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## OLR Bill Analysis

### sSB 936

## **AN ACT CONCERNING REVISIONS TO CERTAIN ECONOMIC AND COMMUNITY DEVELOPMENT-RELATED STATUTES.**

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**§§ 1 & 2 — STATE HISTORIC PRESERVATION REVIEW BOARD**

*(1) Increases board members' term lengths, (2) shortens the required notice the board must provide to municipalities about National Register of Historic Places nominations, and (3) makes technical changes and corrections*

The bill increases, from one to three years, the length of the State Historic Preservation Review Board members' terms and staggers the terms by requiring that half of the members appointed between July 1, 2021, and June 30, 2022, serve two-year terms. The bill also allows members to be reappointed to additional terms.

The bill shortens, from 60 to 30 days, the required notice the board must provide to a municipality before considering whether to act on the nomination of a property in such municipality to the National Register of Historic Places. By law, the board must provide the notice to the municipal preservation board or, if there is no board, the municipality's chief executive officer. The bill allows, rather than requires, the State Historic Preservation Officer or her designee to attend public hearings held by municipal preservation boards on these nominations.

The bill also makes technical changes and corrections, including changing the board's name from the State Historic Preservation Board to the State Historic Preservation Review Board, as is consistent with current practice.

EFFECTIVE DATE: Upon passage

**§ 3 — DRY CLEANING ESTABLISHMENT REMEDIATION FUND**

*Makes several changes affecting the fund's eligible applicants, application requirements, and eligible uses*

The bill makes several changes to the Dry Cleaning Establishment Remediation Fund, which is administered by the Department of Economic and Community Development (DECD) and provides grants for eligible dry cleaning businesses to prevent, contain, and remediate pollution from hazardous chemicals the businesses use, in addition to other specified purposes.

EFFECTIVE DATE: Upon passage

### ***Eligible Applicants***

Under existing law, eligible grant applicants are (1) owners or operators of eligible dry cleaning establishments (i.e., those using tetrachlorethylene, Stoddard solvent, or other chemicals to clean clothing or other fabrics) and (2) owners of property that is or was occupied by these establishments. The bill specifies that property owners are eligible if a dry cleaning establishment has (or was previously) operated on the property for at least one year before applying to the program, rather than one year before the application's approval as current law provides.

The bill additionally makes a certifying party, as defined in the state's Transfer Act, an eligible applicant if a dry cleaning establishment has (or was previously) operated on the property for at least one year before applying to the program. (A certifying party is responsible for investigating and remediating a parcel covered by the Transfer Act.)

### ***Applications***

By law, grant requests must be made to the DECD commissioner. The bill specifies that (1) these requests must be made when he announces a request for applications and (2) their frequency is at his discretion. For applications submitted on or after October 1, 2021, it also requires applicants to demonstrate to the DECD commissioner's satisfaction that they can match any grant up to \$10,000 before receiving a grant. (By law, grant applicants must bear all pollution costs that are less than \$10,000.)

### ***Eligible Uses***

Existing law establishes allowable uses for the grants (e.g., containing and removing or mitigating environmental pollution). The bill additionally allows applicants to use grants for environmental site assessments relating to the pollution. Separately, it allows DECD to use the fund for legal services relating to disbursing money from the fund.

Under current law, the commissioner may provide a grant when the

applicant provides satisfactory documentation that services have been or will be completed. The bill eliminates the authority to provide grants for services that are not yet completed.

### **§§ 4-13, 21-24 & 26 — ELIMINATED BOARDS AND COMMISSIONS**

*Eliminates several boards and commissions and makes conforming changes*

The bill eliminates the Culture and Tourism Advisory Committee, Commission on Connecticut's Future, Small Business Advisory Board, Sports Advisory Board, and Committee for Restoration of Historic Assets in Connecticut and makes conforming changes, as shown in Table 1. Generally, these changes consist of replacing seats on other state boards and commissions that are currently held by representatives of the eliminated boards and commissions.

**Table 1: Eliminated Boards and Commissions Conforming Changes**

| <b>§</b> | <b>Duty</b>   | <b>Appointee Under Current Law</b>  | <b>Appointee Under the Bill</b>                                  |
|----------|---|---|--|
| 6        | Membership on State Commission on Capitol Preservation and Restoration  | Culture and Tourism Advisory Committee member, appointed by the chairperson | Historic Preservation Council, appointed by the chairperson      |
| 7        | Membership on Connecticut Capitol Center Commission   | Culture and Tourism Advisory Committee chairperson or designee              | Historic Preservation Council chairperson or designee            |
| 9        | Membership on advisory committee to State Library Board   | Culture and Tourism Advisory Committee executive director                   | Historic Preservation Council chairperson or designee            |
| 10       | Membership on advisory panel on acceptance by state of certain works of art for purposes of a credit against the estate tax | Culture and Tourism Advisory Committee chairperson                          | Connecticut Arts Council chairperson                             |
| 11       | Membership on Face of Connecticut Steering Committee  | Culture and Tourism Advisory Committee chairperson                          | Connecticut Tourism Council member, appointed by the chairperson |
| 13       | Advise DECD commissioner in designating "Connecticut Treasures" locations   | Culture and Tourism Advisory Committee                                      | State historian  |

EFFECTIVE DATE: Upon passage

**§§ 14 & 25 — DECD ANNUAL REPORT**

*(1) Eliminates a requirement that DECD's annual report analyze business assistance programs not administered by the department and (2) changes the report's legislative hearing date*

By law, DECD must submit an annual report on the department's activities by February 1 to the governor; state auditors; and the Appropriations, Commerce, and Finance, Revenue and Bonding committees. Among other things, the report must analyze business assistance programs the department administers.

The bill eliminates a provision in current law requiring DECD to analyze business assistance programs it does not administer. It instead requires DECD to analyze (1) business assistance programs administered by Connecticut Innovations, Inc. (CI) and (2) tax incentive programs not administered by the department. (The bill does not specify any required components for these analyses.)

Current law requires the Appropriations, Commerce, and Finance, Revenue and Bonding committees to individually or jointly hold one or more hearings on the report's business assistance analyses annually by March 1. The bill instead requires the committees to hold these hearings within 60 days after the state auditors complete their evaluation of DECD's annual report. (By law, the auditors must evaluate the annual report as part of their audits of DECD, which generally occur biennially.) Under the bill, the legislative hearings must also cover the auditors' evaluation.

EFFECTIVE DATE: Upon passage

**§§ 15-16 & 26 — ELIMINATED DECD REPORTING REQUIREMENTS**

*Eliminates various DECD reporting requirements*

The bill eliminates the following DECD reporting requirements:

1. annually report to the governor and legislature with recommendations for executive and legislative action to improve job innovation and development programs (§ 15);
2. biennially submit a strategic plan to the governor and

legislature on arts, culture, and tourism (§ 16); and

3. (a) maintain a registry of small business concerns owned and controlled by veterans and service-disabled veterans and (b) annually report the number of such businesses to the Veterans' Affairs Committee (§ 26).

EFFECTIVE DATE: Upon passage

### **§ 17 — UNEXPENDED REGIONAL TOURISM DISTRICT FUNDS**

*Requires regional tourism districts to return unexpended state funds to DECD at the end of each fiscal year*

The bill requires regional tourism districts to return any unexpended state funds to DECD at the end of each fiscal year, beginning with FY 21. Under the bill, DECD must use the funds to support statewide marketing. The bill also eliminates a requirement that the central district's office be located within DECD.

By law, the state has three regional tourism districts (eastern, central, and western) composed of member municipalities. DECD must, within available appropriations, distribute tourism funding evenly among the three districts.

EFFECTIVE DATE: Upon passage

### **§ 18 — CONNECTICUT ARTS COUNCIL FOUNDATION**

*Reconstitutes the foundation's board of directors by (1) eliminating the requirement that the council's board of directors serve as the foundation's board of directors and (2) establishing a new 16-member board for the foundation*

The bill revamps the membership of the Connecticut Arts Council Foundation's board of directors by eliminating current law's requirement that the council's board of directors also serve as the foundation's board of directors. It instead establishes a new 16-member board (15 voting and one nonvoting) as follows:

1. five gubernatorial appointees serving four-year terms, one of whom must be the head of a statewide arts organization;
2. six legislative appointees serving three-year terms (one

- appointment by each of the six legislative leaders);
3. three members appointed by the DECD commissioner, each serving a three-year term;
  4. the DECD commissioner as an ex-officio member; and
  5. a DECD employee responsible for arts and culture, designated by the commissioner as a nonvoting member.

EFFECTIVE DATE: October 1, 2021

### **§ 19 — FOIA EXEMPTION FOR CERTAIN ARCHAEOLOGICAL SITES**

*Allows the DECD commissioner to withhold certain archaeological site information without a request from the person who discovered or reported the site*

Current law allows the DECD commissioner to withhold from disclosure under the Freedom of Information Act (FOIA) information relating to the location of certain archaeological sites if requested in writing by the person who discovered or reported the site. If granted, the exemption applies through the following July 1, but current law allows the requestor to annually request one-year extensions.

The bill instead allows the commissioner to withhold the information without a request from the person who discovered or reported the site. It similarly eliminates current law's limitations on the exemption's term, thus allowing it to apply permanently.

Under current law, unchanged by the bill, the exemption applies to sites listed on the National Register of Historic Places or the state register of historic places, or sites DECD is considering listing, whenever the department determines that disclosure would create a risk of destruction or harm to the sites.

EFFECTIVE DATE: Upon passage

### **§ 20 — ECONOMIC DEVELOPMENT ASSISTANCE AGREEMENTS**

*Allows DECD and CI discretion in enforcing current law's provisions about relocation by entities receiving assistance from DECD- and CI-administered programs*

Under current law, a business cannot receive economic development assistance from a DECD- or CI-administered program unless it agrees not to relocate from Connecticut for 10 years after receiving the assistance, or for the term of a state loan or loan guarantee, whichever is longer. If it relocates before the period expires, it must repay the entire amount of the assistance plus 5%. (If the business relocates within the state, it must offer its current employees jobs at the new location if available.)

The bill grants DECD and CI discretion to not require these terms for certain businesses. The discretion applies to businesses that receive (1) up to \$50,000 in financial assistance from the department or corporation, respectively, and are “eligible small businesses” (see below) or (2) assistance from programs funded entirely by the federal government.

Under the bill, an “eligible small business” is one that (1) employed no more than 100 full-time employees on at least 50% of its working days during the preceding 12 months, (2) has operations in Connecticut, (3) has been registered to conduct business for at least 12 months, and (4) is in good standing with all state and local taxes.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute

Yea 23 Nay 0 (03/22/2021)