



General Assembly

**Substitute Bill No. 1104**

January Session, 2021



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**AN ACT CONCERNING COMMUNITY RESTORATION FUNDS.**

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

1 Section 1. (NEW) (*Effective from passage*) (a) There are established  
2 community development corporations, which shall use the revenue  
3 from the tax imposed under subparagraph (J) of subdivision (1) of  
4 section 12-408 of the general statutes, as amended by this act, and the  
5 moneys transferred to the Community Development Corporation Trust  
6 Fund pursuant to subdivision (2) of subsection (e) of section 6 of this act,  
7 for the community restoration and revitalization purposes set forth in  
8 this section and section 2 of this act. Such moneys shall be disbursed by  
9 and used in coordination with the community development corporation  
10 oversight council established under section 3 of this act.

11 (b) (1) Any entity that is (A) exempt from tax pursuant to Section  
12 501(c) of the Internal Revenue Code of 1986, or any subsequent  
13 corresponding internal revenue code of the United States, as amended  
14 from time to time, and (B) located, at the time such entity submits an  
15 application for designation, in a distressed municipality, as defined in  
16 section 32-9p of the general statutes, may apply to the council to be  
17 designated as a community development corporation.

18 (2) To be eligible to be designated as a community development

19 corporation, such entity shall:

20 (A) (i) Have demonstrated effectiveness in, or have been formed for  
21 the purpose of, building, attracting and retaining neighborhood wealth,  
22 and (ii) provide financial, educational or related services to support  
23 initiatives that concentrate investments in human capital and  
24 infrastructure in a specific neighborhood or neighborhoods, with  
25 measurable community revitalization achievements;

26 (B) Agree to focus all its efforts in the distressed municipality in  
27 which it is located;

28 (C) Agree to establish its primary office in, or relocate its primary  
29 office to, a community impact zone within the municipality after such  
30 zones are designated pursuant to section 3 of this act; and

31 (D) Agree to establish or relocate any auxiliary locations to within the  
32 boundaries of the municipality in which the corporation is located.

33 (c) (1) Each community development corporation shall provide  
34 programs, services and assistance or issue grants to support community  
35 reinvestment strategies in the community impact zone in which such  
36 corporation is located, including, but not limited to, the following, in  
37 order of priority:

38 (A) Encouraging early childhood initiatives through the provision,  
39 directly or in collaboration with other entities, of free or low-cost early  
40 childhood education services to families that reside within the  
41 community impact zone, without regard to family income level. Such  
42 services shall include kindergarten preparedness and kindergarten  
43 readiness assessments. The corporation may expand such services  
44 beyond the community impact zone but within the municipality to areas  
45 with poverty levels above the municipal average;

46 (B) Increasing achievement at public elementary and middle schools  
47 located in the community impact zone. The corporation shall coordinate  
48 with officials of such schools to submit grant applications to the

49 community development corporation oversight council to supplement  
50 per-student funding for such schools to match or approach the highest  
51 levels of per-student funding at any elementary or middle school in the  
52 state. Schools that receive such grants shall (i) set goals to achieve scores  
53 in the top percentiles on the state-wide mastery examination under  
54 section 10-14n of the general statutes. The council shall set specific target  
55 goals for each school that receives a grant pursuant to this  
56 subparagraph, and (ii) guarantee that a student residing in the  
57 community impact zone will be able to attend that specific school;

58 (C) Rebuilding community assets through:

59 (i) The construction, renovation or repair of neighborhood structures  
60 or assets of economic or other community significance, including, but  
61 not limited to, playgrounds, sidewalks, parks, community centers,  
62 senior centers, public libraries, urban gardens and green spaces. Only  
63 projects for structures or assets that are owned by the federal, state or  
64 municipal government, the community development corporation  
65 located in the community impact zone where such structure or asset is  
66 located, the partnered community development credit union, as  
67 described in section 2 of this act, or a resident of the municipality in  
68 which such structure or asset is located shall be eligible to receive  
69 funding under this subparagraph. The corporation shall seek to train  
70 residents of the community impact zone to perform some of the work  
71 such projects require, directly or indirectly through partnerships with  
72 existing technical education and apprenticeship programs and with  
73 other entities; and

74 (ii) The retention, sale or rental of such structures or assets after  
75 completion, provided any sale shall be to a resident of the community  
76 impact zone only. The partnered community development credit union  
77 may develop a cooperative model for owning and renting such  
78 structures or assets;

79 (D) Increasing owner-occupancy of residential buildings through:

80 (i) Tracking and undertaking efforts to increase the percentage of  
81 owner-occupied residential buildings in the community impact zone.  
82 The corporation shall set five-year target percentages and shall  
83 periodically evaluate and revise such target amounts;

84 (ii) The restoration and repair of multifamily rental buildings located  
85 in the community impact zone to convert such buildings into owner-  
86 occupied residential buildings or multifamily cooperative buildings  
87 with at least one unit to be a rental unit. Only projects for multifamily  
88 rental buildings owned by the community development corporation  
89 located in the community impact zone, the partnered community  
90 development credit union or a resident of the municipality in which  
91 such building is located shall be eligible to receive funding under this  
92 subparagraph. A multifamily rental building that is not owned by such  
93 corporation, credit union or resident may be considered for funding  
94 under this subparagraph, provided the owner of such building agrees,  
95 in writing, to terms set forth by the corporation that further the purposes  
96 of this section. The corporation may promote participation in existing  
97 state and housing programs to encourage owner occupancy; and

98 (iii) The retention, sale or rental of such buildings after completion,  
99 provided any sale shall be to a resident of the community impact zone  
100 only. The corporation or the partnered community development credit  
101 union may develop a cooperative model for owning and renting such  
102 buildings;

103 (E) Supporting pathways to home ownership through the offering of  
104 home buyer education and financial literacy programs in partnership  
105 with existing programs. All such partnerships shall be joint efforts  
106 between the community development corporation and its partnered  
107 community development credit union and each such credit union may  
108 develop and offer subsidized or incentivized financial products for  
109 individuals who participate in such programs;

110 (F) Creating pipelines to employment for residents of a community  
111 impact zone through:

112 (i) The implementation of or participation in community work-based  
113 training programs, in consultation or coordination with other  
114 organizations, including, but not limited to, the Workforce Investment  
115 Boards. Such programs shall provide preapprenticeship or  
116 apprenticeship opportunities by providing instruction or training to  
117 increase literacy, mathematics and other technical, prevocational or  
118 vocational skills and connecting workforce, economic development and  
119 education systems with businesses and other stakeholders in the  
120 community impact zone. All such efforts undertaken by a community  
121 development corporation shall focus on the residents of the community  
122 impact zone in which such corporation is located and on businesses  
123 offering or carrying out training programs, in order of priority, (I)  
124 within the community impact zone, (II) within the municipality in  
125 which the community impact zone is located, or (III) without the  
126 municipality; and

127 (ii) The placement of residents of the community impact zone with  
128 businesses offering employment or on-the-job training that are, in order  
129 of priority, (I) within the community impact zone, (II) within the  
130 municipality in which the community impact zone is located, or (III)  
131 without the municipality only after the opportunities under subclauses  
132 (I) and (II) of this clause have been exhausted;

133 (G) Expanding access to programs at existing community centers or  
134 senior centers that serve all residents of the community impact zone,  
135 regardless of age, or converting such existing centers to centers that  
136 serve all residents of the community impact zone, regardless of age; and

137 (H) Providing municipal residents with low-cost transportation  
138 options by developing or supporting transportation alternatives within  
139 and between municipalities for travel to and from employment, home,  
140 school, retail stores and entertainment venues.

141 (2) If the corporation has insufficient funds to execute to a high level  
142 of quality all of the strategies set forth in subdivision (1) of this  
143 subsection, the corporation shall pursue each strategy in the order of

144 priority listed in said subdivision, with an emphasis on achieving a high  
145 level of quality in the execution and implementation of such strategy  
146 before undertaking the next strategy listed.

147 (d) A community development corporation may:

148 (1) Acquire real property described in subsection (c) of this section in  
149 partnership with or in coordination with its partnered community  
150 development credit union;

151 (2) Operate as or establish a subsidiary that operates as a contractor  
152 or subcontractor, provided such corporation or subsidiary complies  
153 with all applicable licensing and registration requirements under the  
154 general statutes; and

155 (3) Partner or contract with contractors or subcontractors to carry out  
156 projects and related work for the purposes set forth in subsection (c) of  
157 this section, provided the corporation shall give primary priority to a  
158 contractor or subcontractor located in the community impact zone in  
159 which the corporation is located and secondary priority to a contractor  
160 or subcontractor located in the municipality in which the corporation is  
161 located.

162 (e) Not later than six months after being designated as a community  
163 development corporation, such corporation shall (1) identify a  
164 Connecticut credit union located within the municipality in which such  
165 corporation is located that will apply to the community development  
166 corporation oversight council for designation as a community  
167 development credit union pursuant to section 2 of this act, or (2) issue a  
168 request for proposal for the organization of a new Connecticut credit  
169 union to partner with, or for an existing Connecticut credit union to  
170 partner with, such corporation.

171 (f) Notwithstanding the provisions of chapter 846 of the general  
172 statutes or section 12-157 of the general statutes, a community  
173 development corporation shall be offered the right of first refusal in the  
174 sale of any real property that has been foreclosed or is being sold at

175 public auction and is located in the community impact zone in which  
176 such corporation is located, provided such corporation has timely  
177 notified the mortgagee or the town tax collector, as applicable, of such  
178 corporation's interest in acquiring such property.

179 (g) Each community development corporation shall submit a  
180 financial report to the community development corporation oversight  
181 council, on such frequency as the council shall require but at least  
182 annually, and include such information as the council requires.

183 (h) (1) A community development corporation may request that its  
184 designation be removed. The community development corporation  
185 oversight council may grant such request, provided the council  
186 designates, from prior submitted applications or through a new request  
187 for application submissions, another entity to replace such corporation.

188 (2) The council may remove the designation of any community  
189 development corporation that the council determines is unable to or is  
190 deficient in carrying out the purposes of this section, provided the  
191 corporation has been afforded an opportunity to address and improve  
192 any deficiencies noted by the council.

193 Sec. 2. (NEW) (*Effective from passage*) (a) There are established  
194 community development credit unions, which shall partner with  
195 community development corporations, established under section 1 of  
196 this act, to further the community restoration and revitalization  
197 purposes set forth in this section and section 1 of this act.

198 (b) (1) Any Connecticut credit union organized under chapter 667 of  
199 the general statutes and in compliance with the provisions of said  
200 chapter or any Connecticut credit union service organization, as defined  
201 in section 36a-2 of the general statutes, may apply to the community  
202 development corporation oversight council established under section 3  
203 of this act to be designated as a community development credit union.

204 (2) To be designated as a community development credit union, a  
205 Connecticut credit union or Connecticut credit union service

206 organization shall:

207 (A) Serve low-income and moderate-income individuals and  
208 communities that have limited access to affordable financial services  
209 and products, with priority given to credit unions that specialize in (i)  
210 providing home mortgages or small business loans to members with  
211 imperfect, limited or no credit history, (ii) providing financial education  
212 and counseling to its members, and (iii) offering products, services and  
213 support at a low or reasonable cost to its members; and

214 (B) Agree to partner with or be partnered with at least one  
215 community development corporation and focus its activities and efforts  
216 to support such corporation's purposes set forth in section 1 of this act.

217 (c) Each community development credit union shall:

218 (1) Submit its governance structure to the community development  
219 corporation oversight council for review and approve the addition of  
220 representatives of its partnered community development corporation to  
221 its governing board, executive committee or supervisory committee or  
222 similar board or committee, in such numbers and as agreed to by such  
223 credit union and corporation;

224 (2) If applicable and necessary, expand its field of membership in  
225 accordance with section 36a-438a of the general statutes, to allow all  
226 residents of all community impact zones within the municipality in  
227 which its partnered community development corporation is located, to  
228 be members of such credit union;

229 (3) Offer or agree to offer free or low-cost basic checking and savings  
230 account services to all residents of the community impact zone in which  
231 its partnered community development corporation is located;

232 (4) Agree to establish, or relocate to, a location in the community  
233 impact zone in which its partnered community development  
234 corporation is located after such zones are designated pursuant to  
235 section 3 of this act. Such credit union shall not be precluded from



236 establishing or having locations elsewhere in the state or establishing or  
237 having multiple locations within the municipality in which the  
238 community impact zone is located; and

239 (5) Develop and issue, in consultation with its partnered community  
240 development corporation, social impact bonds to support or  
241 supplement the efforts of such corporation. Such bonds shall be  
242 designed to maximize tax benefits to investors, where the community  
243 impact zone in which such corporation is located aligns with federally  
244 designated opportunity zones.

245 (d) A community development credit union may:

246 (1) Develop low-cost or subsidized financial products and services to  
247 support the community development goals of its partnered community  
248 development corporation and apply to the community development  
249 corporation oversight council for funding for such purpose; and

250 (2) Collaborate with its partnered community development  
251 corporation to help finance or facilitate investments in real property or  
252 community structures and assets pursuant to section 1 of this act.

253 (e) Each community development credit union shall submit a  
254 financial report to the community development corporation oversight  
255 council, on such frequency as the council shall require but at least  
256 annually, and include such information as the council requires.

257 (f) (1) A community development credit union may request that its  
258 designation be removed and that it no longer be partnered with its  
259 community development corporation. The community development  
260 corporation oversight council may grant such request, provided such  
261 corporation identifies another Connecticut credit union or Connecticut  
262 credit union service organization to replace such credit union or issues  
263 a request for proposal for the organization of a new Connecticut credit  
264 union or Connecticut credit union service organization with which to  
265 partner.

266 (2) The council may remove the designation of any community  
267 development credit union that the council determines is unable to or is  
268 deficient in carrying out the purposes of this section, provided the credit  
269 union has been afforded an opportunity to address and improve any  
270 deficiencies noted by the council.

271 Sec. 3. (NEW) (*Effective from passage*) (a) As used in this section,  
272 "municipality" means any town, city or borough, consolidated town and  
273 city or consolidated town and borough and "distressed municipality"  
274 has the same meaning as provided in section 32-9p of the general  
275 statutes.

276 (b) (1) There is established a community development corporation  
277 oversight council, which shall be part of the Legislative Department.  
278 The council shall consist of the following members: (A) The Treasurer;  
279 (B) the Commissioner of Economic and Community Development; (C)  
280 the executive director of the Commission on Women, Children, Seniors,  
281 Equity and Opportunity, established pursuant to section 2-127 of the  
282 general statutes; and (D) four members appointed by the Governor. In  
283 making the appointments under subparagraph (D) of this subdivision,  
284 the Governor shall seek to appoint individuals who have broad  
285 community knowledge and experience with communities within the  
286 eligible census tracts selected by the Secretary of the Office of Policy and  
287 Management pursuant to subsection (f) of this section and are reflective  
288 of the ethnic, gender and economic diversity of such communities. All  
289 appointments to the council shall be made on or after August 1, 2021,  
290 but not later than August 31, 2021.

291 (2) The Treasurer and the Commissioner of Economic and  
292 Community Development shall serve as cochairpersons of the council  
293 and shall jointly schedule the first meeting of the council, which shall be  
294 held not later than September 1, 2021. On and after January 1, 2022, the  
295 council shall meet not fewer than six times each year. A majority of the  
296 council shall constitute a quorum for the transaction of any business.

297 (3) Any vacancy shall be filled by the appointing authority. Any

298 vacancy occurring other than by expiration of term shall be filled for the  
299 balance of the unexpired term.

300 (4) The members of the council shall serve without compensation, but  
301 shall, within the limits of available funds, be reimbursed for expenses  
302 necessarily incurred in the performance of their duties.

303 (5) The administrative staff of the joint standing committee of the  
304 General Assembly having cognizance of matters relating to economic  
305 development shall serve as administrative staff of the council.

306 (c) The council shall:

307 (1) Establish criteria for designation as a community development  
308 corporation, community development credit union and community  
309 impact zone and designate such corporations, credit unions and zones  
310 in accordance with the provisions of this section and sections 1 and 2 of  
311 this act;

312 (2) Establish an annual budget in accordance with the provisions of  
313 this section;

314 (3) Oversee the investments of, deposits in and disbursements from  
315 the Community Development Corporation Trust Fund established  
316 under section 4 of this act;

317 (4) Approve the programs, services and activities of and efforts  
318 undertaken by community development corporations and community  
319 development credit unions to further the purposes of this section and  
320 sections 1 and 2 of this act;

321 (5) Oversee, support and coordinate the programs, services and  
322 activities of and efforts undertaken by community development  
323 corporations and community development credit unions under sections  
324 1 and 2 of this act, within and across municipalities and with other  
325 relevant state agencies, entities and initiatives;

326 (6) Advise community development corporations, community  
327 development credit unions, state agencies and other entities with  
328 respect to the core purposes of community development corporations  
329 and community development credit unions;

330 (7) Review the disbursement of funds to, and contracts entered into  
331 by, community development corporations and community  
332 development credit unions, to evaluate the impact and effectiveness of  
333 such disbursements and ensure that decisions made by such  
334 corporations and credit unions regarding services or grants provided or  
335 other financial instruments issued are based solely on the purposes set  
336 forth in sections 1 and 2 of this act;

337 (8) Review the reports submitted to the council by community  
338 development corporations and community development credit unions;  
339 and

340 (9) Do all things necessary to carry out its duties and responsibilities  
341 under sections 1 to 4, inclusive, of this act.

342 (d) The council shall designate community development credit  
343 unions from among applicants that fulfill the requirements set forth in  
344 subsection (b) of section 2 of this act. The council may designate only  
345 one community development credit union for each municipality.

346 (e) The council shall designate community development corporations  
347 in accordance with the provisions of this subsection.

348 (1) Not later than October 1, 2021, the council shall release its criteria  
349 for prospective applicants seeking designation as a community  
350 development corporation. In addition to the requirements set forth in  
351 section 1 of this act, such criteria shall take into consideration the goals,  
352 purposes and requirements set forth in said section and shall include,  
353 but not be limited to, (A) whether the applicant has broad community  
354 representation in its leadership and governance, with an emphasis on  
355 ethnic and economic diversity reflective of the municipality in which the  
356 applicant is located, and (B) the professional competence and relevant

357 experience of the applicant's management and staff. Each applicant shall  
358 include (i) a letter of support from the chief elected official of the  
359 municipality in which the applicant is located, and (ii) a statement that  
360 the applicant agrees to locate its office in a community impact zone once  
361 such zones are designated. The council shall accept applications on or  
362 after October 1, 2021, until and including January 31, 2022.

363 (2) Not later than March 1, 2022, the council shall announce its  
364 selections for designated community development corporations. The  
365 council may designate only one community development corporation  
366 for each municipality.

367 (f) The Secretary of the Office of Policy and Management shall select  
368 eligible census tracts and the council shall designate community impact  
369 zones, in accordance with the provisions of this subsection.

370 (1) The secretary shall select census tracts within distressed  
371 municipalities that will be eligible to have a community impact zone or  
372 zones designated within such tract. The secretary shall consider, but  
373 need not be limited to, the following metrics for each census tract: (A)  
374 The educational level attained by the population, specifically the  
375 percentage of the population attaining an associate degree or a  
376 bachelor's degree; (B) the most recent third grade scores on the state-  
377 wide mastery examination under section 10-14n of the general statutes  
378 for reading; (C) the most recent third grade scores on the state-wide  
379 mastery examination under section 10-14n of the general statutes for  
380 mathematics; (D) the unemployment rate; (E) the state of the local  
381 economy, employment availability and access and diversity of jobs; (F)  
382 the percentage of the population receiving public assistance; (G) the  
383 percentage of the population below the federal poverty level; (H) the  
384 rate of home ownership; (I) the percentage of vacant housing; and (J)  
385 crime rates.

386 (2) Not later than August 1, 2021, the secretary shall release the census  
387 tracts that are eligible for consideration, based on a demonstration of the  
388 greatest socio-economic need as indicated by subparagraphs (A) to (J),

389 inclusive, of subdivision (1) of this subsection. The secretary shall also  
390 release the criteria for determining an area within any such tract to be  
391 designated as a community impact zone. Such criteria shall take into  
392 consideration the goals, purposes and requirements set forth in section  
393 1 of this act and may give weight to one or more of the following: (A)  
394 The existence of a public elementary school within the area; (B) the  
395 existence of an early childhood center within the area; (C) the existence  
396 of a community center serving children or seniors, or both, within the  
397 area; (D) the existence of a local community organization comprised of  
398 residents and leaders within the area, which organization's role is  
399 complementary to the goals, purposes and requirements set forth in  
400 section 1 of this act; (E) the proximity of the area to existing or planned  
401 public transportation; and (F) existing access to an asset-based housing  
402 organization that focuses on home ownership and financial literacy.

403 (3) Not later than June 1, 2022, each community development  
404 corporation shall submit a proposal to the council for not more than two  
405 geographically distinct areas within an eligible census tract in which the  
406 corporation is located to be designated as a community impact zone.

407 (4) Not later than August 1, 2022, the council shall announce its  
408 selections for designated community impact zones. The council may  
409 designate one community impact zone for a municipality with a  
410 population of one hundred thousand or less and two community impact  
411 zones for a municipality with a population of greater than one hundred  
412 thousand. If the council rejects a proposal or does not designate an area  
413 that a community development corporation proposed, the council may  
414 allow such corporation to resubmit a proposal if a community impact  
415 zone has not been otherwise designated.

416 (5) Not later than February 1, 2023, or as soon as practicable following  
417 the designations of community impact zones, each community  
418 development corporation shall establish an office or relocate its office  
419 within such zone.

420 (g) The council shall establish an annual budget that sets forth the

421 amounts in the Community Development Corporation Trust Fund to be  
422 invested, the amounts in the fund to be disbursed for programs,  
423 services, activities and expenses for the purposes of sections 1 and 2 of  
424 this act and the amount to be set aside for the purposes of subsections  
425 (h) and (i) of this section. The council, in consultation with the Treasurer  
426 and the chief executive officer of the Connecticut Green Bank  
427 established under section 16-245n of the general statutes, shall adopt an  
428 investment plan with the goals of yielding investment returns over the  
429 long-term to support the programs, services, activities and efforts for the  
430 purposes of sections 1 and 2 of this act and supporting a substantial  
431 portion of the fund's annual expenditures from the investment returns.  
432 The initial investment plan shall set forth an investment strategy for not  
433 less than twenty years and the council may revise such plan from time  
434 to time by affirmative vote. The council shall annually review such plan  
435 and the investment returns generated and shall adjust the amount of  
436 moneys to be invested and disbursed each year accordingly.

437 (h) (1) The council shall set aside an amount in its annual budget  
438 equal to the amount appropriated in the state budget act for the  
439 intensive reading instruction program established under section 10-14u  
440 of the general statutes, provided such amount set aside shall not exceed  
441 three million dollars each year. The amount to be set aside under this  
442 subsection may be reduced if there are insufficient moneys in the fund  
443 to provide for the purposes set forth in sections 1 and 2 of this act and  
444 for the entire amount of the set-aside specified under this subdivision.

445 (2) The council shall make such moneys available for the  
446 implementation or support of said reading instruction program or any  
447 state-wide early literacy initiative developed and implemented by the  
448 Department of Education, regardless of whether such program or  
449 initiative is related to a community impact zone or is eligible for other  
450 community development corporation or community development  
451 credit union programs or other grants or funding. The moneys made  
452 available pursuant to this subdivision shall supplement existing or other  
453 available grants or funding. The council shall establish forms and

454 criteria to apply for such moneys and shall give primary priority to  
455 applications from schools located in a community impact zone,  
456 provided all such schools submit an application. Any moneys awarded  
457 to such schools shall be distributed on a zone-wide basis to be used  
458 solely for the purpose of making said reading instruction program  
459 available to all students reading below proficiency level who reside or  
460 attend school within the community impact zone. The council shall give  
461 secondary priority to applications from schools located in a distressed  
462 municipality on the basis of the level of student reading achievement, as  
463 determined by the Commissioner of Education.

464 (i) The council shall set aside an amount in its annual budget, to be  
465 determined by the council, to provide financial assistance to health care  
466 providers and facilities that provide mental health or substance use  
467 disorder treatment services in any municipality. The council shall  
468 establish eligibility requirements for such financial assistance and  
469 publicize the availability of such financial assistance to the relevant  
470 community.

471 (j) The council shall develop a proposal to allow social impact bonds  
472 to be issued by the state to support public schools located in community  
473 impact zones. Not later than February 1, 2022, the Secretary of the Office  
474 of Policy and Management shall submit a report, in accordance with the  
475 provisions of section 11-4a of the general statutes, to the General  
476 Assembly, setting forth the proposal and including recommendations  
477 on ways to leverage the federal opportunity zones program to support  
478 such public schools.

479 (k) (1) The council may cause to have conducted an external,  
480 independent audit of any community development corporation or  
481 community development credit union.

482 (2) The council may request the Auditors of Public Accounts to  
483 perform, and said auditors shall perform, audits and other related  
484 evaluations to facilitate the council's responsibilities established under  
485 sections 1 to 4, inclusive, of this act.



486 (l) Not later than February 1, 2024, and annually thereafter, the  
487 council shall submit a report to the Governor and to the General  
488 Assembly, in accordance with the provisions of section 11-4a of the  
489 general statutes. Such report shall include, but not be limited to, a list of  
490 the community development corporations, community development  
491 credit unions and community impact zones designated to date, a  
492 summary of the programs, services, activities and efforts undertaken by  
493 such corporations and credit unions pursuant to sections 1 and 2 of this  
494 act and the disbursements made from the Community Development  
495 Corporation Trust Fund to support such programs, services, activities  
496 and efforts.

497 Sec. 4. (NEW) (*Effective from passage*) (a) There is established a fund to  
498 be known as the "Community Development Corporation Trust Fund".  
499 The fund shall contain any moneys required by law to be deposited in  
500 the fund and shall be held in trust separate and apart from all other  
501 moneys, funds and accounts. Investment earnings credited to the assets  
502 of the fund shall become part of the assets of said fund. Any balance  
503 remaining in the fund at the end of any fiscal year shall be carried  
504 forward in the fund for the fiscal year next succeeding. Moneys in the  
505 fund shall be expended by the community development corporation  
506 oversight council established pursuant to section 3 of this act to be used  
507 for the purposes set forth in sections 1 and 2 of this act.

508 (b) The Treasurer shall invest the amounts on deposit in the fund in  
509 a manner reasonable and appropriate to achieve the objectives of the  
510 fund, exercising the discretion and care of a prudent person in similar  
511 circumstances with similar objectives. The Treasurer shall give due  
512 consideration to rate of return, risk, term or maturity, diversification of  
513 the total portfolio within the fund, liquidity, the projected  
514 disbursements and expenditures, and the expected payments, deposits,  
515 contributions and gifts to be received. The Treasurer shall not require  
516 the fund to invest directly in obligations of the state or any political  
517 subdivision of the state or in any investment or other fund administered  
518 by the Treasurer. The assets of the fund shall be continuously invested

519 and reinvested in a manner consistent with the objectives of the fund  
520 until disbursed for the purposes set forth in sections 1 and 2 of this act.

521 (c) On or before December thirty-first, annually, the Treasurer shall  
522 submit a financial report, in accordance with the provisions of section  
523 11-4a of the general statutes, to the community development  
524 corporation oversight council and the joint standing committee of the  
525 General Assembly having cognizance of matters relating to finance,  
526 revenue and bonding, setting forth the receipts, disbursements, assets,  
527 investments, liabilities and administrative costs of the fund for the prior  
528 fiscal year.

529 Sec. 5. (NEW) (*Effective from passage*) Any entity that is exempt from  
530 tax pursuant to Section 501(c) of the Internal Revenue Code of 1986, or  
531 any subsequent corresponding internal revenue code of the United  
532 States, as amended from time to time, and exempt from paying property  
533 tax and any municipality and the state may make a deposit with a  
534 community development credit union, to be invested by such credit  
535 union to further the community restoration and revitalization purposes  
536 set forth in sections 1 to 4, inclusive, of this act. Each community  
537 development credit union that receives a deposit pursuant to this  
538 section shall provide a rate of return on such deposit that is, at a  
539 minimum, not less than the London Interbank Offered Rate.

540 Sec. 6. (NEW) (*Effective from passage*) (a) As used in this section:

541 (1) "Cannabis" means "marijuana", as defined in section 21a-240 of the  
542 general statutes. "Cannabis" does not include marijuana cultivated or  
543 sold for palliative use pursuant to chapter 420f of the general statutes;

544 (2) "Cannabis concentrate" means any form of concentration,  
545 including, but not limited to, extracts, oils, tinctures, shatter and waxes,  
546 that is extracted from cannabis or a cannabis product;

547 (3) "Cannabis product" means a cannabis concentrate or a product  
548 that contains cannabis, which may be combined with other ingredients,  
549 and is intended for use or consumption. "Cannabis product" does not

550 include the raw cannabis plant;

551 (4) "Cannabis retailer" means a person licensed by the Department of  
552 Consumer Protection to sell cannabis and cannabis products to  
553 consumers;

554 (5) "Consumer" means an individual who is twenty-one years of age  
555 or older; and

556 (6) "Municipality" means any town, city or borough, consolidated  
557 town and city or consolidated town and borough.

558 (b) (1) On and after the date the Department of Consumer Protection  
559 first issues a license to a cannabis retailer, there is imposed a local sales  
560 tax at the rate of three per cent on the sale of all cannabis and cannabis  
561 products. Such tax shall be in addition to the tax applicable to such sales  
562 under section 12-408 of the general statutes, as amended by this act, and  
563 shall be administered in the same manner as the tax under said section.

564 (2) Each cannabis retailer making such sales shall file with the  
565 Commissioner of Revenue Services, on or before the last day of each  
566 calendar quarter, a return for the calendar quarter immediately  
567 preceding. Such returns shall be in such form and contain such  
568 information as the commissioner prescribes and shall indicate the  
569 municipality in which such sales occurred, and shall be accompanied by  
570 a payment of the total amount of tax shown to be due thereon.

571 (c) The commissioner shall deposit any local sales tax collected  
572 pursuant to subsection (b) of this section into the municipal cannabis  
573 revenue account established under subsection (d) of this section.

574 (d) There is established an account to be known as the "municipal  
575 cannabis revenue account" which shall be a separate account within the  
576 General Fund. The account shall contain any moneys required by law to  
577 be deposited in the account. Moneys in the account shall be expended  
578 by the Commissioner of Revenue Services for the purpose of providing  
579 moneys in accordance with this section to municipalities in which

580 cannabis retailers are selling cannabis and cannabis products to  
581 consumers.

582 (e) (1) The commissioner shall maintain (A) an accounting of all sums  
583 deposited in the account, aggregated by municipality, (B) a listing of  
584 sums remitted by each cannabis retailer, and (C) such other information  
585 as the commissioner deems necessary for the purposes of this section.

586 (2) Commencing in the second calendar quarter following the initial  
587 deposit into the account, the commissioner shall distribute on a  
588 quarterly basis a sum, calculated on a point-of-sale basis, to each  
589 municipality in which a cannabis retailer is located and for which a  
590 point-of-sale can be determined. Any moneys remaining in the account  
591 at the close of the fiscal year for which no point-of-sale can be  
592 determined shall be transferred to the Community Development  
593 Corporation Trust Fund established under section 4 of this act.

594 (3) The commissioner shall make available to each municipality in  
595 which a cannabis retailer is located any information concerning such  
596 municipality that is maintained under subdivision (1) of this subsection.

597 (f) If any person fails to pay the amount of tax reported due on its  
598 report within the time specified under this section, there shall be  
599 imposed a penalty equal to ten per cent of such amount due and unpaid,  
600 or fifty dollars, whichever is greater. Such amount shall bear interest at  
601 the rate of one per cent per month or fraction thereof, from the due date  
602 of such tax until the date of payment. Subject to the provisions of section  
603 12-3a of the general statutes, the commissioner may waive all or part of  
604 the penalties provided under this section when it is proven to the  
605 commissioner's satisfaction that the failure to pay any tax was due to  
606 reasonable cause and was not intentional or due to neglect.

607 (g) Each person, other than a cannabis retailer, who is required, on  
608 behalf of such retailer, to collect, truthfully account for and pay over a  
609 tax imposed on such retailer under this section and who wilfully fails to  
610 collect, truthfully account for and pay over such tax or who wilfully

611 attempts in any manner to evade or defeat the tax or the payment  
612 thereof, shall, in addition to other penalties provided by law, be liable  
613 for a penalty equal to the total amount of the tax evaded, or not  
614 collected, or not accounted for and paid over, including any penalty or  
615 interest attributable to such wilful failure to collect or truthfully account  
616 for and pay over such tax or such wilful attempt to evade or defeat such  
617 tax, provided such penalty shall only be imposed against such person in  
618 the event that such tax, penalty or interest cannot otherwise be collected  
619 from such retailer. The amount of such penalty with respect to which a  
620 person may be personally liable under this section shall be collected in  
621 accordance with the provisions of section 12-555a of the general statutes  
622 and any amount so collected shall be allowed as a credit against the  
623 amount of such tax, penalty or interest due and owing from the retailer.  
624 The dissolution of the retailer shall not discharge any person in relation  
625 to any personal liability under this section for wilful failure to collect or  
626 truthfully account for and pay over such tax or for a wilful attempt to  
627 evade or defeat such tax prior to dissolution, except as otherwise  
628 provided in this section. For purposes of this section, "person" includes  
629 any individual, corporation, limited liability company or partnership  
630 and any officer or employee of any corporation, including a dissolved  
631 corporation, and a member or employee of any partnership or limited  
632 liability company who, as such officer, employee or member, is under a  
633 duty to file a tax return under this section on behalf of a cannabis retailer  
634 or to collect or truthfully account for and pay over a tax imposed under  
635 this section on behalf of such retailer.

636 (h) No tax credit or credits shall be allowable against the tax imposed  
637 under this section.

638 (i) The provisions of sections 12-551 to 12-554, inclusive, and section  
639 12-555a of the general statutes shall apply to the provisions of this  
640 section in the same manner and with the same force and effect as if the  
641 language of said sections had been incorporated in full into this section  
642 and had expressly referred to the tax under this section, except to the  
643 extent that any provision is inconsistent with a provision in this section.

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

647 (k) At the close of each fiscal year in which the tax imposed under the  
648 provisions of this section are received by the commissioner, the  
649 Comptroller is authorized to record as revenue for such fiscal year the  
650 amounts of such tax that are received by the commissioner not later than  
651 five business days from the last day of July immediately following the  
652 end of such fiscal year.

653 Sec. 7. Subdivision (1) of section 12-408 of the general statutes is  
654 repealed and the following is substituted in lieu thereof (*Effective from*  
655 *passage*):

656 (1) (A) For the privilege of making any sales, as defined in  
657 subdivision (2) of subsection (a) of section 12-407, at retail, in this state  
658 for a consideration, a tax is hereby imposed on all retailers at the rate of  
659 six and thirty-five-hundredths per cent of the gross receipts of any  
660 retailer from the sale of all tangible personal property sold at retail or  
661 from the rendering of any services constituting a sale in accordance with  
662 subdivision (2) of subsection (a) of section 12-407, except, in lieu of said  
663 rate, the rates provided in subparagraphs (B) to [(I)] (J), inclusive, of this  
664 subdivision;

665 (B) (i) At a rate of fifteen per cent with respect to each transfer of  
666 occupancy, from the total amount of rent received by a hotel or lodging  
667 house for the first period not exceeding thirty consecutive calendar  
668 days;

669 (ii) At a rate of eleven per cent with respect to each transfer of  
670 occupancy, from the total amount of rent received by a bed and  
671 breakfast establishment for the first period not exceeding thirty  
672 consecutive calendar days;

673 (C) With respect to the sale of a motor vehicle to any individual who  
674 is a member of the armed forces of the United States and is on full-time

675 active duty in Connecticut and who is considered, under 50 App USC  
676 574, a resident of another state, or to any such individual and the spouse  
677 thereof, at a rate of four and one-half per cent of the gross receipts of any  
678 retailer from such sales, provided such retailer requires and maintains a  
679 declaration by such individual, prescribed as to form by the  
680 commissioner and bearing notice to the effect that false statements made  
681 in such declaration are punishable, or other evidence, satisfactory to the  
682 commissioner, concerning the purchaser's state of residence under 50  
683 App USC 574;

684 (D) (i) With respect to the sales of computer and data processing  
685 services occurring on or after July 1, 2001, at the rate of one per cent, and  
686 (ii) with respect to sales of Internet access services, on and after July 1,  
687 2001, such services shall be exempt from such tax;

688 (E) (i) With respect to the sales of labor that is otherwise taxable under  
689 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section  
690 12-407 on existing vessels and repair or maintenance services on vessels  
691 occurring on and after July 1, 1999, such services shall be exempt from  
692 such tax;

693 (ii) With respect to the sale of a vessel, a motor for a vessel or a trailer  
694 used for transporting a vessel, at the rate of two and ninety-nine-  
695 hundredths per cent, except that the sale of a vessel shall be exempt from  
696 such tax if such vessel is docked in this state for sixty or fewer days in a  
697 calendar year;

698 (iii) With respect to the sale of dyed diesel fuel, as defined in  
699 subsection (d) of section 12-487, sold by a marine fuel dock exclusively  
700 for marine purposes, at the rate of two and ninety-nine-hundredths per  
701 cent;

702 (F) With respect to patient care services for which payment is  
703 received by the hospital on or after July 1, 1999, and prior to July 1, 2001,  
704 at the rate of five and three-fourths per cent and on and after July 1, 2001,  
705 such services shall be exempt from such tax;

706 (G) With respect to the rental or leasing of a passenger motor vehicle  
707 for a period of thirty consecutive calendar days or less, at a rate of nine  
708 and thirty-five-hundredths per cent;

709 (H) With respect to the sale of (i) a motor vehicle for a sales price  
710 exceeding fifty thousand dollars, at a rate of seven and three-fourths per  
711 cent on the entire sales price, (ii) jewelry, whether real or imitation, for  
712 a sales price exceeding five thousand dollars, at a rate of seven and  
713 three-fourths per cent on the entire sales price, and (iii) an article of  
714 clothing or footwear intended to be worn on or about the human body,  
715 a handbag, luggage, umbrella, wallet or watch for a sales price  
716 exceeding one thousand dollars, at a rate of seven and three-fourths per  
717 cent on the entire sales price. For purposes of this subparagraph, "motor  
718 vehicle" has the meaning provided in section 14-1, but does not include  
719 a motor vehicle subject to the provisions of subparagraph (C) of this  
720 subdivision, a motor vehicle having a gross vehicle weight rating over  
721 twelve thousand five hundred pounds, or a motor vehicle having a  
722 gross vehicle weight rating of twelve thousand five hundred pounds or  
723 less that is not used for private passenger purposes, but is designed or  
724 used to transport merchandise, freight or persons in connection with  
725 any business enterprise and issued a commercial registration or more  
726 specific type of registration by the Department of Motor Vehicles;

727 (I) With respect to the sale of meals, as defined in subdivision (13) of  
728 section 12-412, sold by an eating establishment, caterer or grocery store;  
729 and spirituous, malt or vinous liquors, soft drinks, sodas or beverages  
730 such as are ordinarily dispensed at bars and soda fountains, or in  
731 connection therewith; in addition to the tax imposed under  
732 subparagraph (A) of this subdivision, at the rate of one per cent;

733 (J) On and after the date the Department of Consumer Protection first  
734 issues a license to a cannabis retailer, with respect to the sale of cannabis  
735 and cannabis products, at a rate of twenty per cent. As used in this  
736 subparagraph, "cannabis", "cannabis product" and "cannabis retailer"  
737 have the same meanings as provided in section 6 of this act;



738        [(J)] (K) The rate of tax imposed by this chapter shall be applicable to  
739 all retail sales upon the effective date of such rate, except that a new rate  
740 that represents an increase in the rate applicable to the sale shall not  
741 apply to any sales transaction wherein a binding sales contract without  
742 an escalator clause has been entered into prior to the effective date of the  
743 new rate and delivery is made within ninety days after the effective date  
744 of the new rate. For the purposes of payment of the tax imposed under  
745 this section, any retailer of services taxable under subdivision (37) of  
746 subsection (a) of section 12-407, who computes taxable income, for  
747 purposes of taxation under the Internal Revenue Code of 1986, or any  
748 subsequent corresponding internal revenue code of the United States,  
749 as amended from time to time, on an accounting basis that recognizes  
750 only cash or other valuable consideration actually received as income  
751 and who is liable for such tax only due to the rendering of such services  
752 may make payments related to such tax for the period during which  
753 such income is received, without penalty or interest, without regard to  
754 when such service is rendered;

755        [(K)] (L) (i) For calendar quarters ending on or after September 30,  
756 2019, the commissioner shall deposit into the regional planning  
757 incentive account, established pursuant to section 4-66k, six and seven-  
758 tenths per cent of the amounts received by the state from the tax  
759 imposed under subparagraph (B) of this subdivision and ten and seven-  
760 tenths per cent of the amounts received by the state from the tax  
761 imposed under subparagraph (G) of this subdivision;

762        (ii) For calendar quarters ending on or after September 30, 2018, the  
763 commissioner shall deposit into the Tourism Fund established under  
764 section 10-395b ten per cent of the amounts received by the state from  
765 the tax imposed under subparagraph (B) of this subdivision;

766        [(L)] (M) For calendar months commencing on or after July 1, 2021,  
767 the commissioner shall deposit into the municipal revenue sharing  
768 account established pursuant to section 4-66l seven and nine-tenths per  
769 cent of the amounts received by the state from the tax imposed under  
770 subparagraph (A) of this subdivision; and

771        [(M)] (N) (i) For calendar months commencing on or after July 1, 2017,  
772 the commissioner shall deposit into the Special Transportation Fund  
773 established under section 13b-68 seven and nine-tenths per cent of the  
774 amounts received by the state from the tax imposed under  
775 subparagraph (A) of this subdivision;

776        (ii) For calendar months commencing on or after July 1, 2018, but  
777 prior to July 1, 2019, the commissioner shall deposit into the Special  
778 Transportation Fund established under section 13b-68 eight per cent of  
779 the amounts received by the state from the tax imposed under  
780 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
781 vehicle;

782        (iii) For calendar months commencing on or after July 1, 2019, but  
783 prior to July 1, 2020, the commissioner shall deposit into the Special  
784 Transportation Fund established under section 13b-68 seventeen per  
785 cent of the amounts received by the state from the tax imposed under  
786 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
787 vehicle;

788        (iv) For calendar months commencing on or after July 1, 2020, but  
789 prior to July 1, 2021, the commissioner shall deposit into the Special  
790 Transportation Fund established under section 13b-68 twenty-five per  
791 cent of the amounts received by the state from the tax imposed under  
792 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
793 vehicle;

794        (v) For calendar months commencing on or after July 1, 2021, but  
795 prior to July 1, 2022, the commissioner shall deposit into the Special  
796 Transportation Fund established under section 13b-68 seventy-five per  
797 cent of the amounts received by the state from the tax imposed under  
798 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
799 vehicle; and

800        (vi) For calendar months commencing on or after July 1, 2022, the  
801 commissioner shall deposit into the Special Transportation Fund

802 established under section 13b-68 one hundred per cent of the amounts  
803 received by the state from the tax imposed under subparagraphs (A)  
804 and (H) of this subdivision on the sale of a motor vehicle; and

805 (O) For calendar quarters ending on or after the initial remittance of  
806 the tax on the sale of cannabis and cannabis products, each as defined  
807 in section 6 of this act, the commissioner shall deposit into the  
808 Community Development Corporation Trust Fund established under  
809 section 4 of this act one hundred per cent of the amounts received and  
810 retained by the state from the tax imposed under subparagraph (J) of  
811 this subdivision.

812 Sec. 8. Section 12-408 of the general statutes is amended by adding  
813 subdivision (8) as follows (*Effective from passage*):

814 (NEW) (8) No tax credit or credits shall be allowable against the tax  
815 imposed under subparagraph (J) of subdivision (1) of this section.

816 Sec. 9. Section 36a-455a of the general statutes is repealed and the  
817 following is substituted in lieu thereof (*Effective from passage*):

818 A Connecticut credit union may:

819 (1) Transact a general credit union business and exercise by its  
820 governing board or duly authorized members of senior management,  
821 subject to applicable law, all such incidental powers as are consistent  
822 with its purposes. The express powers authorized for a Connecticut  
823 credit union under this section do not preclude the existence of  
824 additional powers deemed to be incidental to the transaction of a  
825 general credit union business pursuant to this subdivision;

826 (2) (A) Issue shares to its members and receive payments on shares  
827 from its members and from those nonmembers specified in subsection  
828 (e) of section 36a-456a, subject to the provisions of sections 36a-290 to  
829 36a-297, inclusive, 36a-330 to 36a-338, inclusive, and 36a-456a, (B)  
830 receive deposits of members and nonmembers subject to provisions of  
831 sections 36a-456a and 36a-456b, (C) reduce the amount of its member

832 and nonmember shares and deposits, (D) expel members and cancel  
833 shares in accordance with section 36a-439a, and (E) provide check  
834 cashing and wire and electronic transfer services to nonmembers who  
835 are within such credit union's field of membership;

836 (3) Make and use its best efforts to make secured and unsecured loans  
837 and other extensions of credit to its members in accordance with section  
838 36a-265 and sections 36a-457a, 36a-457b and 36a-458a;

839 (4) Invest its funds in accordance with section 36a-459a;

840 (5) Declare and pay dividends in accordance with sections 36a-441a  
841 and 36a-456c, and pay interest refunds to borrowers;

842 (6) Act as a finder or agent for the sale of insurance and fixed and  
843 variable rate annuities directly, sell insurance and such annuities  
844 indirectly through a Connecticut credit union service organization, or  
845 enter into arrangements with third-party marketing organizations for  
846 the sale by such third-party marketing organizations of insurance or  
847 such annuities on the premises of the Connecticut credit union or to  
848 members of the Connecticut credit union, provided: (A) Such insurance  
849 and annuities are issued or purchased by or from an insurance company  
850 licensed in accordance with section 38a-41; and (B) the Connecticut  
851 credit union, Connecticut credit union service organization or third-  
852 party marketing organization, and any officer and employee thereof,  
853 shall be licensed as required by section 38a-769 before engaging in any  
854 of the activities authorized by this subdivision. As used in this  
855 subdivision, "annuities" and "insurance" have the same meanings as set  
856 forth in section 38a-41, except that "insurance" does not include title  
857 insurance. The provisions of this subdivision do not authorize a  
858 Connecticut credit union or Connecticut credit union service  
859 organization to underwrite insurance or annuities;

860 (7) Borrow money to an amount not exceeding fifty per cent of the  
861 total assets of the Connecticut credit union provided the credit union  
862 shall give prior notice to the commissioner in writing of its intention to

863 borrow amounts in excess of thirty-five per cent of its total assets;

864 (8) Act as fiscal agent for the federal government, this state or any  
865 agency or political subdivision thereof;

866 (9) Provide loan processing, loan servicing, member check and  
867 money order cashing services, disbursement of share withdrawals and  
868 loan proceeds, money orders, internal audits, automated teller machine  
869 services, ACH and wire transfer services, prepaid debit cards, payroll  
870 cards, digital wallet services, coin and currency services, remote deposit  
871 capture services, electronic banking and other similar services to other  
872 Connecticut credit unions, federal credit unions, federally insured  
873 financial institutions and out-of-state credit unions;

874 (10) Provide finder services to its members, including the offering of  
875 third party products and services through the sale of advertising space  
876 on its web site, account statements and receipts, and the sale of statistical  
877 or consumer financial information to outside vendors in accordance  
878 with sections 36a-40 to 36a-45, inclusive, in order to facilitate the sale of  
879 such products to the members of such Connecticut credit union;

880 (11) With the prior approval of the commissioner, exercise fiduciary  
881 powers;

882 (12) Maintain and rent safe deposit boxes within suitably constructed  
883 vaults, provided the Connecticut credit union has adequate insurance  
884 coverage for losses related to such rental;

885 (13) Provide certification services, including notary services,  
886 signature guaranties, certification of electronic signatures and share  
887 draft certifications;

888 (14) Act as agent (A) in the collection of taxes for any qualified  
889 treasurer of any taxing district or qualified collector of taxes, or (B) for  
890 any electric distribution, gas, water or telephone company operating  
891 within this state in receiving moneys due such company for utility  
892 services furnished by it;

893 (15) Issue and sell securities which (A) are guaranteed by the Federal  
894 National Mortgage Association or any other agency or instrumentality  
895 authorized by state or federal law to create a secondary market with  
896 respect to extensions of credit of the type originated by the Connecticut  
897 credit union, or (B) subject to the approval of the commissioner, relate  
898 to extensions of credit originated by the Connecticut credit union and  
899 are guaranteed or insured by a financial guaranty insurance company  
900 or comparable private entity;

901 (16) Establish a charitable fund, either in the form of a charitable trust  
902 or a nonprofit corporation to assist in making charitable contributions,  
903 provided (A) the trust or nonprofit corporation is exempt from federal  
904 income taxation and may accept charitable contributions under Section  
905 501 of the Internal Revenue Code of 1986, or any subsequent  
906 corresponding internal revenue code of the United States, as from time  
907 to time amended, (B) the trust or nonprofit corporation's operations are  
908 disclosed fully to the commissioner upon request, and (C) the trust  
909 department of the credit union or one or more directors or members of  
910 senior management of the credit union act as trustees or directors of the  
911 fund;

912 (17) In the discretion of a majority of its governing board, make  
913 contributions or gifts to or for the use of any corporation, trust or  
914 community chest, fund or foundation created or organized under the  
915 laws of the United States or of this state and organized and operated  
916 exclusively for charitable, educational or public welfare purposes, or of  
917 any hospital which is located in this state and which is exempt from  
918 federal income taxes and to which contributions are deductible under  
919 Section 501(c) of the Internal Revenue Code of 1986, or any subsequent  
920 corresponding internal revenue code of the United States, as from time  
921 to time amended;

922 (18) Subject to the provisions of section 36a-455b, sell, pledge or  
923 assign any or all of its outstanding extensions of credit to any other  
924 lending institution, credit union service organization or quasi-  
925 governmental entity and any government-sponsored enterprise, and act

926 as collecting, remitting and servicing agent in connection with any such  
927 extension of credit and charge for its acts as agent. Any such credit union  
928 may purchase the minimum amount of capital stock of such entity or  
929 enterprise if required by that entity or enterprise to be purchased in  
930 connection with the sale, pledge or assignment of extensions of credit to  
931 that entity or enterprise and may hold and dispose of such stock,  
932 provided that with respect to purchases of stock of a credit union service  
933 organization, the Connecticut credit union shall not exceed the  
934 limitations of section 36a-459a. A Connecticut credit union may  
935 purchase one or more outstanding extensions of credit from any other  
936 lending institution and any federally-recognized Native American tribe,  
937 provided there exists a formal written agreement with tribal  
938 government to permit the credit union to service and collect on such  
939 extensions of credit;

940 (19) Subject to the provisions of section 36a-455b, sell a participating  
941 interest in any or all of its outstanding extensions of credit to and  
942 purchase a participating interest in any or all of the outstanding  
943 extensions of credit of any financial institution or credit union service  
944 organization pursuant to an appropriate written participation and  
945 servicing agreement to be signed by all parties involved in such  
946 transaction;

947 (20) With the approval of the commissioner, join the Federal Home  
948 Loan Bank System and borrow funds as provided under federal law;

949 (21) Subject to the provisions of section 36a-455b, sell all or part of its  
950 assets, other than extensions of credit, to other lending institutions,  
951 purchase all or part of the assets, other than extensions of credit, of other  
952 lending institutions, and assume all or part of the shares and the  
953 liabilities of any other credit union or out-of-state credit union;

954 (22) With the prior written approval of the commissioner, engage in  
955 closely related activities, unless the commissioner determines that any  
956 such activity shall be conducted by a credit union service organization  
957 of the Connecticut credit union, utilizing such organizational, structural

958 or other safeguards as the commissioner may require, in order to protect  
959 the Connecticut credit union from exposure to loss. As used in this  
960 subdivision, "closely related activities" means those activities that are  
961 closely related, convenient and necessary to the business of a  
962 Connecticut credit union, are reasonably related to the operation of a  
963 Connecticut credit union or are financial in nature including, but not  
964 limited to, business and professional services, data processing, courier  
965 and messenger services, credit-related activities, consumer services,  
966 services related to real estate, financial consulting, tax planning and  
967 preparation, community development activities, or any activities  
968 reasonably related to such activities;

969 (23) Engage in any activity that a federal credit union or out-of-state  
970 credit union may be authorized to engage in under state or federal law,  
971 provided the Connecticut credit union file with the commissioner prior  
972 written notice of its intention to engage in such activity. Such notice shall  
973 include a description of the activity, a description of the financial impact  
974 of the activity on the Connecticut credit union, citation of the legal  
975 authority to engage in the activity under state or federal law, a  
976 description of any limitations or restrictions imposed on such activity  
977 under state or federal law, and any other information that the  
978 commissioner may require. The Connecticut credit union may engage  
979 in any such activity unless the commissioner disapproves such activity  
980 not later than thirty days after the notice is filed. The commissioner may  
981 adopt regulations in accordance with chapter 54 to ensure that any such  
982 activity is conducted in a safe and sound manner with adequate  
983 consumer protections. The provisions of this subdivision do not  
984 authorize a Connecticut credit union or a Connecticut credit union  
985 service organization to sell title insurance;

986 (24) (A) Partner with a community development corporation, as  
987 described in section 1 of this act, and be designated as a community  
988 development credit union in accordance with the provisions of section  
989 2 of this act, (B) if so designated, engage in any activity authorized for a  
990 community development credit union under sections 1 and 2 of this act,



