



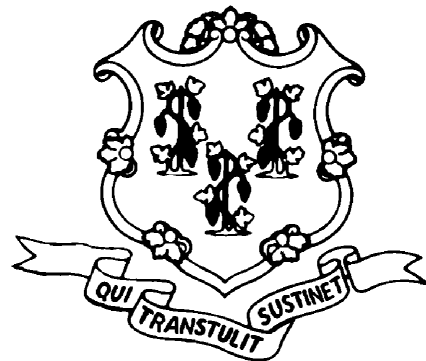
**THE CONNECTICUT
DEPARTMENT OF
ECONOMIC AND
COMMUNITY DEVELOPMENT**

LEGISLATIVE SUMMARY

1999

**John G. Rowland
Governor**

**James F. Abromaitis
Commissioner**



July 1999

The past year has been a productive and eventful one for the Department of Economic and Community Development. The DECD's Industry Cluster program continues to be a catalyst for Connecticut's competitiveness and improving the State's business climate.

The 1999 session saw an expansion of the industry cluster legislation with the passage of the Net Operating Loss carry-forward expansion and creation of the tax credit exchange, both of which were long-standing goals of the Governor's Council on Economic Competitiveness and Technology and which were outlined in the 1998 study, Partnership for Growth, Connecticut's Economic Competitiveness Strategy. Both provisions position Connecticut well to compete in regional, national and global markets.

During the past session, the Governor and the General Assembly continued their efforts to promote Connecticut's economic development through legislation that implemented and clarified municipal tax laws, assisted woman- and minority-owned businesses and facilitated the development of new technology. In addition, bills initiating a study of affordable housing, changing DECD's housing reporting requirements and the clarifying the housing land bank/land trust program were enacted.

It is with the continued efforts of the Rowland Administration and General Assembly that we will build on all the opportunities that arise and keep Connecticut the best state in which to live, work and play. My appreciation to all who helped further the goals of the Department during the legislative session.

James F. Abromaitis
Commissioner

LEGEND

AAC	“An Act Concerning...”
CCEDA	the “Capital City Economic Development Authority”
CDA	the “Connecticut Development Authority”
CETC	the “Connecticut Economic and Training Commission”
C.G.S.	the “Connecticut General Statutes”
CHFA	the “Connecticut Housing Finance Authority”
CHRO	the “Commission on Human Rights and Opportunity”
CII	“Connecticut Innovations Inc.”
Commissioner	Unless otherwise defined, is the Commissioner of DECD
DAS	the “Department of Administrative Services”
DECD	the “Department of Economic and Community Development”
DEP	the “Department of Environmental Protection”
Department	DECD
DOL	the “Department of Labor”
DOT	the “Department of Transportation”
HB	“House Bill”
JTPA	the “Job Training Partnership Act”
MAA	the “Manufacturing Assistance Act”
NOL	“net operating loss”
OPM	the “Office of Policy and Management”
PA	“Public Act”
UST	“underground storage tanks”
SB	“Senate Bill”
SA	“Special Act”
SCPRIF	the “Special Contaminated Property Remediation and Insurance Fund”
RWDB	“Regional Workforce Development Board”
WIA	the “Workforce Investment Act of 1998”

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PUBLIC ACT 99-200 — SB 1003

*Select Committee on Housing
Planning and Development Committee
Commerce Committee
Transportation Committee*

**AN ACT CONCERNING THE APPEALS TO COMMISSIONERS UNDER THE
UNIFORM RELOCATION ASSISTANCE ACT**

This act specifies that only people and businesses displaced by a state or local government action can appeal a decision about their eligibility for relocation benefits. Under prior law, landlords could also appeal these decisions. Landlords are liable for paying these benefits when a municipal agency cites their property for building code violations and pays to relocate the tenants.

The law requires state and local agencies to pay relocation benefits if they displace people and businesses while acquiring property, enforcing codes, or administering property rehabilitation and improvement programs. It specifies the benefit amounts. The agencies must pay the benefits, but landlords must reimburse towns if their building code agencies require the tenants to move because of code violations. The towns may put liens on the properties and may sue the landlord for payment. Landlords must repay the State when it provides funds to relocate tenants.

Appeals about eligibility decisions are required to go to the DOT commissioner for transportation projects and to the DECD commissioner for all other projects and activities.

EFFECTIVE DATE: October 1, 1999

PUBLIC ACT 99-223 — SB 1232

*Planning and Development Committee
Government Administration and Elections Committee
Commerce Committee
Appropriations Committee*

AN ACT TRANSFERRING THE SET-ASIDE PROGRAM FROM THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO THE DEPARTMENT OF ADMINISTRATIVE SERVICES

The act transfers parts of the Small Business Set-Aside Program from the DECD to the DAS and makes conforming technical changes. DAS must certify contractors for set-aside awards, instead of DECD, and advise state agencies and contractors about set-aside requirements. DECD must still monitor the agencies for meeting set-aside goals (i.e., enforcement function), and the agencies must still investigate contractors suspected of violating set-aside requirements.

The legislation requires DAS, DECD, and the CHRO to prepare a plan for transferring the enforcement function from DECD to DAS and CHRO. They must consult with OPM in preparing the plan, and submit it to OPM and the Legislative Planning and Development Committee by September 1, 1999.

The act also requires DAS to submit a progress report to the Planning and Development Committee on its efforts to put the program's application forms and directory of certified set-aside contractors on the Internet. This report is due January 1, 2000.

The legislation bases the annual set-aside goals on the total value of all contracts an agency awards each year instead of the average value of all contracts awarded during the three previous years. It also tightens the criteria for determining whether a small or minority contractor actually owns and operates the business.

Under the statutory definition of "Nonprofit corporation" it is determined that DAS is required to establish a pre-certification list of small contractors and minority business enterprises who have established a principal place of business in the state, but have not maintained such place of business for one year by January 1, 2000. Agencies may select a small contractor or minority business enterprise from such pre-certification list only after such awarding agency makes a good faith effort to find an eligible small contractor or minority business enterprise in the directory and determines that no small contractor or minority business enterprise is qualified to perform the work required under the contract.

The CHRO is granted the authority to conditionally approve the content of affirmative action plans. Currently, they can only accept or reject the plan.

EFFECTIVE DATE: Upon passage

PUBLIC ACT 99-241 — SB 1127

Finance, Revenue and Bonding Committee

AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS, THE CAPITAL CITY ECONOMIC DEVELOPMENT AUTHORITY, AND THE CONVENTION CENTER AND SPORTSPLEX IN HARTFORD AND ASSOCIATED DEVELOPMENT ACTIVITIES

Section 2 subsection (b) item (1) of the act authorizes \$5 million for Urban Action Grant funds in FY 2000 and FY 2001.

Section 6 eliminates the provision under the Emergency Mortgage Assistance Act that allowed for the fund to function as a revolving loan fund. Under this provision, all repayments are required to be placed in the General Fund.

The MAA fund receives \$35,000,000 for FY 1999-00 and FY 2000-01 under section 16 of the act.

Section 24 grants \$35,000,000 for FY 1999-00 to Capital City Economic Development Authority (CCEDA) for the Convention Center Project.

Also of note, in section 2 subsection (b) item (6) subsection (B) of the act grants OPM \$125,000,000 in Urban Action Grant monies for FY 1999-00 and FY 2000-01, respectively.

EFFECTIVE DATE: July 1, 1999

PUBLIC ACT 99-242 — SB 1126

Finance, Revenue and Bonding Committee

AN ACT CONCERNING THE AUTHORIZATION OF BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES.

Section 9 of the act grants the DECD in FY 1999-00 \$5 million for housing development and rehabilitation programs. The DECD is allotted an additional \$5 million for housing development and rehabilitation in FY 2000-01 under section 28.

Section 13 subsection (d) item (1) allows for a grant-in-aid to the CHFA for an Assisted Living Program of \$6,500,000 in FY 1999-00. In section 32 subsection (d) item (1), this grant-in-aid is reduced to \$5,500,000 for FY 2000-01.

The Science Museum in East Hartford receives \$2,500,000 for FY 1999-00 and FY 2000-01 for development of a new facility under section 13 subsection (d) item (2) and section 32 subsection (d) item (2) respectively.

Section 13 subsection (d) item (3) allows for a grant-in-aid to municipalities and nonprofit organization of \$5,000,000 in FY 1999-00 to be used for cultural and entertainment-related economic development projects. No funding is granted in FY 2000-01.

Section 32 subsection (e) allots to CII, financial aid for biotechnology and other high technology laboratories, facilities and equipment, not to exceed \$10,000,000 in FY 2000-01. No funding is given in FY 1999-00.

EFFECTIVE DATE: July 1, 1999

PUBLIC ACT 99-216 — SB 1014

*Program Review and Investigations Committee
Environment Committee
Finance, Revenue and Bonding Committee*

AN ACT CONCERNING BROWNFIELDS, INCLUDING RECOMMENDATIONS OF THE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

The act requires the DECD to adopt application and evaluation criteria for the Special Contaminated Property Remediation and Insurance Fund (SCPRIF) and the dry cleaning establishment remediation account. DECD must report to the Environment Committee by February 1, 2000, on the dry cleaning account. The act expands the scope (the listing of application and evaluation criteria) of the report the DECD must already submit on the SCPRIF.

The act prohibits dry cleaners behind in their state or local taxes from receiving grants and protects grants from being attached to satisfy civil judgments.

Under prior law, the DEP could allocate funds from the Urban Sites Remediation Fund to DECD to assess and remediate contaminated commercial or industrial properties acquired by DECD before July 1, 1996, and DECD could use the fund to pay property taxes on such properties. The act eliminates the deadline for acquiring such properties and allows DECD to allocate fund money to regional economic development entities to acquire and remediate such contaminated properties.

The act adds remediation to the list of project components eligible for funding under the MAA.

It also makes minor and technical changes to the law regarding the transfer of certain properties where hazardous wastes were generated or handled.

EFFECTIVE DATE: July 1, 1999, except the provisions affecting the SCPRIF and the dry cleaning account are effective October 1, 1999.

FURTHER EXPLANATION

SCPRIF Criteria

The act requires DECD, in consultation with the SCPRIF advisory board rather than the board alone, to develop criteria for making and canceling fund disbursements. It also requires the criteria to include loan application and evaluation procedures. The criteria must include the following:

1. The anticipated commercial value of the property;
2. The potential tax revenue and economic or community development benefit to the municipality;

3. Any environmental or health risks from the contamination;
4. Potential for restoration of abandoned property;
5. Loan cancellation procedures; and
6. Previous loan status.

DECD must report annually on the number and amounts of loans from the SCPRIF. The act requires the report to include the names of the fund applicants, the time it took to decide on each application, the decisions, and the reasons for any denials.

Dry Cleaners Account

The act exempts dry cleaner account grants from attachment by civil judgments and prohibits dry cleaners who are behind in their state or local taxes from receiving account grants. DECD must adopt criteria governing grant distributions from the fund and specifies that the criteria must include (1) who is eligible, (2) eligibility qualifications, and (3) what expenses may be paid with grants. Prior law allowed the agency to adopt regulations to carry out its provisions.

It requires DECD to report to the Environment Committee by February 1, 2000, on the dry cleaning account and program. The report must include the number of grant applications, the names of the applicants, the number and amounts of grants awarded since the program's inception, the decisions and the time it took to arrive at them, reasons for any denials, and a recommendation on whether the program and dry cleaners' surcharge, which funds it, should continue.

PUBLIC ACT 99-269 — HB 6641

Environment Committee
Finance, Revenue and Bonding Committee
Judiciary Committee
Appropriations Committee

AN ACT CONCERNING AN AMNESTY PROGRAM FOR REMOVAL OF HOME HEATING OIL TANKS

This act establishes an amnesty program for residential underground storage tank (UST) owners who remove or replace their tanks between July 1, 1999 and January 1, 2002. It allows them to recover related remediation expenses from funds administered by the UST account board if they use DEP-approved contractors. The reimbursements must be paid from \$2 million allocated to DEP annually for the next two fiscal years.

The act establishes a DEP registry for contractors and requires them to pay a fee and provide certain minimum financial assurances. It requires the notification of DEP if they estimate remediation activities will exceed \$5,000. The UST account board may reject costs in excess of \$5,000 at its discretion if the contractor did not notify DEP. Contractors are barred from seeking to recover rejected costs from the tank owner.

The act expands the UST account board from 12 to 13 members. The new member is appointed by the Senate President Pro Tempore and must be experienced in the delivery, installation, removal, and remediation of USTs.

DEP must report to the Environment Committee by January 1, 2000, and annually thereafter until January 1, 2003, on the amnesty program's use and the State's remediation liability resulting from the program.

The act has no direct effect upon the DECD, but may be a prelude to future legislation.

EFFECTIVE DATE: July 1, 1999

PUBLIC ACT 99-01 (June 14th Special Session) — SB 2001

Emergency Certification

AN ACT IMPLEMENTING CERTAIN PROVISIONS OF THE APPROPRIATIONS ACT FOR THE BIENNIUM ENDING JUNE 30, 2001

This act is the OPM “implementer” bill. The bill describes in detail how nominal allocations are to be spent. Sections 7, 16, 17, 22, 23 and 29 are relevant to the DECD.

Section 7 extends the program for rehabilitation and private management of moderate rental housing projects from a two-year pilot to a four-year pilot. This change reflects the funding included in the budget for the DECD.

Sections 16 and 17 provide reimbursement to municipalities for abatement of property taxes for information technology equipment. This results in a cost to the State and a revenue loss to the State and municipalities to the degree that the expanded program provides financial incentives for business activity that would not have occurred without the incentives. This amount cannot be determined. There will be a minimal administration cost to the DECD as a result of the program.

Section 22 and 23 make technical changes regarding the review of the tourism districts budgets by the Tourism Council.

Section 29 allows a regional corporation to use up to 20%, not exceeding \$100,000, of a grant received from the CDA, as authorized under section 32-267 of the C.G.S., to fund its operation expenses.

The appropriation for these projects is located in Special Act 99-10, AAC The State Budget for the Biennium Ending June 30, 2001, and Making Appropriations Therefor.

EFFECTIVE DATE: July 1, 1999

SPECIAL ACT 99-10 — HB 6762

Appropriations Committee

**AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING
JUNE 30, 2001, AND MAKING APPROPRIATIONS THEREFOR**

The Department's budget was revised to include the following for the biennium:

1. Industry Clusters received \$4.5 million for continued operation;
2. The Film Commission received \$400,000 for its continued operation;
3. The Freedom Trail received \$100,000; and
4. The Subsidized Assisted Living Demonstration program is allotted \$2,196,108. The funding is to be used to implement a program which was authorized under PA 98-239 to establish a demonstration project to develop units of subsidized assisted living services for persons residing in Affordable Housing. Funds are for Rental Assistance Program Payments.

The FY 1999-00 Budget:

Personal Services	6,079,446
Other Expenses	3,209,937
Equipment	1,000
Elderly Rental Registry And Counselors	648,000
Industry Clusters	2,000,000
Film Commission	200,000
Freedom Trail	50,000
Entrepreneurial Centers	215,000
Subsidized Assisted Living Demonstration (OPTION)	503,358
Congregate Facilities Operation Costs	3,534,851
Elderly Congregate Rent Subsidy Payments to Local Governments	1,296,499
Tax Abatement	2,243,276
Payment in Lieu of Taxes	<u>2,900,000</u>
TOTAL	22,881,367

The FY 2000-01 Budget:

Personal Services	6,476,057
Other Expenses	3,209,937
Equipment	1,000
Elderly Rental Registry And Counselors	659,560
Industry Clusters	2,500,000
Film Commission	200,000
Freedom Trail	50,000
Entrepreneurial Centers	215,000
Subsidized Assisted Living Demonstration (OPTION)	1,692,750
Congregate Facilities Operation Costs	3,606,241
Elderly Congregate Rent Subsidy Payments to Local Governments	1,296,499
Tax Abatement	2,243,276
Payment in Lieu of Taxes	<u>2,900,000</u>
TOTAL	25,050,320

EFFECTIVE DATE: July 1, 1999

PUBLIC ACT 99-195 — HB 6723

Labor and Public Employees Committee
Government Administration and Elections Committee
Human Services Committee
Appropriations Committee
Legislative Management Committee
Education Committee
Planning and Development Committee

AN ACT CONCERNING EDUCATION, EMPLOYMENT AND JOB TRAINING PROGRAMS

This act sets federal Workforce Investment Act of 1998 (WIA) implementation requirements for the Connecticut Employment and Training Commission (CETC) and Regional Workforce Development Boards (RWDBs). It expands CETC's and RWDBs' responsibilities.

The act also:

1. Places limitations on how WIA funds may be used;
2. Requires CETC to make funding recommendations to the governor and the General Assembly concerning WIA appropriations;
3. Identifies items that must be included in the state's WIA plan;
4. Requires existing Job Training Partnership (JTPA) funded programs to continue until their renewal period if they comply with WIA;
5. Defines relevant terms; and
6. Makes technical changes.

EFFECTIVE DATE: Upon passage

PUBLIC ACT 99-208 — HB 6816

*Banks Committee
Commerce Committee
Finance, Revenue and Bonding Committee*

AN ACT ESTABLISHING A MICRO-LOAN GUARANTEE PROGRAM FOR WOMEN-OWNED AND MINORITY-OWNED BUSINESSES

This act creates separate but identical revolving micro-loan programs for small businesses owned by women and minorities. It establishes a separate non-lapsing fund for each program and allows the Commissioner to capitalize the funds with Economic Assistance Revolving Loan Fund money. The Commissioner can contract with quasi-public agencies, nonprofit organizations or financial institutions to make the loans. These entities can use some of the funds to cover the cost of administering the loans and promoting the programs.

Borrowers must meet ownership and management criteria and agree to participate in a training program the Commissioner approves. They can use the loans for start-up or working capital but not to refinance existing loans. The act allows the Commissioner to adopt regulations, which may specify loan procedures, repayment terms, interest and security requirements, default and remedy provisions, and any other terms and conditions he believes are necessary. Also, the Commissioner may establish a Business Management Training Program.

EFFECTIVE DATE: October 1, 1999

FURTHER EXPLANATION

Loan Funds

The act creates separate funds for making micro-loans to women- and minority-owned firms. It allows the Commissioner to capitalize each fund with loan repayments and with funds from the Economic Assistance Revolving Loan Fund, which is capitalized with MAA funds. The act requires both programs to sustain themselves through loan repayments by July 1, 2001.

The act requires each fund to contain any money the Commissioner or the State allocates to it plus the principal and interest repayments on the loans made from each fund. The funds must also carry forward any money they contain at the end of the fiscal year.

Eligible Businesses

Women- and minority-owned businesses qualify for loans if they have 50 or fewer employees. In both cases, the loan applicant must own more than 51% of the business, actively manage its daily affairs and have the power to direct its management and policies.

Eligible minority group members include women, disabled people, and members of the following racial and ethnic groups: Black Americans, Hispanic Americans, Asian Pacific Americans and Pacific Islanders, Native Americans, and people with origins in Portugal and Spain. A nonprofit organization also qualifies for a minority business loan if women or minority group members make up at least 51% of the people who manage its daily affairs or actively direct its management and policies.

Loan Administrators

The act allows the Commissioner to contract with a quasi-public agency, a nonprofit organization, or a financial institution to run each program and promote it statewide. Financial institutions include trust companies, banks, savings banks, credit unions, savings and loan associations, insurance companies, investment companies, mortgage bankers, trustees, executors, pension funds, retirement funds or other fiduciaries, and private financial institutions. The organizations running the programs can use the funds to cover their necessary administrative expenses.

PUBLIC ACT 99-223 — SB 1326

*Commerce Committee
Government Administration and Elections Committee
Finance, Revenue and Bonding Committee
Appropriations Committee*

AN ACT CONCERNING DEVELOPMENT AND USE OF NEW OR EXPERIMENTAL PRODUCTS MADE IN CONNECTICUT

This act allows Connecticut businesses receiving CII funds to test their technology, product, or process in state agencies in order to study its commercial viability. To be eligible, a business must submit a manufacturing and marketing plan to CII and must have already done sufficient research and development.

The technology, product, or process must:

1. Promote public health and safety, environmental protection, or economic development;
2. Be manufactured in Connecticut;
3. Be safe; and
4. Have the potential for commercialization within two years of completing the test.

CII, the business, or an investor in the business must pay for the cost of providing the technology, product, or process to the testing agency. OPM and CII may develop a program to recognize state agencies that participate in this program.

The act also requires CII to investigate establishing a bioprocessing facility in Connecticut. Bioprocessing facilities conduct research aimed at purifying large quantities of biological compounds necessary for pharmaceutical and industrial processes. If CII determines that establishing such a facility is practical, it may organize a business consortium to create and operate the facility

EFFECTIVE DATE: Upon Passage

PUBLIC ACT 99-236 — SB 1189

*Commerce Committee
Education Committee
Finance, Revenue and Bonding Committee
Labor Committee*

AN ACT CONCERNING WORKFORCE COMPETITIVENESS

This act expands DOL's job-training program and the CDA's job-training financing program to include businesses involved in certain kinds of manufacturing and research and development. It also eliminates requirements that a business be expanding, improving, or establishing a facility to be eligible for the program.

Once the Labor Commissioner receives a request, he must customize a job-training program for the business. The act requires that the training enhance employees' basic skills, which may include writing, math, science, and technical training. The act provides that it does not restrict an employer's freedom to select job-training providers, but the Commissioner has final approval.

Under the act, businesses eligible for the DOL's job-training program are also eligible for CDA's job-training financing program. The act extends the range of employees a business may educate with CDA's financing to include any employee, provided the employee works primarily in the state.

The act also increases the Labor Commissioner's responsibilities with regard to establishing and maintaining job-training centers. It requires the Commissioner to involve adult education and literacy providers, to consult employers and trade associations to ensure that centers are meeting business needs, and to develop a single application for all state assistance for employer-based training programs.

Any increase in the administrative workload of the DECD due to additional involvement in DOL's job training program is anticipated to be minimal and handled within available resources.

EFFECTIVE DATE: October 1, 1999

PUBLIC ACT 99-173 — SB 1

*Finance, Revenue and Bonding Committee
Appropriations Committee*

AN ACT CONCERNING VARIOUS TAX REDUCTIONS, EXEMPTIONS AND CREDITS FOR INDIVIDUALS AND BUSINESSES

The act implemented a number of changes in Connecticut's tax systems. The changes most important to the DECD occurred in the following sections:

SECTION 33 – Increases the credits made available each year under the Housing Tax Credit Contribution Program from \$1 million to \$5 million. Other changes to the program include:

1. An increase in the annual aggregate amount each non-profit corporation may receive from \$300,000 to \$400,000; and
2. An increase in the total credit allowed to any business firm from \$50,000 to \$75,000.

SECTION 38 – Creates a highly innovative research and development tax credit "exchange" which allows companies to receive a cash payment for research and development credits they have earned but can not use due to losses. Companies will receive a payment from the State equal to 65 percent of the credit's value. This section was part of the original 1999 "cluster bill."

SECTION 39 – Allows small companies to carry over their net operating losses on their corporate income taxes for 20 years instead of the current five years. At five years, Connecticut's loss carry-over provision was the lowest in the country. At 20 years, Connecticut will be on par with 30 other states and the federal government, making Connecticut much more attractive for small or new companies looking for a place to locate. This section was also part of the original 1999 "cluster bill."

Connecticut will be the only state that has the strength of the loss carry-over provision combined with a tax credit exchange program.

EFFECTIVE DATE: July 1, 1999

PUBLIC ACT 99-201— HB 5905

*General Law Committee
Judiciary Committee
Insurance and Real Estate Committees
Planning and Development Committee*

**AN ACT CONCERNING THE DISCONTINUANCE OF USE OR SALE OF
MOBILE MANUFACTURED HOME PARKS**

This act, for most mobile manufactured home parks, increases:

1. The time park owners have to inform residents before a land use change and the time park residents' associations have to inform a park owner that an association is interested in buying the park;,
2. The time such associations have to buy it; and
3. The notification period before a park owner's notice to vacate can take effect.

In addition, it increases for all parks the maximum allowable distance for relocation assistance from 20 to 100 miles and the maximum relocation assistance a park owner must give a resident homeowner if the park owner is closing the park and changing the use of the land.

The act provides that it must not be construed to invalidate an otherwise effective notice or to validate an otherwise ineffective notice given or served relating to closing a park and changing the use of its land before the act takes effect.

EFFECTIVE DATE: Upon passage

PUBLIC ACT 99-243 — HB 6844

*Select Committee on Housing
Planning and Development Committee*

AN ACT CONCERNING THE HOUSING LAND BANK AND LAND TRUST PROGRAM

The act allows the DECD Commissioner to dispose of any property supported by the Community Housing Land Bank and Land Trust Fund. DECD must first determine that the nonprofit organization that owns the property is not capable of managing it. After making such a determination, the Commissioner may allow the State to assume control of the property.

DECD may then take whatever steps are necessary to dispose of the property, including:

1. Eliminating deed restrictions; and
2. Transferring the property to the low- and moderate-income families that occupy the housing units.

OPM must approve the final transfer of any property. DECD may authorize the disposal of no more than three properties and all authorizations must be complete before October 1, 2000. The Housing Committee plans to examine this issue in greater detail during the 2000 Legislative Session.

EFFECTIVE DATE: Upon passage

BACKGROUND

The Housing Land Bank and Land Trust Fund

DECD uses this fund to provide grants and loans to nonprofit organizations that develop and maintain affordable housing. Nonprofit organizations may transfer the title of structures on the property to other individuals. However, the new owners must use the structures to provide affordable housing. Once a nonprofit organization receives financial support from the fund, if it does not maintain affordable housing, DECD may transfer the property to the municipality. The municipality must use the land for a DECD program.

PUBLIC ACT 99-244 — HB 6752

*Select Committee on Housing
Planning and Development Committee*

**AN ACT CONCERNING INCOME LIMITS FOR CONTINUED OCCUPANCY IN
CONGREGATE HOUSING**

The act allows for the deletion of maximum income limits for the state-assisted elderly housing projects and asset limits for continued occupancy, subject to the DECD Commissioner's approval. The act specifies the following provisions:

1. Bans eviction of elderly housing residents whose annual income exceeded the admission income limit for any three years out of a five-year period; and
2. Prevents congregate housing operators from evicting residents solely because their income exceeded the admission income limit.

The act has no fiscal impact on the DECD.

EFFECTIVE DATE: October 1, 1999

PUBLIC ACT 99-245 — HB 6750

*Housing Committee
Planning and Development Committee
Judiciary Committee*

**AN ACT CONCERNING PENALTIES FOR FALSE STATEMENTS MADE ON
CONNECTICUT HOUSING FINANCE AUTHORITY PROGRAM DOCUMENTS**

This act allows the CHFA to require anyone submitting an application or document connected with any program CHFA administers to sign the application or document under the statutory penalty of false statement. The penalty is imprisonment for up to one year, a maximum \$2,000 fine, or both.

Under the act, a person is subject to the penalty for false statement if he:

1. Intentionally makes a false statement under oath or on a form warning him that these statements are punishable;
2. Intended to mislead a public servant while performing his duties; and
3. Does not believe that the statement is true.

The act makes people applying for admission or continued occupancy for public housing subject to the penalty for false statement if they make a false statement with respect to any eligibility requirement, including family income. Under prior law, they were subject to the penalty only if they made a false statement about family income. The penalty is a fine of up to \$500, imprisonment for up to six months, or both.

EFFECTIVE DATE: October 1, 1999

PUBLIC ACT 99-258 — HB 6843

*Select Committee on Housing
Planning and Development Committee*

AN ACT CONCERNING PUBLIC INFORMATION ABOUT PROPOSED PUBLIC HOUSING PROJECTS

The act requires that when a developer or a housing authority intends to construct a public housing project which is subject to the U. S. Department of Housing and Urban Development site and neighborhood standards for public housing placement as described under 24 CFR 941.202, the developer or housing authority must:

1. Publish a description of the project plan;
2. Hold a public hearing for residents in the neighborhoods affected by the proposed public housing project; and
3. Identify the specific activities to be provided in meeting the obligations under required federal law. If a public hearing is conducted and satisfies the requirements as listed under federal law, the identification process may be deemed unnecessary.

This act is only applicable when a project is funded entirely by federal funds and no state monies are involved.

EFFECTIVE DATE: October 1, 1999

PUBLIC ACT 99-261 — HB 6834

*Select Committee on Housing
Planning and Development Committee
Judiciary Committee*

AN ACT CONCERNING REQUIREMENTS UNDER THE AFFORDABLE HOUSING APPEALS PROCEDURE AND JURISDICTION OVER AFFORDABLE HOUSING APPEALS

The act tightens the conditions developers must meet before they can use the affordable housing land use appeals procedure to challenge a town's decision rejecting an affordable housing project. Under current law, developers receiving private financing must make at least 25% of the units affordable to low- and moderate-income people. This legislation requires them to make a portion of these units affordable to very low-income people.

The act narrows the requirement for assigning judges to hear affordable housing appeals. Current law requires the chief court administrator to assign these appeals to a small number of judges so that the court can develop a consistent body of expertise. This act expands upon this requirement and requires the court administrator to assign the appeals to judges sitting in different geographic areas.

The act requires the assigned judges to hear the pretrial motions on the appeals. Finally, it requires judges to hear those appeals that arise within their respective judicial districts, unless the chief court administrator requires otherwise.

This act requires developers to meet more stringent conditions before they are eligible to use the affordable housing appeals procedure to challenge municipal development decisions. To the extent that this change results in fewer appeals, municipalities may realize administrative savings. Any such savings are expected to be minimal.

EFFECTIVE DATE: This act shall take effect from its passage, except that Section 2 regarding judges and judicial districts shall take effect October 1, 1999

PUBLIC ACT 99-262 — HB 6350

Banks Committee

Planning and Development Committee

Commerce Committee

Finance, Revenue and Bonding Committee

**AN ACT CONCERNING THE RESIDENTIAL MORTGAGE REFINANCING
GUARANTEE PROGRAM**

The act requires CHFA to establish and administer a program of loan guarantees to work in conjunction with loan programs established by secondary market investors. These loan programs allow mortgagees to refinance residential mortgage loans when a decrease in the appraised value of the real property securing the mortgage might otherwise preclude such lending.

The Authority is obligated to implement the program in a manner designed to facilitate the qualifications of mortgage guarantees under the program for sale to one or more secondary mortgage markets for these loans. No mortgagor is eligible to participate in the program if he currently has other refinancing alternatives. The CHFA must explore options that maximize the funds made available, including but not limited to the opportunity to minimize the State's exposure through insurance alternatives.

Up to \$5 million dollars may be allocated by the State Bond Commission to the DECD for the purpose of a grant to CHFA to implement the mortgage guarantees under the program.

The act requires the CHFA to adopt written procedures for the program by January 1, 2000. A fee may be established in these procedures.

EFFECTIVE DATE: July 1, 1999

SPECIAL ACT 99-16 — HB 6916

*Select Committee on Housing
Planning and Development Committee*

AN ACT ESTABLISHING A BLUE RIBBON COMMISSION TO STUDY AFFORDABLE HOUSING

This act establishes a Blue Ribbon Commission to study affordable housing in Connecticut. The study must address:

1. The effectiveness of the Affordable Housing Land Use Appeals Procedure and other statutory provisions governing affordable housing;
2. The extent to which local zoning regulations comply with the requirements of the Zoning Enabling Act to encourage the development of housing opportunities and to promote housing choice and economic diversity in housing, including housing for both low and moderate income households; and
3. The extent to which the current market for housing in the State meets the housing needs of very low, low and moderate income households.

The commission is composed of the following members:

- Six individuals appointed by the Governor, at least four of whom shall be either the chief elected officials or members of the local legislative body from municipalities with populations of sixty-five thousand or less;
- Four individuals appointed by the Speaker of the House of Representatives, at least two of whom shall be representatives of for-profit housing developers, nonprofit housing developers or civil liberties organizations;
- Four individuals appointed by the Majority Leader of the House of Representatives, at least three of whom shall be representatives of housing authorities, fair housing organizations or providers of special needs housing;
- Four individuals appointed by the Minority Leader of the House of Representatives, at least two of whom shall be members of local zoning or planning and zoning commissions or planners from municipalities with a population of sixty-five thousand or less;
- Four individuals appointed by the Majority Leader of the Senate, at least three of whom shall be representatives of municipalities with a population greater than sixty-five thousand, persons with disabilities, including persons with AIDS, or civil rights organizations; and
- Four individuals appointed by the Minority Leader of the Senate, at least two of whom shall be representatives of taxpayer advocacy groups or organizations.

The chairpersons and ranking members of the Housing Committee shall be members of the commission. The Housing Committee chairmen shall serve as chairpersons of the commission as well. The chairmen shall schedule and hold the first meeting of the commission no later than sixty days after the effective date of this act.

The chairpersons and ranking members of the Planning and Development and Finance, Revenue and Bonding Committees or their designees shall serve as ex-officio members.

The Secretary of the OPM, the Commissioner of the DECD, and the Executive Director of the CHFA, or their designees, shall also serve as ex-officio members.

The Housing Committee staff shall serve as administrative staff of the commission.

The commission must submit a report on its findings and recommendations to the select committee of the Housing by February 1, 2000.

EFFECTIVE DATE: Upon Passage

PUBLIC ACT 99-30 — SB 1300

Commerce Committee

**AN ACT CONCERNING REPORTING OF CERTAIN INFORMATION REGARDING
FINANCIAL ASSISTANCE FROM CONNECTICUT INNOVATIONS,
INCORPORATED AND FROM THE CONNECTICUT DEVELOPMENT AUTHORITY**

This act requires the State's quasi-public economic development agencies to report on their financial activities annually instead of biannually. Prior law required CII and the CDA to report by March 1st and October 1st. The act requires them to report by November 1st on their activities during the 12 months ending on the proceeding June 30th and, with respect to CDA, makes conforming technical changes. (The DECD must continue to report twice a year.)

EFFECTIVE DATE: October 1, 1999

PUBLIC ACT 99-94 — HB 6639

*Select Committee on Housing
Planning and Development Committee
Commerce Committee*

AN ACT CONCERNING THE REPORTS AND REPORTING REQUIREMENTS OF THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

This act modifies the housing-related reporting requirements of the DECD. Under the act, the DECD commissioner and CHFA must prepare and file a long-range state housing plan with the General Assembly every five years. This plan replaces the advisory plan, which DECD was required to submit to the governor, the General Assembly, and the OPM every five years. The General Assembly must receive the first long-term state housing plan by January 1, 2000.

DECD must update the long-range plan annually with an action plan. The commissioner must include information on the demographics of state housing program participants that he filed previously in a separate report. The act eliminates the requirement for a separate report. It also eliminates the need for a separate annual report concerning progress toward meeting housing needs.

The act eliminates the requirements that the DECD commissioner report:

1. In even-numbered years concerning the cost, feasibility, and effectiveness of congregate housing;
2. Annually on troubled loans that the commissioner deferred in the previous year;
3. Annually on The Connecticut Housing Partnership Program; and
4. Annually the number of public housing rooms in each municipality to OPM.

EFFECTIVE DATE: October 1, 1999

PUBLIC ACT 99-272 — HB 6870

*Finance, Revenue and Bonding Committee
Planning and Development Committee*

**AN ACT CONCERNING VARIOUS EXEMPTIONS AND ABATEMENTS FROM
PROPERTY TAXES AND THE DATES OF VETERANS' SERVICE FOR CERTAIN
MILITARY CONFLICTS**

The majority of the act extends the Veterans' Property Tax Exemption to include modifications made to existing homes owned by disabled veterans. It also expands upon the definition of "veterans" by including armed forces personnel previously overlooked.

The key piece of legislation to the DECD was attached to this act in House Amendment "B." The amendment closes a loophole with allowed municipalities to tax a company for equipment or machinery not currently in use by the corporation. The amendment specifically states that property in a company's possession, but not currently in operation, is exempt from taxation.

EFFECTIVE DATE: The tax amendment will be applicable to assessment years commencing on or after October 1, 1999

PUBLIC ACT 99-144 — SB 1263

*Commerce Committee
Government Administration and Elections Committee
Environment Committee*

AN ACT CONCERNING THE MEMBERSHIP OF THE CONNECTICUT TOURISM COUNCIL

This act adds the Agricultural Commissioner or his/her designee to the Connecticut Tourism Council. The council is responsible for ensuring that the Office of Tourism's activities promote economic growth in Connecticut. Prior to this act, the council consisted of 13 state officials and tourism industry representatives.

EFFECTIVE DATE: October 1, 1999

SPECIAL ACT 99-11 — SB 1262

*Commerce Committee
Legislative Management Committee
Appropriations Committee*

AN ACT CONCERNING DISTRIBUTION OF STATE FUNDING TO HERITAGE MUSEUMS, SCIENCE MUSEUMS, HISTORICAL SOCIETIES AND OTHER CULTURAL HERITAGE PRESERVATION ENTITIES

The Commissioner of DECD shall coordinate the development of a plan for prioritizing the distribution of funding for heritage museums, science museums, historical societies and other cultural heritage preservation entities.

On or before September 1, 1999, the Commissioner must convene a working group to develop this plan. The working group shall include representatives of the Connecticut Humanities Council, the Connecticut Historical Commission, the Connecticut Trust for Historic Preservation, the Connecticut Museum Association, the Connecticut League of History Organizations, the Connecticut Tourism Council and the Connecticut Tourism Association.

The plan must provide for a screening process in which a neutral entity shall make objective, merit-based recommendations on an annual basis to the Commerce Committee regarding projects which the entity deems most worthy of, or appropriate for, state funding.

The plan must be submitted to the Commerce Committee by February 1, 2000.

EFFECTIVE DATE: Upon Passage.