



General Assembly

Bill No. 601

September Special Session,
2016

LCO No. 6637



Referred to Committee on No Committee

Introduced by:

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

REP. SHARKEY, 88th Dist.

REP. ARESIMOWICZ, 30th Dist.

**AN ACT CONCERNING THE CONNECTICUT STRATEGIC DEFENSE
INVESTMENT ACT.**

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

1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:

2 (1) "Aerospace manufacturing project" means a project involving the
3 production of helicopters in this state that, if certified by the
4 commissioner as provided in subsection (b) of this section, will require
5 primary helicopter production for current United States government
6 programs, as of the date of the assistance agreement, to be carried out
7 at a facility in this state and minimum expenditure requirements for
8 aggregate payroll and supplier spend base levels, together with
9 minimum employment requirements and capital expenditure targets
10 in this state by an eligible taxpayer in furtherance of such project over
11 a period of not less than fourteen years.

12 (2) "Assistance agreement" means a contract entered into between
13 the commissioner and an eligible taxpayer, in accordance with
14 subsection (c) of this section, including any amendments to or
15 extensions of such contract.

16 (3) "Capital expenditure" means bona fide costs to the wholly-
17 owned subsidiary and its subsidiaries for: (A) Acquisition of lands,
18 buildings, machinery, equipment or any combination thereof, (B) site
19 and infrastructure improvements, (C) planning costs, (D) research and
20 development expenses, as defined in section 12-217n of the general
21 statutes, including, but not limited to, development of new products
22 and markets, and (E) development of diversification strategies,
23 including plans for regional diversification strategies and consultants
24 required for the completion of such strategies and plans.

25 (4) "Commissioner" means the Commissioner of Economic and
26 Community Development.

27 (5) "Company" means an entity with a place of business or wholly-
28 owned subsidiary located in this state and the direct and indirect
29 subsidiaries and affiliates of such entity.

30 (6) "Compliance year" means each twelve-month period
31 commencing July first and continuing through June thirtieth of the
32 following year, provided the initial compliance year shall commence
33 on July 1, 2018, and end on June 30, 2019. "Annual" shall refer to a
34 compliance year.

35 (7) "Eligible taxpayer" means a company that, at the time application
36 is made under subsection (b) of this section, (A) is engaged in the
37 aerospace industry, (B) employs not less than six thousand individuals
38 in this state, (C) operates the company's primary helicopter production
39 facility for its current United States government programs in this state,
40 (D) plans to bid on a low-rate production contract with the federal
41 government for a helicopter, and (E) has a wholly-owned subsidiary
42 with production facilities and its headquarters, as defined in the

43 assistance agreement, in Connecticut prior to the effective date of this
44 section.

45 (8) "Employee base level" means (A) for compliance years
46 commencing on or after July 1, 2018, and prior to July 1, 2023, a base
47 level of full-time employees in this state that is not less than an average
48 of six thousand five hundred for each compliance year, and (B) for
49 compliance years commencing on or after July 1, 2023, and prior to the
50 conclusion of the assistance agreement, a base level of full-time
51 employees in this state that is not less than an average of seven
52 thousand for each compliance year, provided the average number of
53 full-time employees for each compliance year shall be determined by
54 adding the number of full-time employees at the end of each quarter of
55 the respective compliance year and dividing the sum of such quarters
56 by four.

57 (9) "Full-time employee" means an employee in this state of the
58 company who works for a minimum of thirty-five hours per week.
59 "Full-time employee" does not include an employee working on a
60 temporary or seasonal basis or any individual who does not receive a
61 federal Form W-2 from the company.

62 (10) "Minimum requirements" means the minimum conditions that
63 the eligible taxpayer must satisfy during each compliance year to
64 qualify for the annual grants for such compliance year described in
65 subsection (e) of this section and the sales and use tax offset for such
66 compliance year, described in subsection (d) of this section, including,
67 but not limited to, achieving the employee base level, the payroll base
68 level, the supplier spend base level, the maintenance of the wholly-
69 owned subsidiary's headquarters, as defined in the assistance
70 agreement, in Connecticut and the maintenance and operation of the
71 company's primary helicopter production facility for its current United
72 States government programs, as of the date of the assistance
73 agreement, in this state.

74 (11) "Payroll base level" means (A) for compliance years
75 commencing on or after July 1, 2018, and prior to July 1, 2023, a base
76 level of aggregate gross pay for full-time employees in this state that is
77 not less than six hundred eleven million dollars for each compliance
78 year, and (B) for compliance years commencing on or after July 1, 2023,
79 and prior to the conclusion of the assistance agreement, a base level of
80 aggregate gross pay for full-time employees in this state that is not less
81 than seven hundred million dollars for each compliance year.

82 (12) "Production" means the various operations related to the
83 completion of a helicopter, including, but not limited to, procurement,
84 engineering, manufacture, assembly, integration and testing.

85 (13) "Regular place of business" means any bona fide office, factory,
86 warehouse or other space in this state at which a supply company is
87 doing business in its own name in a regular and systematic manner,
88 and which place is continuously maintained, occupied and used by the
89 supply company in carrying on its business through its employees
90 regularly in attendance to carry on the supply company's business in
91 the supply company's own name. "Regular place of business" does not
92 include a place of business for a statutory agent for service of process,
93 or a temporary office or location used by the supply company only for
94 the duration of the contract or an office maintained, occupied and used
95 by a person affiliated with the supply company.

96 (14) "Supply company" means any commercial business with a
97 regular place of business in this state that supplies goods and services
98 necessary to support (A) the manufacturing of company products, or
99 (B) company operations. "Supply company" does not include any local,
100 state or federal revenue collection or taxing entity.

101 (15) "Supplier spend base level" means a total annual spend by the
102 wholly-owned subsidiary with its supply companies in this state of not
103 less than: (A) Three hundred million dollars for compliance years
104 commencing on or after July 1, 2018, and prior to July 1, 2024; (B) four

105 hundred ten million dollars for compliance years commencing on or
106 after July 1, 2024, and prior to July 1, 2029; and (C) four hundred
107 seventy million dollars for compliance years commencing on or after
108 July 1, 2029, and prior to the conclusion of the assistance agreement,
109 provided: (i) if an expenditure qualifies both for the supplier spend
110 base level and the capital expenditures target, the eligible taxpayer
111 may choose between such categories for which such expenditure may
112 be counted, and (ii) in no event shall any such expenditure be counted
113 toward more than one such category.

114 (16) "Sales and use tax" means the taxes due under chapter 219 of
115 the general statutes.

116 (17) "Sales and use tax offset" means the offset described in
117 subsection (d) of this section.

118 (18) "Wholly-owned subsidiary" means a subsidiary of the
119 company, or such subsidiary's successor to its operations, that has its
120 headquarters, as defined in the assistance agreement, in Connecticut.
121 "Wholly-owned subsidiary" includes any direct or indirect subsidiary
122 of the company's wholly-owned subsidiary, and any limited liability
123 company wholly owned directly or indirectly by the company's
124 wholly-owned subsidiary.

125 (b) (1) Any eligible taxpayer that intends to undertake an aerospace
126 manufacturing project may apply to the commissioner for certification
127 of such project as a certified aerospace manufacturing project. In order
128 to receive such certification, an eligible taxpayer shall apply to the
129 commissioner, in a form acceptable to the commissioner and include
130 such information as prescribed by the commissioner, including, but
131 not limited to, (A) a detailed plan outlining the aerospace
132 manufacturing project, (B) the term of such project, and (C) the
133 estimated expenditures for such project. The commissioner may
134 require such eligible taxpayer to submit such additional information as
135 may be necessary to evaluate the application.

136 (2) All decisions of the commissioner with respect to any application
137 received under subdivision (1) of this subsection shall be made in the
138 commissioner's discretion. The provisions of this subsection shall not
139 be construed to authorize suit against this state by any taxpayer that is
140 denied certification by the commissioner and shall not be construed as
141 a waiver of sovereign immunity.

142 (c) (1) Upon certification by the commissioner of an application as
143 provided in subsection (b) of this section, the commissioner may enter
144 into an assistance agreement with an eligible taxpayer pursuant to
145 which the commissioner may, in consideration of the eligible
146 taxpayer's agreement to meet the minimum requirements in a
147 compliance year in connection with the certified aerospace
148 manufacturing project, and as further inducement for the eligible
149 taxpayer to enter into an aerospace manufacturing project, agree to
150 make certain grants to the eligible taxpayer and permit the eligible
151 taxpayer to offset its sales and use tax liability up to a specified amount
152 for the corresponding compliance year. Such assistance agreement
153 shall list: (A) The specifications of the certified aerospace
154 manufacturing project; (B) the length of time the certified aerospace
155 manufacturing project will take to complete; (C) the minimum
156 requirements the eligible taxpayer agrees to meet during each
157 compliance year; (D) the commitment by the eligible taxpayer to
158 maintain the headquarters, as defined in the assistance agreement, of
159 the wholly-owned subsidiary or its successor in Connecticut and to
160 operate the eligible taxpayer's primary helicopter production facility
161 for its current United States government programs, as of the date of
162 the assistance agreement, in Connecticut; (E) the grants, as determined
163 in accordance with the provisions of subsection (e) of this section, that
164 the eligible taxpayer is eligible to receive during the term of the
165 assistance agreement based on meeting the minimum requirements,
166 and the terms and conditions the eligible taxpayer is required to satisfy
167 in order to receive such grants, including, but not limited to, the
168 information required to be submitted to the commissioner by the

169 eligible taxpayer and provisions for the commissioner to access
170 relevant records of the eligible taxpayer and to verify the accuracy of
171 such records; (F) the terms and conditions of the repayment of any
172 grants, and other required financial penalties resulting from the failure
173 on the part of the eligible taxpayer to comply with the terms of the
174 assistance agreement; (G) the amount of sales and use tax, subject to
175 the limitations set forth in subsection (d) of this section, that the
176 eligible taxpayer is eligible to offset for each compliance year set forth
177 in the assistance agreement, provided the eligible taxpayer meets the
178 minimum requirements for each such compliance year; (H) the terms
179 and conditions of the repayment of any such sales and use tax offsets,
180 and other required financial penalties resulting from the failure on the
181 part of the eligible taxpayer to otherwise comply with the terms of the
182 assistance agreement; (I) the manner and method for the eligible
183 taxpayer to provide notice of any disputed claim under the assistance
184 agreement; and (J) any other terms and conditions the commissioner
185 may require.

186 (2) Any eligible taxpayer that enters into an assistance agreement
187 with the commissioner under this subsection may, in the event of any
188 disputed claims under such assistance agreement, bring an action
189 against this state to the superior court for the judicial district of
190 Hartford for the purpose of having such claim determined, provided
191 notice of any such disputed claim is first given to the commissioner in
192 the manner and method described in such assistance agreement. No
193 such action shall be allowed unless it is brought not later than two
194 years after the date on which the eligible taxpayer gave proper notice
195 to the commissioner in accordance with such assistance agreement. All
196 legal defenses under such assistance agreement, except sovereign
197 immunity, are reserved to this state.

198 (3) If the provisions of subsection (c) or (e) of section 32-223 of the
199 general statutes or section 32-462 of the general statutes are in conflict
200 with such assistance agreement, the provisions of such assistance
201 agreement shall supersede.

202 (d) (1) The assistance agreement may provide for the offset of sales
203 and use tax amounts otherwise payable by the eligible taxpayer under
204 the provisions of chapter 219 of the general statutes. The offset of sales
205 and use taxes shall be made in the form, timing and manner
206 determined by the commissioner in consultation with the
207 Commissioner of Revenue Services. The offset of sales and use tax
208 amounts shall be calculated after the application of all other sales and
209 use tax exemptions set forth in chapter 219 of the general statutes in
210 effect on the effective date of this section and any subsequent
211 amendments to chapter 219 of the general statutes. Nothing in this
212 subsection shall affect the eligible taxpayer's ability to claim the sales
213 and use tax exemptions it otherwise qualifies for under any provision
214 of the general statutes.

215 (2) The amount of sales and use tax liability that the commissioner
216 may permit an eligible taxpayer to offset for any certified aerospace
217 manufacturing project shall not exceed five million seven hundred
218 fourteen thousand dollars per compliance year, nor exceed eighty
219 million dollars in the aggregate over the term of the assistance
220 agreement, provided if such eligible taxpayer's actual sales and use tax
221 liability is less than five million seven hundred fourteen thousand
222 dollars in any compliance year, the eligible taxpayer may carry
223 forward, for a period not to exceed three years, the difference between
224 (A) five million seven hundred fourteen thousand dollars in addition
225 to any carry-forward from prior years, and (B) the eligible taxpayer's
226 actual sales and use tax liability for such compliance year after
227 applying any exemptions allowed pursuant to chapter 219 of the
228 general statutes. The carry forward amount shall be utilized on a first
229 earned, first used basis, prior to the use of any current year offset by
230 the eligible taxpayer to offset its sales and use tax liability in excess of
231 the five million seven hundred fourteen thousand dollar annual
232 limitation. At the end of each compliance year, the commissioner shall
233 notify the Commissioner of Revenue Services whether the eligible
234 taxpayer has met all minimum requirements necessary to qualify for

235 the offset or is required to repay such amount in accordance with the
236 terms of the assistance agreement.

237 (e) The commissioner shall make grants to an eligible taxpayer
238 subject to an assistance agreement for the achievement of employment,
239 payroll, supplier spend, capital expenditures and performance
240 incentive targets and the satisfaction of other minimum requirements
241 in accordance with this subsection.

242 (1) For each compliance year, the commissioner shall make an
243 employment grant equal to the maximum grant for achieving the
244 employment target for the company in accordance with the table
245 contained in this subdivision, except that if the average number of full-
246 time employees is less than the employment target for a compliance
247 year, the employment grant shall be such maximum grant reduced by
248 an amount equal to such maximum grant multiplied by a fraction, the
249 numerator of which shall be the employment target in this state less
250 actual employment in this state and the denominator of which shall be
251 the employment target in this state less the employee base level in this
252 state, in accordance with the table contained in this subdivision.

T1				Maximum Grant
T2		Employee Base		for Achieving the
T3	Compliance	Level Required	Employment	Employment
T4	Year Ending	for a Grant	Target	Target
T5	6/30/2019	6,500	7,084	\$2,142,857
T6	6/30/2020	6,500	6,684	\$2,142,857
T7	6/30/2021	6,500	6,582	\$2,142,857
T8	6/30/2022	6,500	6,696	\$2,142,857
T9	6/30/2023	6,500	6,978	\$2,142,857
T10	6/30/2024	7,000	7,276	\$2,142,857
T11	6/30/2025	7,000	7,537	\$2,142,857
T12	6/30/2026	7,000	7,720	\$2,142,857
T13	6/30/2027	7,000	7,773	\$2,142,857
T14	6/30/2028	7,000	7,773	\$2,142,857
T15	6/30/2029	7,000	7,773	\$2,142,857

T16	6/30/2030	7,000	7,794	\$2,142,857
T17	6/30/2031	7,000	7,924	\$2,142,857
T18	6/30/2032	7,000	8,032	\$2,142,857

253 (2) For each compliance year, the commissioner shall make a payroll
254 grant equal to the maximum grant for achieving the total payroll target
255 by the company in accordance with the table contained in this
256 subdivision, except if the actual total payroll for full-time employees in
257 this state is less than the total payroll target for a compliance year, the
258 payroll grant shall be such maximum grant reduced by an amount
259 equal to such maximum grant multiplied by a fraction, the numerator
260 of which shall be the total payroll target in this state less actual total
261 payroll in this state and the denominator of which shall be the total
262 payroll target in this state less payroll base level in this state, in
263 accordance with the table contained in this subdivision.

T19				Maximum Grant
T20		Payroll Base		for Achieving the
T21	Compliance	Level required	Total Payroll	Total Payroll
T22	Year Ending	for a Grant	Target	Target
T23	6/30/2019	\$611,000,000	\$681,000,000	\$2,142,857
T24	6/30/2020	\$611,000,000	\$655,500,000	\$2,142,857
T25	6/30/2021	\$611,000,000	\$658,500,000	\$2,142,857
T26	6/30/2022	\$611,000,000	\$680,000,000	\$2,142,857
T27	6/30/2023	\$611,000,000	\$718,500,000	\$2,142,857
T28	6/30/2024	\$700,000,000	\$763,000,000	\$2,142,857
T29	6/30/2025	\$700,000,000	\$806,000,000	\$2,142,857
T30	6/30/2026	\$700,000,000	\$842,000,000	\$2,142,857
T31	6/30/2027	\$700,000,000	\$864,500,000	\$2,142,857
T32	6/30/2028	\$700,000,000	\$882,000,000	\$2,142,857
T33	6/30/2029	\$700,000,000	\$900,000,000	\$2,142,857
T34	6/30/2030	\$700,000,000	\$920,500,000	\$2,142,857
T35	6/30/2031	\$700,000,000	\$954,500,000	\$2,142,857
T36	6/30/2032	\$700,000,000	\$986,770,000	\$2,142,857

264 (3) (A) For each compliance year, the commissioner shall make a
265 supplier spend grant equal to the maximum grant earned for achieving

266 the supplier spend target by the wholly-owned subsidiary in
267 accordance with the table contained in this subparagraph, except if the
268 supplier spend is less than the supplier spend target for a compliance
269 year, the supplier spend grant shall be such maximum grant reduced
270 by an amount equal to such maximum grant multiplied by a fraction,
271 the numerator of which shall be the supplier spend target in this state
272 less actual supplier spend in this state and the denominator of which
273 shall be the supplier spend target in this state less supplier spend base
274 level in this state, in accordance with the table contained in this
275 subparagraph.

T37				Maximum Grant
T38		Supplier Spend		Earned for
T39		Base Level		Achieving the
T40	Compliance	Required for a	Supplier Spend	Supplier Spend
T41	Year Ending	Grant	Target	Target
T42	6/30/2019	\$300,000,000	\$353,602,014	\$2,142,857
T43	6/30/2020	\$300,000,000	\$328,497,198	\$2,142,857
T44	6/30/2021	\$300,000,000	\$333,053,331	\$2,142,857
T45	6/30/2022	\$300,000,000	\$362,668,196	\$2,142,857
T46	6/30/2023	\$300,000,000	\$400,028,488	\$2,142,857
T47	6/30/2024	\$300,000,000	\$433,743,873	\$2,142,857
T48	6/30/2025	\$410,000,000	\$469,737,325	\$2,142,857
T49	6/30/2026	\$410,000,000	\$497,825,886	\$2,142,857
T50	6/30/2027	\$410,000,000	\$522,717,180	\$2,142,857
T51	6/30/2028	\$410,000,000	\$548,853,039	\$2,142,857
T52	6/30/2029	\$410,000,000	\$576,295,691	\$2,142,857
T53	6/30/2030	\$470,000,000	\$605,110,475	\$2,142,857
T54	6/30/2031	\$470,000,000	\$635,365,999	\$2,142,857
T55	6/30/2032	\$470,000,000	\$667,134,299	\$2,142,857

276 (B) The wholly-owned subsidiary may, in a compliance year in
277 which it has exceeded the applicable supplier spend target, carry
278 forward on a first earned, first used basis, and apply the difference
279 between the supplier spend target and the actual supplier spend to
280 increase the actual supplier spend amount in any of the subsequent

281 three compliance years.

282 (4) (A) For each compliance year, the commissioner shall make the
283 grant earned for capital expenditures made in this state if the wholly-
284 owned subsidiary has achieved ninety per cent of the capital
285 expenditures target set forth in the table contained in this
286 subparagraph.

T56	Compliance Year	Capital Expenditures	Grant Earned for
T57	Ending	Target	Capital Expenditures
T58	6/30/2019	\$76,000,000	\$2,142,857
T59	6/30/2020	\$76,000,000	\$2,142,857
T60	6/30/2021	\$76,000,000	\$2,142,857
T61	6/30/2022	\$76,000,000	\$2,142,857
T62	6/30/2023	\$78,000,000	\$2,142,857
T63	6/30/2024	\$79,000,000	\$2,142,857
T64	6/30/2025	\$81,000,000	\$2,142,857
T65	6/30/2026	\$82,000,000	\$2,142,857
T66	6/30/2027	\$84,000,000	\$2,142,857
T67	6/30/2028	\$86,000,000	\$2,142,857
T68	6/30/2029	\$87,000,000	\$2,142,857
T69	6/30/2030	\$89,000,000	\$2,142,857
T70	6/30/2031	\$91,000,000	\$2,142,857
T71	6/30/2032	\$93,000,000	\$2,142,857

287 (B) The wholly-owned subsidiary may, in a compliance year where
288 it has exceeded the capital expenditures target amount, carry forward
289 on a first earned, first used basis, and apply the difference between the
290 actual capital expenditures amount and the capital expenditures target
291 amount to increase the actual capital expenditures amount in any of
292 the subsequent three compliance years.

293 (5) (A) The eligible taxpayer shall be eligible, in accordance with the
294 terms of the assistance agreement, to receive annual performance
295 incentive grants for any compliance year as set forth in this subdivision
296 based on such eligible taxpayer exceeding the requisite employment
297 target and total payroll target thresholds and meeting all requirements

298 with respect to average payroll per employee, as defined in the
299 assistance agreement. Each annual performance incentive grant shall
300 be equal to the number of full-time employees in excess of the
301 employment target for that compliance year multiplied by the per
302 employee grant amount. Such annual performance incentive shall total
303 not more than the maximum performance incentive per compliance
304 year set forth in the table contained in this subparagraph.

T72			Maximum	
T73			Performance	
T74			Incentive Per	Number of Jobs
T75	Compliance	Per Employee	Compliance	Required to
T76	Year Ending	Grant Amount	Year	Receive Maximum
T77	6/30/2019	\$3,500	\$350,000	100
T78	6/30/2020	\$3,500	\$525,000	150
T79	6/30/2021	\$3,500	\$875,000	250
T80	6/30/2022	\$3,500	\$1,050,000	300
T81	6/30/2023	\$3,500	\$1,225,000	350
T82	6/30/2024	\$3,500	\$1,400,000	400
T83	6/30/2025	\$3,500	\$1,750,000	500
T84	6/30/2026	\$3,500	\$1,750,000	500
T85	6/30/2027	\$3,500	\$1,750,000	500
T86	6/30/2028	\$3,500	\$1,750,000	500
T87	6/30/2029	\$3,500	\$1,800,000	515
T88	6/30/2030	\$3,500	\$1,925,000	550
T89	6/30/2031	\$3,500	\$1,925,000	550
T90	6/30/2032	\$3,500	\$1,925,000	550

305 (B) The aggregate amount of all annual performance incentives
306 awarded under this subdivision shall not exceed twenty million
307 dollars.

308 (6) Notwithstanding the provisions of subdivisions (1) to (5),
309 inclusive, of this subsection, if an eligible taxpayer fails to meet the
310 minimum requirements for a compliance year, the commissioner shall
311 not make any grant to such eligible taxpayer for such compliance year.

312 (7) Notwithstanding the provisions of subdivisions (1) to (5),
313 inclusive, of this subsection, where federal government action
314 necessitates changes to the production schedule, the commissioner
315 may deviate from the tables in this subsection in a manner
316 proportional to such revised production schedule. The commissioner
317 shall file a report with the committees of cognizance of the General
318 Assembly within fifteen days describing such deviation.

319 (8) The eligible taxpayer shall certify, subject to a third-party audit
320 performed in accordance with the Department of Economic and
321 Community Development Audit Guide, the actual employment,
322 payroll, supply spend and capital expenditure amounts to the
323 commissioner in accordance with the requirements of the assistance
324 agreement.

325 (9) The aggregate amount of all grants made by the commissioner
326 under this subsection shall not exceed one hundred forty million
327 dollars.

328 (f) To provide incentives for the retention and creation of jobs and
329 business growth in this state, the commissioner shall analyze and may
330 seek additional legislative approval, as appropriate, for programs
331 permitting taxpayers to offset sales and use tax liability in manners not
332 otherwise provided for under this section.

333 (g) (1) The commissioner shall include in the report required
334 pursuant to section 32-1m of the general statutes an annual report that
335 shall include information on the number of projects certified under this
336 section, the status of such certified projects and the specific levels
337 achieved by each eligible taxpayer under subdivisions (1) to (4),
338 inclusive, of subsection (e) of this section.

339 (2) Not later than October 1, 2021, and every three years thereafter
340 until the conclusion of the assistance agreement, the commissioner
341 shall report in accordance with the provisions of section 11-4a of the
342 general statutes to the joint standing committees of the General

343 Assembly having cognizance of matters relating to finance, revenue
344 and bonding and commerce on the number of projects certified under
345 this section, the status of such certified projects and the specific levels
346 achieved by each eligible taxpayer under subdivisions (1) to (4),
347 inclusive, of subsection (e) of this section. Said committees shall
348 conduct a joint informational hearing following the submission of each
349 such report at which the commissioner shall present such report and
350 be available for questions from the members of said committees.

351 (h) The commissioner shall not enter into any assistance agreement
352 under subsection (c) of this section after January 31, 2017.

353 Sec. 2. (NEW) (*Effective from passage*) (a) The State Bond Commission
354 shall authorize the issuance of bonds of this state, in accordance with
355 the provisions of section 3-20 of the general statutes, in principal
356 amounts not exceeding in the aggregate one hundred forty million
357 dollars for the grants described in subsection (e) of section 1 of this act.
358 The amount authorized for the issuance and sale of bonds in
359 accordance with this section shall not exceed the amount authorized in
360 each fiscal year in the following amounts, provided the costs of
361 issuance and capitalized interest, if any, may be added to the capped
362 amount in each fiscal year, and each of the authorized amounts shall
363 be effective on July first of the fiscal year indicated as follows:

T91	Fiscal Year Ending June 30	Amount
T92	2017	\$8,921,436
T93	2020	9,096,428
T94	2021	9,446,428
T95	2022	9,621,428
T96	2023	9,796,428
T97	2024	9,971,428
T98	2025	10,321,428
T99	2026	10,321,428
T100	2027	10,321,428

T101	2028	10,321,428
T102	2029	10,371,428
T103	2030	10,496,428
T104	2031	10,496,428
T105	2032	10,496,428
T106	Total	\$140,000,000

364 (b) The State Bond Commission shall approve a memorandum of
365 understanding between the Department of Economic and Community
366 Development and this state, acting by and through the Secretary of the
367 Office of Policy and Management and the Treasurer, providing for the
368 issuance of such bonds for the purposes of the grants described in
369 subsection (e) of section 1 of this act, including provisions regarding
370 the extent to which federal, private or other moneys then available or
371 thereafter to be made available for costs should be added to the
372 proceeds of the bonds authorized pursuant to this section for such
373 grants. The memorandum of understanding shall be deemed to satisfy
374 the provisions of section 3-20 of the general statutes and the exercise of
375 any right or power granted thereby which is not inconsistent with the
376 provisions of this section.

377 (c) All provisions of section 3-20 of the general statutes, or the
378 exercise of any right or power granted thereby, which are not
379 inconsistent with the provisions of this section are hereby adopted and
380 shall apply to all bonds authorized by the State Bond Commission
381 pursuant to this section. Temporary notes in anticipation of the money
382 to be derived from the sale of any such bonds so authorized may be
383 issued in accordance with said section 3-20, and from time to time
384 renewed. All bonds issued pursuant to this section shall be general
385 obligations of this state and the full faith and credit of this state of
386 Connecticut are pledged for the payment of the principal of and
387 interest on such bonds as the same become due, and accordingly and
388 as part of the contract of this state with the holders of such bonds,
389 appropriation of all amounts necessary for punctual payment of such

390 principal and interest is hereby made, and the Treasurer shall pay such
391 principal and interest as the same become due.

392 (d) Subject to the amount of limitations of the capping provisions in
393 subsection (a) of this section, the principal amount of the bonds
394 authorized under this section shall be deemed to be an appropriation
395 and allocation of such amount, and such approval of such request shall
396 be deemed the allotment by the Governor of such capital outlays
397 within the meaning of section 4-85 of the general statutes.

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