



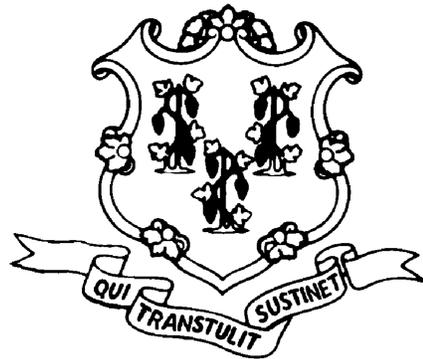
**THE CONNECTICUT  
DEPARTMENT OF  
ECONOMIC &  
COMMUNITY DEVELOPMENT**

**LEGISLATIVE SUMMARY**

**2004**

**M. Jodi Rell  
Governor**

**James F. Abromaitis  
Commissioner**



## LEGEND

AAC	"An Act Concerning..."
CDA	the "Connecticut Development Authority"
CHFA	the "Connecticut Housing Finance Authority"
CI	"Connecticut Innovations Inc."
Commissioner	Unless otherwise defined, is the Commissioner of DECD
CTSB	Connecticut Transportation Strategy Board
DECD	the "Department of Economic and Community Development"
Department	DECD
DOT	the "Department of Transportation"
DSS	the "Department of Social Services"
DSR	the "Division of Special Revenue"
DRS	the "Department of Revenue Services"
HB	"House Bill"
LLC	"limited liability company"
MAA	the "Manufacturing Assistance Act"
OPM	the "Office of Policy and Management"
PA	"Public Act"
SB	"Senate Bill"
SA	"Special Act"

### 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.

### For Further Information

For more in-depth explanations, information on other Public Acts, or questions on legislative intent, please contact:

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**AN ACT CONCERNING TECHNICAL REVISIONS TO COMMERCE  
RELATED STATUTES**

**Effective Date:** Upon passage

**Summary:** This act makes technical corrections to several statutes concerning the Connecticut Commission on Arts, Tourism, Culture, History and Film; the regional tourism districts; and the Capital City Economic Development Authority.

**AN ACT CONCERNING BONDS ISSUED BY THE CONNECTICUT  
DEVELOPMENT AUTHORITY AND ITS SUBSIDIARIES ON BEHALF  
OF MUNICIPALITIES FOR REMEDIATION PROJECTS**

**Effective Date:** Upon passage

**Summary:** This act makes projects involving the clean-up and productive reuse of contaminated sites eligible for bonds the Connecticut Development Authority (CDA) issues on behalf of towns. The law already allows CDA or its subsidiaries to issue these bonds for projects that develop or redevelop contaminated sites if, among other things, they add or support significant new economic activity or employment in the town. CDA's authority to issue bonds for these projects expires July 1, 2005.

The act makes it easier to finance projects where some or all of the taxes are delinquent for more than one year and that involve a vacant, underused, or deteriorated building. Prior law allowed towns to issue bonds to finance these projects by calculating the difference between the amount of taxes the tax delinquent property was supposed to generate and the amount it was expected to generate after it had been cleaned up and redeveloped (i. e. , tax increment financing).

The act allows towns to calculate the increment in a way that increases the amount of tax revenue available to repay the bonds. It allows them to calculate the increment based on an amount that is less than the taxes the property actually generated and the amount it is expected to generate after redevelopment. The act requires CDA to include this amount when underwriting the bonds it sells on behalf of the town to finance the projects.

## **AN ACT CONCERNING THE CONVEYANCE OF CERTAIN PARCELS OF STATE LAND**

**Effective Date:** Upon passage

**Summary:**

This act:

1. conveys parcels of state property to the (a) towns of Cheshire, Colchester, Enfield, Farmington, New Britain, New Canaan, Newtown, Norwalk, Old Saybrook, Plainfield, Trumbull, and Willington and (b) Human Resources Agency of New Britain; Nutmeg Housing Development Corporation;
2. requires the state to release its rights with respect to a parcel the Department of Transportation (DOT) conveyed to Norwalk in 2000 for urban renewal, economic development, and housing purposes;
3. specifies the circumstances under which the Department of Economic and Community Development (DECD) commissioner's determination that a municipality is severely impacted by a prime defense cutback must remain effective until the property's conveyance and environmental remediation are complete, and allows him to renew the determination for up to two years.

All of the conveyances and the exchange of properties are subject to State Property Review Board (SPRB) approval. The sale of New Britain property to the Colossale Construction Company is for \$ 66,000 and the others are at a cost equal to the administrative cost of the conveyance, which the recipient pays.

The conveyed property reverts back to the state if the recipient does not use it for the stated purpose. With three exceptions, the conveyed property also reverts to the state if the town fails to retain ownership or leases it. Colchester and New Britain can lease, but not sell, the property.

### **DOT CONVEYANCES TO OTHER PARTIES**

The act requires DOT to convey two parcels (.261 acre and .176 acre) in Norwalk to MBI, Inc. by quitclaim deed, and requires MBI, Inc. to convey the parcels to the Human Services Council, Inc., or to an entity that Human Services Council, Inc. either controls or in which it has a direct or indirect ownership interest.

DOT must also convey to Colossale Construction Company a 1.15-acre parcel of land in New Britain for \$ 66,000. The company may use the parcel for residential purposes. If the company does not use it for residential purposes, the act requires the company to erect a stockade fence around the parcel's perimeter and abstain from developing, or using for commercial purposes, any part of it that is less than 100 feet from the abutting property to the south of the parcel.

### **OTHER DEPARTMENT CONVEYANCES**

The act requires the following departments to convey state property:

1. **(Section 2)** Department of Motor Vehicles to New Britain for economic development purposes (1.22 acres);
2. **(Section 3)** DECD to Human Resources Agency of New Britain, Inc. , property in New Britain for medical or open space purposes (.32 acres);
3. **(Section 9)** DECD to Nutmeg Housing Development Corporation, property in Colchester for affordable housing (5.72 acres);

### **Section 23 CONNECTICUT COMMISSION ON CULTURE AND TOURISM FEASIBILITY STUDY**

The act requires Connecticut Commission on Culture and Tourism formerly (CACTH-F), in consultation with OPM, to study the feasibility of creating a public-private partnership for the Old Newgate Prison and Copper Mine site in East Granby. The partnership would be between the state and a nonprofit organization dedicated to preserving the site. If the commission determines the partnership is feasible, the act requires the study to include an examination of (1) the partnership's structure, (2) the nonprofit organization's role in operating the site, and (3) how other states address public-private partnerships for similar attractions. The act requires the commission to report its findings and recommendations to the Commerce Committee by January 1, 2005.

### **Section 24 MUNICIPALITIES SEVERELY IMPACTED BY PRIME DEFENSE CONTRACT CUTBACKS**

By law, in order to determine that a municipality has been severely impacted by prime defense contract cutbacks, the DECD commissioner must find that (1) a business in the municipality had at least one prime defense contract cancelled or reduced, (2) the cutback has caused or will cause a loss of employment opportunities in the municipality, and (3) the cutback has caused or will cause a severe adverse impact in the municipality. If a U. S. Defense Department military installation that produced military vehicle engines is located in such a municipality, the installation is closed due to base closures or realignment under federal law, and the Defense Department plans to convey the installation site to the municipality, the act specifies that the commissioner's determination remains in effect until the conveyance and any environmental remediation of the site are completed. It also allows the determination to be renewed for a period of up to two years.

By law, any municipality the commissioner declares to be severely impacted by a prime defense contract cutback is deemed a distressed municipality and becomes eligible for grants for non-defense-dependent development projects.

## **AN ACT CONCERNING TECHNICAL REVISIONS TO THE AUTHORITY OF THE CONNECTICUT DEVELOPMENT AUTHORITY TO FUND PROJECTS**

**Effective Date:** Upon passage

**Summary:** This act expands the range of financial assistance the Connecticut Development Authority (CDA) can provide and the purposes for which it may offer such assistance. It allows CDA to invest the proceeds from the bonds it issues in projects in addition to using the proceeds to make or guarantee loans or extend credit. The law already allows CDA to use the proceeds of state general obligation bonds to make equity investments. These proceeds fund CDA's Connecticut Growth Fund and Connecticut Works Fund programs, each of which provide different types of financing for economic development projects.

The act allows CDA to use the proceeds from its bonds to invest in or finance the expansion of existing projects or their continued operations. It also allows CDA to finance projects involving new material, works in progress, stock in trade, or stock of a corporation.

## **AN ACT STRENGTHENING ETHICS LAWS CONCERNING GIFTS, FINANCIAL DISCLOSURE AND STATE CONTRACTORS**

**Effective Date:** Upon passage, except the provision on the statement of financial interests is effective on October 1, 2004

**Summary:**

This act establishes a two-phase process for awarding building construction, procurement, or service (other than consultant or professional) contracts; leases; or licensing arrangements valued at over \$ 500,000 ("large state contracts").

Under phase I, which runs from the act's effective date to June 30, 2006, the act prohibits any state or quasi-public agency from executing a large state contract unless it receives an affidavit from the people who bid on and were awarded the contract regarding "gifts" given to agency officials or employees involved in soliciting or awarding it. During the same period, agency officials or employees authorized to execute the contract must certify that their selection was not the result of collusion, gifts, compensation, fraud, or other inappropriate influence.

Under phase II, which begins on July 1, 2006, the act prohibits any state or quasi-public agency from executing a large state contract unless it and the contract recipient certify that there was no fraud or collusion and that no gifts were exchanged from the date contract planning began to the date the contract was executed.

The act broadens the information public officials provide in their annual statement of financial interest to the State Ethics Commission to include business affiliations between a business with which they are associated.

Lastly, the act requires the Ethics Commission to (1) develop a plain language summary of state ethics laws regarding state contract bids or proposals and (2) publish it on the commission's website.

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**Public Act # 04-253**

**HB # 5571**

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***AN ACT ADDRESSING THE NURSING SHORTAGE AND ESTABLISHING A CHALLENGE GRANT FOR REGIONAL WORKFORCE DEVELOPMENT BOARDS***

**Effective Date:** Upon passage, except for the establishment of the OWC challenge grant program, which takes effect July 1, 2004.

**Summary:** This act establishes a Connecticut Nursing Incentive Program, which the Higher Education Department (DHE) must administer. It appropriates \$200,000 to DHE for the program in FY 2004-05 and allows DHE to use up to 2% for program administration in FYs 2004-05 and 2005-06.

The act also requires the Office of Workforce Competitiveness (OWC) to establish a challenge grant program for regional workforce development boards for FY 2004-05 and appropriates \$200,000 for this purpose.

**NURSING INCENTIVE PROGRAM**

The act requires DHE to provide financial assistance to up to four regional community-technical colleges that enter into partnerships with hospitals or other health care institutions to secure non-state funding to increase the number of faculty qualified to teach or train students to become registered nurses. A college seeking assistance must submit to DHE its nursing faculty expansion plan, a commitment agreement signed by its hospital or health care institution partner(s), and information on the amount of non-state funding the partnership secured. DHE may provide assistance to a college for up to two years, but it cannot provide more than \$75,000 per year or the amount of private funding secured by the partnership, whichever is less. In determining whether to provide assistance for a second year, DHE must consider the success of the nursing faculty expansion plan, as measured by such factors as the number of people teaching or training nursing students in the expansion program and the number of students graduating from nursing programs.

**CHALLENGE GRANT PROGRAM**

The purpose of this program is to (1) expand educational programs to provide low-wage, low-skilled workers with skill assessment and life management support and (2) provide training in high-growth, workforce-shortage areas such as health care and information technology. OWC must provide assistance to any regional workforce development board that raises money from

private sources and commits to using it to expand an existing job training academy to meet these goals. The amount of assistance must be equal to the amount the board raised from private sources, but OWC cannot give more than \$500,000 to all the boards.

## BACKGROUND

### *Office of Workforce Competitiveness*

OWC is the governor's principal workforce development policy advisor, acting as a liaison between him and other government entities for workforce development matters. It coordinates the state's implementation of the 1998 federal Workforce Investment Act and state agencies' workforce development activities.

By law, OWC must forecast workforce shortages in occupations in the state and recommend (1) ways to generate enough workers to meet identified workforce needs, including scholarship, school-to-career, and internship programs and (2) methods industry and secondary and higher education may use to address these needs.

### *Related Act*

**PA 04-212** requires the OWC to establish a competitive Innovation Challenge Grant Program to encourage partnerships and collaboration between technology-based businesses and industry and higher education institutions and vocational technical schools to develop educational programs in emerging interdisciplinary technology fields and address related issues.

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**Public Act # 04-1**

**May Special Session**

**SB #801**

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## **AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS**

**Effective Date:** July 1, 2004, except for the following provisions, which are effective on passage: (1) municipal credit for LOCIP funding in FYs 2003-04 and 2004-05; (2) purchase of Infoline equipment; (3) the captive insurer, pre-school facility, and hospital equipment lease access programs; (4) changes in CHEFA's authority; and (5) provisions relating to the Walnut Beach projects, Hartford senior centers bond allocation, Bridgeport school construction projects, and Groton's wastewater treatment plant

### **Summary:**

This Act:

1. authorizes bonds for various programs and purposes for FY 2004-05, reduces existing bond authorizations, and expands the purposes for which certain authorized bonds must or may be spent;

2. allows the Capital City Economic Development Authority (CCEDA) to establish a special capital reserve fund for Hartford convention center bonds, with the state treasurer's approval and subject to certain conditions;
3. extends the deadline for allocating state bonding for various Hartford projects by four years;
4. approves up to \$30 million in economic development assistance for Torrington;
5. requires the Office of Policy and Management (OPM) secretary to include additional information in his annual status reports on the Adriaen's Landing and UConn football stadium projects;
6. extends to CCEDA various financial approval requirements already applicable to other state authorities;
7. for five years, bars reallocation of bonding previously allocated for Hartford senior centers;

#### **FY 2004-05 BOND AUTHORIZATIONS**

The act increases bond authorizations for various purposes as shown in Table 1.

**TABLE 1: FY 2004-05 AUTHORIZATION INCREASES**

<i>Section</i>	<i>Agency</i>	<i>Program/Fund</i>	<i>Authorization Increase (million)</i>
1	OPM	Urban Act - urban development projects	\$ 82. 5
2	OPM	Small Town Economic Assistance Program	20. 0
3	Various	Capital Equipment Purchase Fund	18. 0
19	Agriculture	Farmland Preservation Program	2. 0

## AUTHORIZATION REDUCTIONS

The act reduces total bond authorizations for various purposes as shown in Table 2.

**TABLE 2: REDUCED AUTHORIZATIONS**

<i>Section</i>	<i>Agency</i>	<i>Program/Fund</i>	<i>Current</i>	<i>Proposed</i>	<i>Reduction (million)</i>
1	Economic & Community Development	Urban Act - economic and community development projects	\$ 74,591,642	\$ 67,591,642	(\$ 7.0)
4	OPM	Local Capital Improvement Fund	470,000,000	465,000,000	(5.0)
8	Environmental Protection	Clean Water Fund	801,030,000	741,030,000	(60.0)
11	Economic & Community Development	Manufacturing Assistance Act	505,300,000	495,300,000	(10.0)
14	Connecticut Development Authority	Investment and Loan Guaranty Fund	39,000,000	30,000,000	(9.0)
15	Environmental Protection	Special Contaminated Property Remediation and Insurance Fund	5,000,000	3,000,000	(2.0)

### Section 1 - URBAN ACT

The act allows OPM to make \$ 10 million of its Urban Act authorization available for regional economic development revolving loan funds. It also doubles the amount OPM may allocate for library renovations and improvements from \$ 5 million to \$ 10 million. **\*NOTE PA 04-02 (HB 5801) (MSS) Amended this amount to \$12 million dollars.**

## **Section 5 - LOCAL CAPITAL IMPROVEMENT PROGRAM (LOCIP)**

Despite any reduction in LOCIP funding, for FYs 2003-04 and 2004-05, the act allows municipalities to obtain the full credit they would have received if the state had authorized \$ 30 million in each of those years.

Under LOCIP, the OPM secretary allocates a share of available state funds to each municipality based on miles of road, population density, and population factors. The secretary credits the amount to each town's LOCIP account. The town may use its LOCIP credits to reimburse local spending for approved qualified projects.

## **Section 9 - SPECIAL CAPITAL RESERVE FUND FOR HARTFORD CONVENTION CENTER BONDS**

The act allows the Capital City Economic Development Authority (CCEDA), with the state treasurer's approval, to establish one or more special capital reserve funds (SCRF) in connection with issuing or refinancing authority bonds for the Hartford convention center. It allows CCEDA to pay into the fund (1) any state appropriations for the convention center SCRF; (2) proceeds from the sale of convention center bonds, if the CCEDA resolution authorizing the bonds allows it; and (3) any other funds the authority receives for such a SCRF.

The act requires the SCRF to be used only for (1) paying principal and interest on SCRF-backed bonds, (2) buying SCRF-backed CCEDA bonds, and (3) paying any premiums required to pay off the bonds before maturity. It allows CCEDA to limit SCRF withdrawals so the SCRF balance does not fall below the "required minimum capital reserve. " That minimum is (1) the maximum principal and interest or required sinking fund installment due on CCEDA bonds maturing in the current or any future calendar year or (2) the maximum SCRF amount required to preserve the bonds' federal tax exemption. The act permits CCEDA to let the SCRF balance fall below the minimum if no other funds are available to pay off SCRF-backed bonds.

The act allows CCEDA to decide not to issue new SCRF-backed bonds unless it deposits enough funds into the SCRF to keep its balance at or above the minimum reserve. By December 1 annually, the act automatically appropriates from the General Fund any amount needed to maintain the minimum reserve balance in the SCRF, as certified by CCEDA's chairman or vice-chairman to the OPM secretary and the state treasurer. Subject to its agreements with bondholders, CCEDA must repay the state from whatever funds are not needed for its other corporate purposes within one year after meeting all its obligations arising from bonds and notes outstanding on the date of the state allotment.

The act bars CCEDA from issuing SCRF-backed bonds to pay project costs unless CCEDA determines that the project's revenues will be enough to (1) pay off the bonds used to finance it, (2) maintain any reserves CCEDA thinks advisable to secure their repayment, (3) cover the cost of maintaining and insuring the project, and (4) pay any other required project costs.

The act requires that, when the fund is valued, SCRF investment assets be valued at market rates.

The act does not preclude CCEDA from establishing other non-SCRF debt service reserve funds in connection with its bonds.

## **Section 10 - CAPITAL CITY PROJECTS BOND ALLOCATION DEADLINE**

The act extends the deadline for the State Bond Commission to allocate up to \$115 million in state bonds for various Hartford projects by four years, from June 30, 2005 to June 30, 2009. The authorization covers the Civic Center and coliseum complex reconstruction; riverfront infrastructure development; housing rehabilitation; new construction, demolition, and redevelopment projects; and parking.

## **Section 12 - MANUFACTURING ASSISTANCE ACT**

The act expands the uses for which the Department of Economic and Community Development (DECD) must spend Manufacturing Assistance Act bond proceeds to include programs and activities related to economic clusters. It also allows DECD to use \$5 million for the manufacturing competitiveness grants program.

## **Section 13 - FINANCIAL ASSISTANCE TO TORRINGTON**

Between July 1, 2001 and June 30, 2007, the act allows DECD to provide bond-funded grants, loans, loan guarantees, insurance contracts, investment, or any combination of these forms of assistance totaling up to \$30 million to the Downtown Torrington Redevelopment LLC to restore and improve property in Torrington. By law, the General Assembly must approve state assistance to any applicant or business project that exceeds \$10 million in any two-year period.

## **Section 20 - ANNUAL STATUS REPORT ON ADRIAEN'S LANDING AND UCONN FOOTBALL STADIUM**

The act adds several new requirements to the annual status report on the Adriaen's Landing and UConn football stadium projects the OPM secretary must submit to the legislative leaders and the Finance, Revenue and Bonding Committee. It requires each report to include (1) current state and private funding estimates for each part of the project for each fiscal year the funding is available, (2) a summary of total project funding from various sources, and (3) detailed financial information on the income and expenses of any public entity operating at Adriaen's Landing.

The new funding summary must cover funding from:

1. General obligation bonds;
2. General Fund surpluses;
3. CCEDA revenue bonds and associated General Fund costs, including General Fund debt service reimbursements for the parking garage and utility plant;
4. Tax exemptions and credits for any part of the project;
5. Payments in lieu of taxes to any municipality for any project component;
6. Convention and science center operating subsidies;
7. Private investment; and
8. Any other sources.

The act also requires the report to include the following information on the science center, as it already does for other parts of the Adriaen's Landing project: (1) a description, (2) a detailed current budget with a comparison to the budget presented to the General Assembly before May 2, 2000, (3) a projected completion date, (4) changes in planning or execution from the prior year and reasons for the changes, and (e) end-of-year status.

Finally, the act requires the OPM secretary to submit the annual status reports only until five years after the convention center opens, instead of indefinitely as under current law.

### **Section 21 - APPROVAL FOR CERTAIN CCEDA BORROWING AND FINANCIAL ARRANGEMENTS**

The act extends to CCEDA requirements already applicable to several other authorities. These are that it obtain the state treasurer's or deputy treasurer's approval before:

1. borrowing money or issuing bonds or notes backed by either a state guarantee or any kind of capital reserve fund that includes a state contribution or guarantee or
2. entering into any agreement or contract to moderate interest rate fluctuations or concerning interest rates, currency, cash flow, or similar issues that subjects any state-guaranteed or state-funded capital reserve fund to potential liability.

By law, the state treasurer's approval, in the first case, must be based on the authority's documenting that it has enough revenue to (1) pay off the bond or note principal and interest; (2) establish and maintain advisable reserves to secure the payment of principal and interest; (3) if applicable, pay the cost of maintaining, servicing, and insuring the purpose for which the bonds or notes are issued; and (4) pay other required costs. In the second case, the authority must demonstrate that its revenue is sufficient to meet the agreement's financial obligations.

Both of the borrowing and interest rate agreement approval requirements already apply to the Connecticut Development Authority, the Connecticut Health and Educational Facilities Authority, the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Housing Finance Authority, the Connecticut Housing Authority, and the Connecticut Resources Recovery Authority. Connecticut Innovations, Inc. is subject only to the agreement requirement.

### **Section 35 - ALLOCATION FOR HARTFORD SENIOR CENTERS**

The act requires a January 2001 State Bond Commission allocation of Urban Act bonding to Hartford for senior centers to remain available to Hartford for five years from the act's passage and bars it from being reallocated.

### **Section 41 – AFFORDABLE HOUSING PILOT FOR MEDICALLY COMPLEX CHILDREN**

The act requires the Commissioner of Children and Families, in collaboration with the Commissioners of Economic and Community Development, Social Services, Mental Retardation and Public Health, the Secretary of the Office of Policy and Management and the executive director of the Connecticut Housing Finance Authority, to establish a pilot project to provide affordable housing and support services to families with children who have one or more serious, chronic medical conditions and have ongoing, significant health care service needs.

**AN ACT AUTHORIZING SPECIAL TAX OBLIGATION BONDS OF THE STATE FOR CERTAIN TRANSPORTATION PURPOSES**

**Effective Date:** Upon passage

**Summary: For Fiscal Year 2005 STO Bond Authorization (\$ millions)**

**Section 2(2)(A)** Reconstruction and improvements to the warehouse and State Pier, New London including site improvements and improvements to ferry slips     **\$ 0.3**

**Section 2(2)(B)** Development and improvements of general aviation airport facilities including grants-in-aid to municipal airports (excluding Bradley International Airport)     **\$2.0**

\*DOT has indicated that \$200,000 of the \$2,000,000 for the development and improvements of general aviation airport facilities will be made available for grants-in-aid to municipalities with airports. The funds are intended to assist towns in obtaining federal funds by providing matching funds.

**AN ACT AUTHORIZING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES**

**Effective Date:** Upon passage

**Summary:** The act authorizes up to \$3 million to the Department of Economic and Community Development to create affordable housing for families with medically complex children. The Department of Children and Families (DCF), in consultation with various other agencies, will plan for implementation of the pilot project.

The act as also:

Section	Authorization Changes	FY 05
	Agency/Description	(\$)
	<b><u>Department of Agriculture</u></b>	
Sec. 13(c)	Farm Reinvestment Program	500,000

**Department of Environmental Protection**

Sec. 13(g)	Grants-in-aid to towns for open space: Grants-in-aid to municipalities for open space land acquisition and development for conservation or recreation purposes.	1,500,000
Sec. 41	Urban sites remediation (brown fields): Grants-in-aid for identification, investigation, containment, removal or mitigation of contaminated industrial sites in urban areas, SA 95-20, Sec. 13(a)(4); SA 97-1, (J5 SS), Sec. 13(c)(5)	(119,610)

**Comm. Arts, Tourism, Culture, History and Film**

Sec. 13(a)(2)	Historic structures and landmarks: Grants-in-aid for restoration and preservation of historic structures and landmarks, provided \$50,000 shall be provided to the Hebron Historical Society for restoration of Old Hebron Town Hall	600,000
Sec. 2(o)	Renovations and restoration at state-owned historic museums	3,000,000
Sec. 13(a)(1)	Grants-in-aid to the Connecticut Arts Endowment Fund under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, for tax-exempt nonprofit organizations	1,000,000
	Subtotal	4,600,000

**Dept. of Economic and Community Development**

Sec. 9(a)	Housing Programs Language Change: Funds may be used for the Lead Action for Medicaid Primary Prevention Project	15,000,000
Sec. 9(b)	Development of a Congregate Housing Facility in Waterbury	2,500,000
Sec. 9(c)	Development of supportive housing for families with medically complex children	3,000,000

Sec. 106	Language Change: Add financing of affordable housing projects to the list of purposes for which DECD may use housing bond funds	-
Sec. 13(h)(1)	Grants-in-aid to municipalities and nonprofit organizations that are exempt under Section 501(c)(3) of the Internal Revenue Code for cultural and entertainment-related economic development projects, including museums, provided \$3,000,000 shall be used for a parking garage for the Goodspeed Opera House in East Haddam, \$2,000,000 shall be used for the Palace Theater in Stamford and \$1,000,000 shall be used for the Lyman Allen Museum in New London	8,500,000
Sec. 13 (h)(2)	Grant-in-aid to Southside Institutions Neighborhood Alliance for a community sports complex in Hartford	1,000,000
Sec. 88	Grant-in-aid to the city of East Hartford for road and infrastructure and improvements associated with the Rentschler Field project in East Hartford SA 01-2, JSS, Sec. 32(d)(2)	4,000,000
	Subtotal	34,000,000

**Connecticut Innovations, Incorporated**

Sec. 122	Financial aid for biotechnology and other high technology laboratories, facilities and equipment SA 02-1, M9SS, Sec. 24(a)	(4,000,000)
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**Public Act # 04-2                      May Special Session                      HB #5801**

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**AN ACT CONCERNING BUDGET IMPLEMENTATION**

**Effective Date:** Upon passage

**Summary:**

**Section 24 - STATE REIMBURSEMENTS FOR GEOGRAPHICALLY TARGETED TAX ABATEMENTS**

Starting in FY 2003-04, the act requires the OPM secretary to reduce proportionately the annual grants reimbursing towns for 50% of the taxes they forgo under laws that authorize property tax abatements for specified businesses in enterprise zones if the total for all grants exceeds the

budgeted amounts. He must already prorate grants reimbursing all towns for the taxes they forgo on exempted machinery and equipment and commercial motor vehicles.

EFFECTIVE DATE: Upon passage and applicable to assessment years beginning on or after October 1, 2002.

## **Section 28 - HOUSING AUTHORITY PROJECT DISPOSAL EXEMPTIONS**

Effective Date: July 1, 2004

The act adds the following exceptions to requirements for the disposal (i. e. , selling, leasing, transferring, or destroying, or contracting to do so) of a housing project owned by housing authorities that have received state financial assistance:

1. Evergreen Apartments in Bridgeport;
2. Quinnipiac Terrace/Riverview in New Haven;
3. Dutch Point in Hartford;
4. Southfield Village in Stamford; and
5. Fairfield Court in Stamford upon approval by the U. S. Department of Housing and Urban Development of a revitalization application and plan, under the HOPE VI Revitalization Program established by federal law, provided the approved plan includes at least one-for-one replacement of low- and moderate-income units.

Under current law, exceptions to the disposal process (see BACKGROUND) are: (1) phase I of Father Panik Village in Bridgeport, (2) Elm Haven in New Haven, and (3) Pequonock Gardens Project in Bridgeport.

### ***Background - Disposal of a Housing Project***

The law prohibits housing authorities that receive or have received any state financial assistance from disposing of a housing project or any part of it if doing so would cause the project or any part of it to be unavailable for use as low- or moderate-income rental housing. But the Department of Economic and Community Development commissioner may grant written approval for disposal if, after a public hearing, he finds that:

1. disposal is in the best interest of the state and the municipality in which the project is located;
2. an adequate supply of low or moderate-income rental housing exists in the municipality in which the project is located;
3. the housing authority has (a) developed a plan for the disposal of the project in consultation with the residents of the project and representatives of the municipality in which it is located and (b) has made adequate provision for the residents' and representatives' participation in the plan; and

4. any person who is displaced as a result of the disposal will be relocated to a comparable dwelling unit of public or subsidized housing in the same municipality or will receive a tenant-based rental subsidy and will receive relocation assistance required by law.

The commissioner must consider the extent to which the housing units that are to be disposed of will be replaced in ways that include newly constructed housing, rehabilitation of housing which is abandoned or has been vacant for at least one year, or new federal, state, or local tenant-based or project-based rental subsidies. The commissioner must give residents of the housing project that is to be disposed of written notice of the public hearing by first class mail no less than 90 days before the date of the hearing.

### **Section 30 - CONNECTICUT COMMISSION ON CULTURE AND TOURISM**

Effective Date: Upon passage

The act changes the name of the Connecticut Commission on Arts, Tourism, Culture, History and Film to the Connecticut Commission on Culture and Tourism.

### **CITY ECONOMIC DEVELOPMENT ACCOUNT**

Effective Date: July 1, 2004

The act carries forward the following FY 2003-04 appropriations and transfers the funds to the Capital City Economic Development account for FY 2004-05: (1) up to \$ 2. 5 million originally appropriated for OPM personal services and (2) \$ 200,000 originally appropriated for Justice Assistance Grants.

### **Sections 42 & 43 - ADRIAEN'S LANDING AND UCONN STADIUM**

Effective Date: Upon passage

The act expands the powers of the OPM secretary with regard to Adriaen's Landing and the new UConn stadium. By law, the secretary can acquire real property that comprises the site of these facilities and other property he considers necessary for related off-site infrastructure improvements, temporary construction staging, and replacement parking during construction. The act additionally allows him to exchange the property he has acquired for other real property when he believes that the exchange will better conform the site boundaries to the final plans or facilitate the layout, development, or financing of the public and private improvements contemplated in the master development plan.

By law, the secretary can lease or sublease property in connection with the overall project and on-site related private developments. (The overall project includes the convention center, stadium, and parking projects. ) The act additionally allows him, with respect to this property, to (1) grant a temporary or permanent easement and rights-of-way and (2) enter into access, support, common area maintenance, and similar agreements.

### **Section 49 - NEW BRITAIN'S MASTER HOUSING REVITALIZATION PLAN**

Effective Date: Upon passage

The act makes technical changes and a conforming change specifying that New Britain's master revitalization plan, as authorized under PA 03-6, June 30 Special Session, may be amended.

### **Section 51 - SCIENCE CENTER CONSTRUCTION AND FINANCIAL MANAGEMENT**

Effective Date: Upon passage

The act authorizes the Capital City Economic Development Authority and the OPM secretary to conclude a memorandum of understanding with the Connecticut Center for Science and Exploration for the authority and the secretary to provide financial and construction management services assistance for the center. The science center is being built in Hartford as part of the Adraien's Landing projects.

### **Section 78 - DEADLINES FOR NOTICE OF MODIFICATION OR DENIAL OF TAX BENEFITS**

Effective Date: July 1, 2004 and applicable to certifications by the OPM secretary occurring on or after July 1, 2001.

The law allows a person or business to appeal the OPM secretary's decision affecting their eligibility under various state-reimbursed property tax exemptions and relief programs and requires the secretary to notify the claimant and the appropriate local officials about his final decision. The act changes the deadline for the secretary to send these notices for some benefit programs.

Under current law, the secretary must send the final decision notice for all benefit programs by the statutory deadline for certifying the benefit amount to the comptroller. The act retains this deadline for the rebates for elderly and disabled renters tax relief program (§ 12-170d).

For the following programs, the act requires the secretary to send the notice within one year after the assistance claim is filed:

1. veterans' additional state-reimbursed exemption (§ 12-81g),
2. totally disabled tax relief (§ 12-81 (55)),
3. distressed municipality/targeted investment community/ enterprise zone tax relief for eligible manufacturing facilities, machinery, and equipment (§ 12-81 (59), (60)),
4. exemption for manufacturing machinery and equipment acquired as part of a technological upgrade (§ 12-81 (70)),
5. elderly and disabled homeowners property tax freeze (§ 12-129d), and
6. elderly and disabled homeowners circuit breaker tax relief program (§ 12-170aa).

For the following exemption programs, the act requires the secretary to send the final notice by the date the final modification must be reflected in his certification to the comptroller: (1) manufacturing machinery and equipment (§ 12-81 (72)) and (2) commercial motor vehicles (§12-81 (74)).

## **Sections 90-95 - CONNECTICUT HOUSING FINANCE AUTHORITY'S (CHFA) DUTIES AND POWERS**

Effective Date: Upon passage

### **Section 90 New Britain's Redevelopment Plan and Successor Entity**

By law, New Britain and its housing authority, in cooperation with DECD and CHFA, may redevelop Corbin Heights, Corbin Heights Extension, Pinnacle Heights, and Pinnacle Heights Extension housing projects.

Under the act, CHFA (which the act specifies is the successor entity) may amend the approved redevelopment plan. But any amendment must be proposed and approved subject to the requirements of existing law for developing the original plan, holding a public hearing and meeting the criteria to qualify for the DECD commissioner's approval. An amendment may not be submitted for approval or approved by the commissioner unless it is developed with the advice of, and in consultation with, the local planning committee.

The act requires (1) CHFA to convene a new local planning committee and (2) CHFA's executive director to designate the minimum number of committee members. The committee must include at least two residents of the developments, including residents selected by a resident association, and at least two representatives of organizations that advocate for public housing residents. In addition, each resident association of the affected developments may select one representative. CHFA's executive director designates the committee's chairperson.

The act also requires CHFA to:

1. assure that the residents of the housing developments can participate fully in the planning, review, and implementation process and
2. provide reasonable support so that residents will have access to expertise in tenant outreach, training, organizing, legal rights, and housing policy to (a) promote genuine tenant participation and (b) protect the interests of residents during the planning and implementation process.

The act allows the committee to propose amendments to the original housing redevelopment master plan. The committee must hold at least one public hearing before approving any amendments. Public hearing notices must be mailed or delivered to each tenant association representing tenants in the development and to each tenant household in the development at least 30 days in advance. In addition to the formal notice, each public hearing must be publicized in the municipality where the development is located through posted notices at the development and in both general circulation newspapers in the municipality and weekly community newspapers.

The committee must keep a record of all comments it receives (1) at the hearings and (2) at the hearing on the redevelopment plan before submitting it to the DECD commissioner for approval (as required for the original plan under existing law). The oral and written comments must be sent to the commissioner with the amendment.

## **Section 91 CHFA'S Powers**

The act specifically empowers CHFA to provide assistance in connection with the New Britain and Stamford housing revitalization plans created by PA 03-6, June 30 Special Session.

## **Section 92 DECD Property Transfer**

The act makes a technical change in reference to DECD's authority to transfer certain property to CHFA.

## **Section 93 Payments In Lieu of Taxes**

By law, DECD can enter into contracts with a municipality and its housing authority to make PILOTs to the municipality for real property the authority owns or leases under DECD's moderate rental and primary housing programs. The PILOT must equal the amount of taxes the properties would generate if they were not tax-exempt. The contract must provide that, in consideration for this PILOT, the municipality must waive the PILOT provisions that would otherwise apply, which equals 12.5% of the rent it receives for occupied costs or certain other authorized purposes.

The act extends these provisions to property CHFA owns or leases under the two programs. It is not clear whether the PILOT provision applies to property CHFA owns or leases pursuant to PA 03-6, June Special Session.

## **Section 94 Tenants Rights and Grievances Procedures**

Effective Date: July 1, 2004

By law, housing authorities receiving state assistance must (1) provide their tenants with a written lease, (2) adopt a procedure for hearing tenant complaints and grievances, (3) adopt procedures for tenants to comment on proposed housing authority policy and procedure changes, and (4) encourage tenant participation in the housing authority's operation of state housing programs. The act extends these requirements to CHFA or its subsidiary when they are successor owners of housing previously owned by a housing authority for moderate-income rental housing or housing for elderly people.

## **Section 95 - CHFA Housing Operations**

When CHFA or its subsidiary is a successor owner of housing previously owned by a housing authority for moderate-income rental housing or housing for elderly people, the act subjects CHFA or its subsidiary to the same requirements and directs it to operate or dispose of the housing in compliance with the same laws as apply to housing authorities.

## **Section 96 - WAIVER FOR A 32-UNIT DEVELOPMENT**

The act allows a housing authority that sold a 32-unit development to a private owner to apply to waive certain housing regulations in order to relocate the development's tenants.

The act allows the DECD commissioner to waive certain housing authority regulations, including for maintenance of waiting lists, for any 32-unit rental housing property that a housing authority owned and sold to a private developer between October 1, 2003, and November 30, 2003. The housing authority may apply to the commissioner for the waiver to allow for the immediate use of available state-assisted housing to relocate families or individuals from the property who are eligible for it, but would otherwise be placed on a waiting list. Any waiver that the commissioner grants remains in effect until all eligible tenants displaced by the sale who are seeking state-assisted housing have been accommodated.

### **Sections 99 & 100 - OFFICE OF POLICY AND MANAGEMENT**

The act permits the OPM secretary to authorize any agency to carry forward appropriated funds in its account that are available because of delays in contractor payments caused by the attorney general's requirement for contractor affidavits. In February 2004, the attorney general began requiring contractors in any state realty contract valued at \$ 100,000 or more to sign an affidavit about past gift-giving practices. Each contractor must swear that, within the past 10 years, neither he nor any official or employee of his company gave a gift to (1) an official or employee of the agency awarding the contract or (2) any official or employee of an agency or department with supervisory or appointing authority over the contracting agency.

The act permits the OPM secretary to delegate any of his authority, powers, or duties to the deputy secretary.

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**Public Act # 04-216**

**HB #5692**

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## **AN ACT MAKING ADJUSTMENTS TO THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2005, AND MAKING APPROPRIATIONS THEREFOR, MAKING DEFICIENCY APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2004, AND MAKING ADJUSTMENTS TO STATE AND MUNICIPAL REVENUES**

**Effective Date:** July 1, 2004

### **Summary:**

The Department's Budget was revised for Fiscal Year 2004-2005 as follows:

GENERAL FUND

2004-2005

Revised

DEPARTMENT OF ECONOMIC AND

COMMUNITY DEVELOPMENT

Personal Services	[6,784,057]	<u>6,077,938</u>
Other Expenses	[2,356,375]	<u>2,149,027</u>
Equipment	1,000	
Elderly Rental Registry and Counselors	617,654	
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS		
Entrepreneurial Centers	[150,000]	<u>142,500</u>
Subsidized Assisted Living Demonstration	[2,014,300]	<u>854,300</u>
Congregate Facilities Operation Costs	5,258,151	
Housing Assistance and Counseling Program	[378,903]	<u>588,903</u>
Elderly Congregate Rent Subsidy	1,523,004	
PAYMENTS TO LOCAL GOVERNMENTS		
Tax Abatement	2,131,112	
Payment in Lieu of Taxes	2,755,000	
AGENCY TOTAL	[23,969,556]	<u>22,098,589</u>

The original biennial budget has been modified with passage of PA 03-6, thus these previously enacted changes are incorporated into the revised FY 05 budget and are outlined below.

AGENCY/ITEM	AMOUNT
<b>Department of Economic and Community Development</b>	
Subsidized Assisted Living Demonstration	-160,000
Housing Assistance and Counseling	160,000

### Back of the Budget

A section-by-section of the back of the budget is as follows:

<b>Sect.</b>	<b>Agency</b>	<b>Account/ Purpose</b>	<b>Amount</b>
19	DOL	Funds appropriated for the Workforce Investment Act are carried forward	unexpended balance estimated at \$2,000,000
20(a)	OWC	Funds appropriated for CETC Workforce are carried forward	Up to \$650,000
20(b)	DPS/OWC	Up to \$300,000 appropriated to DPS for Fleet purchase is carried forward and transferred to OWC, of which \$250,000 is for the Small Business Innovation Research Initiative and \$50,000 is for the Connecticut Space Grant College Consortium	Up to \$300,000
20 (c)	JUD/OWC	Up to \$2 million appropriated to the Judicial Department for Personal Services is carried forward and transferred to the OWC, of which \$1 million is for Jobs Funnels; \$800,000 is for Connecticut Careers Choices; and \$200,000 is for a nanotechnology study	Up to \$2,000,000
21	DECD	Up to \$400,000 appropriated to DECD for Subsidized Assisted Living Demonstration is carried forward and used as follows \$200,000 for entrepreneurial training; and \$200,000 for consultants for seed capital funds for inner city development and high technology	Up to \$400,000
28(a)(b)	Connecticut Commission on Culture and Tourism	Carries forward funds appropriated to Connecticut Commission on Culture and Tourism for the purposes specified in PA 03-6 (JSS), \$250,000 of these funds is made available to Discovery Museum in Bridgeport	Amount carried forward is uncertain
29	OPM	Extends to FY 05 the carryforward of \$4. 2 million to Adrien's Landing Convention Center and expands the carryforward to CCEDA and the CT	Up to \$4. 2 million

		Center for Science and Exploration	
32	DOT/TSB	Funds appropriated and carried forward for the Transportation Strategy Board are carried forward	The FY03/FY04 carry forward amount had been over allocated for strategy projects. There were more projects than fund available in FY 04. This carryforward is for completion of said projects into FY 05. If there are any funds left, they are to be deposited into the TSB account instead lapsing.

**Section 64 - SEGREGATED REVENUE FOR CONNECTICUT COMMISSION ON CULTURE AND TOURISM**

**Effective Date:** Upon passage

Sections 1 and 49 of this act appropriates funds for FY 04 and FY 05, respectively for Connecticut Commission on Culture and Tourism. Therefore this section eliminates the associated revenue intercept for these expenses.

The act eliminates the requirement that the revenue services commissioner segregate \$20 million in lodgings tax receipts in FYs 2003-04 and 2004-05 to fund the Connecticut Commission on Culture and Tourism. Current law requires the commission to allocate specified amounts to the five regional tourism districts and other organizations and projects the law names out of the funds it receives in FY 2003-04. The law makes no similar provisions for the subsequent fiscal years.

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**Public Act # 04-72**

**HB # 5479**

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**AN ACT CLARIFYING PROVISIONS RELATED TO THE PROPERTY TAX EXEMPTION FOR MANUFACTURING MACHINERY AND EQUIPMENT**

**Effective Date:** Upon passage

**Summary:** By law, businesses qualify for a five-year, 100% property tax exemption on new and newly acquired manufacturing machinery and equipment that meets the Internal Revenue Code's definition of five- or seven-year property classifications for determining depreciation for federal tax purposes. The state reimburses towns for 80% of the tax revenue they forgo because of this exemption.

This act specifies that a business must have claimed the property as five or seven-year property on its federal tax return in order to qualify for the exemption. The business must provide a copy of the return and the accompanying schedules to the Office of Policy and Management (OPM) secretary if he requests them. Alternatively it, may submit only the schedules, if the secretary approves. It must also submit a sworn affidavit with them stating that they were filed as part of the return.

By law, the business must prepare a list of the machinery and equipment for which it claims the exemption and submit it to the assessor by November 1 annually. The act specifies that this requirement does not supersede the list of personal property the business must file annually with the assessor but does supersede the lists that must be filed annually by corporations and people who do not reside in a town but own personal property there.

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**Public Act # 04-99**

**SB # 556**

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## **AN ACT CONCERNING CERTAIN BUSINESS ORGANIZATION MERGERS AND DISSOLUTION OF CERTAIN NONSTOCK CORPORATIONS**

**Effective Date:** Upon passage

**Summary:** The law allows one or more domestic corporations to merge with a domestic or foreign corporation or other entity pursuant to a merger plan. This act allows domestic corporations to merge with more than one corporation or other entity.

The law allows a nonstock corporation to dissolve by delivering to the secretary of the state for filing a certificate of dissolution outlining certain information, including the corporation's name and the date dissolution was authorized. The act requires that, if the board of directors authorized the dissolution without member approval, the certificate include a statement that the board approved the dissolution and that member approval was not required.

By law, domestic limited partnerships may merge with one or more limited partnerships or other entities, and a limited liability company (LLC) may merge or consolidate into or with one or more LLCs or other entities. The act specifies that this authority to merge or consolidate applies to foreign as well as domestic LLCs and limited partnerships.

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**Public Act # 04-212**

**SB #517**

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## **AN ACT CONCERNING WORKFORCE DEVELOPMENT**

**Effective Date:** July 1, 2005 for the Challenge Grant Program and Knowledge Council; July 1, 2004 for OWC's new duties; October 1, 2004 for the DSS child day care training system; and upon passage for the other provisions.

**Summary:** This act requires the Office of Workforce Competitiveness (OWC) to establish a competitive Innovation Challenge Grant Program and expands OWC's duties. OWC must establish the program within available appropriations and in consultation with the Council of Advisors on Strategies for the Knowledge Economy, which the act creates.

The act requires the education commissioner, by January 1, 2005, in collaboration with OWC, the higher education commissioner, and Community-Technical College (CTC) System chancellor, to report to OWC, the Governor's Council on Economic Competitiveness and Technology, and the Connecticut Employment and Training Commission (CETC) on certain initiatives involving CTCs and vocational-technical (V-T) schools.

The act requires that, by October 1, 2005, OWC, in consultation with the V-T school system superintendent, create an integrated system of statewide industry advisory committees for each career cluster the V-T school and CTC systems offer. The committees must include industry representatives of the specific career cluster. Each committee must establish, as part of the school's core curriculum, specific skill standards, corresponding curriculum, and a career ladder for the cluster. The committees must do this with support from OWC, the V-T and CTC systems, and the Education Department,

The act expands the duties of the Department of Social Services (DSS) pertaining to its mandate to develop a statewide child day care training system.

The act also makes a technical change involving V-T schools.

#### CHALLENGE GRANT PROGRAM

The program must encourage partnerships and collaboration between technology-based businesses and industry and higher education institutions and V-T schools to (1) develop educational programs in emerging interdisciplinary technology fields and (2) address related issues.

#### KNOWLEDGE ECONOMY COUNCIL DUTIES AND COMPOSITION

The nine-member council must (1) advise OWC on the process for awarding challenge grants to public postsecondary schools and their business partners, (2) promote university-industry partnerships, and (3) identify benchmarks for technology-based workforce innovation and competitiveness.

The council's chairman is the OWC director. The other members are the Office of Policy and Management (OPM) secretary; the commissioners of Economic and Community Development, Higher Education, and Labor; and four representatives from the technology industry, one each appointed by the Senate president pro tempore, House speaker, and Senate and House minority leaders.

#### OWC'S NEW DUTIES

The act expands OWC's duties, requiring it to coordinate the development and implementation of strategies for technology-based talent and innovation among state and quasi-public agencies. This includes creating a centralized clearinghouse and technical assistance function at the state level to help applicants develop small business innovation research programs in conformity with the federal small business innovation research program and other proposals. The act makes OWC the lead state agency for developing employment and training strategies and initiatives required to support Connecticut's position in the knowledge economy.

## INITIATIVE REPORT

The education commissioner's report must address:

1. initiatives to build upon the existing partnership of the V-T school and CTC systems in providing an integrated system of secondary and postsecondary education for V-T school students pursuing careers in workforce shortage areas;
2. initiatives to encourage and facilitate matriculation of V-T school graduates at regional CTCs; and
3. recommendations for continually improving articulation agreements between V-T schools and CTCs and implementing new agreements between them, particularly in workforce shortage areas.

## DSS' DUTIES

Prior law required DSS to develop and implement a statewide coordinated child day care system. The act broadens the mandate, instead requiring the development of a child day care and early education training system. It adds the Higher Education Department to the following entities and agencies from whom DSS must get help to implement and develop the system: the Child Day Care Council and the departments of Public Health, Social Services, Education, Children and Families, Consumer Protection, and Economic and Community Development.

The act requires DSS, within available appropriations, to make available to people who provide child day care services in child day care centers, group day care homes, and family day care homes (1) scholarship assistance, (2) career counseling and training, (3) career ladder advancement through seamless articulation of levels of training, (4) program accreditation support, and (5) other initiatives recommended by the Social Services, Education, and Higher Education departments.

## BACKGROUND

### *Office of Workforce Competitiveness*

OWC is within OPM for administrative purposes. It is the governor's principal workforce development policy advisor, acting as a liaison between the governor and government entities for workforce development matters. It coordinates (1) the state's implementation of the 1998 federal Workforce Investment Act and (2) state agencies' workforce development activities.

By law, the office must forecast workforce shortages in occupations in the state and recommend (1) ways to generate enough workers to meet identified workforce needs and (2) methods that industry and secondary and higher education may use to address these needs.

*Connecticut Employment and Training Commission*

By law, CETC fulfills, among others, the roles of state job training coordinating council and state human resource investment council according to federal requirements. It also evaluates the effectiveness of state employment and training programs and develops plans and recommendations to avoid duplication of effort and improve delivery of relevant services.

*Federal Small Business Innovation Research Program*

This program makes awards to small businesses involved in research and development. Federal agencies with extramural research and development budgets over \$100 million annually set aside 2.5% for small companies to conduct innovative research or research and development that have potential for commercialization. The agency granting the award must determine the scientific and technical merit and feasibility of the proposal and consider its commercial potential (15 USC § 638, as amended).

*Related Act*

**PA 04-253** requires OWC to establish a challenge grant program for regional workforce development boards for FY 2004-05.

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**Public Act # 04-235**

**HB# 5245**

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**AN ACT CONCERNING THE RESEARCH AND DEVELOPMENT TAX CREDIT EXCHANGE**

**Effective Date:** Upon passage and applicable to income years starting on or after January 1, 2002.

**Summary:** This act makes state refunds for unused research and development (R&D) tax credits permanent. Prior law authorized refunds only for 2003 and 2004. A business qualifies for a refund if it:

1. grossed less than \$70 million in the prior year without counting transactions with a related business and
2. paid the alternative capital base corporation tax when it reported no income against which to apply the credits.

The refund equals 65% of the value of the unused credits.

**BACKGROUND**

*R&D Tax Credit Refunds*

The law requires the state to refund R&D tax credits a business cannot claim during a tax year in which it owes no taxes. The credit amounts are based on the business' R&D expenditures. The business can calculate that amount under two laws. One allows it to claim a credit when it increased R&D spending over the prior year. The credit equals 20% of the increase in R&D spending. The other law allows the business to claim a credit against the R&D spending they can deduct from their federal income taxes. They must determine that amount according to a statutory formula.

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**Public Act # 04-119**

**HB# 5184**

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## **AN ACT CONCERNING NONDISCLOSURE OF PRIVATE TENANT INFORMATION IN A SALE OF PUBLIC HOUSING TO A PRIVATE ENTITY**

**Effective Date:** Upon passage

**Summary:** This act prohibits any entity that buys from a housing authority all or a portion of a housing project from publicly disclosing a project tenant's Social Security or bank account number contained in the lease agreement. It also prohibits a housing authority from disclosing a tenant's Social Security or bank account number to anyone, except the purchaser of a housing project that the authority owns, without the tenant's permission. Under the act, violators can be fined up to \$200.

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**Public Act # 04-258**

**HB # 5689**

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## **AN ACT CONCERNING STATE EXPENDITURES FOR SOCIAL SERVICES PROGRAMS**

**Effective Date:** July 1, 2004

**Summary:**

### ***Section 14: Section 8 Housing Vouchers***

This act requires any entity in the state that administers federal Section 8 housing vouchers, e. g. , housing authorities, to notify the operator of a Department of Social Services-designated website of (1) the date the waiting list for new voucher applications opens, (2) the way to apply for a voucher, and (3) the date, if any, on which the waiting list will close. The notice must be given at least two weeks before opening its waiting list and can be provided electronically or in writing.

Under the act, the website operator must make the information available to the public, Infoline of Connecticut, and other organizations.

## **AN ACT CONCERNING CHILD POVERTY AND THE USE OF PSYCHOTROPIC MEDICATIONS WITH CHILDREN AND YOUTH IN STATE CARE**

**Effective Date:** Upon Passage

**Summary:** This act establishes the Child Poverty Council composed of legislative leaders, the Office of Policy and Management (OPM) secretary, executive agency heads, and other state officials to develop a plan to reduce the number of children living in poverty in Connecticut by 50% by July 1, 2014. It must submit the plan to various legislative committees by January 1, 2005 and then report annually on its implementation. The council terminates on June 30, 2015.

### **CHILD POVERTY REDUCTION PLAN**

#### *Child Poverty Council*

The act establishes the Child Poverty Council. The council consists of the House speaker and minority leader, the Senate president pro tempore and minority leader, the OPM secretary, and:

1. the commissioners of children and families, social services, correction, public health, mental retardation, mental health and addiction services, health care access, economic and community development, transportation, education, and labor;
2. the Board of Governors of Higher Education, Children's Trust Fund, and State Prevention Council chairmen;
3. the child advocate; and
4. the Children's Commission executive director.

The secretary, or his designee, is the council chairman. He is responsible for coordinating the council's activities, including scheduling and presiding over meetings and hearings.

The act does not appropriate funds for the council, but it permits it to accept and use funds from public and private sources.

#### *Plan Contents*

The council must develop a 10-year plan to reduce the number of children living in poverty in Connecticut. The plan must:

1. identify and analyze the occurrence of child poverty in the state;
2. analyze the long-term effects of child poverty on children, their families, and their communities and its costs to the state and towns;
3. inventory statewide public and private programs that address child poverty, analyze their deficiencies or inefficiencies, and identify the percentage of the target populations they serve and their current state funding levels; and

4. contain procedures and priorities for implementing strategies to achieve the 50% reduction.

The procedures and priorities for child poverty reduction strategies must include:

1. vocational training and placement to promote career progress for parents of children living in poverty;
2. education, including higher education, preliteracy, literacy, and family literacy;
3. housing for parents and children;
4. day care, after-school, and mentoring programs for children and single parents;
5. access to health care, including mental health and family planning;
6. treatment programs and services for children and parents, including those for substance abuse; and
7. accessible child nutrition programs.

In developing the plan, the council must consult with experts, service providers, and parents of children living in poverty. It must also hold at least one public hearing on the plan and may, based on the hearing testimony, make any modifications to the plan that it deems needed.

### *Reporting*

The council must submit its plan, including recommendations for legislation and funding, to the Appropriations, Human Services, and Children's committees by January 1, 2005. It must then report annually to these committees on the plan's implementation and the extent to which state actions conform to it. The first report is due by January 1, 2006.

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**Public Act # 04-143**

**HB # 5031**

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## **AN ACT REVISING CERTAIN LAWS OF THE DEPARTMENT OF TRANSPORTATION**

**Effective Date:** July 1, 2004

**Summary:** This act creates the Connecticut Maritime Commission and the State Maritime Office and abolishes the Connecticut Port Authority.

### **Section 22 CONNECTICUT MARITIME COMMISSION**

The act creates a 15-member Connecticut Maritime Commission in the DOT to (1) advise the commissioner, governor, and legislature on maritime policy and operations; (2) develop and recommend maritime policy to the governor and legislature; (3) support development of Connecticut's maritime commerce and industries, including its deepwater ports; (4) recommend investments and actions, including dredging, required to preserve and enhance them; (5) conduct

studies and make recommendations on maritime issues; and (6) support Connecticut port development, including identifying new opportunities, analyzing the potential for and encouraging private port investment, and recommending policies that support port operations.

The act designates the commission as the successor to the Connecticut Port Authority and abolishes the authority.

### **Membership**

The commission consists of the transportation, economic and community development, and environmental protection commissioners, policy and management secretary, and TSB chairman, or their designees; four members appointed by the governor; and six members appointed, one each, by the Senate president, House speaker, and House and Senate majority and minority leaders. Appointed members must be qualified by experience and training, and include members of the public and (1) a business and industry representative that regularly uses Connecticut port freight services, (2) a member or employee of a local port authority, (3) a Connecticut port operator, (4) a marine passenger service operator, (5) an elected or appointed official from a coastal community, (6) a user or provider of recreational marine services, and (7) a working member of a port labor union.

The governor must select the chairman from among the appointed members. The members must elect a secretary and may elect any other officers they see fit. Members are not compensated for their service, except for necessary expenses.

### **Annual Report and Other Duties**

The commission must hold a public hearing each year for the purpose of evaluating adequacy of the state's maritime policy, facilities, and support for maritime commerce and industry. By January 1 annually, it must submit a written report to the transportation commissioner, governor, and TSB with: (1) a list of projects that, if undertaken, would support the maritime policy and encourage maritime commerce and industry; (2) recommendations for improving maritime policies, programs, and facilities; and (3) other appropriate recommendations. The report must be submitted to the legislature in accordance with state law for state commission reports.

The act authorizes the commission to undertake any studies it finds necessary for the improvement of a balanced public transportation system in Connecticut, including its improvement for elderly and disabled users. It also has such other powers and duties as the commissioner, governor, and legislature delegate to it.

### **Miscellaneous Provisions**

The DOT staff must be available to assist the commission. The commission must also have access through the DOT to all records, reports, plans, schedules, operating rules, and other documents pertaining to Connecticut ports and navigable waterways, except those pertaining to current or pending negotiations with employee bargaining units.

A commission member who is also a public officer or employee may not suffer forfeiture of his office or employment or any loss of rights and privileges by reason of membership.

To conduct business, the commission must have a quorum of a majority of its voting membership present. Actions may be taken by vote of a majority of the quorum.

### **STATE MARITIME OFFICE**

The State Maritime Office act creates in the DOT must (1) be responsible for maritime operations, including the State Pier, Connecticut River Ferries, and other operational responsibilities it is assigned; (2) serve as the governor's principal maritime policy advisor and the liaison between federal, state, local, and private entities involved in maritime policy activities; (3) coordinate state maritime policy activities; (4) encourage year-round use of water-related industries; (5) work with the Department of Economic and Community Development and state, local, and private entities to maximize the economic potential of Connecticut's ports and maritime resources; (6) conduct necessary planning and research; (7) assess potential state investments in ports and maritime facilities; (8) provide staff support to the maritime commission; and (9) undertake other responsibilities assigned by the commissioner or governor.