income year for which it was allowed
1152 may be carried forward for the five immediately succeeding income
1153 years until the full credit has been allowed.

1154 (q) (1) Any tax credits approved under this section that would
1155 constitute in excess of twenty million dollars in total for a single
1156 investment shall be submitted by the Commissioner of Economic and
1157 Community Development to the joint standing committee of the
1158 General Assembly having cognizance of matters relating to finance,
1159 revenue and bonding prior to the issuance of a certificate of eligibility
1160 for such investment. Said committee shall have thirty days from the
1161 date such project is submitted to convene a meeting to recommend
1162 approval or disapproval of such investment. If such submittal is
1163 withdrawn, altered, amended or otherwise changed, and resubmitted,
1164 said committee shall have thirty days from the date of such resubmittal
1165 to convene a meeting to recommend approval or disapproval of such
1166 investment. If said committee does not act on a submittal or
1167 resubmittal, as the case may be, within that time, the investment shall
1168 be deemed to be approved by said committee.

1169 (2) While the General Assembly is in session, the House of
1170 Representatives or the Senate, or both, may meet not later than thirty
1171 days following the date said committee makes a recommendation
1172 pursuant to subdivision (1) of this subsection. If such submission is not
1173 disapproved by the House of Representatives or the Senate, or both,
1174 within such time, the commissioner may issue such certificate.

1175 (3) [While] Whenever the General Assembly is not in regular
1176 session, the House of Representatives or the Senate, or both, may meet

1177 not later than thirty days following the date said committee makes a
1178 recommendation pursuant to subdivision (1) of this subsection or not
1179 later than thirty days following the date such investment is deemed
1180 approved by said committee pursuant to subdivision (1) of this
1181 subsection. If such submission is not disapproved by the House of
1182 Representatives, the Senate, or both, within such [time] thirty-day
1183 period, the commissioner may issue such certificate.

1184 (r) Not later than July first in each year that credits allowed by this
1185 section are claimed by a taxpayer with respect to an approved
1186 investment, the commissioner may retain such persons as said
1187 commissioner [may deem] deems appropriate to conduct a study to
1188 estimate the state revenue that is being and will be generated by the
1189 eligible project in which such investment is made. Such economic
1190 impact study shall determine whether the state revenue actually
1191 generated by such eligible project is equal to the estimate of state
1192 revenue made at the time the investment in such eligible project was
1193 approved. If the sum of all state revenue actually generated by such
1194 eligible project is less than the amount of the total sum of tax credits
1195 claimed with respect to the approved investment in such project on the
1196 date of such analysis, the commissioner may determine from the
1197 person retained pursuant to this subsection the applicable recapture
1198 amount and may revoke the certificate of eligibility issued under
1199 subsection (h) of this section. The commissioner may require the
1200 taxpayer, the fund manager, community development entity or
1201 contractually bound community development entity that made such
1202 approved investment to reimburse the commissioner for all or any part
1203 of the cost of any economic impact study performed under this
1204 subsection.

1205 (s) (1) Any taxpayer which has claimed credits allowed by this
1206 section related to an investment concerning which the commissioner
1207 has revoked the certificate of eligibility issued under subsection (h) of
1208 this section [,] shall be required to recapture such taxpayer's pro rata
1209 share of the recapture amount as determined under the provisions of

1210 subdivision (2) of this subsection and no subsequent credit shall be
1211 allowed unless such certificate of eligibility is reinstated under the
1212 provisions of subdivision (3) of this subsection.

1213 (2) If the taxpayer is required under the provisions of subdivision
1214 (1) of this subsection to recapture its pro rata share of the recapture
1215 amount during (A) the first year such credit was claimed, then ninety
1216 per cent of such share shall be recaptured on the tax return required to
1217 be filed for such year, (B) the second of such years, then sixty-five per
1218 cent of such share shall be recaptured on the tax return required to be
1219 filed for such year, (C) the third of such years, then fifty per cent of
1220 such share shall be recaptured on the tax return required to be filed for
1221 such year, (D) the fourth of such years, then thirty per cent of such
1222 share shall be recaptured on the tax return required to be filed for such
1223 year, (E) the fifth of such years, then twenty per cent of such share
1224 shall be recaptured on the tax return required to be filed for such year,
1225 and (F) the sixth or subsequent of such years, then ten per cent of such
1226 share shall be recaptured on the tax return required to be filed for such
1227 year. The Commissioner of Revenue Services may recapture such share
1228 from the taxpayer who has claimed such credits. If the commissioner is
1229 unable to recapture all or part of such share from such taxpayer, the
1230 commissioner may seek to recapture such share from any taxpayer
1231 who has assigned credits in an amount at least equal to such share to
1232 another taxpayer. If the commissioner is unable to recapture all or part
1233 of such share from any such taxpayer, the commissioner may
1234 recapture such share from any fund through which the investment was
1235 made.

1236 (3) If the commissioner has revoked the certificate of eligibility
1237 issued under subsection (h) of this section, such certificate of eligibility
1238 shall be reinstated by the commissioner if, upon a request made by the
1239 taxpayer, fund manager or community development entity who made
1240 such approved investment, an economic impact study conducted
1241 pursuant to subsection (r) of this section [shall determine] indicates
1242 that the sum of all state revenue actually generated by the project in

1243 which such investment was made is greater than the amount of the
1244 total sum of tax credits claimed on the date of such analysis, provided
1245 no such request shall be made pursuant to this subsection during the
1246 calendar year in which such certificate was revoked. For the purpose of
1247 determining whether such certificate shall be reinstated, the
1248 commissioner shall, upon receipt of a request made under this
1249 subsection, obtain one such economic impact study per calendar year
1250 and may obtain additional such economic impact studies as the
1251 commissioner deems appropriate.

1252 (t) Notwithstanding subsections (r) and (s) of this section, for a
1253 contractually bound community development entity, credit recapture
1254 for credits allowed by this section shall be governed by the terms of its
1255 allocation agreement with the community development financial
1256 institutions fund or, where such agreement is silent, by Section 45D of
1257 the Internal Revenue Code and the regulations promulgated by the
1258 United States Treasury pursuant to said [section] Section 45D.

1259 Sec. 9. Section 32-7g of the general statutes is repealed and the
1260 following is substituted in lieu thereof (*Effective July 1, 2015*):

1261 (a) There is established within the Department of Economic and
1262 Community Development the Small Business Express program. Said
1263 program shall provide small businesses with various forms of financial
1264 assistance, using a streamlined application process to expedite the
1265 delivery of such assistance. The Commissioner of Economic and
1266 Community Development, at [his or her] the commissioner's
1267 discretion, may partner with the lenders in the Connecticut Credit
1268 Consortium, established pursuant to section 32-9yy, in order to fulfill
1269 the requirements of this section. A small business eligible for assistance
1270 through said program shall [, as of June 15, 2012,] (1) employ [, on at
1271 least fifty per cent of its working days during the preceding twelve
1272 months,] not more than one hundred employees, (2) have operations in
1273 Connecticut, [(3) have been registered to conduct business for not less
1274 than twelve months, and (4)] and (3) be in good standing with the
1275 payment of all state and local taxes and with all state agencies.

1276 (b) The Small Business Express program shall consist of various
1277 components, including (1) a revolving loan fund, as described in
1278 subsection (d) of this section, to support small business growth, (2) a
1279 job creation incentive component, as described in subsection (e) of this
1280 section, to support hiring, [and] (3) a matching grant component, as
1281 described in subsection (f) of this section, to provide capital to small
1282 businesses that can match the state grant amount, and (4) a loan fund
1283 established in collaboration with private sector lenders doing business
1284 in Connecticut, as described in subsection (h) of this section, to provide
1285 small businesses with access to capital. The Commissioner of Economic
1286 and Community Development shall work with eligible small business
1287 applicants to provide a package of assistance using the financial
1288 assistance provided by the Small Business Express program and may
1289 refer small business applicants to the Subsidized Training and
1290 Employment program established pursuant to section 31-3pp and any
1291 other appropriate state program. Notwithstanding the provisions of
1292 section 32-5a regarding relocation limits, the department may require,
1293 as a condition of receiving financial assistance pursuant to this section,
1294 that a small business receiving such assistance shall not relocate, as
1295 defined in [said] section 32-5a, for five years after receiving such
1296 assistance or during the term of the loan, whichever is longer. All other
1297 conditions and penalties imposed pursuant to [said] section 32-5a shall
1298 continue to apply to such small business.

1299 (c) The commissioner shall establish a streamlined application
1300 process for the Small Business Express program. The small business
1301 applicant may receive assistance pursuant to said program not later
1302 than thirty days after submitting a completed application to the
1303 department. Any small business meeting the eligibility criteria in
1304 subsection (a) of this section may apply to said program. The
1305 commissioner shall give priority for available funding to small
1306 businesses creating jobs and may give priority for available funding to
1307 (1) economic base industries, as defined in subsection (d) of section 32-
1308 222, including, but not limited to, those in the fields of precision
1309 manufacturing, business services, green and sustainable technology,

1310 bioscience and information technology, and (2) businesses attempting
1311 to export their products or services to foreign markets.

1312 (d) (1) There is established as part of the Small Business Express
1313 program a revolving loan fund to provide loans to eligible small
1314 businesses. Such loans shall be used for acquisition or purchase of
1315 machinery and equipment, construction or leasehold improvements,
1316 relocation expenses, working capital or other business-related
1317 expenses, as authorized by the commissioner.

1318 (2) Loans from the revolving loan fund may be in amounts from
1319 [ten] one thousand dollars to a maximum of one hundred thousand
1320 dollars, shall carry a maximum repayment rate of four per cent and
1321 shall be for a term of not more than ten years. The department shall
1322 review and approve loan terms, conditions and collateral requirements
1323 in a manner that prioritizes job growth and retention.

1324 (3) Any eligible small business meeting the eligibility criteria in
1325 subsection (a) of this section may apply for assistance from the
1326 revolving loan fund, [but] except that the commissioner shall give
1327 priority to applicants that, as part of their business plan, are creating
1328 new jobs that will be maintained for not less than twelve consecutive
1329 months.

1330 (e) (1) There is established as part of the Small Business Express
1331 program a job creation incentive component to provide loans for job
1332 creation to small businesses meeting the eligibility criteria in
1333 subsection (a) of this section, with the option of loan forgiveness based
1334 on the maintenance of an increased number of jobs for not less than
1335 twelve consecutive months. Such loans may be used for training,
1336 marketing, working capital or other expenses, as approved by the
1337 commissioner, that support job creation.

1338 (2) Loans under the job creation incentive component may be in
1339 amounts from [ten] one thousand dollars to a maximum of three
1340 hundred thousand dollars, shall carry a maximum repayment rate of

1341 four per cent and shall be for a term of not more than ten years.
1342 Payments on such loans may be deferred, and all or part of such loan
1343 may be forgiven, based upon the commissioner's assessment of the
1344 small business's attainment of job creation goals. The department shall
1345 review and approve loan terms, conditions and collateral requirements
1346 in a manner that prioritizes job creation.

1347 (f) (1) There is established as part of the Small Business Express
1348 program a matching grant component to provide grants for capital to
1349 small businesses meeting the eligibility criteria in subsection (a) of this
1350 section. Such small businesses shall match any state funds awarded
1351 under this program. Grant funds may be used for ongoing or new
1352 training, working capital, acquisition or purchase of machinery and
1353 equipment, construction or leasehold improvements, relocation within
1354 the state or other business-related expenses authorized by the
1355 commissioner.

1356 (2) Matching grants provided under the matching grant component
1357 may be in amounts from [ten] one thousand dollars to a maximum of
1358 one hundred thousand dollars. The commissioner shall prioritize
1359 applicants for matching grants based upon the likelihood that such
1360 grants will assist applicants in maintaining job growth.

1361 (3) The commissioner may waive the matching requirement for
1362 grants under this subsection for working capital to small businesses
1363 located within distressed municipalities, as defined in section 32-9p.

1364 (g) (1) The commissioner shall allocate not less than seven per cent
1365 of available funding under the Small Business Express program to
1366 regional economic development agencies that will review applications
1367 for financial assistance pursuant to this section and award financial
1368 assistance packages pursuant to subsections (d), (e) and (f) of this
1369 section. The commissioner shall provide such regional economic
1370 development agencies with guidelines for the review of such
1371 applications and the award of financial assistance packages, which
1372 shall include a maximum ratio for administrative costs charged by

1373 such regional agencies to recipients of awards under this subsection.

1374 (2) Not later than April first, annually, each regional economic
1375 development agency that awards a financial assistance package
1376 pursuant to this subsection shall report to the commissioner available
1377 data as described in subsection (i) of this section. The commissioner
1378 shall incorporate such data into the report described in said subsection.

1379 (h) The commissioner, in collaboration with private sector lenders
1380 doing business in Connecticut, shall establish as part of the Small
1381 Business Express program a loan fund to provide small businesses in
1382 the state with access to capital. Such capital shall be used for
1383 acquisition or purchase of machinery and equipment, construction or
1384 leasehold improvements, relocation expenses, working capital or other
1385 business-related expenses, as authorized by the commissioner. Such
1386 loan fund shall be administered by the Department of Economic and
1387 Community Development. The commissioner may allocate not more
1388 than ten per cent of available funding under the Small Business
1389 Express program to such loan fund.

1390 [(g)] (i) Not later than June 30, 2012, and every six months
1391 thereafter, the commissioner shall provide a report, in accordance with
1392 the provisions of section 11-4a, to the joint standing committees of the
1393 General Assembly having cognizance of matters relating to finance,
1394 revenue and bonding, appropriations, commerce and labor. Such
1395 report shall include available data on (1) the number of small
1396 businesses that applied to the Small Business Express program, (2) the
1397 number of small businesses that received assistance under said
1398 program and the general categories of such businesses, (3) the amounts
1399 and types of assistance provided, (4) the total number of jobs on the
1400 date of application and the number proposed to be created or retained,
1401 and (5) the most recent employment figures of the small businesses
1402 receiving assistance. The contents of such report shall also be included
1403 in the department's annual report.

1404 Sec. 10. Section 32-9n of the general statutes is repealed and the

1405 following is substituted in lieu thereof (*Effective October 1, 2015*):

1406 (a) There is established within the Department of Economic and
1407 Community Development an Office of Small Business Affairs. [Such]
1408 The office shall aid and encourage small business enterprises,
1409 particularly those owned and operated by minorities and other socially
1410 or economically disadvantaged individuals in Connecticut. As used in
1411 this section, "minority" means: (1) Black Americans, including all
1412 persons having origins in any of the Black African racial groups not of
1413 Hispanic origin; (2) Hispanic Americans, including all persons of
1414 Mexican, Puerto Rican, Cuban, Central or South American, or other
1415 Spanish culture or origin, regardless of race; (3) all persons having
1416 origins in the Iberian Peninsula, including Portugal, regardless of race;
1417 (4) women; (5) Asian Pacific Americans and Pacific islanders; or (6)
1418 American Indians and persons having origins in any of the original
1419 peoples of North America and maintaining identifiable tribal
1420 affiliations through membership and participation or community
1421 identification.

1422 (b) [Said] The Office of Small Business Affairs shall: (1) Administer
1423 at least one regional office of the small business development center
1424 program within the Department of Economic and Community
1425 Development; (2) coordinate, with the director of the small business
1426 development center program, the flow of information within the
1427 technical and management assistance program within the Department
1428 of Economic and Community Development; (3) encourage Connecticut
1429 Innovations, Incorporated to grant loans to small businesses,
1430 particularly those owned and operated by minorities and other socially
1431 or economically disadvantaged individuals; (4) coordinate and serve
1432 as a liaison between all federal, state, regional and municipal agencies
1433 and programs affecting small business affairs; (5) administer any
1434 business management training program established under section 32-
1435 352 or section 32-355 as the Commissioner of Economic and
1436 Community Development may determine; (6) provide a single point of
1437 contact for small businesses seeking financial and technical assistance

1438 from the state and quasi-public agencies; (7) coordinate all state
1439 funded revolving loan funds used to assist small businesses; (8)
1440 provide procedural information to small businesses seeking to bid on
1441 contracts offered by state agencies and municipalities; and ~~[(8)]~~ (9)
1442 establish, in cooperation with the Commissioner of Economic and
1443 Community Development, and within available appropriations, an
1444 informational web page with a list and links to all small business
1445 resources available and post them in a conspicuous place on the
1446 department's web site. The office shall update this information on its
1447 web site on at least a quarterly basis.

1448 (c) On or after February 1, 2011, and annually thereafter, the Office
1449 of Small Business Affairs shall compile (1) a description of its efforts
1450 pursuant to subsection (b) of this section, including, but not limited to,
1451 data on the type and number of businesses seeking assistance from the
1452 office, and (2) a summary of [all small business activities and]
1453 programs available to small businesses, and incorporate such
1454 summary into the report required pursuant to section 32-1m.

1455 Sec. 11. Subsection (a) of section 12-217g of the general statutes, as
1456 amended by section 1 of public act 13-265 and section 251 of public act
1457 14-217, is repealed and the following is substituted in lieu thereof
1458 (*Effective July 1, 2015, and applicable to taxable and income years*
1459 *commencing on or after January 1, 2018*):

1460 (a) (1) There shall be allowed a credit for any taxpayer against the
1461 tax imposed under this chapter for any income year with respect to
1462 each apprenticeship in the manufacturing trades commenced by such
1463 taxpayer in such year under a qualified apprenticeship training
1464 program as described in this section, certified in accordance with
1465 regulations adopted by the Labor Commissioner and registered with
1466 the Connecticut State Apprenticeship Council established under
1467 section 31-22n, in an amount equal to six dollars per hour multiplied
1468 by the total number of hours worked during the income year by
1469 apprentices in the first half of a two-year term of apprenticeship and
1470 the first three-quarters of a four-year term of apprenticeship, provided

1471 the amount of credit allowed for any income year with respect to each
 1472 such apprenticeship may not exceed seven thousand five hundred
 1473 dollars or fifty per cent of actual wages paid in such income year to an
 1474 apprentice in the first half of a two-year term of apprenticeship or in
 1475 the first three-quarters of a four-year term of apprenticeship,
 1476 whichever is less.

1477 (2) Effective for income years commencing on and after January 1,
 1478 2015, for purposes of this subsection, "taxpayer" includes an affected
 1479 business entity, as defined in section 12-284b. Any affected business
 1480 entity allowed a credit under this subsection may use such credit to
 1481 offset any state tax due or otherwise payable by the taxpayer under
 1482 chapter 208 or 219, or sell, assign or otherwise transfer such credit, in
 1483 whole or in part, to one or more taxpayers to offset any state tax due or
 1484 otherwise payable by such taxpayers under chapter 208, 212 or 227,
 1485 provided such credit may be sold, assigned or otherwise transferred, in
 1486 whole or in part, not more than three times."

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, 2018</i>	New section
Sec. 2	<i>July 1, 2015</i>	New section
Sec. 3	<i>July 1, 2016</i>	16-244r
Sec. 4	<i>July 1, 2016</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>July 1, 2015, and applicable to taxable and income years commencing on or after January 1, 2018</i>	12-217g(a)