



Department of Economic and Community Development



LEGISLATIVE SUMMARY 2012

Dannel P. Malloy
Governor

Catherine H. Smith
Commissioner

LEGEND

AAC	“An Act Concerning...”
CAA	“Connecticut Airport Authority”
CDA	the “Connecticut Development Authority”
CHFA	the “Connecticut Housing Finance Authority”
CII	“Connecticut Innovations, Inc.”
Commissioner	Unless otherwise defined, is the Commissioner of DECD
CRDA	“Capitol Region Development Authority”
CTSB	“Connecticut Transportation Strategy Board”
DECD	the “Department of Economic and Community Development”
Department	“DECD”
DEEP	the “Department of Energy and Environmental Protection”
DOT	the “Department of Transportation”
DPH	the “Department of Public Health”
DSS	the “Department of Social Services”
DRS	the “Department of Revenue Services”
HB	“House Act”
JSS	“June Special Session”
LLC	“limited liability company”
MAA	the “Manufacturing Assistance Act”
MME	“Manufacturing Machinery and Equipment”
OHE	the “Office of Higher Education”
OPM	the “Office of Policy and Management”
ORBD	the “Office of Brownfield Remediation and Development”
OWC	the “Office of Workforce Competitiveness”
PA	“Public Act”
SA	“Special Act”
SB	“Senate Act”
SSS	“September Special Session”

Sources of Information

The following summaries have been compiled from the Office of Legislative Research and Office of Fiscal Analysis and tailored specifically for the Department of Economic and Community Development. Only Public Acts affecting, or of interest to, the Department are included in this summary.

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AN ACT CONCERNING REVISIONS TO CONNECTICUT'S MODEL ENTITY TRANSACTIONS ACT AND THE CONNECTICUT BUSINESS CORPORATION ACT

SUMMARY: This act broadens the list of transactions exempted from Connecticut's Model Entity Transaction Act (META) (PA 11-241) (see BACKGROUND). It reinstates exemptions to the Transfer Act that were removed by PA 11-241 and makes minor, technical, and conforming changes. PA 11-241 is scheduled to take effect on January 1, 2014.

The act also makes changes to the business corporation statutes pertaining to allowable bylaw provisions, indemnification rules, voting group requirements, and appraisal rights.

EFFECTIVE DATE: January 1, 2014, except for the changes to the corporation statutes, which are effective October 1, 2012.

§§ 1, 3-6 – MODEL ENTITY TRANSACTIONS ACT

PA 11-241 provides a mechanism through which specified business entities can change their entity type through mergers, conversions, interest exchanges, and domestications. The mechanism can be used for transactions between different types of entities, not transactions between and among entities of the same type. The act also prohibits several types of entities, including cooperative associations, business corporations, credit unions, public service companies, and cooperatives among others, from using the mechanism to complete those transactions.

The act broadens the list of transactions exempted under PA 11-241 to include conversions, mergers, consolidations, interest exchanges, divisions, or other transactions involving a domestic entity organized to render professional services and a different type of entity. Transactions involving two or more domestic entities organized to render the same professional service remain subject to the act.

§ 7 – TRANSFER ACT

The Transfer Act regulates conveyances of businesses or properties that handle hazardous waste. The act reinstates the following exemptions removed by PA 11-241:

1. conversions of a general or limited partnership to a limited liability corporation (LLC),
2. transfers of titles from a municipality or bankruptcy court to a nonprofit organization, and
3. acquisition of brownfields that are remediated or undergoing remediation through the Department of Economic Development's (DECD) Abandoned Brownfield Cleanup (ABC) Program or the Brownfield Remediation and Revitalization Program (see BACKGROUND).

A property in either brownfield program is eligible for the Transfer Act exemption if it complies with its investigation plan and remediation schedule. A property that was remediated under the Brownfield Remediation and Revitalization Program is exempted from the Transfer Act if:

1. the Department of Energy and Environmental Protection (DEEP) commissioner (a) receives a verification or interim verification letter regarding remediation and (b) issues a no audit letter or successful audit closure letter or
2. 180 days have passed since the verification or interim verification was submitted without the DEEP commissioner issuing an audit decision.

§ 2 – LLC MERGER AND CONSOLIDATION

Under prior law, an LLC organized to render professional services could merge or consolidate only with another domestic LLC. Under the act, they may do so only if both LLCs are organized to render the same professional service. The law prohibits the merger or consolidation of an LLC organized to render professional services with any other foreign LLC or foreign entity.

§§ 8-13 – BUSINESS CORPORATIONS

Allowable Bylaw Provisions (§§ 8-9)

The law authorizes a corporation's incorporators or board of directors to adopt initial bylaws and the board or shareholders to amend or repeal bylaws. The act allows bylaws to include any provisions, not just those related to managing the business and regulating the corporation's affairs as under prior law, that are not inconsistent with the law or the certificate of incorporation. It allows the bylaws to require the corporation to:

1. include in its proxy statements and forms one or more individuals nominated by a shareholder in addition to individuals nominated by the board of directors, to the extent the bylaws allow the corporation to do so when it solicits proxies or consents regarding a director's election; and
2. reimburse the expenses a shareholder incurs from soliciting proxies or consents in connection with an election of directors, to the extent allowed in the bylaws.

The bylaws authorizing the reimbursement requirement cannot apply to any election with a record date (i. e., the date for determining shareholders' eligibility to vote) prior to the bylaws' adoption.

The act limits the extent to which shareholders can amend, repeal, or adopt a bylaw regarding a director's election. Prior law prohibited the board of directors from amending or repealing a bylaw adopted by shareholders that expressly prohibited the board from amending, repealing, or reinstating it.

The act prohibits shareholders, when amending, repealing, or adopting a bylaw relating to the act's provisions on directors' elections, from limiting the board's authority to amend or repeal any condition or procedure in or add any procedure or condition to a bylaw in order to provide for a reasonable, practicable, and orderly process.

Variation of Indemnification Rules by Corporate Action (§ 10)

By law, a corporation can obligate itself by its certificate of incorporation, bylaws, resolution, or contract to indemnify directors, officers, employees, and agents or advance them funds to pay for or reimburse lawsuit expenses.

The act prohibits shareholders or directors from amending the certificate of incorporation or bylaws or passing a resolution that eliminates these obligations for an act or omission that has already taken place, unless the provision in effect at the time of the act or omission explicitly authorizes the right's elimination or impairment after such an act or omission has occurred.

Voting Groups Requirements (§§ 11-12)

By law, if a proposed amendment to a certificate of incorporation allowing the shareholders of two or more classes or series to vote as separate voting groups would affect those classes or series in the same or a substantially similar way, all the affected shareholders must vote together as a single voting group on the proposed amendment, unless otherwise specified by the certificate of incorporation or required by the board of directors. The act extends this voting requirement to all provisions for voting of classes or series as separate groups.

By law, holders of the outstanding shares of a class of stock are entitled to vote as a separate voting group on a proposed amendment to the certificate of incorporation if the amendment would do certain things. The act eliminates this right to vote as a separate group when the amendment would:

1. create a new class of shares having rights or preferences with respect to dissolutions that are prior or superior to the shares of the class or
2. increase the rights, preferences, or number of authorized shares of any class that, after giving effect to the amendment, have rights or preferences with respect to dissolutions that are prior or superior to the shares of the class.

Appraisal Rights (§ 13)

By law, a shareholder is entitled to appraisal rights, and to obtain payment of the shares' fair value, if (1) the corporation disposes its assets, leaving no significant continuing business activity and (2) the shareholder is entitled to vote on the disposition. The act prohibits the shareholder from having appraisal rights in this situation if:

1. under the terms of the corporate action approved by the shareholders, they will receive the corporation's net assets in cash, in excess of a reasonable amount reserved for legal claims against the dissolved corporation, (a) within one year after the shareholders' approval of the action and (b) according to their respective interests determined at the time of the distribution and
2. the disposition of assets is not an interested transaction (such as a transaction where a director will gain a benefit not available to other shareholders.)

By law, a shareholder is not entitled to appraisal rights for shares that are covered securities (see BACKGROUND), traded in organized markets, or issued by open-end management companies unless the shareholder accepts something other than cash or shares meeting the same criteria at the time the disposition becomes effective.

The act prohibits shareholders from having appraisal rights in a corporate disposition of assets if, under the terms of the corporate action approved by the shareholders, cash, shares, or proprietary interests are to be distributed to the shareholders as part of a distribution of the corporation's net assets in excess of a reasonable amount reserved for legal claims against the dissolved corporation (1) within one year after the shareholders' approval of the action and (2) according to their respective interests determined at the time of the distribution.

BACKGROUND

Model Entity Transactions Act (META)

META, effective January 1, 2014, establishes the procedures necessary for four kinds of transactions: (1) the merger of one entity with another, (2) the conversion of an entity to another kind of entity, (3) an interest exchange between two entities so that one controls the other without the two merging, and (4) the domestication of an entity originally formed in one state into another state (PA 11-241).

Abandoned Brownfield Cleanup (ABC) Program

The Abandoned Brownfield Cleanup Program protects developers from liability for investigating and remediating pollution that emanated from a property before they acquired it. The DECD commissioner determines program eligibility, in consultation with the DEEP commissioner (CGS § 32-9ll).

Brownfield Remediation and Revitalization Program

The DECD's Brownfield Remediation and Revitalization Program protects brownfield owners and their successors from liability to the state and third parties for any contamination that others caused at the property. But this protection does not prevent the DEEP commissioner from requiring remedial action if:

1. the owner provided false information about the property or failed to implement the remediation plan,
2. additional contamination was uncovered at the property after DECD's Office of Brownfield Remediation and Development accepted it into the program, or
3. exposure levels increased to a point threatening human health or the environment (PA 11-141, § 17).

Covered Securities

A security is a “covered security” if it is:

1. listed, or authorized for listing, on the New York Stock Exchange (NYSE), the American Stock Exchange (ASE), or Nasdaq or
2. listed, or authorized for listing, on a national securities exchange that has listing standards that the Securities and Exchange Commission determined are substantially similar to NYSE, ASE, or Nasdaq (15 USC § 77r).

Public Act# 12-92

SB#27

AN ACT TRANSITIONING THE REGULATIONS OF CONNECTICUT STATE AGENCIES TO AN ONLINE FORMAT

SUMMARY: This act requires that state agency regulations be posted online, rather than published in the *Connecticut Law Journal*, making them available to the public on the Office of the Secretary of the State's and regulating agency's Internet websites. It establishes the same requirement for notices of proposed regulations and their accompanying documents.

The act requires the Office of Policy and Management (OPM) secretary to seek the necessary licensing agreements to permit the online posting of regulations containing codes or standards for which a third party holds the intellectual property rights. It requires agencies to post online (1) their policy manuals and guidance documents and (2) policies that have been implemented while in the process of being adopted in regulation form.

Lastly, the act creates an 11-member Regulation Modernization Task Force to develop an implementation plan for publishing regulations online and makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2013, except that the (1) task force provision and the requirement to seek licensing agreements are effective upon passage and (2) requirements concerning notices of intent are applicable to regulations noticed on and after July 1, 2013.

§§ 1 & 2—NOTICE REQUIREMENTS

Notice of Intent

By law, agencies may be authorized or required to adopt regulations. They must provide at least 30 days' notice of their intent to adopt proposed regulations. When a public act requires an agency to adopt regulations, the agency must provide the notice within five months after the passage of the act requiring adoption or by the time specified in the act. The act maintains these deadlines but establishes online posting requirements.

For regulations noticed on and after July 1, 2013, the act requires that the secretary of the state post the notice, rather than the *Connecticut Law Journal* publish it. The secretary must post the notice and its accompanying documents on her office's website within five days after receiving

them from the agency. She must also provide electronic notification to any person who has requested notification of regulation-making proceedings.

The act requires agencies to post the notice and accompanying documents on their websites. They must also give electronic notice to the legislature's committees of cognizance for the regulation's subject matter at least 30 days in advance (prior law did not specify a deadline). Additionally, the act changes the deadline by which an agency must prepare a fiscal note regarding the regulations. The new deadline is 30 days before adopting the proposed regulation, rather than the date of publication in the *Connecticut Law Journal*.

Under the act, any agency that fails to post notice of intent to adopt required regulations by the applicable deadline must explain its reasons in an electronic, rather than written, statement to the governor, legislative committee of cognizance of the regulation's subject matter, and Legislative Regulation Review Committee.

The act requires agencies, after deciding to proceed with a proposed regulation or alter its text, to post to their own websites and submit to the secretary for posting on her office's website (1) the proposed regulation's final wording, (2) supporting reasons, and (3) opposing arguments and why they were rejected. Agencies must do this at least 20 days before submitting the proposed regulation to the Legislative Regulation Review Committee. If an agency fails to submit the text of the proposed regulations to the Regulation Review Committee within 180 days of posting the notice of intent, it must submit to the committee an electronic, rather than written, statement of its reasons for failing to do so.

By law, agencies must provide electronic or paper copies of proposed regulations and notices upon request. The act prohibits agencies from charging a fee for electronic copies. It requires agencies to provide the notices and copies of the proposed regulation 30 days in advance to people who have requested it. Prior law did not specify a deadline.

Other Notices

By law, an agency may propose, without prior notice, (1) technical amendments to regulations when necessary to conform to certain changes or (2) a repeal of a regulation if the authorizing statute is repealed. The act requires the agency to post to its website any such proposed technical amendments or repeals.

§§ 4, 6 & 7—APPROVED REGULATIONS

Submission to the Secretary

By law, regulations must be approved by the attorney general and the Legislative Regulation Review Committee. Prior law required agencies to submit two certified paper copies of the approved regulations to the Office of the Secretary of the State. The act instead requires agencies to submit one certified and one electronic copy to the secretary along with a statement from the department head certifying that the electronic version is a true and accurate copy of the approved regulation. The act authorizes the secretary to adopt regulations specifying the format agencies must use to submit electronic regulations and documents.

Regulation Effective Date

Under prior law, with some exceptions, regulations became effective when an agency filed them with the secretary. Under the act, regulations become effective when the secretary publishes them online, which she must do within five calendar days after the agency's filing. The act specifies that emergency regulations are effective upon electronic submission to the secretary. It eliminates the requirement that, before becoming enforceable, agency regulations must be published in the *Connecticut Law Journal*.

The act designates the online regulations posted by the secretary as the “official version” of the regulations of state agencies for “all purposes, including all legal and administrative proceedings.” It requires agencies to provide or make available for inspection, if requested, paper copies of regulations and other written policy statements and agency forms and instructions.

§§ 6-8— PUBLISHED REGULATIONS

The act removes the:

1. duties of the Commission on Official Legal Publications (COLP) to publish (a) the semiannual compilation of all adopted state agency regulations and (b) a monthly update of approved regulations in the *Connecticut Law Journal*;
2. requirement to make published regulations available to state agencies and officials for free and to others for sale;
3. requirement that published regulations be included in each state law library's reference collection; and
4. ability to omit from the compilation emergency regulations and those that are too expensive or unduly cumbersome to publish.

The act requires the secretary to post the compilation of regulations, including emergency regulations, online in a manner easily accessible to, and searchable by, the public. She must update the compilation at least quarterly, and it must include website links to any regulation incorporated by reference. She must also include in the compilation a website link, if available, to information about any omitted regulations. By law, she may omit from the compilation regulations incorporated by reference that are (1) available from a federal agency or a government agency in another state and (2) to which a third party holds the intellectual property rights. (The act specifies that she may do this only until the OPM secretary obtains the necessary licensing agreements, as described below.)

Proprietary Regulations

In practice, non-state entities hold the intellectual property rights to several codes and standards that are incorporated by reference into state agency regulations (e. g. , the State Building Code and the State Fire Safety Code). The act requires the OPM secretary to seek the necessary licensing agreements from the publishers of these codes and standards to permit them to be posted online by the secretary of the state.

§§ 9-12— AGENCY POLICIES

Policy Manuals and Guidance Documents

The act requires any state agency that has written a manual or guidance document to post it on its website. It exempts from this requirement anything that is (1) protected from disclosure under state or federal law or (2) exempt from disclosure under the Freedom of Information Act. Additionally, it specifically requires the Department of Social Services (DSS) to post to its website its medical services, public assistance, and community services manuals.

Policies Awaiting Adoption in Regulation Form

By law, DSS must adopt as regulations policies necessary to conform to certain federal or joint federal and state program requirements. The law allows DSS to operate under such policies while in the process of adopting them in regulation form. Before implementing the policies, the act requires DSS, like other agencies, to post them to its website and electronically submit them to the secretary of the state for online posting. Unlike other agencies, the act retains the requirement that these DSS notices of intent appear in the *Connecticut Law Journal*.

The act also extends the online posting requirement to all agencies that adopt interim policies or procedures while the policies or procedures are in the process of being adopted in regulation form. Under the act, these policies and procedures are not effective unless the agency (1) posts them on its website, (2) electronically submits them to the secretary for posting online, and (3) complies with the authorizing statute's other requirements, if applicable. Any of these policies or procedures in effect on July 1, 2013 must be posted on the agency's website and submitted to the secretary by October 1, 2013. There is no deadline for the secretary to post them. When the superseding regulations take effect, the agency must notify the secretary, who must then remove the policy or procedure from the secretary's website.

§ 15—REGULATION MODERNIZATION TASK FORCE

The act establishes an 11-member gubernatorially appointed task force to develop a plan that ensures, by July 1, 2013, that Connecticut state agency regulations are available to the public in an accessible online format. The governor must (1) make the appointments within 30 days of the act's passage, (2) select the chairperson, and (3) fill any vacancy. The act requires the Department of Administrative Services (DAS) to provide administrative staff support. The task force must consult with the secretary of the state and either the state librarian or public records administrator.

By January 1, 2013, the task force must submit a plan to the governor and Regulation Review Committee that ensures state agency regulations are easily accessible to the public in an online format by July 1, 2013. The task force terminates on January 1, 2013 or when it submits its plan, whichever is later.

At a minimum, the plan must:

1. identify the hardware and software needed to transfer regulations to an online format;
2. recommend the appropriate state agency to supervise maintenance of the online system;

3. describe the necessary staff training for using and maintaining the system;
4. describe the anticipated amount of additional work and responsibilities required to create and maintain the system;
5. describe the reduction in workload and costs that are anticipated with the system;
6. estimate the cost to implement and maintain the system, with recommendations on how the state can recover it; and
7. recommend additional legislation that may be necessary to facilitate the transition to publishing regulations in an online format.

The act authorizes the task force to request bond funds through DAS to pay a consultant for advice on the technical aspects of implementing and maintaining an online system for regulations. The Legislative Commissioners' Office, COLP, and all executive branch agencies must cooperate and provide information the task force needs.

Public Act# 12-144

HB# 5500

AN ACT CONCERNING AN ADJUSTMENT TO CERTAIN DATES RELATING TO THE FINANCING OF STEEL POINT IN BRIDGEPORT

SUMMARY: This act extends the time periods, by three and six years, respectively during which Bridgeport's Steel Point Special Taxing District may receive state economic development assistance and issue bonds to finance public improvements.

It extends, from June 30, 2012 to June 30, 2015, the deadline by which the Department of Economic and Community Development, Connecticut Development Authority, and Connecticut Innovations, Inc. may provide up to \$40 million in financial assistance from existing programs to the Steel Point project. As under prior law, the assistance must be used to develop and improve property in Bridgeport and may be in the form of grants, loans, loan guarantees, insurance contracts, investments, or a combination of these, provided from proceeds of bonds, notes, or other debt.

Prior law allowed Bridgeport's city council to merge the taxing district into the city if the district failed to issue bonds by July 1, 2009. The act extends this deadline to July 1, 2015.

EFFECTIVE DATE: Upon passage

Public Act# 12-65

SB# 227

AN ACT CONCERNING CORRECTIONS TO CERTAIN CENSUS DESIGNATIONS

SUMMARY: This act reconfigures Bristol's portion of the multi-town Bioscience Enterprise Corridor Zone by removing two residential census tracts and designating two commercial and industrial ones instead. Consequently, bioscience businesses in these commercial and industrial tracts now

qualify for the zone's incentives, which are property tax exemptions and corporation business tax credits for improving property and creating jobs. The zone consists of statutorily designated census tracts, blocks, and groups in Hartford, Farmington, New Britain, Bristol, and Plainville.

EFFECTIVE DATE: Upon passage

Public Act# 12-75

SB# 78

AN ACT CONCERNING THE LEARN HERE, LIVE HERE PROGRAM

SUMMARY: This act allows more students to participate in the Live Here, Learn Here Program. PA 11-140 authorized the Department of Economic and Community Development (DECD) commissioner to establish the program, which, when operational, would help graduating students save money toward a down payment on their first home in Connecticut. Prior law limited the program to students graduating from regional-technical schools and in-state students graduating from state colleges and universities after January 1, 2014.

The act opens the program to any student graduating from a public or private college in Connecticut or a health care training school located here. The latter includes medical or dental schools, chiropractic colleges, optometry schools or colleges, chiropody or podiatry schools or colleges, occupational therapy schools, hospital-based occupational schools, naturopathy schools or colleges, dental hygiene schools, physical therapy schools, and any other healing arts school or institution.

The act requires the DECD commissioner to include recent graduates from these institutions in any public education program she develops to explain the Learn Here, Live Here Program.

EFFECTIVE DATE: Upon passage

BACKGROUND

Live Here, Learn Here Assistance

The Live Here, Learn Here Program helps students save towards a down payment on their first home in Connecticut by segregating a portion of their state income tax payments for up to 10 years after they graduate. The law limits the amount that may be segregated for each student to \$2,500 per year and the amount that may be segregated for all students to \$1 million per year.

To receive the down payment assistance, a student must apply to the DECD commissioner within 10 years after graduation. The payment equals the segregated amount, up to the amount needed for the down payment. Any balance remaining in a student's account must be deposited in the General Fund.

Students who receive the assistance and subsequently leave Connecticut may have to repay all or part of the assistance, depending on when they leave. Those who leave within the first year after receiving assistance must repay the entire amount. Those who leave in any of the four subsequent years repay smaller amounts as follows: 80% in the second, 60% in the third, 40% in the fourth, and 20% in the fifth.

AN ACT CREATING A WORKFORCE TO MAKE IMPROVEMENTS AROUND CONNECTICUT'S PUBLIC AIRPORTS

SUMMARY: This act provides another way for the state to preserve state-licensed, privately owned airports with paved runways and at least 5,000 take offs and landings per year. It specifically (1) authorizes the state to establish noise mitigation programs in neighborhoods surrounding these airports where noise levels exceed applicable Federal Aviation Administration (FAA) standards and (2) requires the Department of Transportation (DOT) to have war veterans perform some of the noise mitigation work.

Existing law already allows the state to preserve privately owned airports by:

1. exercising its right of first refusal to purchase, for fair market value, any airport solely to preserve it if threatened with sale or closure;
2. acquiring, through the DOT, an airport's development rights for fair market value as long as the airport remains open to the public;
3. funding 90% of eligible capital improvements at private airports, as determined by the transportation commissioner; and
4. establishing an airport zoning category for FAA-defined "imaginary surfaces," which are areas that extend upward and outward from runways where obstructions deemed hazardous to navigation are prohibited.

Proposed developments within these imaginary surface areas must comply with FAA notice requirements and obstruction standards (14 CFR Part 77). The act eliminates a redundant provision stating the federal requirement.

EFFECTIVE DATE: July 1, 2012

AN ACT CONCERNING THE CAPITAL REGION DEVELOPMENT AUTHORITY

SUMMARY: This act redesignates the quasi-public Capital City Economic Development Authority (CCEDA) as the Capital Region Development Authority (CRDA), preserving many of CCEDA's powers, duties, and functions, including the authority to issue bonds. CCEDA oversaw several completed and ongoing development projects in the statutorily designated Capital City Economic Development District, which is located entirely in Hartford. Its duties included advising state agencies on development projects proposed in the district.

The act expands the district and the range of eligible projects and allows CRDA to plan and implement some of these projects outside the district. Specifically, it authorizes CRDA to (1) develop and redevelop property anywhere in Hartford, (2) develop riverfront improvements anywhere in Hartford and East Hartford, (3) demolish and redevelop vacant buildings in East

Hartford, and (4) develop more housing units than were previously permitted. To plan and implement these projects, the act gives CRDA the same powers prior law gave CCEDA to plan and implement specified capital district projects.

In redesignating CCEDA as CRDA, the act:

1. replaces CCEDA's seven-member board with a 13-member board that includes municipal representatives;
2. designates Hartford and its seven contiguous towns as the capital region;
3. expands the project planning, monitoring, and evaluation duties transferred from CCEDA to CRDA;
4. assigns additional duties to CRDA that differ from those assigned to CCEDA, including managing facilities and promoting tourism;
5. shifts specified administrative duties from the Office of Policy and Management (OPM) secretary to the Department of Economic and Community Development (DECD) commissioner;
6. eliminates an obsolete reporting requirement; and
7. makes many technical and conforming changes.

Lastly, the act extends by four years, from June 30, 2013, to June 30, 2017, the deadline for the State Bond Commission to issue up to \$115 million in state general obligation bonds for DECD to fund specified projects (§22). The projects are the civic center and coliseum complex reconstruction, riverfront infrastructure development, housing rehabilitation and new construction, demolition and redevelopment, and parking. (PA 12-189 authorized additional bonding for CRDA (see BACKGROUND)).

EFFECTIVE DATE: Upon passage

§ 9 – BOARD

Appointment

The act creates a new, larger board to oversee CRDA. The CCEDA board consisted of seven members appointed jointly by the governor and legislative leaders, one of whom was recommended by Hartford's mayor. Under the act, the terms of all the CCEDA board members expire on the act's effective date, which is also the date when CCEDA becomes CRDA.

Under the act, CRDA's 13-member board consists of the Hartford and East Hartford mayors, eight appointed members, and three ex-officio members. The appointed members serve four-year terms except the initial members, who serve staggered terms. After the initial terms, all members serve four-year terms and may be reappointed.

Table 1 lists the appointed members, their appointing authority, and their initial terms. As the table shows, the House speaker and Senate president pro tempore jointly appoint one member, as do the House and Senate minority leaders.

Table 1: CRDA Appointed Members

<i>Appointing Authority</i>	<i>Number of Appointments</i>	<i>Initial Terms</i>
Governor	Four	Four years
Hartford Mayor	Two: 1. One Hartford resident 2. One City of Hartford nonelected employee	Three years
House Speaker and Senate President Pro Tempore (jointly)	One	Two years
House and Senate minority leader (jointly)	One	Two years

The appointing authorities must make their initial appointments within 15 days after the act's effective date.

In addition to the appointed members, the board includes the Hartford and East Hartford mayors, the OPM secretary and the DECD and Department of Transportation commissioners. The secretary and the commissioners serve as ex-officio members.

The CRDA board must generally adhere to the same procedural rules that governed CCEDA's board.

The act applies and expands the conflict of interest prohibition that previously applied to CCEDA's board. As under prior law, the act prohibits CRDA board members from having or acquiring a financial interest in any CRDA project in the Capital City Economic Development District or in any contract for materials and services to be used in these projects.

The act expands this prohibition to include any CRDA project in the eight-town capital region (see below), not just the Capital City Economic Development District, or in any contract for materials and services to be used in these projects.

§ 8 – GEOGRAPHIC JURISDICTION

The act designates two overlapping areas where CRDA can undertake development activities. It designates Hartford and its adjacent municipalities (i. e. , Bloomfield, East Hartford, Newington, South Windsor, West Hartford, Wethersfield, and Windsor) as the “Capital Region” and, as discussed below, specifies the activities CRDA must undertake in this region.

The act also enlarges the Capital City Economic Development District, where prior law required CCEDA to plan and implement specific projects described below. The district previously covered the area between the Connecticut River from the Bulkeley Bridge south to, but not including,

Dillon Stadium and Colt Park, and west to the State Capitol and the railroad right-of-way intersection. The act expands the district westward to cover an area bounded by Park Street to the south, Laurel and Forrest streets to the west, Farmington and Asylum avenues to the north, and the State Capitol area to the east.

§ 10 – PURPOSES

CRDA's mission is narrower than CCEDA's, but its duties are broader. Under prior law, CCEDA had to:

1. stimulate new investment in Connecticut and encourage the diversification of its economy;
2. attract and service large conventions, tradeshow, exhibitions, conferences, and local consumer shows, exhibitions, and events;
3. strengthen Hartford's role as a regional employment and government center;
4. encourage residential development in downtown Hartford; and
5. construct, operate, maintain, and market the convention center to further the region's economic development.

Under the act, CRDA must:

1. stimulate economic development and new investment in the capital region, not statewide, as prior law required of CCEDA;
2. develop and redevelop property in Hartford;
3. help the region's municipalities, upon request of their legislative bodies, stimulate the region's economy and increase tourism by developing and redeveloping property;
4. market the Capital City Economic Development District as a multicultural destination, create a vibrant multidimensional downtown, and support others in achieving these goals;
5. work with DECD to attract large conventions, tradeshow, exhibitions, conferences, consumer shows, and events through a sales and marketing effort coordinated with the capital region's major sports, convention, and exhibition venues;
6. encourage residential development throughout the expanded district, not just in downtown Hartford, as prior law required CCEDA to do;
7. operate, maintain and market the convention center;
8. stimulate family-oriented tourism, art, culture, history, education, and entertainment by cooperating and coordinating with Hartford and regional organizations;
9. manage facilities through a contractual agreement or other legal instrument; and

10. enter into an agreement with the OPM secretary if he requests its assistance to relocate state offices in the capital city district.

§ 8 – CAPITAL CITY PROJECTS

The act broadens the definition of a capital city project, which under existing law consists of:

1. a convention center project (completed),
2. a downtown higher education center (completed),
3. the renovation and rejuvenation of the civic center and coliseum complex (completed),
4. the development of riverfront infrastructure and improvements (ongoing),
5. the construction or rehabilitation of up to 1,000 downtown housing units and the demolition or redevelopment of vacant buildings (ongoing), and
6. the addition of downtown parking (ongoing).

Under prior law, all of these projects had to be located in the Capital City Economic Development District, except those demolishing or redeveloping vacant buildings, which could be anywhere in Hartford.

The act expands the range of projects and the areas where CRDA can develop certain projects. Specifically, it allows CRDA to (1) construct new buildings and redevelop occupied ones anywhere in Hartford; (2) develop or improve riverfront infrastructure anywhere in Hartford or East Hartford, not just in the Capital City Economic Development District, as prior law allowed; and (3) demolish or redevelop vacant buildings in East Hartford, not just in Hartford, as prior law allowed.

The act increases the number of downtown housing units to be constructed or rehabilitated in the Capital City Economic Development District from 1,000 to 3,000 units.

§ 10 – EXTENDED POWERS

The act gives CRDA mostly the same general and development-specific powers prior law gave CCEDA, including powers to plan and implement different types of capital city projects. The general powers allow CRDA to function as a quasi-public agency and include:

1. entering into contracts;
2. issuing bonds and other obligations;
3. borrowing money;
4. acquiring, leasing, and disposing of personal property;
5. employing staff; and

6. investing funds that are not immediately needed.

The act expands these powers to include, upon the OPM secretary's request, entering into a funding agreement to facilitate the relocation of state offices within the Capital City Economic Development District.

Under prior law, CCEDA possessed certain development-specific powers related to planning and implementing the convention center project and facilities. The act transfers these powers to CRDA and generally extends them to all capital city projects within the Capital City Economic Development District. With respect to such capital city projects, these powers include:

1. acquiring and disposing of property;
2. acquiring property by eminent domain, in consultation with Hartford's mayor and according to the procedures redevelopment agencies use when taking property;
3. owning and operating facilities;
4. entering into contracts;
5. marketing and promoting the region to attract national, regional, and local conventions, trade shows, and other events to increase the use of CRDA's exhibition, sporting, and entertainment facilities;
6. planning for, acquiring, financing, constructing, developing, operating, marketing, promoting, and maintaining facilities;
7. borrowing money, issuing bonds, and entering into credit and other agreements to make the bonds more marketable;
8. collecting fees and rents from the facilities it develops and adopting procedures for operating and occupying them;
9. engaging independent professionals, such as lawyers, accountants, and architects;
10. adopting and amending procurement procedures; and
11. receiving money, property, and labor from any source, including government sources.

§ 15 – PROJECT REVIEWS

Scope

The act transfers to CRDA CCEDA's authority to advise state agencies about projects requesting state funds and extends that authority to more types of projects. Prior law limited this authority to capital city projects located in the Capital City Economic Development District or the rest of Hartford. The act extends the authority to any economic development project in the region in which CRDA has been involved.

The act transfers to CRDA CCEDA's authority to coordinate all state and municipal planning and financial resources for capital city projects and broadens it to include all economic development projects in the capital region.

Prior law terminated CCEDA's authority to perform this function on July 1, 2013, but the act eliminates this sunset date, thus requiring CRDA to perform the function indefinitely.

By law, a person, business, nonprofit organization, or state or local agency applying to a state agency or authority for funds must submit a copy of its application, along with supporting documents, to OPM. The act requires that a copy of the application also go to CRDA, which like OPM, has up to 90 days to provide written recommendations to the funding entity.

The agency cannot spend funds until it receives these recommendations or after 90 days from the application date, whichever is sooner. It does not have to implement the recommendations, but must explain to CRDA in writing why a spending decision is inconsistent with them.

§§ 13 & 14— PROJECT ANALYSIS

Feasibility Study

The act requires CDRA to determine the financial feasibility of proposed development and redevelopment projects, which under the act can be implemented anywhere in Hartford. In determining a project's feasibility, CRDA must consider proper planning, engineering, siting, construction and operational costs, and revenue and expense projections.

Monitoring and Evaluation

The act transfers CCEDA's monitoring duties to CRDA, but also expands them to include all projects in the capital region, regardless of whether CRDA funded them.

The act also transfers CCEDA's contract compliance duties to CRDA and extends them to more facilities. Prior law required CCEDA to designate a contract compliance officer to monitor the operations of the convention center, the convention center hotel, and their related parking facilities. The act extends these duties to any facility CRDA controls or manages.

CRDA must also review and evaluate capital city projects and any other project in the capital region that it financed. Like CCEDA under prior law, CRDA must determine (1) how many jobs each project created or expects to create, (2) the cost per job, (3) the value of private investment, (4) the number of new businesses stimulated and the jobs they created, and (5) the effects on tourism. The act also requires CRDA to measure increases in downtown Hartford's housing supply.

§ 14 — REPORTING

The act similarly transfers CCEDA's reporting duties to CDRA, but expands them to include any project in the capital region in which CRDA has been involved. Consequently, CRDA must report annually by September 28 (90 days after the fiscal year begins), to the governor; Finance, Revenue and Bonding Committee; and state auditors on its finances, procurements, and

employment. Among other things, the report must describe each project, its location, and the amount CRDA spent on construction.

CRDA must also report annually on the status of the Adriaen's Landing project.

§§ 10 & 11 – ADMINISTRATIVE SUPPORT AND SERVICES

The act reassigns the responsibility for providing various administrative and support services. Prior law allowed the OPM secretary to provide a range of administrative and support services to CCEDA through a memorandum of understanding (MOU) between the secretary and the authority. The act transfers this authority to the DECD commissioner.

Under prior law, an MOU could specify the administrative and support services that OPM would provide to CCEDA and how CCEDA would reimburse OPM. The MOU could also address contracts and accounts and specify how the management of the convention center and stadium facility (i. e., Rentschler Field) would be coordinated. The act expands the range of facilities to include other sports, exhibition, and coliseum facilities.

Prior law allowed the OPM secretary and CCEDA to provide financial management and construction services to the Connecticut Center for Science and Exploration. The act transfers this duty to CRDA only.

BACKGROUND

Related Act

PA 12-189, An Act Authorizing Bonds of the State for Capital Improvements, Transportation, and Other Purposes, authorizes up to \$60 million in bonds for CRDA to encourage new housing in downtown Hartford.

Public Act# 12-154

SB# 383

AN ACT CONCERNING MANUFACTURING AND MECHANICAL INTERNSHIPS

SUMMARY: This act allows minors to work in hazardous jobs while participating in a manufacturing or mechanical internship in any manufacturing or mechanical establishment (see BACKGROUND). It defines an internship as supervised practical training of a high school student or recent graduate that includes curriculum and workplace standards approved by the departments of Labor (DOL) and Education (SDE).

EFFECTIVE DATE: July 1, 2012

BACKGROUND

Minors Working in Hazardous Occupations

By law, with certain exceptions, no minor can work in any occupation deemed (1) a health hazard by the Department of Public Health or (2) hazardous by DOL. Existing law exempts from this prohibition:

1. 16- and 17-year olds in bona fide apprenticeship courses in manufacturing or mechanical establishments, vocational schools, or public schools;
2. minors who have graduated from a public or private secondary or vocational school and are employed in manufacturing or mechanical establishments;
3. minors enrolled in cooperative work-study programs approved by SDE and DOL; and
4. participants in a Connecticut career certificate program.

Public Act# 12-183

HB# 5342

AN ACT CONCERNING REVISIONS TO THE STATE'S BROWNFIELD REMEDIATION AND DEVELOPMENT STATUTES

SUMMARY: This act makes changes to existing brownfield remediation programs, establishes a pilot program for conducting environmental reviews of eligible redevelopment projects, expands the Office of Brownfield Remediation and Development's (OBRD) mission, and extends the term of the Brownfields Working Group.

The act makes programmatic and administrative changes to the Department of Economic and Community Development's (DECD) program providing financial assistance to clean up and redevelop brownfields. The program consists of separate grant and loan components. The act narrows the range of entities eligible for assistance under both components, allows loan proceeds to be used to develop housing meeting a broader range of needs, and allows the DECD commissioner to use a portion of the program's funds to cover staffing and marketing costs.

The act makes many procedural changes to DECD's Brownfield Liability Protection Program, which protects eligible property owners from liability to the state and third parties for cleaning up brownfields according to the program's requirements. It makes changes to the process for accepting brownfields into the program, gives developers more time to pay program application fees, and resets the deadlines for completing specified tasks.

The act authorizes, on a limited basis, an expedited process for determining the environmental effects of eligible redevelopment projects. It also exempts property to be redeveloped under the pilot program from the Hazardous Waste Transfer Act (i. e. , Transfer Act) if it was remediated under the Department of Energy and Environmental Protection's (DEEP) Voluntary Site Remediation Program.

The act requires OBRD, in consultation with the State Historic Preservation Office, municipal officials, and regional planning organizations, to identify abandoned and underutilized mills that are important assets to their municipalities and regions (§ 13). It also requires the DECD commissioner to appoint a director to manage OBRD, specifically requiring her to do so in

accordance with the statute listing the types of positions exempted from civil service (CGS § 5-198). (The statute lists these positions, but not the process for exempting them.)

The act extends the Brownfields Working Group's reporting deadline by one year, from January 15, 2012 to January 15, 2013 (§ 12). PA 10-135 established the group to study and report to the Commerce Committee on how the state's brownfields are being cleaned up and remediated.

EFFECTIVE DATE: July 1, 2012, except the authorization for the pilot program and the extension of the Brownfields Working Group's reporting deadline take effect upon passage.

§§ 1-4, 10, & 11 – BROWNFIELD FINANCING PROGRAM

The act makes programmatic and administrative changes to DECD's Brownfield Financing Program, which consists of separate grant and loan components.

Municipal Grant Program

Eligible Entities. The act narrows the range of municipal entities eligible for grants (i. e. , eligible grant recipients). Under prior law, grants were available to municipalities, economic development authorities, regional economic development authorities, or qualified nonprofit community and economic development corporations.

The act limits the grants to municipalities and three types of “economic development agencies:”

1. municipal economic development agencies or entities created or designated to implement a redevelopment project (operating under CGS Chapter 130) or municipal development project (operating under CGS Chapter 132);
2. municipally-funded or -supported nonprofit economic development corporations; and
3. nonstock corporations or limited liability companies established or controlled by a municipality, municipal economic development agency, or entity operating under CGS Chapter 130 or CGS Chapter 132.

Funding. The act allows the commissioner to use previously authorized bonds to make the grants. PA 11-57 authorized \$25 million in bonds in FY 12 and \$25 million in FY 13 for loans. The act allows the commissioner to use the proceeds from these bonds to make loans or grants (§§ 10 and 11).

Loan Program

Eligible Entities. The act limits the types of economic development agencies that qualify for loans. Under prior law, local and regional nonprofit organizations were eligible for loans if they acted on a municipality's behalf. The act limits eligibility to the same types of local economic development agencies that qualify, under the act, for grants. The loan program remains open to municipalities and for-profit and nonprofit organizations or entities.

Affordable Housing. Under existing law, eligible loan applicants can use the loan proceeds to redevelop a remediated brownfield for different uses, including housing. The act expands the range of eligible housing uses and requires applicants proposing uses to comply with the law's loan terms and conditions.

Prior law allowed the proceeds to be used only for housing that serves the needs of first-time homebuyers, regardless of income. The act allows the proceeds to be used for developing affordable housing units that are suitable for first-time homebuyers, but does not specify criteria for determining if a unit is affordable to this group. (Under the housing statutes, a unit is affordable if a family earning no more than the median income of the municipality pays no more than 30% of its income for housing (CGS § 8-39a)).

The act also allows the proceeds to be used for:

1. developing housing incentive zones (locally designated zones where a mix of affordable and market-rate units can be built near transit facilities and other amenities),
2. developing workforce housing, and
3. for any other residential purpose the DECD commissioner approves.

For developers proposing to develop affordable units, the act requires the loan agreement to specify the number of units they propose to develop.

Developers receiving loans over \$50,000 must also submit a plan describing the residential use and how it will create jobs and private investment for the community. This requirement already applies to developers receiving loans for commercial, industrial, or mixed-use developments.

The act also extends the law's planning requirements to proposed residential developments. The requirements apply to projects receiving loans over \$50,000. Under existing law, developers proposing commercial, industrial, or mixed-use projects must submit a plan describing how the property will be used or reused and show how its reuse will create jobs and increase private investment in the community. The act extends this requirement to any residential development receiving over \$50,000 in loan proceeds.

The act changes a condition housing developers must meet to receive a loan. Under prior law, they had to agree that the proposed development would meet the reasonable and appropriate needs of (1) first-time homebuyers or (2) recent college graduates looking to remain in Connecticut. Under the act, they must agree to meet the reasonable and appropriate affordable housing needs of (1) first-time homebuyers, (2) workforce housing, and (3) recent college graduates looking to remain in Connecticut. The act does not extend this requirement to developers proposing incentive housing zone projects.

Forgivable Loans. The act specifies that municipalities and economic development agencies qualify for loans and allows the commissioner to forgive them or defer their repayment if it is in the state's best interest to do so.

Administrative Support

The act allows the DECD commissioner to tap the \$25 million in bonds PA 11-57 authorized in FYs 12 and 13 for the program to cover the program's staffing and marketing costs. It specifically allows her to use up to 4% of the funds to staff and market the grant and loan programs, including developing their websites, and fund OBRD.

Brownfield Remediation and Development Account

The act requires money the attorney general recovers from parties that polluted property being cleaned up and developed under the Brownfield Financing Program to be deposited in the Brownfield Remediation and Development Account. By law, revenue from the following sources must already be deposited there:

1. loan repayments,
2. the proceeds of bonds issued for the program,
3. principal and interest payments on loans made to assess and demolish contaminated property (i. e. , Special Contaminated Property Remediation and Insurance Fund),
4. the account's interest and investment earnings,
5. security for the loans, and
6. any other funds the law requires to be deposited in the account.

§ 9 – LIABILITY PROTECTION PROGRAM

The act makes procedural and administrative changes to the Liability Protection Program, which protects eligible property owners from liability to the state and third parties for cleaning up brownfields according to the program's requirements. The law requires the DECD commissioner to operate the program within available appropriations, but divides the administrative duties between her and the DEEP commissioner: the DECD commissioner accepts brownfields into the program and the DEEP commissioner monitors and audits their remediation.

Acceptance in the Program

The law provides two methods for a brownfield to be accepted into the program: (1) a developer applies to the DECD commissioner to have the brownfield accepted into the program or (2) a municipality or an economic development agency nominates a brownfield for acceptance into the program. The act changes the procedures for accepting brownfields into the program under both methods.

Acceptance by Application. By law, parties applying to have a brownfield accepted into the program must submit with their application an assessment of the property's current and historical uses and the activities conducted there. The act requires the assessment to be prepared according to the prevailing standards and guidelines for conducting a Phase I Environmental Assessment, instead of DEEP's Site Characterization Guidance Document, as prior law required.

The act also requires this assessment to be prepared by or for applicants who own property contiguous to a brownfield (i. e., contiguous property owners) as well as by or for applicants who intended to purchase a brownfield (i. e., bona fide prospective purchasers), as the law requires.

Besides changing some of the application requirements, the act changes how the DECD commissioner must decide whether to accept a property into the program. It requires her to consider the statutory factors for creating a diverse portfolio of brownfield projects (i. e., statewide portfolio factors) instead of basing her decision on these factors, as prior law required.

Acceptance by Nomination. The act bars municipalities and their economic development agencies from nominating brownfields for acceptance into the program if an eligible applicant has already applied to have it accepted into the program.

The act provides a two-step process for municipalities, but not their economic development agencies, to nominate brownfields for acceptance in the program. The steps require the nominated brownfields to meet the same criteria as those submitted by application.

The first step requires a municipality to certify on a DECD form that the property:

1. is a brownfield and that the contamination exceeds DEEP's remediation standards;
2. is not subject to federal or state enforcement action or on the state or national list of contaminated sites; and
3. meets any other relevant factors, including the statewide portfolio factors, as the commissioner determines.

The second step occurs if the commissioner approves the nomination and an eligible applicant applies to have the property admitted into the program. The applicant must show that the brownfield still meets the above criteria and that he or she:

1. qualifies as an innocent landowner, bona fide prospective purchaser, or contiguous property owner;
2. did not contaminate the property and is not affiliated with the party that did; and
3. did nothing to pollute the state's waters.

Brownfields Participating in Other Remediation Programs

The act makes brownfields being remediated under the Transfer Act eligible for acceptance in the Liability Protection Program if they meet its criteria. By law, properties in the voluntary remediation and covenant not to sue programs can already participate in this program.

Fee Installment Payments

Timeframes. The act gives applicants more time to pay the program's application fee, which they must pay in two installments. By law, applicants accepted into the program must pay a fee equal

to 5% of the brownfield's assessed value as of the municipality's most recently completed grand list. They pay the fee to the DEEP commissioner.

Under prior law, an applicant had to pay the first installment within 180 days after being notified that the DECD commissioner accepted the brownfield into the program. The act gives the applicant 180 days from that date or the date he or she takes title to the property, whichever is later.

The act changes the timeframe for paying the second installment. Under prior law, the applicant had to pay the second installment to the DEEP commissioner within four years after being notified that the DECD commissioner accepted the application. Under the act, the applicant must pay the installment within four years after the date the commissioner accepts the application.

The act allows the DECD commissioner to extend the deadlines for paying either installment upon the applicant's request.

Fee Revenue. By law, the DEEP commissioner must deposit the fee revenue in the Special Contaminated Property Remediation and Insurance Fund. The act specifies that he may use the revenue for the fund's statutory purposes, which include removing or mitigating spills into the state's waters and making low-interest loans for investigating and remediating brownfields.

Municipal Exemptions. The act allows municipalities and economic development agencies to ask the DEEP commissioner to waive the fee on any brownfield located within their respective jurisdictions that has been accepted into the program. Prior law allowed them to request fee waivers only for brownfields within their respective jurisdictions that others own. The DEEP commissioner may grant the waiver based on statutory criteria.

The law exempts municipalities and economic development agencies whose brownfields have been accepted into the program from paying the fee. But, if they transfer the property to another party for development, prior law required them to collect the fee from that party and remit it to DEEP. The act instead requires the party to whom the brownfield is being transferred to pay the fee directly to the DEEP commissioner.

Property Transfers. The act changes a condition for keeping a brownfield in the program when it is transferred before it is investigated and remediated. By law, both parties to the transaction must meet specific criteria. The party transferring the property must be in compliance with the program's requirements and the brownfield investigation plan and remediation schedule. The party receiving the brownfield also receives the program's benefits under existing law if it:

1. is eligible to participate in the program,
2. pays "the fee," and
3. submits the remedial action report and verification or interim verification the law requires.

The act specifically requires this party to pay the acceptance fee, which is in addition to the \$10,000 fee all parties must, by law, pay when they finish remediating the brownfield and other specified conditions are met.

Timeframe for Investigating and Remediating Brownfield

The act resets the statutory deadlines for investigating and remediating brownfields. Under prior law, applicants accepted into the program had to submit a plan and schedule showing:

1. the investigation being completed within two years of the application's approval date,
2. remediation being started within three years of that date, and
3. remediation being completed within eight years of the approval date.

The act bases the deadlines on the due date for paying the first installment of the application fee, including any extensions. Prior law set the deadlines from when the DECD commissioner approves an application. Table 1 compares the deadlines under prior law and the act.

Table 1: Deadline for Investigating and Remediating Brownfields under Prior Law and the Act

<i>Task</i>	<i>Deadlines</i>	
	<i>Prior Law</i>	<i>Act</i>
Submit investigation plan and remediation schedule	Plan and schedule due within 180 days after brownfield accepted into program (i. e. , acceptance date)	Plan and schedule due within 180 days after the first installment payment due date, including extensions
Plan and schedule shows when investigation and remediation will be started and completed	Investigation completed within two years after acceptance date and remediation started and completed within three and eight years, respectively, after acceptance date	Investigation completed within two years after first installment payment due date, including extensions, and remediation started and completed within three and eight years, respectively, after first installment due date, including extensions
Complete investigation	Investigation completed within two years after the acceptance date	Investigation completed within two years after first installment payment due date, including extensions
Submit licensed environmental professional-approved remediation plan and begin remediation	Plan submitted and remediation begun within three years after acceptance date	Plan submitted and remediation begun within three years after first installment payment due date, including extensions
Complete remediation and submit remedial action report and verification or interim verification	Remediation completed and remedial action report and verification or interim verification submitted within eight years after acceptance date	Remediation completed and remedial action report and verification or interim verification submitted within eight years after first installment payment due date, including extensions

§§ 5-8 – PROPERTY REDEVELOPMENT PILOT PROGRAM

Eligible Projects

The act authorizes the Office of Policy and Management (OPM) secretary and the DECD, DEEP, and Department of Transportation commissioners to establish pilot programs promoting redevelopment projects. By February 1, 2013, the DECD commissioner must certify to the governor up to three proposed projects for his approval.

The projects must provide significant regional or statewide benefits in a way that simultaneously promotes economic competitiveness and conserves natural resources by steering new development away from forests, farms, open spaces, and other underdeveloped areas toward those where supporting infrastructure and amenities already exist (i. e. , smart growth). The projects must also be located in state-designated enterprise zones, targeted investment communities, or distressed municipalities.

After the governor approves a project, the DECD commissioner must publish a notice of the approval in the *Environmental Monitor* that describes the project and the affected municipalities. She must also report to the governor and the Commerce Committee on the projects by February 1, 2013.

Expedited Environmental Impact Reviews

The Connecticut Environmental Policy Act (CEPA) requires state agencies to determine how proposed state funded projects could affect land, water, and other environmental resources and prescribes the procedure they must follow to determine a project's potential environmental effects. The act requires DECD to follow a different procedure for redevelopment projects chosen for the pilot program (i. e. , pilot projects). The procedure has fewer steps than CEPA's.

Under CEPA, each agency must prepare guidelines to determine if a proposed project could affect the environment. Before implementing the project, the agency must:

1. determine if the project could significantly affect the environment based on the guidelines,
2. solicit comments from the public and other agencies before preparing an environmental impact evaluation (i. e. , scoping process),
3. provide the evaluation to specified agencies and the public for comment, and
4. review all comments and respond to any substantive issues they raise.

When the agency completes the process, the OPM secretary must determine if it adequately identified and addressed the project's environmental effects. The agency cannot start the project until the secretary notifies it about his determination.

The act assumes that the pilot projects affect the environment and requires DECD to evaluate their environmental effects. Under CEPA, DECD would decide whether to prepare an evaluation based on its guidelines and the information it received through public scoping process. Under the act, DECD must prepare a detail written evaluation of each pilot project's environmental effects and, as part of the evaluation, identify each DEEP-required permit, license, and other approval.

The act requires DECD commissioner to consider all public comments when preparing the evaluation, presumably the ones she receives after publishing the notice that the governor approved the project. The commissioner must summarize the evaluation and submit it and the summary to the DEEP commissioner and OPM secretary and, at the same time, allow the public to inspect these documents and comment on them.

The commissioner must also hold a public hearing on the evaluation and publish a notice about it at least 14 days before the hearing in the *Environmental Monitor* and a newspaper serving the affected municipalities. The notice must also inform the public that the evaluation and summary are available for inspection.

Anyone can speak at the hearing or provide written comments no later than the second day after DECD closes the hearing. The DECD commissioner must forward all comments to the DEEP commissioner and the OPM secretary and allow the public to inspect them.

After the hearing, the act requires the OPM secretary to review the evaluation and the comments and decide if (1) DECD followed the act's process, (2) the evaluation was adequate, and (3) DECD addressed all comments. In making his decision, the secretary must consider all the comments made by state agencies and the public. He must notify the public and the DECD commissioner about his decision within 10 days after the hearing's close. He may revise the evaluation or require DECD to do so if he decides it was inadequate.

Transfer Act Exemption

The act exempts from the Transfer Act property acquired to undertake or complete a certified redevelopment project if it was investigated and remediated under DEEP's Voluntary Site Remediation Program, which (1) allows property owners to investigate and remediate a site before they decide to convey or transfer it and (2) requires the DEEP commissioner to expedite the process for issuing any permits needed to investigate and remediate it. If the property is subsequently transferred or conveyed, the parties to the transaction must comply with the Transfer Act, which requires the party transferring a contaminated property to assess its condition and identify who will clean it up before transferring it to another party.

Public Act# 12-196

HB# 5345

AN ACT CONCERNING ECONOMIC DEVELOPMENT THROUGH STREAMLINED AND IMPROVED BROWNFIELD REMEDIATION PROGRAMS, EXEMPTING CERTAIN AIRPORT CONVEYANCES FROM THE DEPARTMENT OF TRANSPORTATION TO THE CONNECTICUT AIRPORT AUTHORITY FROM THE HAZARDOUS WASTE ESTABLISHMENT TRANSFER ACT, AND HOLDING HARMLESS AND INDEMNIFYING THE CONNECTICUT AIRPORT AUTHORITY AND ITS EMPLOYEES AND DIRECTORS

SUMMARY: This act exempts from the Hazardous Waste Establishment Transfer Act (i. e. , the Transfer Act) airport property the Department of Transportation (DOT) conveys to the Connecticut Airport Authority (CAA), which the legislature created to develop, improve, and operate Bradley International Airport, the state's five general aviation airports, and any other general aviation airports. The Transfer Act requires the parties to a real estate transaction involving contaminated property to notify the Department of Energy and Environmental Protection (DEEP) commissioner about the contamination and the party that will investigate and remediate it.

The act requires the state to hold harmless and indemnify CAA and its directors and employees from liability related to title defects and contamination that existed on airport property before it was conveyed to CAA. It also allows CAA and its directors and employees to bring an action in Superior Court to compel the state to enforce the act's protections, which do not extend to title

defects or environmental issues that arise after a property was leased, assigned, transferred, sold, or disposed of to CAA.

The act requires the DEEP commissioner to report, by January 1, 2013, to the governor and the Commerce and Environment committees on (1) the results of his on-going review of brownfield remediation and development laws and regulations and (2) his recommendations for statutory and regulatory changes and new programs for responding to hazardous waste spills.

EFFECTIVE DATE: Upon passage, except for a technical change, which takes effect January 1, 2014.

DOT AIRPORT-RELATED CONVEYANCES

Transfer Act Exemptions

PA 11-148 authorized DOT, which exercises most airport related powers, duties, and functions, to transfer them and airport property to CAA through a memorandum of understanding with CAA. This act exempts from the Transfer Act the following airport related property DOT conveys to CAA:

1. Bradley International Airport and all related improvements and facilities;
2. state-owned and -operated general aviation airports, including Danielson, Groton/New London, Hartford Brainard, Waterbury-Oxford, and Windham airports, and any other airport conveyed to CAA for it to own, operate, and manage as a general aviation airport;
3. other airports conveyed to CAA for it to own, operate, and manage; and
4. any airport site or part of one, including restricted landing areas and air navigation facilities, conveyed to CAA.

The Bradley property includes property DOT owns and conveys to CAA and property it subsequently acquires, adds, extends, improves, and equips and conveys to CAA.

Indemnity

Besides exempting DOT-conveyed property and facilities from the Transfer Act, the act indemnifies and holds harmless CAA and its directors from liability, financial losses, and legal and other expenses resulting from certain defects in a conveyed property's or facility's title. This protection applies to any claim, demand, order, penalty, lien, assessment, suit, or judgment arising from defects relating to specific environmental conditions existing at a conveyed site or originating or emanating from it. Such conditions include pollution, contamination, hazardous waste, hazardous substances, or hazardous building materials.

The act's protection does not extend to title defects and environmental issues that arise after these transactions occur and are unrelated to any preexisting defects for conditions.

DEEP REPORT

The act requires the DEEP commissioner to report on the status of his ongoing review of the state's brownfield laws and regulations to the governor and Commerce and Environment committees. The report, which is due January 1, 2013, must include any recommendations for changing laws and regulations or creating new programs for responding to releases of hazardous materials.

In developing the recommendations, the act requires the commissioner to consider DEEP's 2011 evaluation of the state's brownfield remediation programs plus three sets of factors. First, he must consider how the recommendations could affect:

1. federally delegated programs, municipalities, and small businesses;
2. the protection of human health and the environment; and
3. improvements in how the state responds to hazardous material releases, including the greater use of licensed environmental professionals (LEPs) in overseeing the investigation and remediation of brownfields.

The commissioner must also consider how the recommendations would facilitate the clean up and redevelopment of brownfields, including those that are currently required to be remediated.

In preparing the report, the commissioner must also consider new and expanded measures for periodically evaluating and auditing the effectiveness and efficiency of the report's recommended changes and proposed new programs. The measures must ensure that (1) LEPs have the authority needed to certify investigations and cleanups and (2) parties responsible for a hazardous waste release address it in a timely and effective manner.

Lastly, the commissioner must consider the most effective way to implement a recommended new program, including how it affects (1) programs DEEP administers under federal law and (2) brownfields being investigated and remediated under existing law.

Public Act# 12-24

HB# 5225

AN ACT CONCERNING SECURITY DEPOSITS OF SENIOR CITIZENS AND PERSONS WITH DISABILITIES IN PUBLIC HOUSING

SUMMARY: This act lowers the annual interest rate that housing authorities, community housing authorities, and other corporations must pay on security deposits made by senior citizens and individuals with disabilities living in public housing.

Prior law required housing authorities and other corporations to pay an annual rate of 5.25%. Starting January 1, 2013, the act instead requires them to pay at least the average savings deposit interest rate paid by insured commercial banks as published in the Federal Reserve Board Bulletin in November of the prior year (i. e., deposit index). (The deposit index for calendar year 2012 is 0.16 %.)

By law, housing authorities and other corporations must return security deposits to these tenants after they have lived in the housing for at least one year.

EFFECTIVE DATE: October 1, 2012

Public Act# 12-41

SB# 94

AN ACT CONCERNING THE EQUAL TREATMENT OF RENTERS WITH MENTAL DISABILITIES

SUMMARY: The law prohibits landlords from evicting tenants who are elderly or have a physical disability and reside in a building or complex with five or more units or a mobile manufactured home park because their lease expires. They may be evicted for other reasons, such as nonpayment of rent (see BACKGROUND). Covered disabilities are those expected to result in death or last continuously for at least 12 months.

This act extends the protection from eviction to tenants who either have mental disabilities or permanently reside with certain family members who do.

EFFECTIVE DATE: October 1, 2012

COVERED INDIVIDUALS

Under prior law, the protection from eviction covered tenants who (1) were age 62 or older or permanently resided with a spouse, sibling, parent, or grandparent (family member) who had reached that age; (2) were blind; or (3) had a physical disability. Under state law, a person has a “physical disability” when he or she (1) has any chronic physical handicap, infirmity, or impairment, including epilepsy, deafness, or hearing impairment or (2) relies on a wheelchair or other remedial appliance or device (CGS § 1-1f).

The act extends the protection from eviction to any tenant if the tenant or a family member, including a child, who permanently resides with him or her, has a physical or mental disability. Under the act, a “physical or mental disability” includes an intellectual disability, physical disability, or handicap under the federal Fair Housing Act (see BACKGROUND).

BACKGROUND

Grounds for Eviction

By law, grounds for evicting a protected tenant are:

1. nonpayment of rent;
2. refusal to agree to a fair and equitable rent increase;
3. material noncompliance with the tenant's statutory responsibilities that materially affects other tenants' health and safety or the premises' physical condition;
4. material noncompliance with the rental agreement;

5. voiding the rental agreement by using the premises for certain illegal acts;
6. material noncompliance with the landlord's rules and regulations;
7. permanent removal of the dwelling unit from the housing market; or
8. the landlord's bona fide intention to use the dwelling unit as his or her principal residence.

“Handicap” Under the Fair Housing Act

Under the Fair Housing Act, a person has a “handicap” if he or she (1) has a physical or mental impairment that substantially limits one or more of the person's major life activities, (2) has a record of having such an impairment, or (3) is regarded as having such an impairment. The term does not include current illegal use of, or addiction to, a controlled substance (42 USC § 3602).

According to the federal Department of Housing and Urban Development, a physical or mental impairment generally includes hearing, mobility, and visual impairments; chronic alcoholism; chronic mental illness; AIDS; AIDS-Related Complex; and an intellectual disability that substantially limits one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself.

Public Act# 12-69

SB# 105

AN ACT CONCERNING THE RENTAL REBATE APPLICATION PERIOD

SUMMARY: This act extends, from four to six months, the period for submitting applications under the rental rebate program for the elderly and people with total permanent disability. Under prior law, the application period for the previous year's rebate was from May 15 through September 15. The act extends the application period to April 1 through October 1.

EFFECTIVE DATE: October 1, 2012

Public Act# 12-161

HB# 5106

AN ACT CONCERNING THE PRIVATE RENTAL INVESTMENT MORTGAGE AND EQUITY PROGRAM

SUMMARY: This act makes programmatic and administrative changes to the Private Rental Investment Mortgage and Equity Program (PRIME), under which the Department of Economic and Community Development (DECD) commissioner subsidizes multifamily housing projects financed by the quasi-public Connecticut Housing Finance Authority (CHFA). The projects must include units that low-income people can afford and may include offices, health care centers, and other specified types of non-housing uses.

The act expands the range of such uses to include retail uses incidental to the housing. It also caps the proportion of low-income units a project can have to qualify for PRIME subsidies. The act also (1) requires the state to receive equity in all PRIME-subsidized projects rather than allowing it to do so for some projects, (2) allows the commissioner to provide subsidies directly to a

project's developer or mortgagor instead of only through CHFA, and (3) changes the account for depositing PRIME funds.

The act (1) requires DECD approval for dissolving municipal redevelopment agencies that planned and implemented state-assisted projects, and (2) limits the statutory conflict of interest prohibition that applied to all housing authority commissioners and employees to only commissioners and executive and managerial employees.

EFFECTIVE DATE: July 1, 2012, except the redevelopment agency and housing authority changes take effect upon passage

PRIME

Eligible Non-Housing Uses

By law, PRIME subsidizes CHFA-financed multifamily housing projects to make them more affordable to low-income people. It does this by subsidizing (1) the construction of new projects or the substantial rehabilitation of existing ones, (2) rents in new or existing projects, and (3) improvements to existing projects. The projects may include commercial, office, health, administrative, recreational, and community and service facilities incidental to the housing. The act opens PRIME to projects that include shops, stores, and other retail uses incidental to the housing.

Low-Income Unit Requirement

The act changes the proportion of low-income units projects may have to qualify for PRIME subsidies. Under prior law, the requirement varied depending on when a project was financed or when the bonds that financed it were issued.

For projects financed before October 1, 1995, or financed with bonds authorized before July 1, 1995, a project qualified for PRIME if the total number of low-income units did not exceed 40% of the total. For projects financed after October 1, 1995, or financed with bonds authorized after July 1, 1995, a project qualified for PRIME if the total number of low-income units was at least 20% of the total. The act combines these two parameters. Consequently, a project qualifies for PRIME if at least 20%, but not more than 40%, of the units are low-income.

Equity Requirement

The act requires, rather than allows, the state to receive an equity interest in all PRIME-subsidized projects in proportion to a project's share of low-income units. Prior law allowed the state to require an equity interest only in projects that were funded before October 1, 1995, or with the proceeds of bonds authorized before July 1, 1995. Under prior law and the act, the state realizes its equity interest when a project is sold. By law, the commissioner must approve the sale of any PRIME-subsidized project and the sales terms and conditions.

Administering the Subsidies

The act gives the commissioner more administrative options for providing grants or deferred loans and second mortgages to CHFA-financed projects. Under prior law, she could provide these subsidies only through CHFA. The act allows her to provide them through CHFA or directly to the project's developer or mortgagor. These options are already available to her for subsidizing rents in CHFA-financed projects.

Setting Interest Rates on Second Mortgages

The act allows the commissioner or CHFA to set the interest rate on second mortgages. Under prior law, only CHFA could set the rate.

Program Account

The act changes the account for depositing PRIME funds. Under prior law, unused proceeds from the bonds and notes authorized, allocated, or approved before July 1, 1990 and the service charges DECD collects from the projects subsidized with these bonds had to be deposited in a fund established exclusively for PRIME. The act redirects these funds to the Housing Repayment and Revolving Loan Fund, which was established in 1990 to consolidate the repayments of several bond-funded revolving loan programs. It also requires funds for PRIME's grants, deferred loans, and second mortgages to be drawn from this account.

DISSOLVING REDEVELOPMENT AGENCIES

The act requires DECD approval before dissolving a redevelopment agency that undertook a state-assisted project. Under prior law, a municipality's legislative body could dissolve a redevelopment agency if doing so would make it easier to obtain and process federal funds and promote the agency's statutory goals.

Under the act, the legislative body may still dissolve the agency for these reasons, but must first request DECD approval. Upon receiving the request, DECD must notify the Commerce Committee, stating:

1. the nature and the amount of state assistance the agency received,
2. DECD's preliminary decision regarding the request, and
3. any conditions DECD would impose on the agency if it were to approve the request.

Within 30 days after receiving DECD's notification, the committee must decide whether it agrees with DECD's decision and so inform DECD. In doing so, the committee must state the reasons for its decision. If the committee does not advise DECD within 30 days, DECD may act on its own and notify the legislative body about its final decision.

If DECD approves the agency's dissolution, the legislative body, as under prior law, may designate an existing agency as the redevelopment agency or create a new one. If it chooses to do either, it must follow the statutory procedures for designating or creating such agencies.

PUBLIC HOUSING AUTHORITY CONFLICT OF INTEREST

The act excludes housing authority employees except executives and managers from the law's conflict of interest prohibitions. Prior law prohibited all housing authority employees from acquiring direct or indirect interest in any (1) housing authority construction or procurement contract or (2) proposed or existing housing authority project, including property that was part of the project. Under the act, this prohibition still applies to housing authority commissioners.

As under prior law, commissioners, executives, and managers must immediately disclose in writing to the authority if they have an interest in a property that is part of an existing or proposed project. Those that fail to do so commit misconduct in office.

Public Act# 12-104

HB# 5557

AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 2013

SUMMARY: This act modifies appropriations for FY 13 in seven appropriated funds. The previous appropriations were adopted in 2011 as part of the 2012-13 biennial state budget. Among other things, it:

1. increases net General Fund appropriations for FY 13 by \$187. 5 million;
2. transfers a total of \$101. 1 million among FY 12 appropriations to cover deficiencies;
3. appropriates money for a 1% funding increase for private entities that contract to provide services for various state agencies;
4. allocates \$2 million to low-income energy assistance from funds collected through an existing charge on electric bills;
5. prohibits fare increases in 2013 for buses or paratransit services for the disabled;
6. for FY 13, redirects \$222. 4 million saved from the FY 11 General Fund surplus to the Budget Reserve Fund (BRF) instead of to debt retirement; and
7. allocates \$15 million from the BRF to General Fund revenue for FY 13 to implement any change in the Indian gaming compact.

The act also makes a technical change (§ 25).

EFFECTIVE DATE: July 1, 2012, except for (1) the 1% rate increase for Department of Children and Families (DCF)-licensed facilities, which takes effect January 1, 2013, and (2) the following provisions, which take effect on passage:

1. changes in manufacturing transition grants (§ 10),

2. carry forward funding for the (a) Criminal Justice Information System (§ 24) and (b) Voluntary Regional Consolidation Bonus Pool (§ 36),
3. grants to various entities from the Probate Court Administration Fund surplus (§ 17),
4. the temporary ban on bus and paratransit fare increases (§ 18),
5. the temporary reduction in the state's contribution toward premiums for retired teachers' health insurance offered by the Teachers' Retirement Board (§ 21),
6. redirection of funds reserved from the FY 11 General Fund surplus to the BRF and from the BRF to General Fund revenue for FY 13 (§§ 28 & 29),
7. changes in FY 12 appropriations (§§ 31 & 32),
8. a requirement that an unspent appropriation for collective bargaining agreements carried forward from FY 09 lapse at the end of FY 12 (§ 33), and
9. the technical change (§ 25).

§§ 1-7 – FY 13 APPROPRIATION ADJUSTMENTS

The act modifies FY 13 appropriations for state agency operations and programs in seven of the state's 10 appropriated funds as shown in Table 1.

Table 1: Changes in FY 13 Net Appropriations, by Fund

§	Fund	FY 13 Net Appropriation		
		Prior Law	The Act	Increase/ (Reduction)
1	General Fund	\$18,952,488,239	\$19,140,013,620	\$187,525,381
2	Special Transportation Fund	1,277,832,928	1,232,670,120	(45,162,808)
3	Soldiers', Sailors' and Marines' Fund	3,051,536	3,039,412	(12,124)
4	Banking Fund	26,113,149	25,542,055	(571,094)
5	Insurance Fund	26,131,750	28,740,096	2,608,346
6	Consumer Counsel and Public Utility Control Fund	25,986,745	25,351,390	(635,355)
7	Workers' Compensation Fund	22,037,360	21,332,611	(704,749)

§ 10 - MANUFACTURING TRANSITION GRANT CHANGES

By law, the OPM secretary must provide municipalities with manufacturing transition grants equal to the amount each received in FY 11 as a payment in lieu of taxes (PILOT) reimbursement for revenue losses from required property tax exemptions for eligible commercial vehicles and manufacturing machinery and equipment. PA 11-61 eliminated these PILOTs for assessment years starting on or after October 1, 2011.

The act corrects a grant calculation error in Franklin's manufacturing transition grant, reducing it by \$395,228, from \$413,545 to \$18,317. It makes a corresponding reduction, from \$50.3 million to \$49.9 million, in aggregate grants for all municipalities.

The act also gives additional one-time grants of \$39,411 to Ledyard and \$62,954 to Montville. The payments must be made by August 15, 2012.

§§ 11, 12, 14, 15, 22, 24, 26, 30, 35, & 36 - FUNDS CARRIED FORWARD

The act carries forward funds from FY 12 to FY 13 for the purposes shown in Table 2.

Table 2: Funds Carried Forward to FY 13

FROM FY 12		TO FY 13		Amount
Agency	For	Agency	For	
Office of Financial & Academic Affairs for Higher Education	Other Expenses - Develop a strategic master plan for higher education in CT	Legislative Management	<ul style="list-style-type: none"> • \$28,854 for the CT Academy of Science and Engineering (CASE) study to evaluate the effectiveness of state programs to provide a skilled workforce • Balance to Other Expenses to develop a strategic master plan for higher education in Connecticut 	Unspent balance
Legislative Management	Other Expenses - CASE	CASE	A study to evaluate the effectiveness of state programs to provide a skilled workforce	\$52,050
Commission on Human Rights & Opportunities	Other Expenses - Disparity study	Legislative Management	CASE disparity study	500,000
Economic and Community Development (DECD)	Main Street Initiatives	DECD	Grant to the West Indian Foundation, Inc. for the Hartford West Indian Parade	20,000
Motor Vehicles (DMV)	Equipment	DMV	Other Expenses - Organ and tissue donation awareness	50,000
Legislative Management	Personal Services	Legislative Management	Same	270,000
Legislative Management	Other Expenses	Legislative Management	Same	158,000
OPM	Connecticut Impaired Driving Records Information System	OPM	Criminal Justice Information System	Unspent balance
DMV	Personal services	DMV	Supporting staff cost related to information technology upgrades	350,000
Labor	Workforce Investment Act	Labor	Personal services	2,000,000
Education (SDE)	Magnet schools	SDE	Talent development	4,000,000
OPM	Regional planning agencies - Voluntary Regional Consolidation Bonus Pool	OPM	Same	Unspent balance

§ 13 - ENERGY ASSISTANCE

For FY 13, the act transfers \$2 million of the funds collected through the systems benefit charge (SBC) on electric utility customers to the Department of Energy and Environmental Protection to

provide energy assistance through Operation Fuel. By law, the SBC covers the cost of implementing various public policies affecting electric companies. Its primary uses are paying electric company costs associated with hardship customers and for a program that matches payments made by customers with arrearages that further reduce the amount they owe.

§ 17 - PROBATE COURT ADMINISTRATION FUND SURPLUS

The act increases, by \$2.3 million, the amount of surplus funds that must be transferred from the Probate Court Administration Fund on June 30, 2012 to various agencies for specified purposes instead of to the General Fund. It distributes the additional funds as shown in Table 3.

Table 3: Transfers from Probate Court Administration Fund Surplus

<i>Agency</i>	<i>For</i>	<i>Amount</i>
Judicial	Children of Incarcerated Parents - Grant to the Greater Hartford Male Youth Leadership Program. Director must report to the Judicial Department on the director's expenses and programs for FY 12.	\$100,000
Judicial	Forensic Sex Evidence Exams	300,000
Judicial	Other Expenses - Grant to the Justice Education Center, Inc. for the ECHO Program	250,000
DCF	Other Expenses - Grant to African Caribbean American Parents of Children with Disabilities, Inc.	50,000
SDE	Neighborhood Youth Centers - Grant to Arte, Inc. in New Haven	25,000
DECD	Other Expenses - Grant to Norwich for the Norwich Freedom Bell	100,000
SDE	Other Expenses - Grant to Boys and Girls Club of Southeastern Connecticut	75,000
Energy & Environmental Protection	Other Expenses - Grant to Connecticut Greenways Council	65,000
DECD	Other Expenses - Grant to Nutmeg State Games	15,000
Judicial	Other Expenses - Grant to Justice Policy Division, Institute for Municipal and Regional Policy	100,000
SDE	Other Expenses - Grants for technology improvements or initiatives in education reform districts	500,000
SDE	Neighborhood Youth Centers - Grant to Neighborhood Music School in New Haven to provide scholarships	50,000
Social Services (DSS)	Other Expenses - Grant to Perlas Hispanas Center, New Britain	25,000
Judicial	Children of Incarcerated Parents - Grant to Connecticut Pardon Team, Inc.	35,000
DCF	Other Expenses - Grant to the Saint Joseph Parenting Center, Stamford	20,000
DSS	Community Services for the John S. Martinez Fatherhood Initiative	250,000
SDE	Regional Vocational-Technical System - Grant to Prince Tech, Hartford, for an adult education training program in carpentry, manufacturing, and information systems	125,000
Public Health	Other Expenses - Grant to Yale University to study pediatric autoimmune neuropsychiatric disorder associated with streptococcal infections	36,000
DECD	Other Expenses - Grant to the Windsor Arts Center in Windsor	150,000

AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES

SUMMARY: This act authorizes up to \$621.1 million in new general obligation (GO) bonds for FY 13, including up to \$372.7 million for state and local capital projects and grant programs. The authorizations provide funding for education, economic development, energy, mortgage assistance, and information technology programs.

The act increases certain FY 13 bond authorizations enacted in 2011 by \$248.4 million, including adding \$180 million for repairs and improvements to state buildings and grounds and \$62.5 million for housing development and rehabilitation. It repeals \$10.5 million in authorizations for FY 13 and cancels \$11.8 million in bond authorizations for past years.

It authorizes up to \$90 million in special tax obligation (STO) bonds for state bridge repairs and improvements and \$30 million in STO bonds for the town-aid road grant program.

Finally, the act replaces a municipal grant program for renewable energy and energy efficient generation sources with a broader financial assistance program for any entities undertaking these types of projects.

EFFECTIVE DATE: July 1, 2012, except provisions concerning the following are effective upon passage: (1) Capitol Region Education Council (CREC) grants, (2) a bond authorization in sSB 1 (a bill that did not become law), (3) using outside funds in bond-funded projects, and (4) a provision in sSB 360 (a bill that did not become law).

§§ 1-15, 39-40, 42-43 & 48—BOND AUTHORIZATIONS FOR STATE AGENCY PROJECTS AND GRANTS

The act authorizes \$372.7 million in GO bonds for FY 13 for state capital projects and grant programs. Table 1 lists the purposes and amounts of these bond authorizations. The bonds are subject to standard issuance procedures and have a maximum term of 20 years. The act includes a standard provision requiring that, as a condition of bond authorizations for grants to private entities, each granting agency include repayment provisions in its grant contract in case the facility for which the grant is made ceases to be used for the grant purposes within 10 years of the entity receiving it. The required repayment is reduced by 10% for each full year that the facility is used for the grant purpose. The act exempts certain grants from these repayment requirements.

Table 1: GO Bond Authorizations for FY 13

§§	AGENCY	FOR	FY 13
<i>State Projects and Programs</i>			
2(a)	Office of Policy and Management (OPM)	Information technology capital investment program	\$50,000,000
2(b)	Department of Construction Services (DCS)	Removal or encapsulation of asbestos in state-owned buildings (see § 26)	5,000,000
		Construction, improvements, repairs, renovations, and land acquisition at fire training schools (see § 26)	28,200,000
2(c)	Department of Emergency	Design and construction of an emergency services	5,256,985

	Services and Public Protection (DESPP)	facility, including canine training, vehicle impound areas, and a fleet maintenance and administration facility (Cancels existing authorization for emergency facility in Cheshire (§ 17, see Table 3))	
		Design and construction of a firearms training facility and vehicle operations training center (Cancels existing authorization for Mulcahy Complex in Meriden (§§ 19 & 23, see Table 3))	6,576,000
2(d)	Judicial Department	Development of juvenile court building in Meriden or Middletown	1,000,000
2(e)	Department of Economic and Community Development (DECD)	Implementation of a minority business enterprise assistance program to help such businesses obtain surety bonds, including bid, performance, and payment bonds, for capital projects, which may be run by a contracted nonprofit entity; earmarks \$2 million each to nonprofits that give priority to minority business enterprises located in the northern and southern halves of the state	4,000,000
Grants			
9(a)	OPM	Grants to municipalities for computer-assisted mass appraisal systems	\$38,500
		Grants to municipalities for the incentive housing zone program	2,000,000
9(b), 39, 48	Department of Energy and Environment Protection (DEEP)	Study and assess feasible options to plan, design, acquire, and construct structural and nonstructural improvements to mitigate flooding conditions that caused property damage due to 2011 storms, including a cost benefit and environmental impact analysis of the alternatives	2,000,000
		Program to establish energy microgrids to support critical municipal infrastructure	25,000,000
		Implementation of a buy-out program for homeowners and businesses that receive Federal Emergency Management Agency (FEMA) funds for flood hazard mitigation or property damage due to storms in 2011 and subsequent years	2,000,000
		Grants to municipalities and nonprofits, including museums, for cultural and entertainment-related economic development projects	5,000,000
		Grant to the Connecticut Housing Finance Authority (CHFA) for its Emergency Mortgage Assistance Program (EMAP) (see § 49)	60,000,000
		Underground storage tank petroleum clean-up program: authorizes \$9 million in each of the four following fiscal years (FYs 13-16)	9,000,000
9(d)	Department of Public Health	Grants to community health centers and primary care organizations for renovation, improvement, and expansion of facilities, including land or building acquisition and purchasing equipment; earmarks up to \$15 million for member centers affiliated with the Community Health Center Association of Connecticut and \$15 million for Community Health Center, Inc.	30,000,000
9(e)	Department of Education (SDE)	Grants for <i>Sheff</i> magnet school program start-up costs: purchasing a building or portable classrooms, leasing space, and purchasing equipment, including computers and classroom furniture, provided that title to any such building that ceases to be used as an interdistrict magnet school may revert to the state as the education commissioner determines (§ 42 exempts CREC from repayment requirements for grants awarded under this section)	13,645,000

		Grants for expanding the availability of high-quality school models: alterations, repairs, improvements, technology, equipment, acquisition, and capital start-up costs	25,000,000
		Grants for low-performing schools in targeted local and regional school districts: alterations, repairs, improvements, technology, and equipment	16,000,000
		Grants to towns and tax-exempt organizations for facility improvements and minor capital repairs to school readiness programs and state-funded day care centers operated by towns and organizations	10,000,000
9(f)	Department of Children and Families (DCF)	Grants to private nonprofit mental health clinics for children: expansion and fire, safety, and environmental improvements	1,000,000
40	DESPP	Implementation of a buy-out program for homeowners and businesses that receive FEMA funds for flood hazard mitigation or property damage due to storms in 2011 and subsequent years	2,000,000

§§ 39-40 - DEEP and DESPP Buy-Out Program

The act authorizes \$4 million in bonds in FY 13 for DEEP and DESPP (see Table 1) to implement a buy-out program that provides grants to homeowners and businesses that receive FEMA funds for flood hazard mitigation or property damage due to storms in 2011 and subsequent years. It limits the grant amount to \$50,000 or the limit set by the applicable FEMA program, whichever is less. The act's grant repayment requirements do not apply to the grants awarded under the buy-out program.

To be eligible, applicants must (1) qualify for funding under a FEMA mitigation grant program designed to provide post-disaster assistance to homeowners and businesses and (2) meet any eligibility criteria the respective department establishes. The agencies must give priority to eligible applicants with property damage that occurred during an emergency or major disaster in the state declared by the president.

§ 43 - Capital Region Development Authority

The act authorizes up to \$60 million in bonds for the Capital Region Development Authority (CRDA) to provide grants or loans to encourage residential housing development in downtown Hartford. PA 12-147 redesignates the Capital City Economic Development Authority as the CRDA and expands the scope of the projects it oversees to include, among other things, residential housing development in areas outside downtown Hartford. The act's grant repayment requirement does not apply to grants awarded under the CRDA program.

§§ 25-31, 34 & 41—CHANGES TO FY 13 BOND AUTHORIZATIONS IN PA 11-57

Changes to FY 13 Authorizations

The act changes certain FY 13 bond authorizations enacted in PA 11-57, as listed in Table 2.

Table 2: Changes to FY 13 Bond Authorizations in PA 11-57

§	AGENCY	FOR	PA 11-57 AUTH. FOR FY 13	CHANGE	TOTAL AUTH. FOR FY 13
25	Department of Administrative Services (DAS)	State Office Building, Hartford: exterior renovations and improvements, including installation of air conditioning	\$21,500,000	\$2,500,000	\$24,000,000
		State-owned buildings and grounds: infrastructure repairs and improvements	12,500,000	180,000,000	192,500,000
27	Department of Public Safety (DPS) (transfers to DESPP)	Buildings and grounds: alterations and improvements, including utilities, mechanical systems, and energy conservation projects	2,212,000	1,375,000	3,587,000
28	Judicial Department	State-owned and maintained facilities and grounds: alterations, renovations, and improvements	5,000,000	(1,000,000)	4,000,000
30	DECD	Housing development and rehabilitation (see below)	25,000,000	62,500,000	87,500,000
34	OPM	Capital Equipment Purchase Fund	22,900,000	2,000,000	24,900,000

§§ 29-30—DECD Housing Development and Rehabilitation Bonds

The act increases an existing bond authorization for DECD for housing development and rehabilitation by \$62,500,000, from \$25 million to \$87.5 million (see Table 2). Of these funds, it designates up to:

1. \$30 million to revitalize low and moderate income housing units of CHFA's state housing loan portfolio;
2. \$12.5 million for congregate housing development;
3. \$1 million for grants for accessibility modifications for those transitioning from institutions to homes under the Money Follows the Person program (a Department of Social Services (DSS) program that moves people out of nursing homes or other institutional settings into less-restrictive, community-based settings); and
4. \$500,000 to purchase upgrades and software for the homeless information system.

§ 38—Manufacturing Assistance Act (MAA) Reserved Amount

The act increases, from \$2 million to \$4 million, the amount of previously authorized MAA bond funds reserved for a DECD grant to companies affected by the Quinnipiac Bridge construction. As under prior law, the companies may use the grants to offset the increased cost of transporting goods or materials brought by ships or vessels to the port of New Haven.

§§ 36-37—RENEWABLE ENERGY AND EFFICIENT ENERGY FINANCE PROGRAM

Prior law required Connecticut Innovations, Inc. (CII) to establish a municipal renewable energy and efficient energy generation grant program for municipalities to purchase and operate, for

municipal buildings, (1) renewable energy sources and (2) energy-efficient generation sources. The act eliminates this program and requires the Clean Energy Finance and Investment Authority (CEFIA) to establish a renewable energy and efficient energy finance program for any entities, not just municipalities, undertaking these types of projects.

It transfers an existing \$18 million bond authorization for the municipal grant program, which the Bond Commission never allocated, to CEFIA for the financing program. The bonds are subject to standard statutory issuance and repayment requirements and their proceeds go into a separate account within the Clean Energy Fund.

Program Administration

The act requires CEFIA to establish the program in consultation with DEEP, DECD, and the state treasurer. Prior law required CII to establish the municipal program in consultation with the Public Utilities Regulatory Authority, SDE, and DESPP.

CEFIA must develop an application form for the program by November 1, 2012, and can receive applications starting on this date. As under prior law for the municipal program, applications must include a complete description of the proposed generation source.

Type of Assistance and Eligible Projects

Under prior law, the grants were for municipalities to purchase and operate (1) renewable energy sources, including solar energy, geothermal energy, and fuel cells or other energy-efficient hydrogen-fueled energy or (2) energy-efficient generation sources, including cogeneration units that are at least 65% efficient, for municipal buildings. Under the act, the program includes grants, loans, or other types of financial assistance for any entities purchasing, installing, and operating these types of projects.

Prior law required CII to give priority to applications for grants for disaster relief centers and high schools. Each grant had to make the cost of purchasing and operating the generation source competitive with the municipality's current electricity expenses.

The act instead requires CEFIA to give priority to applications for projects that use major system components manufactured or assembled in Connecticut. The financial assistance must make the cost of purchasing, installing, and operating the generation source competitive with the grid's or other end users' current electricity expenses.

Reporting Requirement

CEFIA, instead of CII, must annually report on the program's effectiveness to the Energy and Technology Committee beginning by January 1, 2013.

Workforce Development Grants

The act allows CEFIA to use up to 2.5% of the program funds to make grants to support workforce development initiatives in connection with the projects.

§§ 44-45 - UNEMPLOYED ARMED FORCES MEMBER SUBSIDIZED TRAINING AND EMPLOYMENT PROGRAM

sSB 1 would have authorized \$10 million in bonds for a new Unemployed Armed Forces Member Subsidized Training and Employment Program, with \$5 million available upon passage and the balance available in FY 14. The act would have made the entire \$10 million available in FY 13, but sSB1 did not become law.

§ 49 - EMAP PROGRAM

The act would have repealed a provision in sSB 360, which did not become law, authorizing \$60 million to finance CHFA's EMAP program.

Special Act# 12-9

SB# 41

AN ACT CONCERNING WORKFORCE DEVELOPMENT

Section 1. (Effective July 1, 2012) The Office of Workforce Competitiveness, in collaboration with the Department of Education and the Board of Regents for Higher Education, shall study model programs concerning the preemployment training and employment of young adults with autism spectrum disorder and other developmental disabilities. Not later than January 1, 2013, the Office of Workforce Competitiveness shall, in accordance with the provisions of section 11-4a of the general statutes, report on such study to the joint standing committee of the General Assembly having cognizance of matters relating to higher education and employment advancement.

Approved June 15, 2012

Public Act# 12-1

HB# 6001

AN ACT IMPLEMENTING PROVISIONS OF THE STATE BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2012.

SUMMARY: This act makes changes to implement the revised state budget for FY 13 as well as many other unrelated statutory changes. Among its major provisions, the act:

1. establishes new job and small business development programs and expands others;
2. subjects roll-your-own cigarette businesses to additional state taxes, fees, and regulation;
3. changes how payments or reimbursements are made under the Underground Storage Tank (UST) Petroleum Clean-up program, prohibits new applications after certain dates, and phases out the program as a way for certain tank owners or operators to meet federal and state financial environmental responsibility requirements;
4. eliminates a statutory requirement that the state employ a minimum number of 1,248 sworn state police officers and, beginning July 1, 2013, requires the number to be set according to standards recommended by the Legislative Program Review and Investigations Committee (LPRIC);

5. expands the state's "vaccine choice" pilot program by October 1, 2012, requires health providers to obtain vaccines for children from the Department of Public Health (DPH) beginning January 1, 2013, and changes the types of insurers who pay the fee to fund the program;
6. authorizes a three-year, \$3.5 million state loan to Bridgeport to cover its FY 12 educational expenses in return for allowing the state to approve its school superintendent or school district chief financial officer;
7. under certain conditions, allows the Department of Correction (DOC) commissioner to release qualifying inmates to nursing homes for palliative and end-of-life care;
8. eliminates the temporary suspension of police officers' and police departments' duty to collect certain traffic stop data until new collection methods are developed;
9. makes it easier to qualify for the state's emergency mortgage assistance program (EMAP); and
10. establishes a separate state Department of Housing (DOH).

The act also makes numerous changes in the laws governing the Department of Social Services (DSS) and some human services programs. Of major significance, it (1) permits registered nurses to delegate the administration of non-injectable medications to homemaker-home health aides who become certified and (2) requires DSS to reimburse independent pharmacists at a higher rate than chain pharmacies for dispensing prescriptions to Medicaid recipients, with federal approval.

EFFECTIVE DATE: July 1, 2012 unless noted below.

Section 1. Section 1 of public act 12-104 is repealed and the following is substituted in lieu thereof (*Effective July 1, 2012*):

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT		
Personal Services	8,254,749	
Other Expenses	814,873	
Equipment	1	
Elderly Rental Registry and Counselors	1,098,171	
Statewide Marketing	11,475,000	
Nanotechnology Study	119,000	
CT Asso Performing Arts/Schubert Theater	378,712	
Hartford Urban Arts Grant	378,712	
New Britain Arts Council	75,743	
Fair Housing	308,750	
Main Street Initiatives	[246,000]	<u>171,000</u>
Office of Military Affairs	453,508	
SBIR Matching Grants	95,625	
Ivoryton Playhouse	150,000	
Economic Development Grants	1,742,937	
Garde Arts Theatre	300,000	

Capitol Region Development Authority	5,920,145	
Subsidized Assisted Living Demonstration	1,880,000	
Congregate Facilities Operation Costs	7,087,047	
Housing Assistance and Counseling Program	438,500	
Elderly Congregate Rent Subsidy	2,389,796	
Nutmeg Games	25,000	
Discovery Museum	378,712	
National Theatre for the Deaf	151,484	
Culture, Tourism and Art Grant	2,000,000	
CT Trust for Historic Preservation	210,396	
Connecticut Science Center	630,603	
Bushnell Theater	250,000	
Local Theatre Grant	500,000	
Tax Abatement	1,704,890	
Payment in Lieu of Taxes	2,204,000	
Greater Hartford Arts Council	94,677	
Stamford Center for the Arts	378,712	
Stepping Stones Museum for Children	44,294	
Maritime Center Authority	531,525	
Tourism Districts	1,495,596	
Amistad Committee for the Freedom Trail	44,294	
Amistad Vessel	378,712	
New Haven Festival of Arts and Ideas	797,287	
New Haven Arts Council	94,677	
Palace Theater	378,712	
Beardsley Zoo	354,350	
Mystic Aquarium	620,112	
Quinebaug Tourism	41,101	
Northwestern Tourism	41,101	
Eastern Tourism	41,101	
Central Tourism	41,101	
Twain/Stowe Homes	95,674	
AGENCY TOTAL	[57,135,380]	<u>57,060,380</u>
DEPARTMENT OF HOUSING		
Personal Services	180,000	

Effective: July 1, 2012

§ 99 – CONNECTICUT HUMANITIES COUNCIL

The act eliminates the requirement that the Connecticut Humanities Council operate in conjunction with the Department of Economic and Community Development (DECD) for strategic planning and financial reporting purposes with respect to culture, history, the arts, and the

tourism and digital media and motion picture industries in Connecticut. The Connecticut Trust for Historic Preservation must continue to work with DECD for these purposes.

The act also eliminates the requirement that (1) the council submit its proposals for projects requiring bonding to DECD and (2) DECD review these proposals and submit those with merit to the Finance, Revenue and Bonding Committee with its recommendations for funding.

EFFECTIVE DATE: Upon passage

§§ 112-114 & 121 – DEPARTMENT OF HOUSING

The act establishes a DOH headed by a commissioner, and makes it, instead of DECD, the lead agency responsible for all housing matters.

The act places DOH in DECD for administrative purposes only, making it DECD's successor with respect to housing-related functions, powers, and duties (including community development, redevelopment, and urban renewal). Any DOH or DECD order or regulation in force on January 1, 2013, continues in force and effect until amended, repealed, or superseded by law.

Under the act, the DOH commissioner is responsible for developing strategies to encourage housing provision in the state, including for very low-, low-, and moderate-income families. In consultation with the interagency council on affordable housing (see below), the commissioner must review the organization and delivery of state housing programs and report to the Housing and Appropriations committees by January 15, 2013 with their recommendations.

Interagency Council on Affordable Housing

Members and Chairperson. The act establishes an interagency council on affordable housing to advise and assist the DOH commissioner in the planning and implementation of the department. The governor must designate the chairperson from among the 13-member council, which consists of:

1. the Social Services, Mental Health and Addiction Services, Children and Families, Correction, and DECD commissioners, or their designees;
2. the OPM secretary, or his designee;
3. the Partnership for Strong Communities executive director, or his designee;
4. the Connecticut Housing Coalition executive director, or her designee;
5. the Connecticut Coalition to End Homelessness executive director, or her designee;
6. the Connecticut Housing Finance Authority (CHFA) executive director, or his designee;
7. two members, appointed by the 10 members listed above, who are tenants receiving state housing assistance; and

8. one member, appointed by the first 10 members listed above, who is a state resident eligible to receive housing assistance.

Duties. The council must convene by July 15, 2012 to develop strategies and recommendations for implementing DOH. It must:

1. assess the housing needs of low-income individuals and families,
2. review and analyze the effectiveness of existing state programs in meeting those needs,
3. identify barriers to effective housing delivery systems, and
4. develop strategies and recommendations to enhance the availability of safe and affordable housing in communities statewide through DOH.

Report and Recommendations. By January 15, 2013, the council must report to the governor and the Appropriations, Housing, and Human Services committees on the department's implementation. The report must include recommendations on:

1. transferring programs to DOH and an implementation timeline,
2. effective changes to the state's housing delivery systems,
3. prioritizing housing resources, and
4. enhanced coordination among housing systems.

After the committees receive the council's report, they must hold a public hearing within 15 days.

EFFECTIVE DATE: Upon passage

§ 116 – PROBATE FUND TRANSFERS

PA 12-104 (§ 17) increased, by approximately \$2.3 million, the amount of surplus funds that had to be transferred from the Probate Court Administration Fund on June 30, 2012 to various agencies for specified purposes instead of to the General Fund. The act modifies three of those transfers and adds four more transfers, for a net increase of approximately \$1.09 million in such transfers. It also makes technical changes to two transfers, and specifies that both the existing and new transfers are for FY 13.

Modified Transfers

The act increases, from \$100,000 to \$225,000, the amount that must be transferred from the probate surplus to the Judicial Department, for Children of Incarcerated Parents, for a grant to the Greater Hartford Male Youth Leadership Program. Under PA 12-104, the director must report to the Judicial Department on the director's expenses and programs for FY 12.

Under PA 12-104, \$50,000 had to be transferred from the probate surplus to the Department of Education (SDE), Neighborhood Youth Centers for a grant to the Neighborhood Music School in New Haven to provide scholarships. Under the act, this transfer is to DECD, rather than SDE, for the same purpose.

PA 12-104 provided for the transfer of \$36,000 from the probate surplus to DPH, Other Expenses, for a grant to Yale University to study pediatric autoimmune neuropsychiatric disorder associated with streptococcal infections (PANDAS).

The act increases the amount of this transfer to \$40,000, and changes its purpose. The act makes the transfer to DPH, Other Expenses for a grant to PANDAS Resource Network for a comprehensive analysis, including (1) research in the diagnoses and treatment for pediatric autoimmune neuropsychiatric disorder in other states and countries; (2) an evaluation of the level and recognition of the disorder in the medical community, laboratory assessment and treatment evaluation, and insurance coverage issues; and (3) a retrospective study of PANDAS/PANS patients on antibiotics. The act also requires the DPH commissioner, by February 1, 2013, to transmit this analysis to the Public Health and Insurance and Real Estate committees.

Additional Transfers

As shown in Table 1, the act adds the following four transfers from the Probate Court Administration Fund surplus to specified agencies on June 30, 2012.

Table 1: Additional Transfers from Probate Court Administration Fund Surplus

<i>Agency</i>	<i>For</i>	<i>Amount</i>
DSS	Other Expenses - Grant to the Norwich/ New London Continuum of Care to facilitate rapid rehousing and homelessness prevention in southeastern Connecticut	\$250,000
SDE	After School Program - Grant to Bridgeport for the Lighthouse After School Program	150,000
SDE	Connecticut Writing Project	50,000
Judicial	Other Expenses - electronic monitoring under the family violence electronic monitoring pilot program	510,517

EFFECTIVE DATE: Upon passage

§ 117 – LOCAL THEATER GRANT

The act requires the \$500,000 appropriated in FY 13 under PA 12-104 to the DECD Local Theater Grant to be distributed equally among the following theaters: Long Wharf Theatre of New Haven, Hartford Stage of Hartford, Eugene O'Neill Theater Center of Waterford, Goodspeed Opera House of East Haddam, Yale Repertory Theatre of New Haven, Warner Theatre of Torrington, and Westport Country Playhouse of Westport (i. e. , each theater receives \$71,428).

§§ 122 & 181-182 – HOUSING ZONE ADOPTION PAYMENTS

The act modifies how grants are determined under the Housing for Economic Growth Program. The program authorizes grants to municipalities that zone land to develop housing mainly where transit facilities, infrastructure, and complementary uses exist or are planned or proposed. A municipality may receive grants (1) to adopt incentive housing zone (IHZ) regulations and (2) for building permits issued for housing built in these zones.

Under prior law, a municipality that created an IHZ and met the other requirements of the law was entitled to a grant of up to \$2,000 for each housing unit that could be built as of right (i. e. , without getting further zoning approval) based on the definitions of developable land and densities specified in the law. Thus, if the zone allowed a developer to build 20 units in the zone, the maximum grant would be \$40,000; if the zone would allow 30 units, the grant would be \$60,000. The act instead entitles the municipality to a flat \$50,000 grant per zone.

The act also prohibits a municipality that receives a grant for creating a zone from receiving a grant for creating another zone until construction starts in the IHZ for which it received the previous grant.

It allows a municipality that applies for preliminary eligibility for the grant for creating a zone to subsequently waive its right to receive the payment by providing OPM its written notice of intent to do so. It must submit this notice when it submits the statement that its zoning commission adopted IHZ regulations and design standards.

The act eliminates the deadline by which OPM must make one-time building permit grant payments to municipalities for each building permit they issue in an incentive housing development. Under prior law, OPM had to pay these grants no later than 60 days after (1) a municipality submits proof that it issued the permits for the incentive housing developments within five years after it adopted the IHZ regulations and (2) it verifies that no one appealed or challenged the building permit.

The law allows the OPM secretary to give grants to municipalities under the Housing for Economic Growth Program to provide technical assistance for planning IHZs, drafting implementing regulations and design standards, and reviewing and revising applicable subdivision regulations. The act allows the secretary to also give grants under the program for IHZ predevelopment funds. Under prior law, the secretary had to provide these grants within available appropriations. The act instead requires him to provide the grants within available resources.

§§ 125-128 – EMAP

EMAP Eligibility (§ 127)

The act makes it easier for applicants to qualify for EMAP, which provides short-term loans to homeowners experiencing financial hardships beyond their control. The loans help them pay their mortgages. The program covers one-to-four-family owner-occupied homes, including single-family units in a condominium or planned unit development.

The act eliminates pensions and retirement funds valued at \$100,000 or less from the list of assets that an EMAP applicant must disclose to CHFA. The applicant must still report all household income, liabilities, and assets, including:

1. the sum of the household's savings and checking accounts;
2. market value of stocks, bonds, and securities;
3. other capital investments;
4. personal property and equity in real property, including the subject mortgage property;
5. pension and retirement funds valued at over \$100,000; and
6. lump-sum additions to family assets.

The act also allows applicants to include delinquent taxes; insurance; and condominium or common interest community charges, assessments, and fees, whether or not they are paid into escrow or impound accounts as reserves, in their applications as proof of EMAP eligibility. Under prior law, they could include delinquent taxes and insurance, but only if they were required to be paid into escrow or impound accounts as reserves.

The act eliminates a requirement for qualifying debts to be contractually delinquent. Thus, an applicant may qualify for EMAP whether or not there is a contractual obligation to pay an otherwise allowable debt. The act also makes mortgages insured by the Federal Housing Administration (FHA) eligible for EMAP.

The act specifies that CHFA may consider the length of time the mortgagor has lived in his or her home when determining the mortgagor's ability to repay EMAP within a reasonable time. Existing law allows CHFA to consider the mortgage's structure, its repayment schedules, and any other relevant factors or criteria it deems appropriate.

EMAP Recipient Litigation Rights (§ 126)

The act also allows EMAP recipients to file defenses, counterclaims, or set-offs against foreclosure on the assisted mortgage.

EMAP Payment Schedule (§ 128)

Under existing law, CHFA can make EMAP monthly payments to a mortgagee either consecutively or nonconsecutively for up to 60 months. The act specifies that the calculation of the maximum 60 months of EMAP payments begins with the first payment.

EFFECTIVE DATE: Upon passage

§ 129 – NOTICE OF COMMUNITY-BASED RESOURCES

The act requires:

1. each mortgagee to give a mortgagor the Judicial Branch's form on community-based resources for people involved in foreclosure mediation with any notice of intent to accelerate the mortgage loan;
2. municipalities to include the form with any statement sent to a homeowner about a public sewer, water service, or property tax arrearage; and
3. the Judicial Branch to provide copies of the form to public libraries, religious organizations, and community-based programs statewide to ensure that it is readily available to mortgagors.

The form must include a:

1. reference to both CHFA and Housing and Urban Development-approved counselors,
2. column in the approved housing counselor chart that indicates the counties in which each counselor serves, and
3. notification to mortgagors currently in foreclosure that they should contact the Department of Banking's foreclosure assistance hotline for assistance with time sensitive foreclosure concerns.

EFFECTIVE DATE: October 1, 2012

§ 145 – COUNCIL OF ADVISERS ON STRATEGIES FOR THE KNOWLEDGE ECONOMY

The act makes the OPM secretary, rather than the DECD commissioner, the chairman of the Council of Advisors on Strategies for the Knowledge Economy. Under the act, the DECD commissioner continues to serve as a council member. Under prior law, the OPM secretary served as a council member. By law, the council (1) promotes university-industry partnerships, (2) identifies benchmarks for technology-based workforce innovation and competitiveness, and (3) provides advice on grant awards under the Innovation Challenge Grant program and several DECD-administered grant programs preparing college students for careers in research and development and encouraging colleges and universities to collaborate with businesses on research projects.

The act also makes technical and conforming changes.

§ 146 – SMALL BUSINESS INNOVATION ASSISTANCE PROGRAM

The act requires UConn or any of its campuses to establish a program to help small and medium businesses develop innovative advanced manufacturing technologies. UConn must do this in concert with the Connecticut Center for Advanced Technology (CCAT), a nonprofit organization helping manufacturers, high technology firms, small businesses, and entrepreneurs operate more efficiently and improve their workforce.

The act requires UConn and CCAT to collaborate with the businesses participating in the program. This includes allowing businesses to use UConn's and CCAT's facilities and equipment and granting the businesses access to their respective staffs and, in UConn's case, its faculty and students. In FY 13, UConn must provide \$250,000 to CCAT from any funds appropriated to the program.

UConn and CCAT must establish eligibility criteria for participating in the program, including minimum contributions from participating businesses. The program is open to Connecticut-based businesses with 100 or fewer employees. The act divides these businesses into "small businesses" (50 or fewer employees) and "medium businesses" (51 to 100 employees).

§§ 147-180, 183-186 & 292 – CONNECTICUT DEVELOPMENT AUTHORITY (CDA) AND CONNECTICUT INNOVATIONS, INC. , (CII) MERGER

Overview

The act merges CDA into CII, transferring CDA's statutory powers and duties, including the power to issue bonds, to CII and obligating it to meet CDA's financial commitments. Under prior law, CDA and CII were two separate quasi-public economic development agencies performing different functions. CDA made and guaranteed business loans and provided other forms of financing for business and infrastructure projects. CII invested capital in early stage technology-based businesses and provided other types of venture financing for individuals and businesses developing new products and techniques.

The act also expands CII's board of directors, changes its composition to reflect its expanded purpose, broadens CII's tax exemption, and makes many conforming changes.

Transfer of Powers and Assumption of Obligations (§ 148)

The act accomplishes the merger by transferring CDA's statutory powers and duties to CII and requiring CII to repay CDA's bonds and comply with their contractual requirements. It specifies that CII use these new powers to fulfill its existing and expanded purposes.

The act also specifies that CDA's notes, bonds, and other obligations are valid and binding on CII as CDA's successor, as well as the terms and conditions specified in the resolutions, contracts, and the other types of agreements under which CDA incurred these debts. This extension includes assets; real and personal property and rights in such property; and funds, money, revenue, and receipts. Further, the act makes or deems CDA's resolutions CII's resolutions and does the same with respect to any action CDA took to help finance a project, in both cases limited only by the agreements under which CDA issued the bonds or incurred the debt.

Lastly, the act requires CII to follow the procedures CDA adopted under the statutory procedure all quasi-public agencies must follow for notifying the public before adopting a proposed procedure (the equivalent of the procedure state agencies follow when adopting regulations). CII must do this with respect to any matter before it.

Subsidiaries (§§ 148, 150 & 175)

General. Existing law, unchanged by the act, allows CII to create affiliates. The act allows CII to form subsidiaries to fulfill its statutory duties and support them with money and property. It allows CII to do so under provisions similar to those under which CDA could form subsidiaries. Consequently, CII can form a subsidiary as a stock or nonstock corporation or a limited liability company and adopt resolutions specifying the subsidiary's purpose and powers. Like CII, the subsidiary is a quasi-public agency and enjoys the same privileges, immunities, tax exemptions, and other exemptions as CII. It also operates under conditions similar to those that governed CDA's subsidiaries, but it cannot borrow money without CII's approval. The subsidiary and CII can purchase and hold the bonds they issue.

The act gives CII subsidiaries powers needed to acquire and convey property. A subsidiary can assume or take title to property, subject to any lien, encumbrance, or mortgage. It can also issue bonds, notes, and other obligations by mortgaging, conveying, or disposing of its assets, but any debt it incurs is its special obligation, which it must secure and repay with its resources. CII may assign any rights, money, or other assets it has under any government program.

Brownfield Subsidiaries. The act makes a CDA subsidiary, the Connecticut Brownfield Redevelopment Authority, a CII subsidiary. But it also allows CII to form other subsidiaries to clean up contaminated property under similar conditions. The act exempts CII and its subsidiaries from paying the Department of Energy and Environmental Protection's fee for a covenant not to sue. Prior law exempted CDA and its subsidiaries from this fee.

Transfer Mechanism (§ 149)

The act allows CDA and CII to enter into agreements with each other and third parties to help CII assume CDA's rights and responsibilities. They may do so between June 15, 2012 and July 1, 2012 (i. e. , the transfer period). But transfers occur regardless of whether (1) third parties consent to them or (2) CDA and CII enter into transfer agreements.

In addition, unrelated to the act's authorization to enter into agreements, the act requires CDA to help CII prepare for and complete the transfers. In doing so, CDA must give CII the necessary professional and clerical support facilities, equipment, and supplies during the transfer period.

State Assurances to CII Bond Holders and Contractors (§ 168)

Besides transferring CDA's bonding and contracting powers to CII, the act also transfers an assurance to the parties purchasing CII's bonds or contracting with it. The assurance is a pledge that the state pledge that will not limit or change the rights until CII fulfills its obligations to them or adequately protects the parties.

CII Board of Directors (§§ 151 & 173)

The act increases CII's board of directors, from 15 to 17 members, and changes its composition to reflect CII's new powers and duties. Under prior law, the board consisted of three *ex officio* and 12 appointed members. The act adds the state treasurer as the fourth *ex officio* member. The others are the DECD commissioner (who is also the board's chairperson), the Board of Regents (BOR) of Higher Education's president, and the OPM secretary.

The act allows the governor to appoint an additional member, increasing his total appointments from eight to nine. Under prior law, the governor had to appoint at least six members known for their knowledge, skills, and experience in developing innovative technology and technological processes, including academic research, technology transfer and applications, and inventions and new enterprises. The act requires him to appoint six members with knowledge, skills, and experience in developing innovative start-up businesses and three with skill, knowledge, and experience in financial lending or developing trade, commerce, and business. By law, which the act does not change, the legislative leaders appoint four members.

The act also changes how CII's board must approve applications for equity investments and other assistance CII provides. Under prior law, the board's finance committee approved or denied applications CII executive director submitted to it. The act requires the board or a committee it creates to perform this task. It also renames the executive director, the chief executive officer.

CII Tax Exemption (§§ 169 & 170)

General. The act broadens CII's tax exemption, reflecting its expanded powers under the act. Prior law exempted CII and CDA from most local and state taxes, but CDA's exemptions were broader, reflecting its statutory authority to develop property and issue bonds. For example, CDA paid no (1) local or state taxes on the projects it developed or (2) state taxes on its projects, property, money, and bonds and notes. Further, the parties holding CDA's bonds and notes were liable only for estate and succession taxes on income or profit they earned from these investments. The act transfers CDA's exemption to CII.

Sales Tax Exemption for Economic Development Projects. The act allows CII to grant sales and use tax exemptions to developers undertaking economic development projects. The exemptions apply to tangible personal property and services purchased, stored, or consumed to develop, construct, rehabilitate, renovate, or repair projects that qualify for development financing under statutory authority the act transfers from CDA to CII. CDA provided a similar exemption under prior law.

The projects must be approved by CII's board of directors according to procedures it must adopt. In approving an exemption, the board may limit or condition its use and provide a certificate specifying the exempted property and services. CII must develop the certificate in consultation with the revenue services commissioner and it must be presented when purchasing an exempted item.

Equity Investments (§ 166)

Under prior law, CDA, CII, and DECD had to require the entities they funded to provide a lien, letter of credit, or other security for the funding. The requirement applied to equity investments, which could have been made by CII or CDA. The only exemptions were grants and loans that had to be repaid within a year. The act exempts equity investments and specifies that the security required for other forms of assistance must be appropriate and reasonable, based on the circumstances.

Relocation Penalty (§ 171)

Under prior law, businesses receiving CDA or DECD loans and loan guarantees had to immediately repay it plus a 5% penalty if they relocated out of the state within 10 years after receiving the

assistance. The act extends this requirement to business receiving CII loans, loan guarantees, and other forms of business financing that CII provides under the act and any outstanding loans it made on or after June 23, 1993. But it exempts from the requirement equity and similar types of investments, which, under prior law, were mostly provided by CII.

Revenue Restrictions (§ 178)

In transferring CDA's powers and duties to CII, the act requires CII to receive revenue generated by the former CDA programs and activities. Consequently, the act specifies how CII must handle this revenue. Prior law specified how CII had to handle only application fees, royal payments, investment income, and loan repayments, the types of revenue generated by CII's traditional venture capital activities. The act expands the types of revenue CII must handle to include license fees; lease payments; proceeds from the sale and disposition of investments; and application, commitment, and financing fees.

Under prior law, much of this revenue was generated by bonds CDA issued under its own authority or by the state to fund CDA programs. The agreements under which both types of bonds were issued included provisions assuring that the bonds would be repaid. Some provisions pledge the revenue the programs generate to repaying the bonds or restrict it in other ways. The act requires CII to comply with bond agreements, including those under which it may issue bonds. It also requires CII to treat as unrestricted funds any unpledged revenue or revenue remaining after the bond agreements have been satisfied.

EFFECTIVE DATE: July 1, 2012, except for the provisions authorizing the steps CDA and CII can take to facilitate the transfer, which take effect upon passage.

§§ 187 & 188 – CAPITAL REGION DEVELOPMENT AUTHORITY (CRDA)

The act further expands the types of projects the Capital Region Development Authority (CRDA) may undertake. As the successor of the Capital City Economic Development Authority (CCEDA), CRDA can, among other things:

1. develop riverfront infrastructure and improvements anywhere in Hartford and East Hartford,
2. construct or rehabilitate up to 3,000 downtown housing units in the statutorily designated Capital City Economic Development District,
3. demolish or redevelop vacant buildings anywhere in Hartford or East Hartford,
4. construct new buildings and redevelop existing ones anywhere in Hartford, and
5. add downtown parking (PA 12-147).

This act also allows CRDA, in consultation with the Sports Advisory Board, to promote and attract in-state professional and amateur sports and sporting events anywhere in Connecticut.

As CCEDA's successor, CRDA can exercise a broad range of powers to plan and implement capital city projects, but, under PA 12-147, it can only do so in the Capital City Economic Development District. This act allows CRDA to exercise those powers to plan and implement projects authorized

outside the district, such as riverfront infrastructure and improvement in East Hartford. The powers include:

1. acquiring and disposing of property;
2. acquiring property by eminent domain, in consultation with Hartford's mayor and according to the procedures redevelopment agencies use when taking property;
3. planning for, acquiring, financing, constructing, developing, owning, operating, marketing, promoting, maintaining facilities;
4. entering into contracts;
5. marketing and promoting the region to attract national, regional, and local conventions, trade shows, and other events to increase the use of CRDA's exhibition, sporting, and entertainment facilities;
6. borrowing money, issuing bonds, and entering into credit and other agreements to make the bonds more marketable;
7. collecting fees and rents from the facilities it develops and adopting procedures for operating and occupying them;
8. engaging independent professionals, such as lawyers, accountants, and architects;
9. adopting and amending procurement procedures; and
10. receiving money, property, and labor from any source, including government sources.

§§ 189-191—PLANNING REGIONS

Designating Planning Regions

By law, the OPM secretary must divide the state into logical planning regions by designating and redesignating the regions' boundaries. Under prior law, starting by January 1, 2012, the secretary had to analyze the regional boundaries at least once every 20 years and redesignate them if necessary. The act extends this deadline by two years to January 1, 2014. It also requires the secretary to conduct this analysis in consultation with the (1) chairpersons and ranking members of the Planning and Development Committee, (2) Connecticut Conference of Municipalities, (3) Connecticut Council of Small Towns, and (4) regional planning organizations. Under prior law, the OPM secretary conducted the analysis alone.

Under prior law, as part of the analysis, the secretary had to develop criteria to evaluate how urban centers affect neighboring towns. At a minimum, the criteria had to evaluate trends in economic development and the environment, including trends in housing patterns, employment levels, commuting patterns for the most common types of jobs, traffic patterns on major roads, and changes in how people see social and historic ties.

The act eliminates the requirement that he develop these criteria and instead requires him to evaluate:

1. opportunities for coordinated planning and the regional delivery of state and local services;
2. economic regions, including regional economic development districts and the comprehensive economic development strategies they develop;
3. labor market areas and workforce investment regions;
4. natural boundaries, including watersheds, coastlines, ecosystems, and habitats;
5. relationships between urban, suburban, and rural areas, including central cities and areas outside of the state;
6. census and other demographic information;
7. political boundaries, including municipal boundaries and congressional, senate, and assembly districts;
8. transportation corridors, connectivity, and boundaries, including metropolitan planning agency boundaries;
9. current federal, state, and municipal service delivery regions, including emergency, health, transportation and human services regions; and
10. the current capacity of each regional planning organization (RPO) to deliver diverse state and local services.

As under prior law, the analysis must specify a minimum size for logical planning areas based on the number of municipalities, total population, and total square mileage. The act requires the secretary also to consider whether the proposed planning region will have the capacity to successfully deliver necessary regional services.

The act authorizes the secretary to enter into contracts as necessary to complete the analysis. It makes any changes to the regional boundaries effective January 1, 2015, rather than on July 1 following the date when the secretary finished analyzing or modifying the boundaries, as prior law required.

Voluntary Consolidation of Two or More Regions

The act exempts from redesignation any two or more contiguous planning regions that voluntarily consolidate to form a single regional council of governments (COG) or regional council of elected officials. The act requires the new planning region to encompass at least 14 municipalities, but allows the secretary to waive this requirement. The secretary must approve the redesignated region by January 1, 2014.

Notifying Municipal Officers of Planning Boundary Revisions

The law requires the secretary to notify municipalities about the planning region revisions he proposes and establishes a process by which municipalities can contest them. The act extends, from January 1, 2012 to January 1, 2014, the deadline for the secretary to notify municipalities about the revisions.

By law, if a municipality's legislative body objects to the revision, its chief executive officer (CEO) must petition the secretary to attend a meeting with the legislative body to hear its objections. The CEO must do so within 30 days after receiving the notice. The petition must specify the meeting's place, date, and time.

The act extends, from 45 to 60 days, the time the CEO has to propose holding the meeting after submitting the petition. By law, the secretary or his designee must make every reasonable effort to attend this meeting or a meeting held on another date, which must fall within this period. If the secretary cannot make this meeting, he and the CEO may schedule the meeting for another date and time, which must fall within 210, instead of 120, days of the secretary's notice to the CEO.

By law, the legislative body must use the meeting to inform the secretary about its objections and the secretary must consider them. Under the act, the secretary has 60, instead of 45, days to notify the CEO about his decision on the proposed boundary changes. By law, he must state his reasons for the decision.

Voluntary Regional Consolidation Bonus Pool Payments for Redesignation

By law, OPM must make temporary Voluntary Regional Consolidation Bonus Pool payments to any two or more RPOs that (1) vote to merge, forming a new regional COG or council of elected officials, within a proposed or newly redesignated planning region and (2) submit a redesignation request to the secretary. Under prior law, the bonuses were (1) for FY 12 and FY 13 and (2) awarded on a first-come, first-served basis from any appropriation available for them until exhausted for the fiscal year.

The act (1) designates the Regional Performance Incentive account as the funding source for the bonus payments; (2) retains the requirement that the funds be awarded on a first-come, first-served basis; and (3) specifies that the payments are to offset reasonable consolidation costs, as the secretary determines. The Regional Performance Incentive account is a separate, nonlapsing General Fund account that, under existing law, funds the regional performance incentive grant program.

For FY 13 through FY 15, the act also requires the secretary to make supplemental bonus payments, within available appropriations, to any regional COG or council of elected officials created during these fiscal years through the consolidation of two or more regional COGs, councils of elected officials, or regional planning agencies. The supplemental payment is equal to 50% of the bonus payment made to offset the reasonable costs of voluntary consolidation. To qualify, the act requires the consolidated regional entity to encompass at least 14 municipalities, but it allows the secretary to waive this requirement.

EFFECTIVE DATE: Upon passage, except the provisions concerning bonus payments are effective July 1, 2012.

§§ 192-196 – CALCULATING TAX LIABILITY FOR MANUFACTURING REINVESTMENT ACCOUNT DEPOSITS AND WITHDRAWALS

Eligible Uses of Deposited Funds

The act specifies the rules manufacturers must use to determine the corporate business or personal income tax they owe when depositing or withdrawing money in a manufacturing reinvestment account. Small manufacturers (50 or fewer employees) may establish these accounts and defer paying taxes on the money they deposit in them until they withdraw funds for a range of eligible uses, including purchasing machinery and equipment and manufacturing facilities. Under prior law, withdrawals were taxed at 3.5%, regardless of whether the manufacturer was organized as a corporation, or other type of business entity in which the partners pay personal income taxes on the income they derive from the business.

As discussed below, the act changes how withdrawals are taxed, but also specifies that a reduced tax rate applies to a withdrawal only if the funds will be used (1) to purchase machines and equipment that will be used in Connecticut or a manufacturing facility or (2) for training, developing, or expanding a workforce here.

The law allows manufacturers to establish an account for five years, after which they must pay taxes on the balance at the applicable tax rate. The act specifies that the five-year period starts when the account is established.

Tax Deferrals on Deposits

The law allows manufacturers to defer paying taxes on funds they deposit in a manufacturing reinvestment account, but limits the total amount each manufacturer may annually deposit to the lesser of \$100,000 or 100% of its domestic gross receipts. The act limits the tax deferral to that portion of the deposit the manufacturer cannot deduct from federal taxes. As explained below, the manufacturer pays reduced taxes only on that portion when it is withdrawn from the account.

Determining Tax Liability on Distributions

The tax liability on an amount a manufacturer withdraws from an account for the current or preceding tax year depends on whether the manufacturer (1) excluded that amount from gross income when calculating its federal taxes and (2) used the amount withdrawn for an eligible purpose. If the amount was excluded from federal taxes, the manufacturer must adhere to these rules for determining its tax liability:

1. if the manufacturer withdraws the amount and uses it for an eligible purpose, it may exclude half of the amount from its calculation of net income for corporation business taxes or Connecticut adjusted gross income for income taxes for the applicable tax year;
2. if the manufacturer withdraws the amount and uses it for an ineligible purpose, it must add the entire amount to net income; or

3. if the manufacturer does not withdraw the amount and it remains in the account after the five-year period expires, it must add the amount to net income.

Interest Accrual

The act allows manufacturers to accumulate interest income on the funds they deposit in a manufacturing reinvestment account. By law, they can deposit up to \$100,000 per year or 100% of their domestic gross receipts, whichever is less, for up to five years. Under prior law, manufacturers had to pay taxes on interest income that exceeded the statutory limit. The act eliminates this requirement, thus allowing them to accumulate interest during the five-year period above the statutory limit without paying taxes on the increment. But, at end of this period, it requires any balance, including interest earnings, to be returned to the manufacturer and subject to tax, as described above.

EFFECTIVE DATE: Effective upon passage, except for the rules for determining the tax liability on withdrawals take effect upon passage and apply to income years beginning on or after January 1, 2011

§ 197 – URBAN REVITALIZATION PILOT PROGRAM

The act requires the DECD commissioner, within DECD's existing resources, to establish a pilot program in one or more distressed municipalities to foster revitalization and stabilization in urban neighborhoods by facilitating the acquisition and renovation of one- to four-family homes and prioritizing owner-occupancy.

The DECD commissioner must provide the Housing Committee (1) with a status report on the program by February 1, 2013; (2) an interim report by January 1, 2014; and (3) a final report by January 1, 2015.

Program Goals and Promoting Participation

The program's goal is to increase homeownership in targeted neighborhoods with high proportions of one- to four-family properties. In doing so, it must give priority to owner-occupancy in buildings that are for sale, vacant, deteriorated, in foreclosure, or bank- or investor-owned. To accomplish this goal, the act requires the program administrator, as necessary, to:

1. draw on diverse public and private funding sources and programs, including foundations, local loan funds, and programs administered by departments or agencies other than DECD, such as CHFA;
2. use public funds to leverage private resources;
3. provide financing or investment to support property purchase, rehabilitation, construction, demolition, energy efficiency, and aesthetic improvements, including financial products that promote homeownership (e. g. , down payment assistance), and identify other financial resources to support such activities;

4. offer incentives to investors to develop tenants into owners, apply income restrictions to housing units to ensure affordability, and conduct energy efficiency improvements to meet weatherization goals;
5. identify and coordinate access for program participants to (a) rental assistance and foreclosure prevention resources and (b) other resources that will increase homeownership, stabilize or decrease occupancy costs, and stabilize neighborhoods;
6. provide assistance to (a) individuals who are or will become homeowners and (b) nonprofit and for-profit entities that will buy and rehabilitate properties for resale;
7. provide support services to program participants who are or will become homeowners to maximize the likelihood of their success in maintaining long-term homeownership, including (a) training in skills necessary to be an effective landlord and (b) assistance in resolving problems that may arise after closing on a home;
8. identify and structure incentives to encourage program participation by lenders, investors, and developers with a goal of promoting homeownership; and
9. help program participants to find purchase financing and counseling before and after any purchase and direct them to programs that provide deferred, low, or no-interest or forgivable loans, including the state Rental Housing Revolving Loan Fund.

Program Parameters and Administration

Under the act, the DECD commissioner must (1) by October 1, 2012, establish program parameters and (2) by January 1, 2013, designate at least one municipality to participate.

Anyone who receives program assistance to acquire or renovate must agree to occupy the home, or a unit in it, as his or her primary residence for at least five years or transfer it to someone who agrees to do so. The act does not specify what happens if someone receiving assistance stops complying with this requirement. The act authorizes the program to give priority to first-time home buyers and people living in a targeted neighborhood.

The act authorizes DECD to contract with at least one statewide nonprofit organization to administer the program and establishes requirements for the program administrator. It requires the program administrator to:

1. target neighborhoods where concentrated resources can have a substantial impact on revitalizing and stabilizing the surrounding community and
2. recruit community stakeholders to provide active support for the program, including local banks, local boards of realtors, neighborhood revitalization zone committees, community-based organizations, community development financial institutions, and similar entities.

EFFECTIVE DATE: Upon passage

§ 198 – EXTENSION OF JOB EXPANSION TAX CREDIT

The act extends the \$900 per month job expansion tax credit to employers hiring Connecticut residents who receive DMHAS services or participate in DSS-funded or -operated programs providing employment opportunities and day services. An employer qualifies for the credit if these new hires work at least 20 hour per week for at least 48 weeks in a calendar year. Under the act, the employer continues to qualify for the \$900 credit for hiring employees who meet this minimum work hour requirement and receive vocation rehabilitation services form the Bureau of Rehabilitation Services.

By law, an employer also qualifies for the \$900 credit or a \$500 per month credit for hiring other types of new employees. It qualifies for the \$900 credit if the new employee (1) is a current armed forces member or was honorably discharged or released from active service or (2) receives unemployment compensation benefits or has not had a full-time job since exhausting those benefits. In either case, the employee must work at least 35 hours per week for at least 48 weeks in a calendar year. The employer also qualifies for the \$500 per month credit for all other new employees who meet this minimum work hour requirement and reside in Connecticut. It cannot claim credits for new employees hired to fill temporary or seasonal jobs.

The employer must meet the law's other criteria to claim the credits. It must create a minimum number of jobs depending on the number of people it employs when it applies for the credit. Businesses with 50 or fewer employees must create at least one new job; those with 51 to 100 employees must create at least five; and those with 100 or more employees must create at least 10. These employees must remain on the employer's payroll during the three-year period it is eligible for the credits.

Besides meeting the employee criteria, the employer must (1) have been in business for 12 consecutive months before applying for the credits and (2) be liable for insurance premium, corporation business, utility company, or personal income taxes. Further, the jobs for which the employer claims the credits must not have existed in Connecticut before it applied for them. The credits are available for jobs created between January 1, 2012, and January 1, 2014 and filled with eligible employees.

The credits are administered by the DECD commissioner. The act requires her to consult with the DMHAS or DDS commissioner, as applicable, about verifying whether a newly hired employee received such services.

EFFECTIVE DATE: July 1, 2012 and applicable to income or taxable years commencing on or after January 1, 2012.

§§ 199-201 – EXPRESS PROGRAM

The act expands and makes several programmatic changes to the Express Program, which consists of separate revolving loan, job incentive loan, and matching grant components. Some of the program's requirements apply to all of the components, some to specific ones. The act makes changes to both sets of requirements.

Eligible Businesses

The act opens the program's components to more businesses. Under prior law, a business qualified for assistance if it employed 50 or fewer people during at least half of its working days in the prior 12 months and met other criteria. The business also had to be based in Connecticut, operate here, and registered to do business in Connecticut for at least 12 months.

The act extends Express assistance to businesses based in other states if they have been registered to do business here or in other states for at least 12 months and have operations in Connecticut (i. e. , a subsidiary of a corporation). It also extends assistance to more small businesses by raising the employee threshold from 50 to 100.

By law, the business must be current on all state and local taxes and be in good standing with all state agencies.

Relocation Penalties

The act extends the time period during which a business receiving assistance under any component is subject to the statutory penalty for relocating out of state after receiving assistance (CGS § 32-5a). Under prior law, a business receiving Express assistance had to repay 100% of the assistance plus 5% if it relocated from Connecticut within five years after receiving the assistance. The act changes this period to five years or the loan's term, whichever is longer. As discussed below, the act sets the maximum repayment period for Express loans at 10 years.

Eligible Costs

The act expressly allows businesses to use revolving loan funds or matching grants to purchase machinery and equipment. Under existing law, revolving loans can already be used to acquire machinery and equipment, construct facilities or make leasehold improvements, cover moving expenses, or provide working capital. Matching grants can also be used for these activities and new and ongoing workforce training.

Loan Amounts and Terms

The act extends the maximum period for repaying a revolving loan from five to 10 years. Under existing law and the act, the commissioner can charge up to 4% interest on these loans.

The act increases the maximum job incentive loan from \$250,000 to \$300,000. Prior law authorized loan amounts ranging from \$10,000 to \$250,000, but set no interest rate or repayment term for them. The act (1) allows the commissioner to charge up to 4% on the loans and (2) sets the repayment period at up to 10 years. Under the act, as under prior law, the commissioner may forgive these loans or defer their repayment.

Administrative Changes

The act makes several administrative changes in the Express program. It allows the commissioner to run the program by partnering with lenders participating in the Connecticut Credit Consortium, a DECD-administered small business assistance revolving fund.

The act specifies how the commissioner must help Express program applicants obtain assistance from the Subsidized Training and Employment Program (STEP), which is administered by the Labor Department. Prior law required her to work with them to provide a package of assistance from STEP and other appropriate state programs. The act allows the DECD commissioner to refer applicants to STEP instead of providing an assistance package that includes STEP.

The act establishes a separate, nonlapsing General Fund account for Express that must contain any funds the law requires to be deposited there, principal and interest loan repayments, and any other funds DECD receives for Small Business Express assistance. DECD and its administrative partners can use the account to cover administrative expenses and other operating costs.

Bonding

The act changes the bond allocations for the Express program's three components. PA 11-1, October Special Session, authorized \$100 million in bonds for the program, \$50 million in FY 12 and \$50 million FY 13. It also divided the \$100 million authorization among the components. Specifically, it allocated \$40 million to the revolving loan component, \$20 million in FY 12 and \$20 million in FY 13. This act simultaneously (1) reduces this component's allocation by \$20 million, \$10 million per year in FY 12 and FY 13 and (2) increases the total allocation for the job creation incentive component from \$20 million to \$40 million, \$10 million in FY 12 and \$10 million in FY 13.

EFFECTIVE DATE: Upon passage

§§ 202-203—STEP

Eligible Businesses

The act expands and makes programmatic and administrative changes to STEP, which subsidizes the costs of training and compensating new employees during their first six months on the job. The subsidies are different for small manufacturers and other types of small businesses, but the eligibility criteria are mostly the same.

The act opens STEP to more small businesses and small manufacturers. Under prior law, a business qualified for STEP if it employed 50 or fewer people during at least half of its working days in the prior 12 months and:

1. was based and operated in Connecticut,
2. had been registered to do business in Connecticut for at least 12 months, and
3. was current on all state and local taxes.

The act extends STEP assistance to businesses based in other states if they have been registered to do business here or in other states for at least 12 months and have operations in Connecticut (e. g., the subsidiary of a corporation).

The act opens the program to businesses employing up to 100 people and to retailers, which prior law explicitly excluded. The act specifies that the subsidies are available only to retailers' new permanent full-time and part-time employees, not former temporary or seasonal employees.

Subsidy Schedule

The act resets the schedule for making subsidy payments to non-manufacturing small businesses. By law, the subsidies cover a portion of the training and compensation cost of each new employee, up to \$20 per hour. Under prior law, the portion declined over each new employee's first six calendar months on the job.

The act changes the subsidy period from calendar months to a 180-day period divided into four sub periods, but does not change the subsidy levels, which range from 100% to 25%, as Table 1 shows.

Table 2: STEP Subsidy Schedule for Non Manufacturing Small Businesses

<i>Period</i>	<i>Subsidy Level</i>
Days 1-30	100%
Days 31-90	75%
Days 91-150	50%
Days 151-180	20%

(The subsidy for small manufacturers, which the act does not change, is a grant that phases out over six months. The maximum grant ranges from \$2,500 for the first month to \$1,600 for the last.)

Administrative Costs

The act increases the share of STEP funds that can be used to cover administrative costs and creates separate set-asides for different entities involved in running the program.

Prior law provided one set-aside, which could not exceed 4% of the allocated funds and allowed DOL to use it to pay outside consultants retained to run the program. The act allows DOL to also use this set-aside to retain the workforce investment boards to run the program.

The act creates a separate set-aside for covering STEP's marketing and operations costs. It allows DOL, in FY 13, to use up to 4% of STEP funds for these costs.

Reporting Period

The act sets deadlines for submitting each biannual report. Under prior law, DOL had to submit the first report by June 30, 2012, and subsequent reports every six months thereafter. Under the act, the report for the January to June period is due July 15, starting in 2012, and annually thereafter. The report for the July to December period is due January 15, starting in 2013 and annually thereafter.

Bonds

The act extends the period during which bonds authorized for STEP's small business and manufacturing components are available. The law authorizes \$20 million for STEP, with \$10 million available in FY 12 and FY 13. Prior law divided the annual authorization between the two components, authorizing \$5 million for each in FY 12 and FY 13. The act keeps the \$10 million bond authorization for each component, but makes it available over a three-year period from FY 12 to FY 14 without apportioning a specified amount per year.

EFFECTIVE DATE: Upon passage

§§ 204-205 – UNEMPLOYED ARMED FORCES MEMBER SUBSIDIZED TRAINING AND EMPLOYMENT PROGRAM

Purpose

The act establishes the Unemployed Armed Forces Member Subsidized Training and Employment program, which is similar to STEP. The program provides grants subsidizing businesses' costs of hiring unemployed veterans during their first 180 days on the job. The act authorizes \$10 million in bonds for the program, with \$5 million available July 1, 2012 and the balance available in FY 14. The act requires the DOL commissioner to run the program and allows him to adopt implementing regulations.

Eligibility

Business. The program is open to any business that has operations in Connecticut, has been registered to do business here or in other states for at least 12 months, and is in good standing regarding all state and local taxes.

Employee. The business qualifies for a training and employment grant depending on the new employees' prior employment and veteran status. A new employee (1) must be unemployed before the business hired him or her, regardless of whether he or she received unemployment benefits, and (2) cannot have been employed by a related person in Connecticut at any time during the 12 months before he or she was hired.

A "related person" is a business associated with the business hiring the employee. It can be a corporation, limited liability company (LLC), partnership, association, or trust. It is related to the hiring business if (1) it controls that business or is controlled by it or (2) it and the hiring business belong to a group of businesses controlled by another business.

Control is based on ownership of (1) stock in a corporation; (2) capital or profit interest in a partnership, LLC, or association; or (3) a beneficial interest in a trust, all according to federal tax law. Under the act, a business has control of a corporation if it owns enough stock to control at least half of the combined voting power of all classes. It has control of a trust if it owns at least half of its beneficial interest. The business must determine ownership based on the federal Internal Revenue Code's rules for determining the constructive ownership of stock.

The business' eligibility for the grant also depends on the new employee's veteran status. He or she must have been:

1. a member of the U. S. Armed Forces or Reserves or a state National Guard;
2. called to active service in support of Operation Enduring Freedom (Afghanistan) or presidentially authorized military operations against Iraq; and
3. honorably discharged after serving at least 90 days in an area the president designated by executive order as a combat zone, or separated from service earlier due to a Veterans' Administration-rated service- connected disability.

Training and Employment Grants

Businesses may apply to DOL for a grant for each employee meeting the above criteria. In doing so, they must describe the on-the-job training the employee will receive. The DOL commissioner or his designee must review and approve the training when reviewing the business' grant application.

The grant covers a portion of the cost of compensating the employee, not counting benefits, during the first 180 days on the job, up to a maximum of \$20 per hour. As Table 3 shows, the grant amount phases out during this period.

Table 3: Subsidy Schedule

<i>Period</i>	<i>Grant Amount as Percent of Employee's Wages</i>
Day 1-30	100%
Day 31-90	75%
Day 91-150	50%
Day 151-180	25%

The grant payments immediately end if the employee leaves the business before the end of the six-month period. A business receiving a grant under this program cannot receive (1) a second grant for an employee who remains after this period or (2) a STEP grant.

Administrative Costs

The act allows a portion of the funds allocated for the program to cover administrative costs and creates two separate set-asides for different entities involved in running the program. It allows DOL to use up to 4% of the funds to cover the costs of retaining the workforce investment boards or outside consultants to run the program. In FY 13, the act also allows DOL to use up to 4% of the funds to cover the program's marketing and operations costs.

Reporting

The DOL commissioner must report biannually on the program to the Appropriations; Commerce; Finance, Revenue and Bonding; Labor; and Veterans committees. Each six-month report must include available data on the number and types of businesses that received training and employment grants and the number of unemployed veterans hired because of these grants.

The biannual report covering the January to June period is due July 15, starting in 2013, and annually thereafter; the report covering the July to December period is due January 15, starting in 2014, and annually thereafter.

EFFECTIVE DATE: Upon passage, except the bond authorization takes effect July 1, 2012.

§ 206 – “CONNECTICUT-MADE” MARKETING CAMPAIGN

Purpose

The act requires the DECD commissioner to encourage the development of the state's manufacturing and production sectors by establishing and administering a program that promotes the marketing of Connecticut-made products. The commissioner must administer the program within available appropriations. She may also adopt implementing regulations.

Program Components

The act specifies the components the commissioner must include in the program. She must:

1. provide for the design, planning, and implementation of a multiyear, statewide marketing and advertising plan that includes television and radio advertisements showcasing Connecticut-made products and the advantages they offer;
2. establish and continuously update an associated website that lists Connecticut manufacturers, the products they make, and the retailers that sell them;
3. help Connecticut manufacturers and producers needing assistance access appropriate economic development organizations; and
4. foster contacts and relationships between businesses making or producing Connecticut products and retailers, marketers, chambers of commerce, regional tourism districts, and other potential institutional customers (i. e. , program stakeholders).

The last component includes providing a feature on the DECD website linking Connecticut manufacturers and producers with potential buyers and staging statewide or regional promotional events where these groups can participate.

In addition to these required components, the act allows the commissioner to make grants, within available appropriations, to individuals and businesses that promote and market Connecticut-made products. Grant recipients must clearly incorporate the phrases, “CONNECTICUT-MADE” or “CT-Made” in their promotional and marketing activities.

Business Participation

The act requires the commissioner to engage the program's stakeholders in its activities. She must make her best efforts to solicit their cooperation and participation in advertising Connecticut products; developing the website; and planning events, including soliciting private funds to match state funds.

Annual Reports

Beginning January 1, 2013, the act requires the commissioner to submit annual status reports to the Commerce Committee. The reports must describe the program's activities and the amount of private matching funds DECD received and spent.

EFFECTIVE DATE: October 1, 2012

§ 207 – CONNECTICUT TREASURES

The act requires the DECD commissioner, by October 1, 2012, to develop a program to designate culturally, educationally, and historically significant locations as “Connecticut Treasures” and promote them or state-owned and -operated museums. The commissioner must do this in consultation with the Tourism Advisory Committee.

The program must also integrate DECD's existing programs in promoting these locations and museums to adults and children. In doing so, it must offer a “Connecticut Treasures Passport,” which must provide free or reduced admission to the designated treasures and all state-owned and operated-museums for children under age 18 accompanied by an adult.

EFFECTIVE DATE: Upon passage

§ 208 – MAIN STREET INVESTMENT FUND PROGRAM

The act makes administrative changes to the Main Street Investment Fund program, which provides grants for developing and improving commercial centers in relatively small towns. The grants are administered by the OPM secretary. The act allows the secretary to contract with a nonprofit entity to administer the program and use the funds to cover its reasonable administrative expenses. Under prior law, he could use the funds only to make property improvement grants.

EFFECTIVE DATE: Upon passage

§ 209 – FIRST FIVE PLUS PROGRAM

The act makes a programmatic change to the First Five Plus program, which provides loans, tax incentives, and other forms of economic development assistance to businesses committing to create jobs and invest capital within existing law's timeframes. It also allows the commissioner to give a preference for First Five assistance to proposed business projects that will relocate overseas jobs to Connecticut. This preference is in addition to those the law already authorizes for:

1. manufacturers from other states or countries relocating to Connecticut,
2. businesses relocating their corporate headquarters here, and
3. business “redevelopment projects” the commissioner believes can create jobs and invest capital sooner than the law requires.

By law, a business receiving First Five assistance must commit to:

1. create at least 200 jobs within 24 months after the commissioner approves the assistance or
2. invest at least \$25 million and create at least 200 new jobs within five years after she approves the assistance.

By law, the commissioner's authority to provide First Five assistance expires June 30, 2013.

EFFECTIVE DATE: Upon passage

§ 210 – BONDS FOR BUSINESS DEVELOPMENT PROJECTS

Extension of Small Business Development Programs

The act temporarily allows more small businesses to qualify for assistance under existing small business development programs. PA 11-1, October Special Session, increased the bond authorization for DECD's Manufacturing Assistance Act (MAA) program and reserved a portion of each year's authorization to assist businesses with 50 or fewer employees, doing both in two steps. It increased:

1. the FY 12 authorization by \$100 million, reserving \$20 million for these businesses and
2. the FY 13 authorization by \$240 million, reserving \$40 million for them.

The act raises the employee threshold for programs funded with the bonds reserved for these businesses to those with 100 or fewer employees, thus allowing more small businesses to qualify under these programs. But, by law, each fiscal year's reservation expires at the end of the fiscal year, and any remaining authorization may be used only to fund businesses under the MAA.

Bond Reservation for Businesses Relocating Overseas Jobs

The act reserves a portion of the increase in the MAA bond authorization for businesses bringing overseas jobs to Connecticut. As mentioned above, PA 11-1, October Special Session, increased MAA's FY 13 bond authorization by \$240 million and reserved \$40 million for small businesses. The act reserves an additional \$20 million from that authorization for businesses committing to relocate at least 100 overseas jobs to Connecticut. This reservation also expires at the end of FY 13, and any remaining authorization may be used for funding MAA projects.

EFFECTIVE DATE: Upon passage

§§ 215 & 216 – CAPTIVE INSURERS

PA 11-1, October Special Session, revised and expanded the laws governing captive insurance companies (i. e. , captives), which are wholly owned subsidiaries of other companies that formed the captives to insure all or part of the other companies' risks. It created a separate, nonlapsing captive insurance regulatory and supervision account for depositing Insurance Department fees and assessments related to captives and 11% of captive premium taxes.

The act eliminates the account, requires the revenue to be deposited in the Insurance Fund instead, and makes conforming technical changes. It also limits the statutory limits on captives' risks to risk retention groups, a type of captive insurer formed under the federal Products Liability Risk Retention Act, instead of all captives.

EFFECTIVE DATE: July 1, 2012, with the provisions eliminating the captive insurance regulatory and supervision account applying to calendar years beginning on or after January 1, 2012.

§ 223 – YOUTH EMPLOYMENT

The act requires the DOL commissioner, in consultation with the Connecticut Employment and Training Commission, to develop youth employment strategies to bolster youth employment and address youth and young adult unemployment. The strategies must include educating employers about the job expansion tax credit program and the ability to claim the credit for hiring a qualifying young adult.

Additionally, the strategies must reflect the (1) impact of an aging population on youth and young adult employment and (2) importance of urban centers as youth employment hubs. The commissioner must report on such strategies to the Higher Education Committee by December 31, 2012.

§ 249 – P-CARD LIMIT INCREASE

The act raises, from \$10,000 to \$250,000, the limit on state agency purchasing card (P-Card) transactions and purchases. It authorizes agencies to exceed this limit if they receive written approval from the comptroller and DAS commissioner. By law, the comptroller may allow budgeted state agencies to use P-Cards instead of separate purchase orders for approved state purchases.

The P-Card program is a credit card program that DAS and the State Comptroller's Office co-sponsor. Each agency and state employee receiving a P-Card is bound by the limits, policies, and procedures outlined in The State of Connecticut Purchasing Card Program Cardholder Work Rules and the Agency Purchasing Card Coordinator Manual. Under the program, individual agencies prescribe approved state purchases and are liable for all authorized charges made by their employees. Individuals are responsible for repaying improper charges and are personally liable for card misuse.

EFFECTIVE DATE: Upon passage

AN ACT IMPLEMENTING CERTAIN PROVISIONS CONCERNING GOVERNMENT ADMINISTRATION

SUMMARY: This act makes many unrelated changes. Among other things, it:

1. allows certain taxpayers to receive property tax exemptions for particular grand list years even though they missed the statutory filing deadlines for them;
2. unless they receive a waiver, requires school districts to develop and implement teacher evaluation and support programs consistent with State Board of Education (SBE) guidelines by September 1, 2013 and makes other changes related to the education reform act;
3. allows the Office of Policy and Management (OPM) secretary or his designee to enter into an outcome-based performance contract with a social innovation investment enterprise in order to accept federal funding for demonstration projects promoting the reintegration of incarcerated or detained individuals into the community;
4. makes various changes to laws allowing municipalities to issue bonds to finance sewer projects;
5. exempts certain federally tax-exempt organizations that primarily provide insurance to veterans and their dependents from most Connecticut insurance laws;
6. authorizes conveyances of certain state property, amends two prior conveyances, and repeals four prior conveyances;
7. allows the OPM secretary, regardless of other state laws, to authorize state agencies to contract with private and nonprofit entities to facilitate the public's electronic utilization of government programs and services;
8. modifies the charge for the home energy services audit program and temporarily suspends the cap on subsidies for audits for customers who heat with nonutility fuels;
9. requires electric companies to provide certain utility pole data to the geographic or geospatial information systems (GIS) analyst or coordinator, or other equivalent official, of any municipality, regional planning agency, regional council of elected officials, or regional council of governments who requests it;
10. requires the Clean Energy Finance and Investment Authority (CEFIA) to establish a separate property-assessed clean energy (PACE) program for qualifying commercial property (including multifamily buildings with five or more units) and allows municipalities to participate in the program under a written agreement approved by their legislative bodies;
11. allows CEFIA to (a) issue revenue bonds, (b) use the bond proceeds to promote renewable energy and the financing of energy efficiency projects, and (c) establish one or more special capital reserve funds for the bonds;
12. entitles CEFIA to part of the state's annual private activity bond allocation; and

13. allows towns to phase in all or part of the decreases in real property assessments after a property revaluation.

EFFECTIVE DATE: Upon passage, unless otherwise noted below.

§§ 3-12 – FILING DEADLINES FOR CERTAIN PROPERTY TAX EXEMPTIONS

Manufacturing Machinery and Equipment (MME) and Commercial Vehicle Exemptions

The act allows certain taxpayers to receive property tax exemptions for particular grand list years, as shown in Table 1, even though they missed the statutory filing deadlines for them. The exemptions are for:

1. machinery and equipment used for manufacturing, biotechnology, or recycling (CGS § 12-81(72)) and
2. new and newly acquired commercial trucks (CGS § 12-81(74)).

Table 1: Exemption Application Deadline Waivers

§§	Town	Grand List	Type of Property
4,5	Windsor	2009 & 2010	MME
6	Seymour	2010	MME
8	Bridgeport	2010	MME
9	Waterbury	2010	MME
10	Hartford	2010 & 2011	Commercial trucks
12	Durham	2011	MME

By law, property owners must apply to local assessors for these exemptions by November 1, annually. The act waives this deadline for property owners in the towns and for the grand lists shown above, if they apply for the exemption by July 15, 2012 and pay the statutory late fee.

In each case, the local assessor must (1) verify eligibility for and approve the exemption and (2) refund any taxes paid on the property.

Request to Reconsider Denial or Modification of MME Exemption (§ 3)

The act allows a taxpayer in Danbury to file a written request to the OPM secretary to reconsider the secretary's modification or denial of the town assessor's decision to exempt certain MME, despite the taxpayers' failure to meet the 30-day deadline for filing the request. The request pertains to property on Danbury's grand list for the October 1, 2006 assessment year.

The taxpayer must file a request by July 15, 2012 together with all documentation and information the secretary requested in the original modification or denial letter. The secretary has 30 days from the request date to consider the information and make a decision.

If the taxpayer is aggrieved by the decision, he or she can ask for a hearing according to the regular statutory procedure. If the secretary finds that the taxpayer is eligible for the exemptions, the secretary must notify the taxpayer and Danbury's assessor. Danbury must reimburse the taxpayer for any taxes already paid on the exempt property.

Waiver of Penalty for Failing to File a Personal Property Tax Declaration (§ 7)

The act requires Brookfield's assessor to forgive the 25% penalty assessed for failing to file a personal property declaration for a taxpayer otherwise eligible to receive an MME exemption for the 2009 grand list, even though the taxpayer missed the deadlines for filing the declaration (November 1, annually) and appealing to Brookfield's board of assessment appeals. The taxpayer must (1) apply for the forgiveness by June 30, 2012, in the manner Brookfield's assessor determines, and (2) have paid all real and personal property taxes due to the town. Brookfield must reimburse the taxpayer for any penalty paid on the personal property.

Exemption for Nonprofit Organization Property (§ 11)

The act allows a nonprofit organization (i. e. , an organization organized exclusively for scientific, educational, literary, historical, or charitable purposes or to preserve land for open space) to receive an exemption for real property on Middletown's 2010 grand list even though it missed the deadline for filing the required property tax exemption statement (November 1, quadrennially). The organization must apply for the exemption by July 15, 2012 and pay the statutory late fee to be considered to have filed the statement in a timely manner.

It requires the Middletown assessor to approve the exemption after confirming the fee payment and the property's eligibility for the exemption. Middletown must refund any excess taxes, interest, and penalties the organization paid on the exempt property.

§§ 126 & 173 – REGULATION OF INSURANCE COMPANIES

The act advances, from October 1, 2012 to July 1, 2012, the effective date of provisions of PA 12-103 (§ 6) that allow the insurance commissioner to initiate, be a member of, or participate in a supervisory college. A supervisory college is a temporary or permanent forum for communication between and cooperation among state, federal, and international regulatory officials.

EFFECTIVE DATE: July 1, 2012

§§ 127 & 173 - INSURANCE HOLDING COMPANIES

The act makes a minor change in PA 12-103's provisions regarding insurance holding companies. By law, each insurance company authorized to do business in Connecticut and a member of a holding company system must register with the insurance commissioner and file a registration statement containing specified information. PA 12-103 additionally requires the person controlling an insurance company subject to the registration requirement to file an annual statement regarding the risks within the holding company system that pose a risk to the company. The act requires that the first statement be filed by, rather than not before, June 1, 2013.

EFFECTIVE DATE: October 1, 2012

§ 129 – BERLIN MORATORIUM

The act extends by one year, in Berlin, the statutory four-year moratorium on the use of the affordable housing land use appeals procedure. But it also subtracts one year from any subsequent moratorium the town receives. A moratorium prevents developers from appealing planning and zoning commission decisions denying proposed affordable housing projects or approving them with costly restrictions under rules that force the commission to defend its decision. As a result, during a moratorium, an aggrieved developer must bring a traditional zoning appeal and convince the court that the commission acted arbitrarily or illegally.

§§ 140-151 & 172 – CONVEYANCE OF STATE PROPERTY

The act (1) authorizes conveyances of state property (a) to the towns of Bloomfield, East Hartford, East Haven, New Britain, New Haven, Tolland, and Windsor and (b) in the town of Enfield to the Shaker Pines Fire District 5; (2) amends prior conveyances in Barkhamsted and New Hartford, and Greenwich; and (3) repeals prior conveyances in Bristol, Manchester, Marlborough, and Windsor Locks.

New Conveyances (§§ 140-146 & 149-151)

The act requires the state to convey property from the following agencies to the towns (and in one case, a fire district) named for the purpose specified:

1. the Department of Transportation (DOT) to East Hartford for open space (two parcels totaling .82 acres for administrative costs);
2. DOT to East Haven (.49 acres for fair market value, as determined by the average appraisals of two independent appraisers chosen by the commissioner, plus administrative costs);
3. the Department of Administrative Services (DAS), on behalf of the Judicial Department, to New Britain for economic development (.89 acres for \$60,000 plus administrative costs);
4. DAS, on behalf of the Department of Developmental Services, to Windsor (.73 acres for a negotiated price plus administrative costs);
5. the Department of Energy and Environmental Protection to Bloomfield for a golf course (36.05 acres for administrative costs);
6. the Department of Economic and Community Development (DECD) to New Haven for economic development (.52 acres for administrative costs);
7. DOT to Tolland for economic development (3.2 acres for administrative costs);
8. DECD to New Britain for a community park (.32 acres for administrative costs); and
9. the Department of Correction to Shaker Pines Fire District 5 in Enfield for firefighting education and training (10 acres plus any improvements on the property for administrative costs).

The New Haven conveyance also releases a deed restriction requiring the property to be used only for low- and moderate-income housing.

Each conveyance is subject to the State Properties Review Board's approval within 30 days. Conveyances with a specified purpose (other than the New Haven conveyance) revert to the state if the recipient sells, leases, or uses the parcel for any purpose other than that specified in the act, except that the act allows New Britain to sell the parcel conveyed by DAS on behalf of the Judicial Department. The East Hartford parcels also revert to the state if it needs them for transportation purposes, and the conveyance by DAS to New Britain reverts to the state if it is not used for economic development within two years of being conveyed.

The New Haven parcel reverts to the state only if the city sells or leases all or a portion of it for purposes other than economic development or business support. The act also requires New Haven to transfer to the state any consideration received for selling or leasing the parcel that is not otherwise allocated for public improvements.

For the Windsor conveyance, the act requires DAS and the town to negotiate the purchase price, which must be reduced by the amount the town pays for necessary improvements. If no price is agreed, the parcel will not be conveyed. If the parcel is conveyed and Windsor refuses to pay the amount owed, the land reverts to the state. The act does not specify a deadline for Windsor to pay or agree to pay the amount owed.

Amended Conveyances (§§ 147 & 148)

The act amends a 2008 conveyance of a .44 acre parcel in Greenwich from DOT to the Greenwich Historical Society by allowing the society to use the land for purposes consistent with its mission. The property's use was previously restricted to parking.

The act amends a 2008 conveyance of a 3.2 acre parcel in Barkhamsted and New Hartford from DOT to Regional Refuse Disposal District One to allow the district to exchange a portion of the parcel with abutting property owners to construct a water well line on the abutting property. The conveyance's provisions require the property to be used for economic development and prohibit the district from selling, leasing, or otherwise exchanging the property.

Repealed Conveyances (§ 172)

The act repeals prior conveyances from DOT to the following towns:

1. Bristol (.11 acre in 2011),
2. Manchester for road alignment and traffic mitigation (1.517 acres in 2010),
3. Marlborough (.46 acre in 2010), and
4. Windsor Locks for municipal purposes (20,000 square feet in 2006).

§ 152—ELECTRONIC GOVERNMENT PROGRAMS AND SERVICES

The act allows the OPM secretary, regardless of other state laws, to authorize state agencies to contract with private and nonprofit entities to facilitate the public's electronic utilization of government programs and services. Before seeking authorization to enter into such an agreement, an agency must use competitive bidding or competitive negotiation to select entities to participate in the agreements. The agency must give notice of a bid solicitation or request for proposals in a form and manner that the secretary determines will maximize public participation in the bidding or negotiation process.

Under the act, the agreements may allow the private or nonprofit entity to collect applicable statutory or regulatory fees owed to the state and remit these amounts as defined in law. An agreement can allow the entity to charge an administrative fee, which must be deposited into the General Fund, but the Finance Advisory Committee must approve any administrative fee for electronically utilizing government programs or services.

The act requires agreements to comply with the Freedom of Information Act and ensure that the public can still use nonelectronic means to access government programs and services. It prohibits the OPM secretary from authorizing agreements that adversely affect people's ability to apply for or receive assistance or benefits from the Department of Social Services.

EFFECTIVE DATE: July 1, 2012

§ 155 – GIS DATA SHARING

The act requires electric companies to provide certain utility pole data to the geographic or geospatial information systems (GIS) analyst or coordinator, or other equivalent official, of any municipality, regional planning agency, regional council of elected officials, or regional council of governments who requests it. The companies must share GIS data for poles they own or jointly own that are located in the municipality or the area served by the regional organization. The data includes pole ownership, identification number, XY coordinate location, pole height and classification, and street or post light wattage size.

The act also allows the companies to provide the location of their medical hardship accounts to a municipality that requests this information for public safety reasons during an emergency.

Before receiving any of the above data, the requesting municipality or regional organization must demonstrate to the electric company that it has appropriate procedures to keep it confidential. The municipality or regional organization can use the data only internally and cannot publicly disclose it without the company's consent. The act exempts any data shared under the act from disclosure under the Freedom of Information Act.

§ 156 – COMBINED HEAT AND POWER/ANAEROBIC DIGESTER PROGRAMS

By law, CEFIA must establish three-year pilot programs to provide financial incentives for installing (1) combined heat and power (CHP) systems and (2) anaerobic digesters. Under prior law, the maximum size of the CHP systems and anaerobic digesters were 2 and 1.5 megawatts, respectively. The act expands the maximum size to 5 megawatts for CHP systems and 3 megawatts for anaerobic digesters. The act requires CEFIA to examine the appropriate financial

assistance for each CHP project and increases the maximum assistance for such systems from \$350 to \$450 per kilowatt. (There are 1,000 kilowatts in a megawatt.)

§ 157 – PROPERTY-ASSESSED CLEAN ENERGY (PACE) PROGRAMS

By law, municipalities may establish PACE programs under which they loan money to local residents and businesses for energy efficiency and renewable energy improvements. The loans are backed by a lien on the improved property that is treated like a property tax lien, other than not having priority over existing mortgages.

The act (1) requires CEFIA to establish a separate PACE program for qualifying commercial property (including multifamily buildings with five or more units) and (2) allows municipalities to participate in the program under a written agreement approved by their legislative bodies.

It requires CEFIA to:

1. develop guidelines governing the terms and conditions under which state financing may be made available to the commercial program, including, in consultation with representatives from the banking industry, municipalities, and property owners, developing the parameters for consent by existing mortgage holders;
2. establish the position of commercial sustainable energy program liaison within CEFIA;
3. establish a loan loss reserve or other credit enhancement program for qualifying commercial real property; and
4. adopt standards to ensure that the energy cost savings of the improvements over their useful life exceed their costs.

It allows CEFIA to:

1. serve as an aggregating entity to secure state or private third-party financing for the energy improvements and
2. use the services of one or more private, public, or quasi-public third-party administrators to administer, provide support, or obtain financing for the program.

The act allows CEFIA to make appropriations for and issue bonds, notes, or other obligations to finance the improvements. The bonds or other obligations must be issued in accordance with the law governing CEFIA bonds. They may be secured by pledged revenue derived from the commercial program, including revenues from benefit assessments on qualifying commercial real property.

The act's provisions regarding the program are generally similar to the law regarding municipal PACE programs, with CEFIA taking the place of the municipality. But the act:

1. requires the mandated energy audit or renewable energy feasibility analysis to assess the energy cost savings of the proposed project over its useful life;

2. gives the lien priority over existing mortgages, but requires that the property owner give existing mortgage holders at least 30 days' written notice of his or her intent to participate in the program before the lien is recorded;
3. authorizes variable interest loans; and
4. allows participating municipalities to assign the liens to CEFIA and allows CEFIA to sell or assign the liens.

Under the act, the notice that must be given to prospective participants in the commercial program is somewhat different than that required under the law for municipal PACE programs. Under that law, the municipality must give prospective participants a notice that encourages them to seek legal advice to understand the potential consequences of participating in the program. Under the act, CEFIA must disclose to the property owner the:

1. costs and risks associated with participating in the program, including risks related to the property owner's failure to pay the benefit assessment and
2. effective interest rate of the benefit assessment, including fees CEFIA charges to administer the program, and the risks associated with variable interest rate financing.

The act also requires CEFIA to notify the owner that he or she may rescind any financing agreement under the program within three business days after entering the agreement.

§ 158 – CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY

The act expands the types of technologies that CEFIA can promote through the Clean Energy Fund to include all class I renewable resources. Most of these resources are already eligible for this support.

Under prior law, CEFIA was deemed to be a quasi-public entity for certain purposes. The act instead specifies that CEFIA is a political subdivision of the state, but not a state agency. It allows CEFIA to provide grants, loans, loan guarantees, or debt and equity investments in accordance with its procedures (the quasi-public authority equivalent to regulations.) The act allows CEFIA to use its own accountant, rather than that of Connecticut Innovations, to meet its Clean Energy Fund audit requirements

The act requires the authority's board members to elect the president of the authority (its CEO) and allows CEFIA to secure any bonds it issues with special capital reserve funds (SCRFs), discussed below.

§§ 159 & 160 – CEFIA BONDS

The act allows CEFIA to issue revenue bonds with terms of up to 20 years. The authority must use the bond proceeds for its purposes under existing law, which includes promoting renewable energy and financing of energy efficiency projects.

The act allows the:

1. authority to issue “clean energy” bonds backed by Clean Energy Fund revenues, including the existing renewable energy charge on electric bills;
2. bonds to be backed by the full faith and credit of any public or private body; and
3. authority to issue bonds that are federally taxable.

Under the act, the state pledges not to alter the renewable energy charge until (1) the bonds are paid off or (2) it makes adequate provisions to protect the bondholders. The clean energy bonds are not state obligations and only the authority is liable for them. They do not count towards the state's bond cap.

The act allows the authority to determine how it will issue and repay the bonds and specifies the kinds of terms and conditions it may include in its agreements with the bondholders. It makes the bonds securities in which governments and private entities may invest and allows the authority to sell them (1) at a public sale on sealed proposals at a price and time it chooses or (2) by negotiating with investors.

The act authorizes or requires several actions to assure bondholders that the authority will repay them. It specifies that the state will not limit or alter the authority's rights until it repays its outstanding bonds. The act also allows the authority to secure that pledge by entering into agreements with a trustee representing the bondholders' interests (“a trust of indenture” agreement). The act requires the authority to secure principal and interest payments by pledging its revenue, which is also immediately subject to lien without any action on the bondholders' part.

The act allows the authority to issue bonds to refund its outstanding bonds and specifies conditions for doing so.

It exempts the principal and interest payments to the bondholders from all taxes except estate and succession taxes, but requires bondholders to include these payments when computing excise and franchise taxes.

EFFECTIVE DATE: July 1, 2012

§ 161 – SPECIAL CAPITAL RESERVE FUNDS (SCRFS) FOR CEFIA BONDS

The act allows CEFIA to establish one or more special SCRFS in connection with its bonds. The issuance of bonds backed by a SCRF requires approval of the OPM secretary or his deputy and the treasurer.

No bonds secured by a SCRF may be issued to pay project costs unless CEFIA determines that the revenue from the project is sufficient to pay the principal of and interest on the bonds issued to finance the project, among other things. The maximum amount of bonds backed by a SCRF CEFIA may issue is \$50 million.

Money credited to and held in the SCRF must be used solely to (1) buy, or pay interest or principal on, the bonds the fund secures or (2) pay redemption premiums on them if they are redeemed before maturity. Funding in the SCRF cannot fall below a minimum capital reserve level.

Although bonds secured by a SCRF are not backed by the state's full faith and credit, the state assumes a contingent liability for the bonds by allowing the authority to establish these funds. The state's liability is to maintain the minimum reserve on an annual basis and restore it to the minimum if it falls below the required amount in any particular year. If funding in the SCRF falls below the mandated level as of December 1 of any year, the shortfall is "deemed appropriated" from the General Fund. The shortfall must be repaid within one year, subject to bondholder agreements.

EFFECTIVE DATE: July 1, 2012

§ 162 – PRIVATE ACTIVITY BOND CAP

The act entitles CEFIA to part of the state's private activity bond cap by adding it to the following list of entities that share 27.5% of the total allocation: municipalities, the Connecticut Higher Education Supplemental Loan Authority, and the Connecticut Student Loan Foundation.

Private activity bonds are issued by quasi-public authorities and municipalities. They are backed by the credit of private borrowers or pools of borrowers, who pay the bond debt service. Federal law (1) caps the annual amount of such bonds that can be issued in each state and (2) exempts the bonds from federal taxes if they are issued for specified purposes.

EFFECTIVE DATE: July 1, 2012

§§ 163 & 164 – CEFIA AND ETHICS LAWS

The act subjects the CEFIA staff and directors and people dealing with the authority to the same ethics laws that apply to other quasi-public authorities. It subjects CEFIA to the laws governing other quasi-public authorities regarding "procedures" (the equivalent of regulations), reporting, and audits.

EFFECTIVE DATE: July 1, 2012

§ 165 – STATE TREASURER APPROVAL OF SCRFs

The act expands the procedures for the state treasurer's approval of bonds backed by SCRFs to include bonds issued by CEFIA.

EFFECTIVE DATE: July 1, 2012

§ 166 – CEFIA - EXEMPTION FROM PERSONAL LIABILITY

The act exempts CEFIA directors and staff from personal liability for their actions, so long as they are not wanton, reckless, willful, or malicious.

EFFECTIVE DATE: July 1, 2012