



General Assembly

February Session, 2016

Committee Bill No. 1

LCO No. 3287



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING INNOVATION, ENTREPRENEURSHIP AND CONNECTICUT'S ECONOMIC FUTURE.

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

1 Section 1. (NEW) (*Effective from passage*) (a) There is hereby
2 established and created a body politic and corporate, constituting a
3 public instrumentality and political subdivision of the state established
4 and created for the performance of an essential public and
5 governmental function, to be known as ImpaCT. ImpaCT shall not be
6 construed to be a department, institution or agency of the state.

7 (b) (1) The powers of ImpaCT shall be vested in and exercised by a
8 board of directors, which shall consist of seven members, a majority of
9 whom are serial entrepreneurs. By education or experience, such
10 members shall be qualified in start-up development and investment,
11 innovation district development, urban planning, and technology
12 commercialization in higher education: (1) One appointed by the
13 Governor for an initial term of four years; (2) one appointed by the
14 speaker of the House of Representatives for an initial term of two
15 years; (3) one appointed by the president pro tempore of the Senate for

16 an initial term of two years; (4) one appointed by the minority leader of
17 the House of Representatives for an initial term of two years; (5) one
18 appointed by the minority leader of the Senate for an initial term of
19 two years; and (6) two jointly appointed by the chairpersons of the
20 joint standing committee of the General Assembly having cognizance
21 of matters relating to finance, revenue and bonding for an initial term
22 of four years. Thereafter, all members shall be appointed by the
23 original appointing authority for four-year terms. Any member of the
24 board shall be eligible for reappointment. Any vacancy occurring other
25 than by expiration of term shall be filled in the same manner as the
26 original appointment for the balance of the unexpired term. The
27 appointing authority for any member may remove such member for
28 misfeasance, malfeasance or wilful neglect of duty.

29 (c) The board of directors shall designate the chairperson of the
30 board from among its voting members. All initial appointments shall
31 be made not later than July 1, 2016. Such chairperson shall schedule
32 the first meeting of the board, which shall be held not later than July
33 15, 2016.

34 (d) Members of the board of directors may not designate a
35 representative to perform in their absence their respective duties under
36 this section and section 2 of this act.

37 (e) The chairperson shall, with the approval of the members of the
38 board of directors, appoint an executive director of ImpaCT who shall
39 be an employee of ImpaCT and paid a salary prescribed by the
40 members. The executive director shall supervise the administrative
41 affairs and technical activities of ImpaCT in accordance with the
42 directives of the board.

43 (f) Each member of the board of directors shall be entitled to
44 reimbursement for such member's actual and necessary expenses
45 incurred during the performance of such member's official duties.

46 (g) Members may engage in private employment, or in a profession

47 or business, subject to any applicable laws, rules and regulations of the
48 state regarding official ethics or conflict of interest.

49 (h) Five members of the board of directors of ImpaCT shall
50 constitute a quorum for the transaction of any business or the exercise
51 of any power of ImpaCT. For the transaction of any business or the
52 exercise of any power of the authority, and except as otherwise
53 provided in this section and section 2 of this act, ImpaCT may act by a
54 majority of the members present at any meeting at which a quorum is
55 in attendance.

56 (i) ImpaCT shall continue as long as it has bonds or other
57 obligations outstanding and until its existence is terminated by law,
58 provided no such termination shall affect any outstanding contractual
59 obligation of ImpaCT and the state shall succeed to the obligations of
60 ImpaCT under any contract. Upon the termination of the existence of
61 ImpaCT, all its rights and properties shall pass to and be vested in the
62 state of Connecticut.

63 (j) It shall not constitute a conflict of interest for a trustee, director,
64 partner or officer of any person, firm or corporation, or any individual
65 having a financial interest in a person, firm or corporation, to serve as a
66 member of the board of directors of ImpaCT, provided such trustee,
67 director, partner, officer or individual shall comply with all applicable
68 provisions of chapter 10 of the general statutes.

69 Sec. 2. (NEW) (*Effective from passage*) (a) The purposes of the ImpaCT
70 shall be to foster innovation, start-up businesses and entrepreneur
71 community building; to serve as a catalyst to protect and enhance the
72 innovation ecosystem; to connect start-up entrepreneurs with one
73 another and state, federal and private resources; to facilitate the
74 establishment of innovation districts; to facilitate mentorship for start-
75 up entrepreneurs; and to provide technical training and resources to
76 start-up businesses and entrepreneurs.

77 (b) For the purposes enumerated in subsection (a) of this section,

78 ImpaCT is authorized and empowered to:

79 (1) Have perpetual succession as a body politic and corporate and to
80 adopt bylaws for the regulation of its affairs and the conduct of its
81 business;

82 (2) Adopt an official seal and alter the same at pleasure;

83 (3) Maintain an office at such place or places as it may designate;

84 (4) Sue and be sued in its own name, and plead and be impleaded;

85 (5) (A) Employ such assistants, agents and other employees as may
86 be necessary or desirable who shall not be employees, as defined in
87 subsection (b) of section 5-270 of the general statutes; (B) establish all
88 necessary or appropriate personnel practices and policies, including
89 those relating to hiring, promotion, compensation, retirement and
90 collective bargaining, which need not be in accordance with chapter 68
91 of the general statutes, and ImpaCT shall not be an employer as
92 defined in subsection (a) of section 5-270 of the general statutes; and
93 (C) engage consultants, attorneys and appraisers as may be necessary
94 or desirable to carry out its purposes in accordance with this section;

95 (6) Issue bonds, bond anticipation notes and other obligations of
96 ImpaCT for any of its corporate purposes, and to fund or refund the
97 same, all as provided in this section;

98 (7) Receive and accept aid or contributions from any source of
99 money, property, labor or other things of value, to be held, used and
100 applied to carry out the purposes of this section subject to such
101 conditions upon which such grants and contributions may be made,
102 including, but not limited to, gifts or grants from any department,
103 agency or instrumentality of the United States or this state for any
104 purpose consistent with this section;

105 (8) Borrow money for the purpose of obtaining working capital;

106 (9) Make and enter into all contracts and agreements necessary or
107 incidental to the performance of its duties and the execution of its
108 powers under this section, including contracts and agreements for
109 such professional services as the authority deems necessary, including,
110 but not limited to, financial consultants, bond counsel, underwriters
111 and technical specialists;

112 (10) Acquire, lease, purchase, own, manage, hold and dispose of
113 personal property, and lease, convey or deal in or enter into
114 agreements with respect to such property on any terms necessary or
115 incidental to the carrying out of these purposes;

116 (11) Invest in, acquire, lease, purchase, own, manage, hold and
117 dispose of real property and lease, convey or deal in or enter into
118 agreements with respect to such property on any terms necessary or
119 incidental to carrying out the purposes of this section, provided such
120 transactions shall not be subject to approval, review or regulation by
121 any state agency pursuant to title 4b of the general statutes or any
122 other provision of the general statutes;

123 (12) Procure insurance against any liability or loss in connection
124 with its property and other assets, in such amounts and from such
125 insurers as it deems desirable and to procure insurance for employees;

126 (13) Account for and audit funds of ImpaCT and funds of any
127 recipients of funds from ImpaCT;

128 (14) Hold patents, copyrights, trademarks, marketing rights,
129 licenses, or any other evidences of protection or exclusivity as to any
130 products as defined in this section, issued under the laws of the United
131 States or any state or any nation;

132 (15) Establish advisory committees to assist in accomplishing its
133 duties under this section, which may include one or more members of
134 the board of directors and persons other than members;

135 (16) Serve as a resource to start-up entrepreneurs in this state by (A)

136 providing counseling and technical assistance in the areas of
137 entrepreneurial business planning and management, financing and
138 marketing for start-up businesses; and (B) conducting business
139 workshops, seminars and conferences with local partners, including,
140 but not limited to, public and private institutions of higher education,
141 municipal governments, regional economic development districts,
142 private industry, chambers of commerce, small business development
143 organizations and economic development organizations;

144 (17) Facilitate partnerships between innovative start-up businesses,
145 research institutions and venture capitalists or financial institutions;

146 (18) Increase the quantity and availability of capital for
147 entrepreneurs and start-up companies, including, but not limited to,
148 angel investors and venture capitalists;

149 (19) Promote technology-based development in the state;

150 (20) Encourage and promote the establishment of and, within
151 available resources, provide financial aid to advanced technology
152 centers;

153 (21) Maintain an inventory of data and information concerning state
154 and federal programs that are related to the purposes of this section
155 and to serve as a clearinghouse and referral service for such data and
156 information;

157 (22) Promote and encourage and, within available resources, to
158 provide financial aid for the establishment, maintenance and operation
159 of incubator facilities;

160 (23) Promote and encourage the coordination of public and private
161 resources and activities within the state in order to assist technology-
162 based entrepreneurs and business enterprises;

163 (24) Promote science, engineering, mathematics and other
164 disciplines that are essential to the development and application of

165 technology;

166 (25) Coordinate its efforts with existing business outreach centers, as
167 described in section 32-9qq of the general statutes;

168 (26) Provide financial aid to persons developing smart buildings, as
169 defined in section 32-23d of the general statutes, incubator facilities or
170 other information technology intensive office and laboratory space;

171 (27) Coordinate the development and implementation of strategies
172 regarding technology-based talent and innovation among state and
173 quasi-public agencies, including the creation and administration of the
174 Connecticut Small Business Innovation Research Office to act as a
175 centralized clearinghouse and provide technical assistance to
176 applicants in developing small business innovation research programs
177 in conformity with the federal program established pursuant to the
178 Small Business Research and Development Enhancement Act of 1992,
179 P.L. 102-564, as amended from time to time, and other proposals;

180 (28) Encourage the retention of younger generation start-up
181 entrepreneurs in the state;

182 (29) Promote entrepreneurship among students of institutions of
183 higher education;

184 (30) Make planning grants to entities seeking to apply for
185 innovation district status pursuant to section 11 of this act, provided
186 such entity demonstrates that its proposed innovation district meets
187 the purposes set forth in section 10 of this act; and

188 (31) Do all acts and things necessary or convenient to carry out the
189 purposes of this section and the powers expressly granted by this
190 section.

191 (c) The board shall:

192 (1) Develop a plan to facilitate stronger relationships between

193 Connecticut businesses and institutions of higher education in order to
194 support entrepreneurial research and entrepreneurial talent
195 development;

196 (2) Establish an investment fund that supports student-owned, start-
197 up businesses;

198 (3) Establish a state-wide technology transfer office to (A) support
199 the commercialization of ideas from students and faculty of
200 institutions of higher education, (B) identify the most efficient and
201 effective location for such office, (C) recommend the annual funding
202 level for such office; (D) promote and support entrepreneurship and
203 innovation among public institutions of higher education, private
204 institutions of higher education and Connecticut businesses; and (E)
205 provide advice and assistance to public and private research
206 institutions on strategies for technology transfer, including, but not
207 limited to, (i) assessing the viability and value of developing
208 technologies; (ii) defining and exploiting potential markets for such
209 technologies; (iii) commercialization strategies; (iv) intellectual
210 property issues, including, but not limited to, licensing strategies; and
211 (v) business development;

212 (4) Create an informational Internet web site known as ImpaCT that
213 (A) lists services, programs or events offered to entrepreneurs; (B)
214 advertises Connecticut based start-up businesses seeking funding,
215 including links to the Internet web sites where such funding
216 opportunities are available; (C) serves as an online community for
217 entrepreneurs; (D) lists current research projects being conducted by
218 professors at institutions of higher education, provided such projects
219 are relevant to entrepreneurship and innovation; (E) provides
220 information concerning innovation and entrepreneurial programming
221 available at institutions of higher education, including, but not limited
222 to, engineering, computer science and bioscience; and (F) connects
223 businesses seeking to buy Connecticut made products for their
224 business inputs;

225 (5) Publicize such informational page and any workshops, seminars
226 and conferences facilitated by such office;

227 (6) Advise the Governor, the General Assembly, the Commissioner
228 of Economic and Community Development, the president of The
229 University of Connecticut and the president of the Board of Regents
230 for Higher Education on matters relating to science, engineering and
231 technology that may have an impact on state policies, programs,
232 employers and residents, and on job creation and retention;

233 (7) Designate innovation districts pursuant to the provisions of
234 sections 9 to 12, inclusive, of this act;

235 (8) Annually develop, update and implement a strategic state-wide
236 innovation and entrepreneurship marketing plan for the promotion of
237 Connecticut as an innovation and entrepreneurship hub. The executive
238 director shall report, in accordance with the provisions of section 11-4a
239 of the general statutes, to the joint standing committees of the General
240 Assembly having cognizance of matters relating to commerce and
241 finance, revenue and bonding, on or before January 1, 2017, concerning
242 the content of such plan;

243 (9) Develop a gap year program model for institutions of higher
244 education where students work for a cybersecurity, data science,
245 software development, or other technology based start-up business for
246 one year prior to graduation and are provided with matching funds
247 from such start-up business to support their cost of living; and

248 (10) Develop a student loan deferral or forgiveness program for
249 students who start businesses in the state immediately after
250 graduation.

251 Sec. 3. (NEW) (*Effective from passage*) The members of the board of
252 directors of ImpaCT shall adopt written procedures, in accordance
253 with the provisions of section 1-121 of the general statutes, for: (1)
254 Adopting an annual budget and plan of operations, including a

255 requirement of board approval before the budget or plan may take
256 effect; (2) hiring, dismissing, promoting and compensating employees
257 of ImpaCT, including an affirmative action policy and a requirement of
258 board approval before a position may be created or a vacancy filled; (3)
259 acquiring real and personal property and personal services, including
260 a requirement of board approval for any nonbudgeted expenditure in
261 excess of an amount to be determined by the board; (4) contracting for
262 financial, legal, bond underwriting and other professional services,
263 including a requirement that ImpaCT solicit proposals at least once
264 every three years for each such service which it uses; (5) issuing and
265 retiring bonds, bond anticipation notes and other obligations of
266 ImpaCT; (6) awarding loans, grants and other financial assistance,
267 including eligibility criteria, the application process and the role
268 played by ImpaCT's staff and board of directors; and (7) the use of
269 surplus funds to the extent authorized under section 2 or 3 of this act
270 or other provisions of the general statutes.

271 Sec. 4. (NEW) (*Effective from passage*) (a) ImpaCT may establish or
272 designate one or more subsidiaries for such purposes as prescribed by
273 resolution of ImpaCT's board of directors, which purposes shall be
274 consistent with the purposes of ImpaCT. Each subsidiary shall be
275 deemed a quasi-public agency for purposes of chapter 12 of the
276 general statutes. ImpaCT may transfer to any such subsidiary any
277 moneys and real or personal property. Each such subsidiary shall have
278 all the privileges, immunities, tax exemptions and other exemptions of
279 ImpaCT. A resolution of ImpaCT shall prescribe the purposes for
280 which each subsidiary is formed.

281 (b) Each such subsidiary may sue and shall be subject to suit,
282 provided the liability of each such subsidiary shall be limited solely to
283 the assets, revenues and resources of such subsidiary and without
284 recourse to the general funds, revenues, resources or any other assets
285 of ImpaCT or any other subsidiary. Each such subsidiary shall have
286 the power to do all acts and things necessary or convenient to carry out
287 the purposes for which such subsidiary is established, including, but

288 not limited to: (1) Solicit, receive and accept aid, grants or
289 contributions from any source of money, property or labor or other
290 things of value, subject to the conditions upon which such grants and
291 contributions may be made, including, but not limited to, gifts, grants
292 or loans from any department, agency or quasi-public agency of the
293 United States or the state, or from any organization recognized as a
294 nonprofit organization under Section 501(c)(3) of the Internal Revenue
295 Code of 1986, or any subsequent corresponding internal revenue code
296 of the United States, as amended from time to time; (2) enter into
297 agreements with persons upon such terms and conditions as are
298 consistent with the purposes of such subsidiary; and (3) acquire, take
299 title, lease, purchase, own, manage, hold and dispose of real and
300 personal property and lease, convey or deal in or enter into agreements
301 with respect to such property.

302 (c) Each such subsidiary shall act through its board of directors, not
303 less than fifty per cent of whom shall be members of the board of
304 directors of ImpaCT or their designees.

305 (d) The provisions of this section and section 1-125 of the general
306 statutes, as amended by this act, shall apply to any officer, director,
307 designee or employee appointed as a member, director or officer of
308 any such subsidiary. Neither any such persons so appointed nor the
309 directors, officers or employees of ImpaCT shall be personally liable
310 for the debts, obligations or liabilities of any such subsidiary as
311 provided in section 1-125 of the general statutes, as amended by this
312 act. Each subsidiary shall, and ImpaCT may, provide for the
313 indemnification to protect, save harmless and indemnify such officer,
314 director, designee or employee as provided by section 1-125 of the
315 general statutes, as amended by this act.

316 (e) ImpaCT or any such subsidiary may take such actions as are
317 necessary to comply with the provisions of the Internal Revenue Code
318 of 1986, or any subsequent corresponding internal revenue code of the
319 United States, as amended from time to time, to qualify and maintain

320 any such subsidiary as a corporation exempt from taxation under said
321 Internal Revenue Code.

322 (f) ImpaCT may make loans or grants to, and may guarantee
323 specified obligations of, any such subsidiary, following standard
324 authority procedures, from ImpaCT's assets and the proceeds of its
325 bonds, notes and other obligations, provided the source and security, if
326 any, for the repayment of any such loans or guarantees is derived from
327 the assets, revenues and resources of such subsidiary.

328 Sec. 5. Subdivision (12) of section 1-79 of the 2016 supplement to the
329 general statutes is repealed and the following is substituted in lieu
330 thereof (*Effective from passage*):

331 (12) "Quasi-public agency" means Connecticut Innovations,
332 Incorporated, the Connecticut Health and Education Facilities
333 Authority, the Connecticut Higher Education Supplemental Loan
334 Authority, the Connecticut Student Loan Foundation, the Connecticut
335 Housing Finance Authority, the State Housing Authority, the Materials
336 Innovation and Recycling Authority, the Capital Region Development
337 Authority, the Connecticut Lottery Corporation, the Connecticut
338 Airport Authority, the Connecticut Health Insurance Exchange, the
339 Connecticut Green Bank, the Connecticut Port Authority, [and] the
340 State Education Resource Center and ImpaCT.

341 Sec. 6. Section 1-120 of the 2016 supplement to the general statutes is
342 repealed and the following is substituted in lieu thereof (*Effective from*
343 *passage*):

344 As used in [sections 1-120] this section and sections 1-121 to 1-123,
345 inclusive:

346 (1) "Quasi-public agency" means Connecticut Innovations,
347 Incorporated, the Connecticut Health and Educational Facilities
348 Authority, the Connecticut Higher Education Supplemental Loan
349 Authority, the Connecticut Student Loan Foundation, the Connecticut

350 Housing Finance Authority, the Connecticut Housing Authority, the
351 Materials Innovation and Recycling Authority, the Capital Region
352 Development Authority, the Connecticut Lottery Corporation, the
353 Connecticut Airport Authority, the Connecticut Health Insurance
354 Exchange, the Connecticut Green Bank, the Connecticut Port
355 Authority, [and] the State Education Resource Center and ImpaCT.

356 (2) "Procedure" means each statement, by a quasi-public agency, of
357 general applicability, without regard to its designation, that
358 implements, interprets or prescribes law or policy, or describes the
359 organization or procedure of any such agency. The term includes the
360 amendment or repeal of a prior regulation, but does not include,
361 unless otherwise provided by any provision of the general statutes, (A)
362 statements concerning only the internal management of any agency
363 and not affecting procedures available to the public, and (B) intra-
364 agency memoranda.

365 (3) "Proposed procedure" means a proposal by a quasi-public
366 agency under the provisions of section 1-121 for a new procedure or
367 for a change in, addition to or repeal of an existing procedure.

368 Sec. 7. Section 1-124 of the 2016 supplement to the general statutes is
369 repealed and the following is substituted in lieu thereof (*Effective from*
370 *passage*):

371 (a) Connecticut Innovations, Incorporated, the Connecticut Health
372 and Educational Facilities Authority, the Connecticut Higher
373 Education Supplemental Loan Authority, the Connecticut Student
374 Loan Foundation, the Connecticut Housing Finance Authority, the
375 Connecticut Housing Authority, the Materials Innovation and
376 Recycling Authority, the Connecticut Airport Authority, the Capital
377 Region Development Authority, the Connecticut Health Insurance
378 Exchange, the Connecticut Green Bank, the Connecticut Port Authority
379 and the State Education Resource Center shall not borrow any money
380 or issue any bonds or notes which are guaranteed by the state of
381 Connecticut or for which there is a capital reserve fund of any kind

382 which is in any way contributed to or guaranteed by the state of
383 Connecticut until and unless such borrowing or issuance is approved
384 by the State Treasurer or the Deputy State Treasurer appointed
385 pursuant to section 3-12. The approval of the State Treasurer or said
386 deputy shall be based on documentation provided by the authority
387 that it has sufficient revenues to (1) pay the principal of and interest on
388 the bonds and notes issued, (2) establish, increase and maintain any
389 reserves deemed by the authority to be advisable to secure the
390 payment of the principal of and interest on such bonds and notes, (3)
391 pay the cost of maintaining, servicing and properly insuring the
392 purpose for which the proceeds of the bonds and notes have been
393 issued, if applicable, and (4) pay such other costs as may be required.

394 (b) To the extent Connecticut Innovations, Incorporated, the
395 Connecticut Higher Education Supplemental Loan Authority, the
396 Connecticut Student Loan Foundation, the Connecticut Housing
397 Finance Authority, the Connecticut Housing Authority, the Materials
398 Innovation and Recycling Authority, the Connecticut Health and
399 Educational Facilities Authority, the Connecticut Airport Authority,
400 the Capital Region Development Authority, the Connecticut Health
401 Insurance Exchange, the Connecticut Green Bank, the Connecticut Port
402 Authority, [or] the State Education Resource Center or ImpaCT is
403 permitted by statute and determines to exercise any power to
404 moderate interest rate fluctuations or enter into any investment or
405 program of investment or contract respecting interest rates, currency,
406 cash flow or other similar agreement, including, but not limited to,
407 interest rate or currency swap agreements, the effect of which is to
408 subject a capital reserve fund which is in any way contributed to or
409 guaranteed by the state of Connecticut, to potential liability, such
410 determination shall not be effective until and unless the State
411 Treasurer or his or her deputy appointed pursuant to section 3-12 has
412 approved such agreement or agreements. The approval of the State
413 Treasurer or his or her deputy shall be based on documentation
414 provided by the authority that it has sufficient revenues to meet the
415 financial obligations associated with the agreement or agreements.

416 Sec. 8. Section 1-125 of the 2016 supplement to the general statutes is
417 repealed and the following is substituted in lieu thereof (*Effective from*
418 *passage*):

419 The directors, officers and employees of Connecticut Innovations,
420 Incorporated, the Connecticut Higher Education Supplemental Loan
421 Authority, the Connecticut Student Loan Foundation, the Connecticut
422 Housing Finance Authority, the Connecticut Housing Authority, the
423 Materials Innovation and Recycling Authority, including ad hoc
424 members of the Materials Innovation and Recycling Authority, the
425 Connecticut Health and Educational Facilities Authority, the Capital
426 Region Development Authority, the Connecticut Airport Authority,
427 the Connecticut Lottery Corporation, the Connecticut Health Insurance
428 Exchange, the Connecticut Green Bank, the Connecticut Port
429 Authority, [and] the State Education Resource Center and ImpaCT and
430 any person executing the bonds or notes of the agency shall not be
431 liable personally on such bonds or notes or be subject to any personal
432 liability or accountability by reason of the issuance thereof, nor shall
433 any director or employee of the agency, including ad hoc members of
434 the Materials Innovation and Recycling Authority, be personally liable
435 for damage or injury, not wanton, reckless, wilful or malicious, caused
436 in the performance of his or her duties and within the scope of his or
437 her employment or appointment as such director, officer or employee,
438 including ad hoc members of the Materials Innovation and Recycling
439 Authority. The agency shall protect, save harmless and indemnify its
440 directors, officers or employees, including ad hoc members of the
441 Materials Innovation and Recycling Authority, from financial loss and
442 expense, including legal fees and costs, if any, arising out of any claim,
443 demand, suit or judgment by reason of alleged negligence or alleged
444 deprivation of any person's civil rights or any other act or omission
445 resulting in damage or injury, if the director, officer or employee,
446 including ad hoc members of the Materials Innovation and Recycling
447 Authority, is found to have been acting in the discharge of his or her
448 duties or within the scope of his or her employment and such act or
449 omission is found not to have been wanton, reckless, wilful or

450 malicious.

451 Sec. 9. (NEW) (*Effective from passage*) For the purposes of this section
452 and sections 10 to 12, inclusive, of this act, the following terms shall
453 have the following meanings unless the context otherwise requires:

454 (1) "Anchor institution" means an entity having a significant and
455 stable presence in the community, including, but not limited to, an
456 institution of higher education, hospital, major corporation, research
457 institution or existing business incubator or business accelerator;

458 (2) "ImpaCT board" or "board" means the board of directors of
459 ImpaCT established pursuant to section 1 of this act;

460 (3) "Designated innovation district" means an area designated as an
461 innovation district pursuant to section 10 of this act;

462 (4) "District plan" means the plan submitted to the ImpaCT board
463 pursuant to subparagraph (F) of subdivision (1) of subsection (a) of
464 section 11 of this act;

465 (5) "Entity" means a corporation, association, partnership, limited
466 liability company, benefit corporation, nonprofit organization,
467 municipality, institution of higher education or any other similar
468 organization;

469 (6) "Executive director" means the executive director of ImpaCT;

470 (7) "Innovation entity" means an entity having submitted an
471 application for innovation district status for a proposed innovation
472 district and that is designated as an innovation district by the executive
473 director pursuant to the provisions of subsection (a) of section 10 of
474 this act;

475 (8) "Municipality" means any town, city, consolidated town and city
476 or consolidated town and borough;

477 (9) "New Haven Line" means the rail passenger service operated

478 between New Haven and intermediate points and Grand Central
479 Station, including the Danbury, Waterbury and New Canaan branch
480 lines;

481 (10) "Public transit" means the New Haven line, Shore Line East, the
482 New Haven Hartford Springfield rail line and the New Britain to
483 Hartford busway and any planned expansion of such busway; and

484 (11) "Shore Line East" means the rail service operating between New
485 Haven and New London.

486 Sec. 10. (NEW) (*Effective from passage*) (a) There is established an
487 innovation district program within ImpaCT. The purpose of such
488 program is to (1) foster innovation and entrepreneurship by facilitating
489 the establishment of innovation districts in compact geographic areas
490 having entrepreneurial and innovation potential where (A) existing
491 anchor institutions, institutions, companies and recreational spaces are
492 in close proximity with start-up businesses, (B) public transit is
493 accessible, (C) a significant portion of the underlying zoning allows for
494 mixed-use development, including, but not limited to, housing, office
495 and retail, and (D) foot traffic is facilitated; (2) identify, designate and
496 fund the initial costs associated with development of an innovation
497 district; (3) encourage collaboration among institutions of higher
498 education, medical institutions and hospitals, existing companies,
499 start-up businesses, researchers and investors; (4) encourage the
500 leveraging of private investment in the designated innovation districts;
501 (5) connect entrepreneurs who are facing similar opportunities and
502 challenges, with one another and with private and public resources;
503 and (6) facilitating the establishment of innovation places in
504 municipalities having a connection to an innovation district by transit,
505 labor market patterns or some other relationship, provided such places
506 have entrepreneurial and innovation potential and are in a compact
507 geographic area of high density land use within a walkable
508 commercial and residential center.

509 (b) The executive director shall designate as an innovation district

510 any proposed innovation district recommended for innovation district
511 status by the ImpaCT board pursuant to the provisions of section 12 of
512 this act, unless the executive director determines that good cause
513 exists, and is supported by substantial evidence, to reject such
514 recommendation on the grounds that the proposed innovation district
515 fails to comply with the purposes set forth in subsection (a) of this
516 section. The executive director shall award grants to an innovation
517 entity in an amount equal to the amount recommended by the ImpaCT
518 board. Prior to awarding any such grant, the executive director shall
519 (1) enter into an agreement with any such innovation entity concerning
520 (A) allowable grant expenses, provided such expenses shall be limited
521 to those recommended by the ImpaCT board, and (B) submission of an
522 annual financial audit of grant expenditures to the executive director
523 until all grant moneys have been expended by the innovation entity,
524 provided any such audit shall be prepared by an independent auditor,
525 and (2) confirm that a significant portion of the underlying zoning of
526 the proposed district allows for mixed-use development, including,
527 but not limited to, housing, office and retail. If the executive director
528 finds that any such grant is being used for purposes which are not in
529 conformity with the expenses allowed pursuant to subdivision (1) of
530 this subsection, the executive director may require repayment of the
531 grant.

532 (c) The executive director shall report, in accordance with the
533 provisions of section 11-4a of the general statutes, to the joint standing
534 committees of the General Assembly having cognizance of matters
535 relating to commerce, finance, revenue and bonding, on or before July
536 1, 2017, and on or before July first annually thereafter until July 1, 2020,
537 with regard to the grants distributed pursuant to this section and
538 concerning the operation and effectiveness of the innovation district
539 program.

540 Sec. 11. (NEW) (*Effective from passage*) (a) Any entity may submit an
541 application for innovation district status to the ImpaCT board. The
542 application shall be submitted on or before September 1, 2016, on a

543 form prescribed by the board. The application shall contain sufficient
544 information to establish that the proposed district is suitable for the
545 purposes set forth in section 10 of this act.

546 (1) Such application shall include: (A) Information concerning the
547 proposed geographical boundaries of the proposed innovation district,
548 including, but not limited to, a map indicating the boundaries of the
549 proposed innovation district; (B) information concerning at least two
550 anchor institutions located within the geographical boundaries of the
551 proposed innovation district and how such institutions have agreed to
552 participate in the development of and activities within such district;
553 (C) a summary of existing and proposed transportation-related
554 infrastructure within and around the proposed innovation district; (D)
555 a summary of existing and proposed businesses, recreational facilities,
556 public parks and any other public or private gathering spaces located
557 within the proposed innovation district; (E) information concerning
558 walkability of the proposed innovation district; (F) a district plan for
559 the development of the proposed innovation district, including a plan
560 for connecting the proposed district to public transit via rail or bus, a
561 plan for leveraging private investment and a budget and timeline for
562 use of any moneys granted by the executive director. Such budget shall
563 indicate priority for the expenditure of funds in the event that moneys
564 granted are insufficient to cover the costs of the entire proposed
565 budget; (G) a list of municipal and state legislative action that may be
566 required for the execution of such district plan; (H) a letter of support
567 from the chief elected official of the municipality where the innovation
568 district is proposed that shall include a statement of the official's
569 support for any municipal legislative action recommended in the
570 district plan. A chief elected official may only submit a letter of
571 support for one proposed innovation district located within his or her
572 municipality; (I) letters of support from private investors; (J)
573 information concerning consistency with the state plan of conservation
574 and development; (K) information concerning the capability of the
575 applicant and other entities partnering with the applicant to
576 implement and administer the district plan and how such partners will

577 be involved in the decision-making process for the proposed
578 innovation district; (L) a plan to distribute, on a need-based capacity, a
579 portion of any municipal grand list growth attributable to (i)
580 improvements to property within the proposed district after the
581 establishment of such district, or (ii) the relocation of property from the
582 proposed district to a municipality within the same regional council of
583 governments after the establishment of such district.

584 (2) A district plan may include, but shall not be limited to, (A) plans
585 for: (i) Attracting and directing support to start-up businesses; (ii)
586 development, in collaboration with private partners, of a business
587 incubator, coworking space, business accelerator or public meeting
588 space; (iii) events and community building; (iv) marketing and
589 outreach; (v) open space improvement; (vi) housing development; (vii)
590 improvement of technology infrastructure, including, but not limited
591 to, broadband improvement; (viii) bicycle paths; and (ix) attracting
592 anchor institutions, and (B) community letters of support from persons
593 or entities other than the applicant.

594 (b) The ImpaCT board shall screen all applications submitted to it
595 pursuant to subsection (a) of this section and shall select therefrom a
596 limited number of finalist applicants. The ImpaCT board shall hold at
597 least one public hearing on each application submitted by a finalist
598 applicant. Such hearing shall be held in the municipality where the
599 proposed innovation district is located and shall consist of a
600 presentation by the applicant finalist on its proposal and a public
601 comment period. The ImpaCT board shall conduct a site walk of any
602 proposed innovation district submitted by an applicant finalist. The
603 chairperson of the ImpaCT board shall give appropriate notice of such
604 hearing. The notice shall (1) state the time and place of the hearing to
605 be held not fewer than ten days after the date of such notice, and (2) be
606 posted in a conspicuous place in or near the office of the town clerk for
607 the municipality where the proposed innovation district is located and
608 posted on the Internet web site of such municipality. Applicants may
609 submit revised applications to the advisory panel based on public

610 comments received at such hearing.

611 Sec. 12. (NEW) (*Effective from passage*) Through the innovation
612 district program established pursuant to section 10 of this act, the
613 ImpaCT board shall:

614 (1) Review and evaluate applications for innovation district status
615 submitted by entities pursuant to section 11 of this act;

616 (2) Make recommendations to the executive director on or before
617 January 1, 2017, for the approval of applications for innovation district
618 status. If no such application meets the purposes set forth in subsection
619 (a) of section (10) of this act or the criteria set forth in this subdivision,
620 the board shall not recommend any application for innovation district
621 status to the executive director. Such recommendations may include
622 modifications to an application, agreed to by the applicant, as a
623 condition for approval thereof. Such recommendations shall include
624 recommendations for the amount of grant moneys to be awarded to
625 each recommended applicant and recommendations for allowable
626 grant expenses, including, but not limited to, expenditures set forth in
627 such applicant's application, expenditures associated with any
628 modifications recommended thereto by the ImpaCT board, operating
629 expenses and the cost of the audit prescribed by subdivision (2) of
630 subsection (b) of section 10 of this act. (A) No application may be
631 recommended for innovation district status by the ImpaCT board
632 unless such application is consistent with the purposes set forth in
633 section 10 of this act and is for a proposed innovation district where a
634 significant portion of such proposed district is located in an existing or
635 proposed mixed-use zoning district. (B) In determining whether to
636 recommend an application for approval, the ImpaCT board shall
637 consider, but such consideration shall not be limited to: (i) Whether the
638 entities partnering together to implement and administer the proposed
639 district plan are of the quality to, and have demonstrated the
640 commitment to, implement and administer the district plan in a
641 manner sufficient to achieve the purposes set forth in section 10 of this

642 act. Preference shall be given to applicants having (I) diverse partners,
643 including, but not limited to, anchor institutions, and (II) partnerships
644 with entities located within the proposed innovation district; (ii)
645 whether the geography of the proposed innovation district is
646 sufficiently compact to achieve the purposes set forth in section 10 of
647 this act, provided no proposed innovation district having a proposed
648 geographic area consisting of more than one half square mile shall be
649 recommended by the ImpaCT board unless the applicant demonstrates
650 good cause exists for expanding such district beyond one half square
651 mile; (iii) whether the district plan is sufficient to achieve the purposes
652 set forth in section 10 of this act and whether such plan includes (I)
653 sufficient measures to ensure walkability within the proposed district;
654 (II) sufficient measures to enhance regular interpersonal interactions
655 amongst residents, workers and visitors of the district; (III) adequate
656 and accessible public transportation; and (IV) existing or proposed
657 restaurants, affordable housing options, retail spaces and public
658 spaces, indoor or outdoor, that provide adequate opportunity for
659 interpersonal interaction; (iv) the extent to which the district plan
660 leverages private investment; (v) self-sustainability of the district after
661 moneys granted by the executive director are fully expended; (vi)
662 whether the underlying zoning of the proposed district provides for,
663 or will be amended to provide for, reduced minimum floor area for
664 residential dwelling units; and (vii) any other criteria the advisory
665 committee determines is relevant for evaluating whether the proposed
666 district, if granted innovation district status, will achieve the purposes
667 set forth in section 10 of this act.

668 (3) Publicize and post on its Internet web site the deadline for
669 applications for innovation district status pursuant to section 11 of this
670 act; and

671 (4) Develop a program to provide grants to innovation places,
672 including, but not limited to, a process to apply for such grants, the
673 criteria for grant approval and a process for approving such grants,
674 provided such grants shall only be provided to innovation places that

675 meet the purposes set forth in section 10 of this act.

676 Sec. 13. (*Effective from passage*): On or before June 1, 2016, the
677 Commissioner of Economic and Community Development shall
678 publicize and post on its Internet web site the deadline for applications
679 for innovation district status pursuant to section 11 of this act and the
680 language of sections 9 through 12, inclusive, of this act.

681 Sec. 14. Section 32-235 of the 2016 supplement to the general statutes
682 is repealed and the following is substituted in lieu thereof (*Effective*
683 *from passage*):

684 (a) For the purposes described in subsection (b) of this section, the
685 State Bond Commission shall have the power, from time to time, to
686 authorize the issuance of bonds of the state in one or more series and
687 in principal amounts not exceeding in the aggregate one billion four
688 hundred fifteen million three hundred thousand dollars, provided (1)
689 one hundred forty million dollars of said authorization shall be
690 effective July 1, 2011, and twenty million dollars of said authorization
691 shall be made available for small business development; (2) two
692 hundred eighty million dollars of said authorization shall be effective
693 July 1, 2012, and forty million dollars of said authorization shall be
694 made available for the Small Business Express program established
695 pursuant to section 32-7g, as amended by this act, and not more than
696 twenty million dollars of said authorization may be made available for
697 businesses that commit to relocating one hundred or more jobs that are
698 outside of the United States to the state; and (3) one hundred million
699 dollars of said authorization shall be effective July 1, 2016. Any amount
700 of said authorizations that are made available for small business
701 development or businesses that commit to relocating one hundred or
702 more jobs that are outside of the United States to the state, but are not
703 exhausted for such purpose by the first day of the fiscal year
704 subsequent to the fiscal year in which such amount was made
705 available, shall be used for the purposes described in subsection (b) of
706 this section. For purposes of this subsection, a "small business" is one

707 employing not more than one hundred employees.

708 (b) The proceeds of the sale of said bonds, to the extent of the
709 amount stated in subsection (a) of this section, shall be used by the
710 Department of Economic and Community Development (1) for the
711 purposes of sections 32-220 to 32-234, inclusive, including economic
712 cluster-related programs and activities, and for the Connecticut job
713 training finance demonstration program pursuant to sections 32-23uu
714 and 32-23vv, provided (A) three million dollars shall be used by said
715 department solely for the purposes of section 32-23uu and not more
716 than five million two hundred fifty thousand dollars of the amount
717 stated in said subsection (a) may be used by said department for the
718 purposes of section 31-3u, (B) not less than one million dollars shall be
719 used for an educational technology grant to the deployment center
720 program and the nonprofit business consortium deployment center
721 approved pursuant to section 32-41l, (C) not less than two million
722 dollars shall be used by said department for the establishment of a
723 pilot program to make grants to businesses in designated areas of the
724 state for construction, renovation or improvement of small
725 manufacturing facilities, provided such grants are matched by the
726 business, a municipality or another financing entity. The
727 Commissioner of Economic and Community Development shall
728 designate areas of the state where manufacturing is a substantial part
729 of the local economy and shall make grants under such pilot program
730 which are likely to produce a significant economic development
731 benefit for the designated area, (D) five million dollars may be used by
732 said department for the manufacturing competitiveness grants
733 program, (E) one million dollars shall be used by said department for
734 the purpose of a grant to the Connecticut Center for Advanced
735 Technology, for the purposes of subdivision (5) of subsection (a) of
736 section 32-7f, (F) fifty million dollars shall be used by said department
737 for the purpose of grants to the United States Department of the Navy,
738 the United States Department of Defense or eligible applicants for
739 projects related to the enhancement of infrastructure for long-term, on-
740 going naval operations at the United States Naval Submarine Base-

741 New London, located in Groton, which will increase the military value
742 of said base. Such projects shall not be subject to the provisions of
743 sections 4a-60 and 4a-60a, (G) two million dollars shall be used by said
744 department for the purpose of a grant to the Connecticut Center for
745 Advanced Technology, Inc., for manufacturing initiatives, including
746 aerospace and defense, and (H) four million dollars shall be used by
747 said department for the purpose of a grant to companies adversely
748 impacted by the construction at the Quinnipiac Bridge, where such
749 grant may be used to offset the increase in costs of commercial
750 overland transportation of goods or materials brought to the port of
751 New Haven by ship or vessel, (2) for the purposes of the small
752 business assistance program established pursuant to section 32-9yy,
753 provided fifteen million dollars shall be deposited in the small
754 business assistance account established pursuant to said section 32-
755 9yy, [and] (3) to deposit twenty million dollars in the small business
756 express assistance account established pursuant to section 32-7h, (4)
757 twenty-five million dollars shall be used by ImpaCT for providing
758 grants to designated innovation districts, as defined in section 9 of this
759 act or planning grants pursuant to section 2 of this act, (5) five million
760 dollars shall be used by ImpaCT for providing grants to innovation
761 places pursuant to section 12 of this act, (6) sixty million dollars shall
762 be used by Startup CT for the purposes of providing loans pursuant to
763 section 25 of this act, (7) twenty-five million dollars shall be used by
764 ImpaCT for the purposes of providing grants to business accelerators
765 pursuant to section 26 of this act, and (8) five million shall be used by
766 the State Department of Education for the purpose of providing grants
767 to technical high schools for the provision of evening training
768 programs in the skilled trades, including, but not limited to,
769 manufacturing, masonry, electrical, plumbing and carpentry trades,
770 provided the purpose of such programs shall be to prepare
771 participants for earning a credential or degree recognized by
772 employers or trade associations, as applicable.

773 (c) All provisions of section 3-20, or the exercise of any right or
774 power granted thereby which are not inconsistent with the provisions

775 of this section are hereby adopted and shall apply to all bonds
776 authorized by the State Bond Commission pursuant to this section, and
777 temporary notes in anticipation of the money to be derived from the
778 sale of any such bonds so authorized may be issued in accordance with
779 said section 3-20 and from time to time renewed. Such bonds shall
780 mature at such time or times not exceeding twenty years from their
781 respective dates as may be provided in or pursuant to the resolution or
782 resolutions of the State Bond Commission authorizing such bonds.
783 None of said bonds shall be authorized except upon a finding by the
784 State Bond Commission that there has been filed with it a request for
785 such authorization, which is signed by or on behalf of the Secretary of
786 the Office of Policy and Management and states such terms and
787 conditions as said commission, in its discretion, may require. Said
788 bonds issued pursuant to this section shall be general obligations of the
789 state and the full faith and credit of the state of Connecticut are
790 pledged for the payment of the principal of and interest on said bonds
791 as the same become due, and accordingly and as part of the contract of
792 the state with the holders of said bonds, appropriation of all amounts
793 necessary for punctual payment of such principal and interest is
794 hereby made, and the Treasurer shall pay such principal and interest
795 as the same become due.

796 Sec. 15. (NEW) (*Effective from passage and applicable to assessment years*
797 *commencing on or after October 1, 2016*) (a) As used in this section:

798 (1) "Average increase in assessed value" means the average of the
799 increase in assessed value of commercial and industrial property, and
800 personal property used exclusively for commercial or industrial
801 purposes, for the three assessment years immediately preceding the
802 base year;

803 (2) "Base year" means the assessment year immediately preceding
804 the improvement;

805 (3) "Increase from the base year" means the assessed value of
806 commercial or industrial property for the current assessment year plus

807 the current assessment year assessed value of any personal property
808 acquired after the base year to be used exclusively for commercial or
809 industrial purposes, less the assessed value of the commercial or
810 industrial property for the base year;

811 (4) "Improvement to commercial or industrial property" or
812 "improvement" includes, but is not limited to, any personal property
813 acquired after the base year and used exclusively for commercial or
814 industrial purposes;

815 (5) "Designated innovation district" has the same meaning as set
816 forth in section 10 of this act; and

817 (6) "Mill rate" means the mill rate on real property and personal
818 property other than motor vehicles.

819 (b) (1) Notwithstanding any provision of the general statutes or any
820 special act, charter or home rule ordinance, a municipality that
821 contains a designated innovation district, by vote of its legislative
822 body, or in a municipality where the legislative body is a town
823 meeting, by vote of the board of selectmen, provide that, for
824 improvements to commercial or industrial property that result in an
825 increase from the base year, (A) the assessment of such improvement
826 shall be reduced as provided in subparagraph (B) of subdivision (2) of
827 this subsection, and (B) the increase in tax revenue attributable to such
828 improvement shall be allocated to reduce the assessments and total tax
829 imposed on commercial and industrial properties located within the
830 municipality as provided in subparagraph (C) of subdivision (2) of this
831 subsection. The reduced assessments and allocations shall continue
832 until the earlier of (i) the assessment year in which the mill rate for the
833 municipality is not more than ten per cent greater than the average
834 regional mill rate calculated pursuant to subdivision (2) of this
835 subsection, or (ii) a date determined by such vote of the legislative
836 body or the board of selectmen.

837 (2) (A) The tax collector of any municipality that has voted to reduce

838 assessments pursuant to subdivision (1) of this subsection shall
839 annually calculate the average regional mill rate based on the average
840 mill rate of the planning region of the state, as designated under the
841 provisions of section 16a-4a of the general statutes, in which the
842 municipality is located.

843 (B) With respect to an improvement to commercial or industrial
844 property that results in an increase from the base year of at least ten
845 thousand dollars, the assessor of such municipality shall annually (i)
846 determine the amount of the current assessment year increase in
847 assessed value of the property that exceeds the average increase in
848 assessed value with respect to the property, and (ii) reduce the
849 assessment of the amount determined under clause (i) of this
850 subparagraph to an amount that yields a total tax on such amount
851 equal to the tax that would be imposed at the applicable average
852 regional mill rate.

853 (C) Each such municipality shall allocate tax revenue attributable to
854 such improvements to reduce the assessments and total tax imposed
855 on each commercial and industrial property located within the
856 innovation district in which the improved property is located, that is
857 not subject to any other form of property tax relief and that has a total
858 assessment of less than fifteen million dollars, except that such
859 municipality may retain the amount equal to the average increase in
860 assessed value on such commercial and industrial properties, and may
861 retain an additional twenty per cent of the current assessment year
862 increase in assessed value that is in excess of the average increase in
863 assessed value.

864 (c) The assessor of any municipality that has voted to reduce
865 assessments pursuant to subdivision (1) of subsection (b) of this section
866 shall calculate assessed values under this section without regard to any
867 revaluation of real property that takes place on or after the date of such
868 vote.

869 Sec. 16. Section 32-39 of the general statutes is repealed and the

870 following is substituted in lieu thereof (*Effective October 1, 2016*):

871 The purposes of the corporation shall be to stimulate and encourage
872 the research and development of new technologies, businesses and
873 products, to encourage the creation and transfer of new technologies,
874 to assist existing businesses in adopting current and innovative
875 technological processes, to stimulate and provide services to industry
876 that will advance the adoption and utilization of technology, to
877 achieve improvements in the quality of products and services, to
878 stimulate and encourage the development and operation of new and
879 existing science parks and incubator facilities, and to promote science,
880 engineering, mathematics and other disciplines that are essential to the
881 development and application of technology within Connecticut by the
882 infusion of financial aid for research, invention and innovation in
883 situations in which such financial aid would not otherwise be
884 reasonably available from commercial or other sources, and for these
885 purposes the corporation shall have the following powers:

886 (1) To have perpetual succession as a body corporate and to adopt
887 bylaws, policies and procedures for the regulation of its affairs and
888 conduct of its businesses as provided in section 32-36;

889 (2) To enter into venture agreements with persons, upon such terms
890 and on such conditions as are consistent with the purposes of this
891 chapter, for the advancement of financial aid to such persons for the
892 research, development and application of specific technologies,
893 products, procedures, services and techniques, to be developed and
894 produced in this state, and to condition such agreements upon
895 contractual assurances that the benefits of increasing or maintaining
896 employment and tax revenues shall remain in this state and shall
897 accrue to it;

898 (3) To solicit, receive and accept aid, grants or contributions from
899 any source of money, property or labor or other things of value, to be
900 held, used and applied to carry out the purposes of this chapter,
901 subject to the conditions upon which such grants and contributions

902 may be made, including but not limited to, gifts or grants from any
903 department or agency of the United States or the state;

904 (4) To invest in, acquire, lease, purchase, own, manage, hold and
905 dispose of real property and lease, convey or deal in or enter into
906 agreements with respect to such property on any terms necessary or
907 incidental to the carrying out of these purposes; provided, however, (1)
908 that all such acquisitions of real property for the corporation's own use
909 with amounts appropriated by the state to the corporation or with the
910 proceeds of bonds supported by the full faith and credit of the state
911 shall be subject to the approval of the Secretary of the Office of Policy
912 and Management and the provisions of section 4b-23, and (2) the
913 corporation shall relocate its main office to a designated innovation
914 district, as defined in section 9 of this act, on or before January 1, 2018,
915 and shall establish a satellite office in each other designated innovation
916 district;

917 (5) To borrow money or to guarantee a return to the investors in or
918 lenders to any capital initiative, to the extent permitted under this
919 chapter;

920 (6) To hold patents, copyrights, trademarks, marketing rights,
921 licenses, or any other evidences of protection or exclusivity as to any
922 products as defined herein, issued under the laws of the United States
923 or any state or any nation;

924 (7) To employ such assistants, agents and other employees as may
925 be necessary or desirable, which employees shall be exempt from the
926 classified service and shall not be employees, as defined in subsection
927 (b) of section 5-270; establish all necessary or appropriate personnel
928 practices and policies, including those relating to hiring, promotion,
929 compensation, retirement and collective bargaining, which need not be
930 in accordance with chapter 68, and the corporation shall not be an
931 employer, as defined in subsection (a) of section 5-270, provided the
932 board shall adopt a performance-based compensation policy requiring
933 that on and after one year from the effective date of this section, no

934 employee may receive a salary in an amount greater than fifty
935 thousand dollars unless the employee has exceeded certain
936 performance measures determined by the board; and engage
937 consultants, attorneys and appraisers as may be necessary or desirable
938 to carry out its purposes in accordance with this chapter;

939 (8) To make and enter into all contracts and agreements necessary or
940 incidental to the performance of its duties and the execution of its
941 powers under this chapter;

942 (9) To sue and be sued, plead and be impleaded, adopt a seal and
943 alter the same at pleasure;

944 (10) With the approval of the State Treasurer, to invest any funds
945 not needed for immediate use or disbursement, including any funds
946 held in reserve, in obligations issued or guaranteed by the United
947 States of America or the state of Connecticut and in other obligations
948 which are legal investments for retirement funds in this state;

949 (11) To procure insurance against any loss in connection with its
950 property and other assets in such amounts and from such insurers as it
951 deems desirable;

952 (12) To the extent permitted under its contract with other persons, to
953 consent to any termination, modification, forgiveness or other change
954 of any term of any contractual right, payment, royalty, contract or
955 agreement of any kind to which the corporation is a party;

956 (13) To do anything necessary and convenient to render the bonds
957 to be issued under section 32-41 more marketable;

958 (14) To acquire, lease, purchase, own, manage, hold and dispose of
959 personal property, and lease, convey or deal in or enter into
960 agreements with respect to such property on any terms necessary or
961 incidental to the carrying out of these purposes;

962 (15) In connection with any application for assistance under this

963 chapter, or commitments therefor, to make and collect such fees as the
964 corporation shall determine to be reasonable;

965 (16) To enter into venture agreements with persons, upon such
966 terms and conditions as are consistent with the purposes of this
967 chapter to provide financial aid to such persons for the marketing of
968 new and innovative services based on the use of a specific technology,
969 product, device, technique, service or process;

970 (17) To enter into limited partnerships or other contractual
971 arrangements with private and public sector entities as the corporation
972 deems necessary to provide financial aid which shall be used to make
973 investments of seed venture capital in companies based in or
974 relocating to the state in a manner which shall foster additional capital
975 investment, the establishment of new businesses, the creation of new
976 jobs and additional commercially-oriented research and development
977 activity. The repayment of such financial aid shall be structured in
978 such manner as the corporation deems will best encourage private
979 sector participation in such limited partnerships or other
980 arrangements. The board of directors, chief executive officer, officers
981 and staff of the corporation may serve as members of any advisory or
982 other board which may be established to carry out the purposes of this
983 subdivision;

984 (18) To account for and audit funds of the corporation and funds of
985 any recipients of financial aid from the corporation;

986 [(19) To advise the Governor, the General Assembly, the
987 Commissioner of Economic and Community Development and the
988 president of the Board of Regents for Higher Education on matters
989 relating to science, engineering and technology which may have an
990 impact on state policies, programs, employers and residents, and on
991 job creation and retention;

992 (20) To promote technology-based development in the state;

993 (21) To encourage and promote the establishment of and, within
994 available resources, to provide financial aid to advanced technology
995 centers;

996 (22) To maintain an inventory of data and information concerning
997 state and federal programs which are related to the purposes of this
998 chapter and to serve as a clearinghouse and referral service for such
999 data and information;]

1000 [(23)] (19) To conduct and encourage research and studies relating
1001 to technological development;

1002 [(24)] (20) To provide technical or other assistance and, within
1003 available resources, to provide financial aid to the Connecticut
1004 Academy of Science and Engineering, Incorporated, in order to further
1005 the purposes of this chapter;

1006 [(25)] (21) To recommend a science and technology agenda for the
1007 state that will promote the formation of public and private
1008 partnerships for the purpose of stimulating research, new business
1009 formation and growth and job creation;

1010 [(26)] (22) To encourage and provide technical assistance and,
1011 within available resources, to provide financial aid to existing
1012 manufacturers and other businesses in the process of adopting
1013 innovative technology and new state-of-the-art processes and
1014 techniques;

1015 [(27)] (23) To recommend state goals for technological development
1016 and to establish policies and strategies for developing and assisting
1017 technology-based companies and for attracting such companies to the
1018 state;

1019 [(28) To promote and encourage and, within available resources, to
1020 provide financial aid for the establishment, maintenance and operation
1021 of incubator facilities;

1022 (29) To promote and encourage the coordination of public and
1023 private resources and activities within the state in order to assist
1024 technology-based entrepreneurs and business enterprises;]

1025 [(30)] (24) To provide services to industry that will stimulate and
1026 advance the adoption and utilization of technology and achieve
1027 improvements in the quality of products and services;

1028 [(31) To promote science, engineering, mathematics and other
1029 disciplines that are essential to the development and application of
1030 technology;

1031 (32) To coordinate its efforts with existing business outreach centers,
1032 as described in section 32-9qq;]

1033 [(33)] (25) To do all acts and things necessary and convenient to
1034 carry out the purposes of this chapter;

1035 [(34)] (26) To accept from the department: (A) Financial assistance,
1036 (B) revenues or the right to receive revenues with respect to any
1037 program under the supervision of the department, and (C) loan assets
1038 or equity interests in connection with any program under the
1039 supervision of the department; to make advances to and reimburse the
1040 department for any expenses incurred or to be incurred by it in the
1041 delivery of such assistance, revenues, rights, assets, or interests; to
1042 enter into agreements for the delivery of services by the corporation, in
1043 consultation with the department and the Connecticut Housing
1044 Finance Authority, to third parties, which agreements may include
1045 provisions for payment by the department to the corporation for the
1046 delivery of such services; and to enter into agreements with the
1047 department or with the Connecticut Housing Finance Authority for the
1048 sharing of assistants, agents and other consultants, professionals and
1049 employees, and facilities and other real and personal property used in
1050 the conduct of the corporation's affairs;

1051 [(35)] (27) To transfer to the department: (A) Financial assistance, (B)

1052 revenues or the right to receive revenues with respect to any program
1053 under the supervision of the corporation, and (C) loan assets or equity
1054 interests in connection with any program under the supervision of the
1055 corporation, provided the transfer of such financial assistance,
1056 revenues, rights, assets or interests is determined by the corporation to
1057 be practicable, within the constraints and not inconsistent with the
1058 fiduciary obligations of the corporation imposed upon or established
1059 upon the corporation by any provision of the general statutes, the
1060 corporation's bond resolutions or any other agreement or contract of
1061 the corporation and to have no adverse effect on the tax-exempt status
1062 of any bonds of the state;

1063 [(36)] (28) With respect to any capital initiative, to create, with one
1064 or more persons, one or more affiliates and to provide, directly or
1065 indirectly, for the contribution of capital to any such affiliate, each such
1066 affiliate being expressly authorized to exercise on such affiliate's own
1067 behalf all powers which the corporation may exercise under this
1068 section, in addition to such other powers provided to it by law;

1069 [(37)] (29) To provide financial aid to enable biotechnology,
1070 bioscience and other technology companies to lease, acquire, construct,
1071 maintain, repair, replace or otherwise obtain and maintain production,
1072 testing, research, development, manufacturing, laboratory and related
1073 and other facilities, improvements and equipment; and

1074 [(38) To provide financial aid to persons developing smart
1075 buildings, as defined in section 32-23d, incubator facilities or other
1076 information technology intensive office and laboratory space;]

1077 [(39)] (30) To provide financial aid to persons developing or
1078 constructing the basic buildings, facilities or installations needed for
1079 the functioning of the media and motion picture industry in this state,
1080 [.]

1081 [(40) To coordinate the development and implementation of
1082 strategies regarding technology-based talent and innovation among

1083 state and quasi-public agencies, including the creation and
1084 administration of the Connecticut Small Business Innovation Research
1085 Office to act as a centralized clearinghouse and provide technical
1086 assistance to applicants in developing small business innovation
1087 research programs in conformity with the federal program established
1088 pursuant to the Small Business Research and Development
1089 Enhancement Act of 1992, P.L. 102-564, as amended, and other
1090 proposals.]

1091 Sec. 17. Subsection (h) of section 32-35 of the general statutes is
1092 repealed and the following is substituted in lieu thereof (*Effective*
1093 *October 1, 2016*):

1094 (h) The corporation shall provide funding for the operation of the
1095 Connecticut Small Business Innovation Research Office in accordance
1096 with subdivision [(41) of section 32-39] (15) of section 9 of this act.

1097 Sec. 18. (NEW) (*Effective from passage*): Notwithstanding any
1098 provision of the general statutes, any venture agreement, investment
1099 agreement or other similar agreement entered into by Connecticut
1100 Innovations, Incorporated shall involve one or more private partners.

1101 Sec. 19. (*Effective from passage*): On or before January 1, 2017,
1102 Connecticut Innovations, Incorporated shall submit a performance
1103 audit of such corporation conducted by an independent accounting or
1104 management consulting firm including, but not limited to: (1) Whether
1105 the staffing levels of such corporation are appropriate; (2) a
1106 recommendation as to which designated innovation district, as defined
1107 in section 9 of this act, the corporation should relocate to; (3) whether
1108 the corporation should shift to a fund model similar to that established
1109 pursuant to section 25 of this act; (4) recommended measures for the
1110 corporation to take in order to improve its ranking in two or more
1111 ranking systems prepared by organizations that rank public venture
1112 capital entities by varying success measures; and (5) an analysis of
1113 performance based on any other performance measures recommended
1114 by the ImpaCT board, established pursuant to section 1 of this act.

1115 Sec. 20. (NEW) (*Effective from passage*): (a) The Commissioner of
1116 Economic and Community Development shall establish a mentorship
1117 network connecting start-up entrepreneurs in technology based
1118 ventures, including, but not limited to, cybersecurity, data science,
1119 software development, or other technology based start-up business,
1120 with qualified mentors. The commissioner shall provide mentorship
1121 training to any Connecticut business seeking to participate in such
1122 mentorship network.

1123 (b) The commissioner may forgive a portion of any state assistance
1124 received by a technology based business and owed to the state if such
1125 business participates in the mentorship network established pursuant
1126 to subsection (a) of this section. The commissioner shall develop a
1127 formula to calculate such state assistance forgiveness based on the
1128 hours of mentorship provided by any such business.

1129 Sec. 21. Section 52 of public act 11-1 of the October special session is
1130 repealed and the following is substituted in lieu thereof (*Effective from*
1131 *passage*):

1132 (a) For the purposes described in subsection (b) of this section, the
1133 State Bond Commission shall have the power, from time to time to
1134 authorize the issuance of bonds of the state in one or more series and
1135 in principal amounts not exceeding in the aggregate one hundred
1136 twenty-five million dollars, provided twenty-five million dollars of
1137 said authorization shall be effective July 1, 2012, twenty-five million
1138 dollars of said authorization shall be effective July 1, 2013, twenty-five
1139 million dollars of said authorization shall be effective July 1, 2014, and
1140 twenty-five million dollars of said authorization shall be effective July
1141 1, 2015.

1142 (b) The proceeds of the sale of said bonds, to the extent of the
1143 amount stated in subsection (a) of this section, shall be used (1) by
1144 Connecticut Innovations, Incorporated for the purpose of
1145 recapitalizing the programs established in chapter 581 of the general
1146 statutes, provided up to fifteen million dollars shall be made available

1147 for the preseed financing program established pursuant to section 32-
1148 41x of the general statutes, and (2) by ImpaCT (A) for the purposes
1149 enumerated in subsection (a) of section 2 of this act in an amount up to
1150 twenty-five million dollars for such purposes, provided (i) five million
1151 dollars of said authorization shall be effective July 1, 2016; (ii) five
1152 million dollars of said authorization shall be effective July 1, 2017; (iii)
1153 five million dollars of said authorization shall be effective July 1, 2018;
1154 (iv) five million dollars of said authorization shall be effective July 1,
1155 2019; and (v) five million dollars of said authorization shall be effective
1156 July 1, 2020, and (B) for technology transfer purposes in an amount up
1157 to five million dollars, provided (i) one million dollars of said
1158 authorization shall be effective July 1, 2016; (ii) one million dollars of
1159 said authorization shall be effective July 1, 2017; (iii) one million
1160 dollars of said authorization shall be effective July 1, 2018; (iv) one
1161 million dollars of said authorization shall be effective July 1, 2019; and
1162 (v) one million dollars of said authorization shall be effective July 1,
1163 2020, and (3) by The University of Connecticut for hiring staff for its
1164 entrepreneurship program in an amount up to five million dollars for
1165 such purposes, provided (A) said university provides matching funds
1166 for such hiring, (B) said university establishes a partnership with a
1167 designated innovation district, as defined in section 9 of this act, in
1168 which said university agrees to establish, in such district, its branch
1169 campus for programs that relate to the specialty of such innovation
1170 district, and (C) (i) one million dollars of said authorization shall be
1171 effective July 1, 2016; (ii) one million dollars of said authorization shall
1172 be effective July 1, 2017; (iii) one million dollars of said authorization
1173 shall be effective July 1, 2018; (iv) one million dollars of said
1174 authorization shall be effective July 1, 2019; and (v) one million dollars
1175 of said authorization shall be effective July 1, 2020.

1176 (c) All provisions of section 3-20 of the general statutes, or the
1177 exercise of any right or power granted thereby, which are not
1178 inconsistent with the provisions of this section are hereby adopted and
1179 shall apply to all bonds authorized by the State Bond Commission
1180 pursuant to this section, and temporary notes in anticipation of the

1181 money to be derived from the sale of any such bonds so authorized
1182 may be issued in accordance with said section 3-20 and from time to
1183 time renewed. Such bonds shall mature at such time or times not
1184 exceeding twenty years from their respective dates as may be provided
1185 in or pursuant to the resolution or resolutions of the State Bond
1186 Commission authorizing such bonds. None of said bonds shall be
1187 authorized except upon a finding by the State Bond Commission that
1188 there has been filed with it a request for such authorization which is
1189 signed by or on behalf of the Secretary of the Office of Policy and
1190 Management and states such terms and conditions as said commission,
1191 in its discretion, may require. Said bonds issued pursuant to this
1192 section shall be general obligations of the state and the full faith and
1193 credit of the state of Connecticut are pledged for the payment of the
1194 principal of and interest on said bonds as the same become due, and
1195 accordingly and as part of the contract of the state with the holders of
1196 said bonds, appropriation of all amounts necessary for punctual
1197 payment of such principal and interest is hereby made, and the State
1198 Treasurer shall pay such principal and interest as the same become
1199 due.

1200 Sec. 22. Subsection (c) of section 32-7g of the general statutes is
1201 repealed and the following is substituted in lieu thereof (*Effective*
1202 *October 1, 2016*):

1203 (c) The commissioner shall establish a streamlined application
1204 process for the Small Business Express program. The small business
1205 applicant may receive assistance pursuant to said program not later
1206 than thirty days after submitting a completed application to the
1207 department. Any small business meeting the eligibility criteria in
1208 subsection (a) of this section may apply to said program. The
1209 commissioner shall give priority for available funding to small
1210 businesses creating jobs and may give priority for available funding to
1211 (1) economic base industries, as defined in subsection (d) of section 32-
1212 222, including, but not limited to, those in the fields of precision
1213 manufacturing, business services, green and sustainable technology,

1214 bioscience and information technology, [and] (2) businesses attempting
1215 to export their products or services to foreign markets; and (3)
1216 businesses located in designated innovation districts, as defined in
1217 section 9 of this act.

1218 Sec. 23. Section 10-395a of the general statutes is repealed and the
1219 following is substituted in lieu thereof (*Effective from passage*):

1220 There is established an account within the General Fund to be
1221 known as the "state-wide tourism, innovation and entrepreneurship
1222 marketing account". The account may contain all moneys required by
1223 law to be deposited in the account. Any balance remaining in said
1224 account at the end of any fiscal year shall be carried forward in said
1225 account for the fiscal year next succeeding. The moneys in said account
1226 shall be allocated for implementation of the state-wide marketing plan
1227 in accordance with section 10-396 and implementation of the state-
1228 wide innovation and entrepreneurship marketing plan in accordance
1229 with section 2 of this act.

1230 Sec. 24. Section 12-704d of the general statutes is repealed and the
1231 following is substituted in lieu thereof (*Effective July 1, 2016, and*
1232 *applicable to taxable years commencing on or after January 1, 2016*):

1233 (a) As used in this section:

1234 (1) "Angel investor" means an accredited investor, as defined by the
1235 Securities and Exchange Commission, or network of accredited
1236 investors who review new or proposed businesses for potential
1237 investment and who may seek active involvement, such as consulting
1238 and mentoring, in a Connecticut business, but "angel investor" does
1239 not include (A) a person controlling fifty per cent or more of the
1240 Connecticut business invested in by the angel investor, (B) a venture
1241 capital company, or (C) any bank, bank and trust company, insurance
1242 company, trust company, national bank, savings association or
1243 building and loan association for activities that are a part of its normal
1244 course of business;

1245 (2) "Cash investment" means the contribution of cash, at a risk of
1246 loss, to a qualified Connecticut business in exchange for qualified
1247 securities;

1248 (3) "Connecticut business" means any business with its principal
1249 place of business in Connecticut that is engaged in bioscience,
1250 advanced materials, photonics, information technology, clean
1251 technology or any other emerging technology as determined by the
1252 Commissioner of Economic and Community Development;

1253 (4) "Bioscience" means manufacturing pharmaceuticals, medicines,
1254 medical equipment or medical devices and analytical laboratory
1255 instruments, operating medical or diagnostic testing laboratories, or
1256 conducting pure research and development in life sciences;

1257 (5) "Advanced materials" means developing, formulating or
1258 manufacturing advanced alloys, coatings, lubricants, refrigerants,
1259 surfactants, emulsifiers or substrates;

1260 (6) "Photonics" means generation, emission, transmission,
1261 modulation, signal processing, switching, amplification, detection and
1262 sensing of light from ultraviolet to infrared and the manufacture,
1263 research or development of opto-electronic devices, including, but not
1264 limited to, lasers, masers, fiber optic devices, quantum devices,
1265 holographic devices and related technologies;

1266 (7) "Information technology" means software publishing, motion
1267 picture and video production, teleproduction and postproduction
1268 services, telecommunications, data processing, hosting and related
1269 services, custom computer programming services, computer system
1270 design, computer facilities management services, other computer
1271 related services and computer training;

1272 (8) "Clean technology" means the production, manufacture, design,
1273 research or development of clean energy, green buildings, smart grid,
1274 high-efficiency transportation vehicles and alternative fuels,

1275 environmental products, environmental remediation and pollution
1276 prevention; and

1277 (9) "Qualified securities" means any form of equity, including a
1278 general or limited partnership interest, common stock, preferred stock,
1279 with or without voting rights, without regard to seniority position that
1280 must be convertible into common stock.

1281 (b) There shall be allowed a credit against the tax imposed under
1282 this chapter, other than the liability imposed by section 12-707, for a
1283 cash investment of not less than twenty-five thousand dollars in the
1284 qualified securities of a Connecticut business by an angel investor. The
1285 credit shall be in an amount equal to twenty-five per cent of such
1286 investor's cash investment, provided the total tax credits allowed to
1287 any angel investor shall not exceed two hundred fifty thousand
1288 dollars. The credit shall be claimed in the taxable year in which such
1289 cash investment is made by the angel investor and shall not be
1290 transferable. The credit may be sold, assigned or otherwise transferred,
1291 in whole or in part.

1292 (c) To qualify for a tax credit pursuant to this section, a cash
1293 investment shall be in a Connecticut business that (1) has been
1294 approved as a qualified Connecticut business pursuant to subsection
1295 (d) of this section; (2) had annual gross revenues of less than one
1296 million dollars in the most recent income year of such business; (3) has
1297 fewer than twenty-five employees, not less than seventy-five per cent
1298 of whom reside in this state; (4) has been operating in this state for less
1299 than seven consecutive years; (5) is primarily owned by the
1300 management of the business and their families; and (6) received less
1301 than two million dollars in cash investments eligible for the tax credits
1302 provided by this section.

1303 (d) (1) A Connecticut business may apply to Connecticut
1304 Innovations, Incorporated, for approval as a Connecticut business
1305 qualified to receive cash investments eligible for a tax credit pursuant
1306 to this section. The application shall include (A) the name of the

1307 business and a copy of the organizational documents of such business,
1308 (B) a business plan, including a description of the business and the
1309 management, product, market and financial plan of the business, (C) a
1310 description of the business's innovative technology, product or service,
1311 (D) a statement of the potential economic impact of the business,
1312 including the number, location and types of jobs expected to be
1313 created, (E) a description of the qualified securities to be issued and the
1314 amount of cash investment sought by the qualified Connecticut
1315 business, (F) a statement of the amount, timing and projected use of
1316 the proceeds to be raised from the proposed sale of qualified securities,
1317 and (G) such other information as the chief executive officer of
1318 Connecticut Innovations, Incorporated, may require.

1319 (2) Said chief executive officer shall, on a monthly basis, compile a
1320 list of approved applications, categorized by the cash investments
1321 being sought by the qualified Connecticut business and type of
1322 qualified securities offered.

1323 (e) (1) Any angel investor that intends to make a cash investment in
1324 a business on such list may apply to Connecticut Innovations,
1325 Incorporated, to reserve a tax credit in the amount indicated by such
1326 investor. The aggregate amount of all tax credits under this section that
1327 may be reserved by Connecticut Innovations, Incorporated, shall not
1328 exceed six million dollars annually for the fiscal years commencing
1329 July 1, 2010, to July 1, 2012, inclusive, and shall not exceed three
1330 million dollars in each fiscal year thereafter. Connecticut Innovations,
1331 Incorporated, shall not reserve tax credits under this section for any
1332 investment made on or after July 1, [2016] 2019.

1333 (2) The amount of the credit allowed to any investor pursuant to this
1334 section shall not exceed the amount of tax due from such investor
1335 under this chapter, other than section 12-707, with respect to such
1336 taxable year. Any tax credit that is claimed by the angel investor but
1337 not applied against the tax due under this chapter, other than the
1338 liability imposed under section 12-707, may be carried forward for the

1339 five immediately succeeding taxable years until the full credit has been
1340 applied.

1341 (f) If the angel investor is an S corporation or an entity treated as a
1342 partnership for federal income tax purposes, the tax credit may be
1343 claimed by the shareholders or partners of the angel investor. If the
1344 angel investor is a single member limited liability company that is
1345 disregarded as an entity separate from its owner, the tax credit may be
1346 claimed by such limited liability company's owner, provided such
1347 owner is a person subject to the tax imposed under this chapter.

1348 (g) A review of the cumulative effectiveness of the credit under this
1349 section shall be conducted by Connecticut Innovations, Incorporated,
1350 by July 1, 2014, and by July first annually thereafter. Such review shall
1351 include, but need not be limited to, the number and type of
1352 Connecticut businesses that received angel investments, the number of
1353 angel investors and the aggregate amount of cash investments, the
1354 current status of each Connecticut business that received angel
1355 investments, the number of employees employed in each year
1356 following the year in which such Connecticut business received the
1357 angel investment, and the economic impact in the state, of the
1358 Connecticut business that received the angel investment. Such review
1359 shall be submitted to the Office of Policy and Management and to the
1360 joint standing committee of the General Assembly having cognizance
1361 of matters relating to commerce, in accordance with the provisions of
1362 section 11-4a

1363 Sec. 25. (NEW) (*Effective July 1, 2016, and applicable to taxable years*
1364 *commencing on or after January 1, 2016*) (a) For the purposes of this
1365 section:

1366 (1) "Cash investment" means the contribution of cash, at a risk of
1367 loss, to a qualified Connecticut business in exchange for qualified
1368 securities;

1369 (2) "Connecticut Innovations" means Connecticut Innovations,

1370 Incorporated or any successor thereto;

1371 (3) "Eligible debt security" means a senior debt instrument issued by
1372 a growth fund in exchange for cash, at par value or a premium;

1373 (4) "Eligible equity investment" means an equity investment in or
1374 eligible debt security issued by a growth fund that is acquired at its
1375 original issue solely in exchange for cash; and

1376 (5) "Start-up fund" means an entity certified by Connecticut
1377 Innovations pursuant to this section.

1378 (b) (1) There is established a Connecticut venture loan program to
1379 be known as Startup CT for the purposes of increasing the amount of
1380 preseed financing and seed financing, as defined in section 32-34 of the
1381 general statutes, available in Connecticut. Connecticut Innovations
1382 shall certify up to six entities as start-up funds under this section and
1383 may make up to sixty million dollars in forgivable loans to such
1384 entities, provided one such start-up fund shall make investments
1385 exclusively in intellectual property and start-ups developed by
1386 students, faculty and researchers from The University of Connecticut.
1387 On and after September 1, 2016, entities may submit applications for
1388 approval as a start-up fund on a form prescribed by Connecticut
1389 Innovations, which shall include: (A) A description of intended
1390 industry targets, preferred stage of investment and any geographic
1391 cluster strategy; (B) a detailed description of the track record of key
1392 fund managers with an emphasis on experience with seed and early
1393 stage investments; (C) the specific strategy the fund manager will
1394 pursue to raise the necessary private capital to qualify for a growth
1395 loan and a fund-raising track record for funds with similar
1396 characteristics and targets; and (D) any other information reasonably
1397 required by Connecticut Innovations.

1398 (2) Connecticut Innovations shall review and consider each
1399 application and approve or reject such application within thirty days
1400 of receipt. Upon approval of an entity as a start-up fund, Connecticut

1401 Innovations shall: (A) Enter into a loan agreement with the start-up
1402 fund which shall (i) provide up to ten million dollars, which shall be
1403 specifically conditioned upon the start-up fund securing equity
1404 investments in the form of cash in an amount at least equal to twenty
1405 million dollars; and (ii) include the economic goals the start-up fund
1406 must achieve to be granted loan forgiveness, and (B) make an
1407 allocation of tax credits to the start-up fund, if applicable, pursuant to
1408 subsection (c) of this section. Approved applicants may submit an
1409 additional application for loans under this section in the event that
1410 Connecticut Innovations has not approved the maximum number of
1411 start-up funds by October 15, 2016.

1412 (3) Within sixty days of receiving approval for a loan under this
1413 section, the start-up fund shall collect an amount of eligible equity
1414 investments in an amount equal to twenty million dollars. Within
1415 sixty-five days of receiving such approval, the growth fund shall send
1416 documentation to Connecticut Innovations sufficient to prove receipt
1417 of such equity contribution. Upon receipt of such documentation, the
1418 State shall make the growth loan to the start-up fund.

1419 (4) Prior to any cash investment by a start-up fund, Connecticut
1420 Innovations shall certify such business as eligible for investment based
1421 on guidelines promulgated by Connecticut Innovations. Such
1422 guidelines shall require that the business be (A) principally located in
1423 or willing to relocate to Connecticut, and (B) in the early stages of
1424 development.

1425 (5) On or before December thirty-first of the year containing the fifth
1426 anniversary of the closing date of the loan and annually thereafter, the
1427 start-up fund shall provide a state revenue impact assessment
1428 prepared by a nationally recognized third-party independent
1429 economic forecasting firm using a dynamic economic forecasting
1430 model that analyzes the economic impact of the investments of the
1431 start-up fund, including, but not limited to, jobs created or retained
1432 thereby. Connecticut Innovations shall forgive all or part of the loan

1433 upon the achievement of economic development goals agreed to by
1434 Connecticut Innovations and the start-up fund in the loan agreement.

1435 (c) (1) There shall be allowed a credit against the tax imposed under
1436 chapter 208 of the general statutes for an equity investment in the form
1437 of cash in a start-up fund. The credit shall be earned and vested upon
1438 the making of an eligible equity investment into a start-up fund, be
1439 available for utilization against the tax imposed by this chapter in an
1440 amount equal to twenty-five per cent of such investment in each of the
1441 years containing the third and fourth anniversaries of the investment
1442 date for a total credit equal to fifty per cent of the investment and shall
1443 be transferable.

1444 (2) The credit earned under this subsection shall be subject to
1445 recapture upon a start-up fund's failure to invest thirty million dollars
1446 within five years of the loan awarded under this section within four
1447 years of the closing date of such loan. If a start-up fund fails to comply
1448 with the provisions of this subdivision, Connecticut Innovations shall
1449 notify the officers of the start-up fund of the potential recapture, in
1450 writing, ninety days prior to such potential recapture. Such credit shall
1451 be recaptured by Connecticut Innovations unless the deficiency is
1452 waived by Connecticut Innovations or is corrected by the start-up fund
1453 within such ninety days.

1454 (3) The credit may be sold, assigned or otherwise transferred, in
1455 whole or in part.

1456 (4) The aggregate amount of tax credits under this section that may
1457 be earned as a result of equity investments in the form of cash in a
1458 start-up fund shall not exceed sixty million dollars.

1459 Sec. 26. (NEW) (*Effective from passage*): There is established, within
1460 ImpaCT, AccelerateCT, which shall provide grants to qualified private
1461 business accelerators for the purpose of developing such accelerators
1462 and providing financial assistance to growth stage companies utilizing
1463 such accelerator. Such grants may be in an amount up to four hundred

1464 thousand dollars and shall be disbursed over two years. Such grant
1465 moneys may be used by a qualified private business accelerator for (1)
1466 overhead and operational expenses associated with such business
1467 accelerator, including, but not limited to, lease payments for up to two
1468 years, information technology infrastructure and management
1469 personnel costs, and (2) providing financial assistance to growth stage
1470 companies utilizing such accelerator. ImpaCT shall establish an
1471 application process for such grants, the criteria for approval for such
1472 grants and an approval process for such grants, provided the criteria
1473 for approval shall include, but not be limited to, consideration of
1474 sufficiency of matching private capital, location of the qualified private
1475 business accelerator, investment team expertise, network capacity, and
1476 the number of growth stage companies committed to utilizing such
1477 business accelerator. For the purposes of this section, growth stage
1478 company means a company with five hundred thousand to five
1479 million dollars in revenue, at least one intern, defensible intellectual
1480 property, strong management and proven sales, as determined by the
1481 qualified private business accelerator.

1482 Sec. 27. (NEW) (*Effective October 1, 2016*) (a) Notwithstanding the
1483 provisions of section 32-70 of the general statutes, the Commissioner of
1484 Economic and Community Development may establish a knowledge
1485 center enterprise zone surrounding any college, university or other
1486 institution of higher learning in the state upon receipt from such
1487 college, university or institution of a proposal recommending the
1488 establishment of such a zone, provided: (1) The commissioner
1489 determines that the economic development benefits of establishing
1490 such a knowledge center enterprise zone outweigh the anticipated
1491 costs to the state and the affected municipalities; and (2) such proposal
1492 complies with the state plan of conservation and development adopted
1493 pursuant to chapter 297 of the general statutes. The commissioner may
1494 establish not more than ten knowledge center enterprise zones.

1495 (b) Any proposal submitted by a college, university or other
1496 institution of higher learning pursuant to subsection (a) of this section

1497 shall include, but not be limited to: (1) The geographic scope of the
1498 proposed knowledge center enterprise zone, including designation of
1499 all census blocks that such institution proposes incorporating into such
1500 zone, provided no zone shall extend beyond a two-mile radius of such
1501 college, university or institution; (2) the nature of business and
1502 industry that will be developed and how such business and industry
1503 align with the mission of such college, university or institution; (3)
1504 how such business and industry will collaborate with such college,
1505 university or institution to create jobs and the anticipated number of
1506 jobs to be created; (4) such college, university or institution's
1507 experience with business collaboration or plan for such collaboration;
1508 (5) any other economic and community developments anticipated
1509 from the establishment of such zone; and (6) the anticipated lost
1510 revenue to the state and municipalities as a result of establishing such
1511 zone.

1512 (c) The commissioner may modify the geographic scope of any
1513 proposed knowledge center enterprise zone to improve the balance
1514 between the anticipated economic benefit and the cost to the state and
1515 affected municipalities.

1516 (d) Businesses located within a knowledge center enterprise zone
1517 shall be entitled to the same benefits, subject to the same conditions,
1518 under the general statutes for which businesses located in an
1519 enterprise zone qualify.

1520 (e) The commissioner shall adopt regulations in accordance with the
1521 provisions of chapter 54 of the general statutes to implement the
1522 provisions of this section. Such regulations shall include, but not be
1523 limited to: (1) A review and approval process for proposals submitted
1524 pursuant to subsection (a) of this section; (2) goals and performance
1525 standards for knowledge center enterprise zones; and (3) procedures to
1526 assess the performance of knowledge center enterprise zones.

1527 (f) Not less than ten years from the original date of approval of a
1528 knowledge center enterprise zone, the commissioner shall assess the

1529 performance of such zone. The commissioner may remove the
1530 designation of such knowledge center enterprise zone if such zone fails
1531 to meet the goals and performance standards set forth in the
1532 regulations adopted pursuant to subsection (e) of this section.

1533 Sec. 28. Subsection (e) section 13 of public act 15-1 of the June special
1534 session is repealed and the following is substituted in lieu thereof
1535 (*Effective from passage*):

1536 (e) For the Department of Economic and Community Development:
1537 (1) For the Connecticut Manufacturing Innovation Fund established by
1538 section 32-7o of the general statutes, not exceeding \$20,000,000,
1539 provided not more than [~~\$3,500,000~~] \$5,750,000 shall be used as a
1540 grant-in-aid to the Connecticut Center for Advanced Technology,
1541 provided (A) not more than \$3,500,000 shall be used for research and
1542 development of the machining of high rate laser-engineered additive
1543 manufacturing;

1544 (2) For the Small Business Express program established by section
1545 32-7g of the general statutes, not exceeding \$50,000,000;

1546 (3) For the Brownfield Remediation and Revitalization program, not
1547 exceeding \$20,000,000;

1548 (4) For the implementation of a minority business enterprise
1549 assistance program to assist such businesses in obtaining surety bonds,
1550 including bid, performance and payment bonds, for capital
1551 construction projects, which program may be run by a nonprofit entity
1552 with which said department shall contract, not exceeding \$2,000,000.

1553 (B) Seven hundred fifty thousand dollars shall be used for the
1554 "Dream It. Do It." Initiative, and

1555 (C) Two million dollars shall be used for a program, administered in
1556 cooperation with the Workforce Investment Boards, that intends to
1557 add at least one thousand job seekers and interns to the manufacturing
1558 talent pipeline by (i) recruiting job seekers and interns from traditional

1559 and non-traditional manufacturing education programs, (ii) assessing
1560 and screening such job seekers and interns with regard to skills related
1561 to manufacturing, (iii) offering online manufacturing education to such
1562 job seekers and interns, (iv) linking screened and assessed job seekers
1563 and interns with manufacturers for six-week internships and twelve-
1564 week on-the-job training opportunities, (v) providing wage subsidies
1565 to manufacturers employing such job seekers or interns, and (vi)
1566 linking job seekers to manufacturers that are under the Subsidized
1567 Training and Employment program established under section 31-3pp
1568 of the general statutes or employ apprentices under a qualified
1569 apprenticeship training program, as described in section 12-217g of the
1570 general statutes.

1571 Sec. 29. (*Effective July 1, 2016*) (a) For the purposes described in
1572 subsection (b) of this section, the State Bond Commission shall have
1573 the power from time to time to authorize the issuance of bonds of the
1574 state in one or more series and in principal amounts not exceeding in
1575 the aggregate seven million dollars.

1576 (b) The proceeds of the sale of such bonds, to the extent of the
1577 amount stated in subsection (a) of this section, shall be used by The
1578 University of Connecticut for the purpose of acquiring, undertaking,
1579 constructing, reconstructing, improving or equipping or purchasing
1580 land or buildings for The University of Connecticut Waterbury
1581 Downtown Campus.

1582 (c) All provisions of section 3-20 of the general statutes, or the
1583 exercise of any right or power granted thereby, that are not
1584 inconsistent with the provisions of this section are hereby adopted and
1585 shall apply to all bonds authorized by the State Bond Commission
1586 pursuant to this section. Temporary notes in anticipation of the money
1587 to be derived from the sale of any such bonds so authorized may be
1588 issued in accordance with section 3-20 of the general statutes and from
1589 time to time renewed. Such bonds shall mature at such time or times
1590 not exceeding twenty years from their respective dates as may be

1591 provided in or pursuant to the resolution or resolutions of the State
 1592 Bond Commission authorizing such bonds. None of such bonds shall
 1593 be authorized except upon a finding by the State Bond Commission
 1594 that there has been filed with it a request for such authorization that is
 1595 signed by or on behalf of the Secretary of the Office of Policy and
 1596 Management and states such terms and conditions as said commission,
 1597 in its discretion, may require. Such bonds issued pursuant to this
 1598 section shall be general obligations of the state and the full faith and
 1599 credit of the state of Connecticut are pledged for the payment of the
 1600 principal of and interest on such bonds as the same become due, and
 1601 accordingly and as part of the contract of the state with the holders of
 1602 such bonds, appropriation of all amounts necessary for punctual
 1603 payment of such principal and interest is hereby made, and the State
 1604 Treasurer shall pay such principal and interest as the same become
 1605 due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	1-79(12)
Sec. 6	<i>from passage</i>	1-120
Sec. 7	<i>from passage</i>	1-124
Sec. 8	<i>from passage</i>	1-125
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>from passage</i>	New section
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	New section
Sec. 14	<i>from passage</i>	32-235
Sec. 15	<i>from passage and applicable to assessment years commencing on or after October 1, 2016</i>	New section
Sec. 16	<i>October 1, 2016</i>	32-39

Sec. 17	<i>October 1, 2016</i>	32-35(h)
Sec. 18	<i>from passage</i>	New section
Sec. 19	<i>from passage</i>	New section
Sec. 20	<i>from passage</i>	New section
Sec. 21	<i>from passage</i>	PA 11-1 of the October Sp. Sess., Sec. 52
Sec. 22	<i>October 1, 2016</i>	32-7g(c)
Sec. 23	<i>from passage</i>	10-395a
Sec. 24	<i>July 1, 2016, and applicable to taxable years commencing on or after January 1, 2016</i>	12-704d
Sec. 25	<i>July 1, 2016, and applicable to taxable years commencing on or after January 1, 2016</i>	New section
Sec. 26	<i>from passage</i>	New section
Sec. 27	<i>October 1, 2016</i>	New section
Sec. 28	<i>from passage</i>	PA 15-1 of the June Sp. Sess., (e) Sec. 13
Sec. 29	<i>July 1, 2016</i>	New section

Statement of Purpose:

To (1) establish a new quasi-public entity to be known as ImpaCT and authorize bonding for such entity; (2) establish an innovation district program, give priority for certain small business express loans to businesses in such districts and authorize bonding for certain uses within such districts; (3) authorize bonding for the provision of evening programs in skilled trades provided by technical high schools; (4) establish an optional tax assessment method for properties within an innovation district; (5) modify certain provisions regarding Connecticut Innovations, Incorporated and transfer certain duties from such corporation to ImpaCT; (6) require such corporation to involve private partners in its venture and investment agreements; (7) require a performance audit of such corporation; (8) require the Commissioner of Economic and Community Development to develop a mentorship network; (9) authorize bonding for The University of Connecticut for hiring staff for its entrepreneurship program; (10) require that moneys from the state-wide tourism account be used for innovation and entrepreneurship marketing; (11) extend the angel investor tax credit for three years and to make such credit transferable; (12) establish a

venture loan program and authorize bonding for such program; (13) allow for grants to business accelerators and authorize bonding for such program; (14) allow for the establishment of a knowledge center enterprise zone; (15) authorize bonding for the "Dream It. Do It." Initiative; (16) authorize bonding for a program to add job seekers to the manufacturing talent pipeline; and (17) to authorize bonding for capital improvements to The University of Connecticut Waterbury Downtown Campus.

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

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S.B. 1