



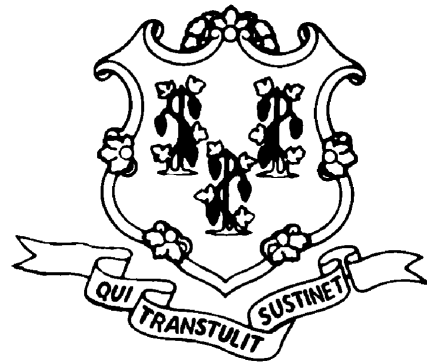
**THE CONNECTICUT
DEPARTMENT OF
ECONOMIC &
COMMUNITY DEVELOPMENT**

LEGISLATIVE SUMMARY

2005

**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”
DEP	the “Department of Environmental Protection”
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”
JSS	“June Special Session”
LLC	“limited liability company”
MAA	the “Manufacturing Assistance Act”
MSS	“May Special Session”
OPM	the “Office of Policy and Management”
PA	“Public Act”
SA	“Special Act”
SB	“Senate Bill”

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 AUTHORIZING MUNICIPALITIES TO ESTABLISH MUNICIPAL DEVELOPMENT AGENCIES**EFFECTIVE DATE:** July 1, 2005

SUMMARY: This act allows municipalities that meet certain narrow criteria to establish, by ordinance, an authority to plan and implement development or redevelopment of a specified area or parcel of land in the municipality. To qualify, the municipality must (1) have a 2000 population between 25,000 and 30,000; (2) have an area of at least 59 square miles; and (3) be the site of a Department of Correction institution. (It appears that only Newtown meets these criteria.)

The municipality's legislative body must approve the ordinance on or before December 31, 2005. The ordinance must prescribe (1) the boundaries of the area or parcel; (2) the appointment and terms of office of members of the authority; and (3) the authority's powers and duties, which must include adopting and implementing a development plan, hiring employees, building and operating improvements to the land, and leasing any part of the land and its improvements. An authority cannot adopt a plan unless there has been a public hearing in the municipality. The ordinance must also specify (1) a schedule for reporting progress on development and implementation of the development plan to the legislative body and other appropriate municipal officials; (2) that any lease is subject to the approval of the municipality's executive authority; and (3) other provisions the legislative body deems necessary.

AN ACT EXTENDING THE PROGRAM AUTHORIZING BOND FUNDS FOR INFORMATION TECHNOLOGY PROJECTS AND REMEDIATION PROJECTS AND THE TAX INCREMENTAL FINANCING PROGRAM**EFFECTIVE DATE:** Upon passage

SUMMARY: This act extends, from July 1, 2005 to July 1, 2008, the Connecticut Development Authority's (CDA) authorization to finance projects through two funding mechanisms, both of which use the new taxes a completed project generates to repay the bonds CDA issued to finance its development.

One mechanism uses a project's revenue or the new or incremental property tax revenue the project generates to repay bonds CDA issued to finance it. CDA uses this mechanism to finance projects that clean up and redevelop contaminated property or that make extensive use of information technology. The other mechanism uses the incremental sales, admissions, and dues tax revenue a project generates to repay bonds. CDA uses this mechanism to finance large-scale projects that create new jobs or stimulate significant business activity.

AN ACT CONCERNING ASSISTANCE FOR DEFENSE MANUFACTURERS' SUPPLIERS AND THE UNITED STATES NAVAL SUBMARINE BASE-NEW LONDON LOCATED IN GROTON**EFFECTIVE DATE:** July 1, 2005

SUMMARY: This act provides \$10 million in bond proceeds for improving the infrastructure at the United States Naval Submarine Base—New London in Groton to support long-term, ongoing naval operations. The proceeds come from previously authorized Manufacturing Assistance Act (MAA) bonds, which are used to finance industrial parks, facility expansions, and other large-scale development projects. The Department of Economic and Community Development (DECD) must grant the funds to the Navy or to towns, businesses, or other organizations eligible for MAA funding.

The act also requires \$1 million from the proceeds of previously authorized MAA bonds to help certain types of manufacturers adopt new production technologies and techniques. DECD must grant the proceeds to the Connecticut Center for Advanced Technology (CCAT) for this purpose. CCAT is a federally funded public-private partnership that helps universities, industries, and government agencies find ways to collaborate on developing new technologies.

CCAT must target small and medium-sized manufacturers who are at risk of losing contracts with larger defense manufacturers for supplying parts and services. It must do so by establishing and operating a center that helps these manufacturers keep up with their customers' changing needs and demands. The center must train suppliers, assist them at their worksites, and provide facilities and equipment for them. CCAT must run the center in collaboration with other state and national organizations.

CONNECTICUT CENTER FOR SUPPLY CHAIN INTEGRATION

CCAT must establish a center to help small and medium-sized manufacturers meet the changing needs and requirements of their larger, defense-manufacturing customers. It must establish technical and business assistance and training programs that help them:

1. adopt state-of-the-market digital manufacturing and information technologies and best business practices and techniques; and
2. eliminate waste that results from a lack of timely information and counter-productive relationships with their customers and other suppliers.

The center must collaborate with other state and national organizations on helping the manufacturers transition from “a commodity-oriented business” model into a “value-added technology-based” model for component and service integration.

BACKGROUND

CCAT

Universities, businesses, and state and federal agencies established CCAT with a \$1.5 million U. S. Air Force grant. CCAT focuses on developing the next generation of technological systems for military and civilian applications. Its initiatives include creating centers to (1) develop and deploy advanced technologies; (2) help entrepreneurs launch new, technology-based businesses; and (3) encourage colleges and universities to train students for advanced technology fields.

Public Act# 05-183

SB# 1

AN ACT CREATING THE OFFICE OF STATE ETHICS AND THE CITIZEN'S ETHICS ADVISORY BOARD

EFFECTIVE DATE: July 1, 2005, except for the provisions on the interim executive director and staff transfers, which are effective upon passage.

SUMMARY: This act abolishes the nine-member State Ethics Commission (SEC) and establishes the Office of State Ethics (OSE) and a nine-member Citizen's Ethics Advisory Board as its successor. The board is located within the office, which is an independent state agency. The act requires the governor, Senate president, and House speaker to jointly appoint an interim executive director to oversee the transfer of duties and responsibilities. It also requires the administrative services commissioner to transfer current SEC staff to other state agencies.

Once established, the OSE, like the SEC, will administer and enforce the Code of Ethics for Public Officials and the Code of Ethics for Lobbyists. Unlike prior law, the act clearly delineates the responsibilities of the board and OSE staff. OSE staff must primarily perform the day-to-day administrative functions that, in practice, were performed by SEC staff, and the board must perform the functions of the former nine-member commission. The OSE must follow similar procedures as the SEC. However, under the act, a judge trial referee, rather than the new office, holds probable cause hearings and determines if probable cause exists to believe that an ethics violation was committed. Another significant difference from current law is that the act requires the board to delay the effect of any decision for up to seven days upon the request of any aggrieved party.

The act requires the chief court administrator to designate and make available to the OSE 10 judge trial referees to hold probable cause hearings, make probable cause determinations, and preside over violation hearings.

OFFICE OF STATE ETHICS

Composition

The OSE is composed of an executive director, general counsel, ethics enforcement officer, and such other staff as the executive director hires. It also consists of a nine-member Citizen's Ethics Advisory Board.

Staff

The act requires the office to hire different people to serve as executive director, general counsel, and ethics enforcement officer. It exempts them from classified state service and requires the administrative services commissioner to determine their salaries in accordance with accepted personnel practices. The office may employ other necessary staff within available appropriations who must be in classified state service.

Under the act, the advisory board appoints the executive director for an open-ended term. The executive director appoints the general counsel, ethics enforcement officer, and other staff. The board must annually complete a written evaluation of the executive director's performance and the director must annually, and in writing, evaluate the general counsel's and enforcement officer's performance. The board may remove the executive director, who can remove the general counsel and ethics enforcement officer in accordance with the State Personnel Act. Additionally, the general counsel and ethics enforcement officer may be removed in accordance with any applicable collective bargaining agreement.

The general counsel, in consultation with the executive director, oversees yearly training of all state personnel in the code of ethics, provides training on the code to other individuals or entities subject to the code, and makes recommendations on public education regarding ethics.

Citizen's Ethics Advisory Board

The governor appoints three of the nine board members and the top six legislative leaders appoint one each (see BACKGROUND). The appointments must be made in the same manner as SEC appointments. Initial board members serve staggered terms of the same duration as the initial members of the SEC. Beginning October 1, 2005, subsequent members all serve four-year terms. The limitations on SEC members' terms and political activities apply to board members. Unlike SEC members, board members cannot continue in office after their terms expire. No more than five members of the board can represent the same political party.

The act alters the number of members needed to take certain actions. Under the act, as under prior law, six members constitute a quorum. However, a majority of the members, rather than a majority vote of a quorum, is necessary under the act, for most actions, including approving advisory opinions. Two-thirds of the board members present and voting are required to find an ethics violation and impose penalties. A minimum of three, rather than five, members may call a meeting.

Like SEC members, board members receive (1) a \$50 per diem for attending meetings and hearings and (2) reimbursement for necessary expenses.

Limitations on Staff and Board Members' Activities and Employment

The act requires staff and board members to adhere to the same code of ethics as staff and members of the SEC. Additionally, the act:

1. prohibits board members from being state employees and from holding any other position in state government for one year after service;

2. prohibits board members and employees from making political contributions to anyone subject to the code;
3. prohibits them from representing anyone (other than themselves) before the board within one year after service;
4. prohibits anyone who appears before the board from hiring them within that one year; and
5. requires board members to recuse themselves from proceedings involving the person who appointed them.

The act prohibits the board and OSE staff from disclosing confidential information OSE receives during an evaluation or investigation to determine possible lobbyist code violations. The same prohibition applies to OSE staff, but not the board, under the public officials code.

Organization

The act organizes the office into two divisions: legal and enforcement. The legal division, headed by the general counsel, provides information and opinions (written and verbal) to people subject to the code and to the public, gives the board legal advice on matters before it, and represents the board in matters where the board is a party. If the board needs help, it must ask the attorney general for assistance. The information the legal division receives may not be used as the sole basis for investigating or instigating a complaint.

The act requires the enforcement division, headed by the ethics enforcement officer, to (1) investigate complaints filed with the board or that the board initiates; (2) review appeals from municipal ethics agencies' decisions; and (3) advise the board on the merits of hearing each appeal. The division must employ necessary attorneys and investigators. It can refer criminal matters to the chief state's attorney.

OSE's General Duties

With a few exceptions, the act requires the OSE to perform most of the duties and responsibilities the SEC previously performed. In addition to these duties and responsibilities, the act requires the OSE, including the board, to (1) issue, compile, maintain, and preserve informal staff letters; (2) respond to inquiries and provide advice regarding the code either verbally or through informal letters; (3) provide annual ethics training to all state employees; (4) make legislative recommendations to the General Assembly; and (5) meet at least once a month with the executive director and ethics enforcement officer.

Advisory Board's General Duties

The board performs the functions, which in practice were performed by the nine-member SEC. For example, the board approves advisory opinions drafted by OSE staff, determines code violations and imposes appropriate penalties, adopts regulations, including regulations defining "major life event" and prescribing the color, size, and material for lobbyists' badges (see BACKGROUND), refers

matters, as appropriate, to the chief state's attorney; receives statements of financial interests, establishes lobbyists registration fees, and prescribes lobbyists registration and financial report forms.

Ethics Complaints, Investigations, and Hearings

Under prior law, the SEC prescribed ethics complaint forms and investigated complaints of alleged ethics violations, regardless of whether they were filed by a third person or initiated by the commission. After the investigation, which could include a hearing, the commission determined if probable cause existed to believe a violation occurred. The investigation and initial determination of probable cause were confidential, unless the respondent requested otherwise. If probable cause was found, the commission held a public hearing to determine whether there had been a violation. A judge trial referee presided over the public hearing to rule on evidentiary matters only; he did not vote on whether a violation was committed. The commission decided if a violation was committed. The commission could issue orders to correct any violation it found or punish violators.

Under the act, the board prescribes the form for complaints against public officials and state employees and the OSE prescribes the form for complaints against lobbyists. The act changes the process by (1) requiring the Citizen's Ethics Advisory Board to adopt, as regulations, procedural rules governing probable cause hearings; (2) designating the OSE's ethics enforcement officer as the only person authorized to conduct investigations; (3) requiring the board to give notice of complaints under the public officials code and the OSE to give notice under the lobbyist code; (4) separating the probable cause hearing from the investigation; and (5) authorizing a judge trial referee to conduct any probable cause hearing.

Probable Cause

The act requires the judge trial referee making the probable cause determination to do so within 30 days after he receives the alleged violation from the ethics enforcement officer. However, the referee may extend the 30-day deadline for good cause. He must publish his finding within five days after the deadline. However, as the SEC could under prior law, the OSE can prevent anyone from examining or releasing the record for up to 14 days in order to reach a stipulated agreement or settlement. The act requires a majority of board members present and voting to approve the agreement or settlement.

If a judge trial referee finds no probable cause to believe the public officials' code was violated, the act requires the (1) complaint and record and the OSE's investigation to remain confidential unless the respondent requests otherwise and (2) board to pay the respondent's legal expenses as determined by the attorney general or a court. Currently, the SEC pays these expenses if it finds no probable cause.

Violations

The act requires the board to initiate a hearing to determine if a violation has been committed within 30 days after the probable cause determination and conclude it 90 days later. A judge trial referee may extend these deadlines for good cause shown. The judge trial referee who presides over the hearing must be different from the one who conducted the probable cause hearing. The act permits the board to impose the same penalties for code violations as the SEC does currently.

STATE TRIAL REFEREES

The act requires the chief court administrator to designate and make available 10 judge trial referees to preside over and issue rulings at ethics hearings and make probable cause determinations after ethics investigations.

INTERIM EXECUTIVE DIRECTOR

The act requires the governor, Senate president, and House speaker to jointly appoint an interim executive director to serve until the Citizen's Ethics Advisory Board appoints the OSE executive director. The interim director must oversee the transfer of responsibilities and duties of the SEC to the OSE. Additionally, the act gives him the general powers and duties of the SEC.

STAFF TRANSFERS

The act requires the administrative services commissioner to transfer the current SEC staff and the funds allocated for their positions to other state agencies by July 1, 2005. The commissioner must make sure that the new positions (1) are within 20 miles of Hartford and (2) retain their employees' current titles, grades, benefits, and union membership. The act prohibits the commissioner from requiring the OSE to hire any of them. It further prohibits any state employee from being laid off as a result of the transfers.

BACKGROUND

Related Act

PA 05-3, June Special Session, permits a member of the SEC on June 30, 2005 to serve on the Citizen's Ethics Advisory Board from July 1, 2005 to September 30, 2005. After July 1, 2005, all board members, including vacancies, must be appointed consistent with the provisions in PA 05-183. Any SEC member who elects to serve on the board during the three-month period is considered to fill a vacancy and after the term expires he is eligible for appointment to one full four-year term.

If the advisory board does not have enough members from July 1, 2005 to September 1, 2005 to constitute a quorum, the governor can appoint members that the Senate president and House speaker approve. Like the SEC members who elect to serve on the board, the gubernatorial appointees are considered to fill vacancies and after their terms expire they are eligible for appointment to one full four-year term.

The act requires all board members to be in place and serving their initial terms, which begin on October 1, 2005, before they hire the executive director.

The act specifies that the regulations the advisory board adopts do not govern the conduct of judge trial referees who determine if probable cause exists to believe that an ethics violation was committed and preside over ethics violation hearings.

AN ACT CONSOLIDATING DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT REPORTS

EFFECTIVE DATE: October 1, 2005

SUMMARY: This act consolidates several Department of Economic and Community Development (DECD) reports into one annual report and expands the kind of information and analyses DECD must provide. DECD must submit the new report to the governor and the legislature by February 1 annually, beginning in 2006. Within 30 days after doing so, DECD must post the report on its website. The consolidated reports were also due annually, but at different dates. Several went to specified committees, the state auditors, the Office of Policy and Management, and the Connecticut Economic Conference Board.

The act divides the report into 15 sections, each covering topics ranging from the social and economic impact of DECD's programs to a listing of DECD-funded housing, community development, and economic development projects. DECD must still submit a separate annual report to the Commerce Committee on bond funds allocated to specific economic clusters. That report is due August 1.

AFFECTED REPORTS

Table 1 lists the reports the act consolidates, their recipients, and their due dates.

Table 1: Affected Reports

<i>Report and Statutory Citation</i>	<i>Prior Recipients</i>	<i>Prior Due Date</i>
Financial Assistance Programs (§ 32-1h)	Appropriations Committee Auditors Commerce Committee Finance, Revenue and Bonding Committee	November 1
Program Performance Report (§ 32-1i)	Appropriations Committee Commerce Committee Finance, Revenue and Bonding Committee	January 1 biennially
Economic Sectors (§ 32-1j)	Commerce Committee Finance, Revenue and Bonding Committee	January 15
Economic Cluster Report (§ 32-4g)	Commerce Committee Connecticut Economic Conference Board	August 1
Housing production and needs (§ 8-37s)	General Assembly Governor OPM	March 1
Households served (§ 8-37bb)	General Assembly	December 31

Energy conservation loans (§ 16-40b(g))	General Assembly	January 7
Special Contaminated Property Remediation and Insurance Program (§ 22a-133u)	Environment Committee	February 1
High performance work organizations (§ 32-479)	Commerce Committee Labor and Public Employees Committee	Unspecified
International Trade (§ 32-501)	Commerce Committee	January 1

CHANGES

Format

The new, consolidated report must:

1. assess the state's economy;
2. state DECD's goals and objectives, performance measures, and standards for providing assistance;
3. analyze the economic development portfolio (i. e. , businesses DECD financed during the reporting period);
4. analyze the community development portfolio (i. e. , municipalities and nonprofit organizations that received DECD funding during the period);
5. summarize DECD's marketing efforts, business recruitment strategies, and efforts to assist small and minority business enterprises;
6. summarize DECD's international trade efforts and the foreign direct investment that occurred in Connecticut during the reporting period;
7. analyze the state's industry clusters (i. e. , regionally concentrated groups of similar or interrelated businesses);
8. summarize DECD's efforts to clean up contaminated sites;
9. evaluate the enterprise zones;
10. describe and analyze DECD's housing functions;
11. present DECD's housing portfolio;

12. analyze that portfolio;
13. analyze the economic impact of DECD's housing efforts;
14. provide performance data on the Energy Conservation Loan Program; and
15. summarize the social and economic impact of DECD's programs.

New Information

The act expands several reporting specifications and adds new ones. It specifies the kind of data DECD must provide about the state's overall economic condition and requires a detailed analysis of DECD's economic, community, and housing development projects. That analysis must include:

1. wages paid by the businesses DECD funds and the total dollars DECD invested in different industries;
2. investments in projects sponsored by towns and nonprofit agencies, the other investments they leveraged, and how they benefit the economy;
3. projects that clean up and redevelop contaminated property; and
4. the number and types of housing units DECD developed and how this benefits the economy.

The report must include DECD's annual list of towns where housing developers can appeal land use decisions under the Affordable Housing Land Use Appeals Procedure.

Information Deleted

The act requires DECD to analyze the total wages paid by the businesses it financed, but drops the requirement that it compare the wages each business paid for different job categories. The act drops several requirements that DECD collect and analyze certain data regarding its business clients. These include:

1. the client's annual gross revenue;
2. economic benefit criteria DECD used to award assistance;
3. the number of jobs the clients intended to retain; and
4. the actual number of full- and part-time jobs that were created in each job category and their respective benefit levels.

The act appears to drop the requirement that DECD report the extent to which businesses it funds are achieving the public policy goals they set for themselves when they accepted DECD funds. Under

prior law, DECD submitted this report to the chief elected officials of the towns where the projects were located and to the unions representing the employees of the businesses it funded.

Public Act# 05-194

HB# 6499

**AN ACT CONCERNING CERTAIN PUBLIC INVESTMENT COMMUNITIES,
DISTRESSED MUNICIPALITIES AND ENTERPRISE CORRIDOR ZONES**

EFFECTIVE DATE: July 1, 2005

SUMMARY: This act allows towns to continue qualifying for Small Town Economic Assistance Program (STEAP) grants when they no longer meet certain eligibility criteria. A town qualifies for STEAP if it has fewer than 30,000 people and the state has not designated the entire town a distressed municipality or public investment community (PIC) or part of the town an urban center. The act allows towns to continue qualifying for STEAP grants after the state designates them a distressed municipality or a PIC.

The act changes the criteria for designating enterprise corridor zones, which are state-designated areas where manufacturers and other specified businesses qualify for property tax abatements and business tax credits for developing facilities and creating jobs.

The act also changes the point in time when the Economic and Community Development Commissioner can remove an enterprise corridor zone designation. Prior law allowed him to do so 10 years after he approved the designation if any of the participating towns no longer met the designation criteria. The act instead lets him remove the designation 10 years after the date any of the towns no longer meet the criteria.

STEAP

The act allows a town to continue qualifying for STEAP grants after the state designates them a distressed municipality or a PIC. By law, a town becomes ineligible for these grants when its population exceeds 30,000, the state designates part of the town as an urban center, or the state designates the entire town as a distressed municipality or PIC. (But these designations also qualify towns for Urban Act grants. Currently, most towns qualify for either STEAP or Urban Act grants.) The state designates urban centers every five years when it updates the State Plan of Conservation and Development. It designates distressed municipalities and PICs annually.

The act applies to towns that become ineligible for STEAP because the state designated them as distressed municipalities or PICs. It lets these towns decide if they want to qualify for Urban Act or STEAP grants. A town may choose to continue qualifying for STEAP grants only if its legislative body or the board of selectmen (if that body is a town meeting) approves and the town notifies the Office of Policy and Management (OPM) secretary in writing about the decision. The town qualifies for STEAP grants for four years and may qualify for additional four-year periods in the same manner.

Urban Act and STEAP grants fund housing, transportation, economic development, environmental protection, and social service projects. But the Urban Act's criteria are weighted more toward

projects in developed, economically distressed cities and towns. The criteria include the PIC designation, which OPM determines annually based on social and economic statistics.

ENTERPRISE CORRIDOR ZONES

The act changes the criteria for designating enterprise corridor zones. Under prior law, the legislative bodies of three or more contiguous towns could, with the Economic and Community Development Commissioner's approval, designate industrial areas within each town as corridor zones if:

1. each town was a PIC and had fewer than 60,001 people; and
2. at least half of the towns were located along the same interstate highway, limited access state highway, or intersecting interstate or limited access state highways.

The act sunsets these criteria and replaces them with new ones under which the legislative bodies of two or more contiguous towns can, with the commissioner's approval, designate all the towns as corridor zones if each town:

1. is a PIC and a distressed municipality;
2. has fewer than 40,001 people;
3. has an average unemployment rate that exceeds the state's average as reported by the labor commissioner on the preceding July 1 for the most recent 12-month period; and
4. has an average per capita income less than the state's average, according to the last census or the U. S. Census Bureau's population report for the preceding January 1, whichever is most recent.

In addition, at least one of the towns must be located along an interstate highway, a limited access state highway, or intersecting interstate or limited access state highways. And, at least one must have been designated a regional center on the State Plan of Conservation and Development's locational guide map.

BACKGROUND

Public Investment Communities

PIC is a designation that identifies fiscally distressed towns. OPM scores and ranks all towns based on residents' income, tax base and tax rates, the share of unemployed residents, and the share who receive temporary family assistance. It then designates the 42 towns in the top quartile as PICs. The designation serves as an eligibility criterion for Urban Act grants, community economic development loans, residential mortgage guarantees, malpractice insurance assistance, and enterprise corridor zone designations.

Distressed Municipalities

The Economic and Community Development Commissioner annually designates distressed municipalities based on demographic and economic indicators. The designation serves as an eligibility criterion for open space, brownfield remediation, and Urban Act funding projects.

Enterprise Corridor Zones

The Economic and Community Development Commissioner designated the two current enterprise corridor zones in 1995. They are:

1. The Route 8 zone, consisting of Ansonia, Beacon Fall, Derby, Naugatuck, and Seymour; and
2. The Interstate 395 zone, consisting of Griswold, Killingly, Lisbon, Plainfield, Putnam, Sprague, Sterling, and Thompson.

Public Act# 05-205

HB# 6570

AN ACT CONCERNING PLANS OF CONSERVATION AND DEVELOPMENT

EFFECTIVE DATE: July 1, 2005, except for the validating provision and the provisions reflecting the one-year extension and change in deadlines for the continuing committee, which are effective upon passage.

SUMMARY: This act makes many changes in the requirements and processes for preparing state, regional, and local land-use plans. It requires the State Plan of Conservation and Development (Plan of C&D) to identify areas suitable for mixed-use developments and target development funding. It requires regional planning agencies (RPAs) to revise their existing plans of development by July 1, 2008 and at least once every 10 years. It modifies the process for adopting these plans and requires them to (1) identify any inconsistencies with six growth management principles, which are included in the current state Plan of C&D and (2) note on the record any inconsistencies with that plan and the reasons for them. It expands the contents of local plans of C&D, requires them to address the same six principles, modifies the process for adopting the plans, and establishes a process under which anyone may request plan changes.

The act establishes a process for the Office of Policy and Management (OPM) to designate priority funding areas, subject to legislative approval. It generally restricts state funding for growth-related projects to such areas and establishes new criteria for targeting state funding for such projects.

The act requires the OPM secretary, within available funds, to coordinate the review of federal projects in relation to their location in priority funding areas to encourage the siting of these projects in urban areas in accordance with a federal executive order.

The act validates the adoption of the 2004-2009 Plan of C&D, notwithstanding the the failure of the Continuing Legislative Committee on State Planning and Development to hold a hearing and submit the plan to the legislature by the statutory deadline.

Under prior law, the continuing committee had to, within 35 days of the start of the regular session when the plan is presented to the legislature for its approval, hold a hearing and submit its recommendations to the legislature. The act gives the committee 45 days from the start of the session to hold its hearing, and 45 days from completing the hearing to recommend approval or disapproval.

The act makes several changes to reflect the fact that the submission date for the current plan was extended by one year.

The act bars the environmental protection commissioner from denying a water quality permit based on the proposal's inconsistency with the plan.

The act removes provision in the legislative findings of the Water Diversion Policy Act that states that diversions shall only be permitted when consistent with the plan.

STATE PLAN OF C&D

Existing law requires OPM to prepare the state Plan of C&D for legislative approval every five years. The act requires that future plans describe the progress made in achieving the goals and objectives of the last plan. Future plans must also identify:

1. areas where it is prudent and feasible to have mixed-use development patterns and land reuse that is compact, accessible to transit, and pedestrian-oriented and promote such patterns and reuse;
2. priority funding areas (described below); and
3. corridor management areas on either side of a limited-access highway or a rail line.

In designating corridor management areas, the OPM secretary must make recommendations that:

1. promote land-use and transportation options to reduce the growth of traffic congestion,
2. connect infrastructure and other development decisions,
3. promote development that minimizes the cost of new infrastructure facilities and maximizes the use of existing facilities, and
3. increase inter-municipal and regional cooperation.

The act requires that the secretary post the plan on the state website.

REGIONAL PLANS OF DEVELOPMENT

Prior law required each RPA to adopt a plan of development but set no timeframe for doing so. The act requires that they do so at least once every 10 years. It also requires RPAs to revise their existing plans by July 1, 2008. The act requires the plan to identify areas where it is prudent and feasible to have mixed-use development patterns and land reuse that is compact, accessible to transit, and

pedestrian-oriented, and to promote such patterns and reuse. It also requires the plan to identify any inconsistencies with the following growth management principles:

1. redevelop and revitalize regional centers and areas of mixed-land uses with existing or planned physical infrastructure;
2. expand housing opportunities and design choices to accommodate a variety of household types and needs;
3. concentrate development around transportation nodes and along major transportation corridors to support the viability of transportation options and land reuse;
4. conserve and restore the natural environment, cultural and historical resources, and traditional rural lands;
5. protect environmental assets critical to public health and safety; and
6. integrate planning across all levels of government to address issues on a local, regional, and statewide basis.

The act also requires that the plan include the RPAs' recommendations for the use of land for agriculture.

By law, an RPA must hold a public hearing on its draft plan. The act requires that the RPA post the plan on its website (if there is one) at least 65 days before the hearing. It requires the RPA to submit the draft plan to OPM for findings in the form of comments and recommendations, rather than giving OPM notice of the public hearing. The findings have to include a review of whether the draft is consistent with the state Plan of C&D. The RPA must note on the record any inconsistencies and the reasons for them. The RPA must notify the OPM secretary of the inconsistencies in the adopted plan and the reasons for them.

The RPA must post the adopted plan on its website, if it has one.

LOCAL PLANS OF C&D

Contents

Under existing law, a local planning commission must prepare or amend a Plan of C&D for its municipality every 10 years. The act requires the plans to (1) identify where it is feasible and prudent to have mixed-use development patterns and land reuse that is compact, transit-accessible, and pedestrian-oriented and (2) promote such patterns and reuse. The act requires the commission to consider focusing development and revitalization in areas with existing or planned infrastructure when preparing the plan.

The act requires the plans, in addition to their existing components, to provide for a system of thoroughfares, parkways, bridges, streets, sidewalks, and other public ways as appropriate, rather

than just including the commission's recommendations for these facilities. It requires the commission, in developing the plan, to consider the protection and preservation of agriculture in addition to other factors it must consider. It allows the plans to include commission recommendations for corridor management areas and proposed priority funding areas (described below).

By law, a plan must include the commission's recommendations for how the land in the municipality should be used. The act requires that the plan include a map with such proposed uses. It also specifically allows the plan to include the commission's recommendations regarding the location, relocation, and improvement of schools, a provision that already applies to public buildings.

Under prior law, the local commission had to note any inconsistencies with the state Plan of C&D. The act instead requires the commission to note any inconsistencies with six growth management principles similar to those listed above.

Adoption Process

By law, the local commission must hold a hearing on the plan. The act requires that the commission submit the plan to the RPA 35, rather than 65, days before the hearing on adopting the plan. It also requires the commission to post the draft plan on the municipality's website (if there is one) by that deadline. The act requires the RPA's advisory report back to the commission to include findings regarding the local plan's consistency with the state Plan of C&D, the regional plan of development, and the local plans of C&D of other municipalities in the RPA's area. The commission may revise the draft plan in accordance with the RPA's report, but may make a decision on the plan without the report.

The act changes when the legislative body receives and endorses the plan. Under prior law:

1. the commission had to submit the plan to the municipality's legislative body for its review at least 65 days before the public hearing,
2. the legislative body could hold a hearing on the plan at this stage and submit its comments to the commission before the commission hearing on the plan's adoption,
3. the legislative body tacitly approved the plan if it failed to report before by the hearing date, and
4. the legislative body could hold a hearing on the adopted plan and then adopt a resolution endorsing it.

Instead, the act allows the commission to revise its draft plan after its public hearing and requires that the proposed final plan be submitted to the legislative body for its endorsement. The legislative body must endorse or reject the plan or parts of it. It may submit comments and recommended changes to the commission.

In towns where the town meeting is the legislative body, the proposed final plan goes to the board of selectmen, which may hold a hearing on it. The town meeting may endorse or reject the plan or parts of it within 45 days of receiving it and submit comments and recommendations on it.

By law, even if the legislative body does not endorse all or part of the plan, the commission can still adopt it by a vote of at least two-thirds of its members.

Under the act, once the plan is adopted, it must be posted on the municipality's website (if there is one). The commission must notify the OPM secretary of any inconsistencies between the final plan and the state Plan of C&D and the reasons for them.

Requested Amendments

The act allows any property owner or tenant in the municipality, or his agent, to submit a proposal to change the plan to the commission. The proposal must be in writing and on a form prescribed by the commission. The commission must decide whether to hold a hearing on the proposal within 35 days of receiving it. It must hold a hearing if it determines that it is in the public interest.

The commission must approve, deny, or modify the proposal by the deadline that already applies to other petitions (usually 65 days after the hearing ends). If the commission determines at any time that the proposal would be a significant change to the policies and goals of the local plan, it must consider the proposal in the same way it considers plan revisions, as discussed above.

PRIORITY FUNDING AREAS

Designation

Under the act, the OPM secretary must develop recommendations for setting and revising boundaries for priority funding areas. He must consult with RPAs, the chairman of the Transportation Strategy Board; the economic and community development, environmental protection, public works, agriculture, and transportation commissioners; and other persons or entities the secretary considers necessary in doing this.

In making his recommendations, the secretary must consider:

1. regional centers, growth areas, neighborhood conservation areas, and rural community centers as designated in the state Plan of C&D;
2. redevelopment areas, distressed municipalities, targeted investment communities, public investment communities, and enterprise zones;
3. corridor management areas identified in the state Plan of C&D; and
4. the principles of the Transportation Strategy Board.

The secretary must submit his recommendations to the Continuing Legislative Committee on State Planning and Development for its review in conjunction with its review of the state Plan of C&D. (The last version of the plan was approved in March 2005; the next approval will take place in 2010.) The committee must submit its recommendations to the legislature at the time the plan is submitted. The boundaries of the priority funding areas become effective upon the approval of the legislature.

Once the areas are designated, each state agency and department must review its regulations and modify them to carry out coordinated management of growth-related projects in priority funding areas. Each agency, department, and institution must cooperate with municipalities to ensure that programs and activities in rural areas sustain village character.

State Funding for Growth-Related Projects

Once the boundaries are established, state agencies, departments, and institutions generally cannot provide funding for growth-related projects outside of the priority funding areas. Funding includes any form of assurance, guarantee, grant, credit, tax credit, loan, loan guarantee, or reduction in the principal or interest rate on all or part of a loan.

Growth-related projects are those that include:

1. acquisition of real property, other than open space for conservation or preservation purposes, with an acquisition cost over \$100,000;
2. development or improvement of real property where the development costs exceed \$100,000; and
3. acquisition of public transportation facilities or equipment costing more than \$100,000.

Growth-related projects also include the authorization of state grants of more than \$100,000, if the grant application is not pending on July 1, 2006, to (1) acquire, develop, or improve real property or (2) acquire public transportation equipment or facilities.

Any project, funding, or other state assistance, other than described above, is not subject to the financing restrictions. In addition, grant programs are not subject to the restrictions if the grant is for:

1. school construction projects funded by the Department of Education;
2. libraries;
3. municipal owned property or public buildings used for governmental purposes;
4. maintaining, repairing, adding to, or renovating existing facilities;
5. acquiring land for telecommunications towers whose primary purpose is public safety;
6. parks, conservation, and open space;
7. acquiring agricultural, conservation, and historic easements;
8. housing that the economic and community development commissioner determines will promote fair housing choice and racial and economic integration; and

9. projects at an existing facility needed to comply with state environmental or health standards.

In addition, grant funding by the Department of Economic and Community Development (DECD) is not considered a growth-related project under certain circumstances. To be exempt, the grant must be used for a project (1) financed with federal funds to purchase or rehabilitate existing single or multifamily housing or (2) financed by revenue bonds. In addition, the DECD commissioner must determine that applying these provisions would (1) conflict with state or federal law regarding the issuance or tax-exempt status of bonds or a provision of a trust agreement between DECD and trustees or (2) prohibit financing of an existing project or financing provided to cure or prevent a default under existing financing.

Funding Projects Outside of Priority Funding Areas

State funding of growth-related projects is allowed outside of priority funding areas if the head of the funding agency, with OPM approval, determines that it is consistent with the local Plan of C&D and that the project:

1. enhances other activities targeted by state agencies, departments, or institutions to a municipality within a priority funding area;
2. is located in a distressed municipality, targeted investment community, or public investment community;
3. supports existing neighborhoods or communities;
4. promotes the use of mass transit;
5. provides for mixed-use development patterns and land reuse that is compact, transit accessible, and pedestrian-oriented, and promotes such patterns and land reuse;
6. has no reasonable alternate site in a priority funding area;
7. must be located away from other developments due to its operational or physical characteristics; or
8. is for the reuse or redevelopment of an existing site.

The act also allows for funding if the extreme inequity, hardship, or disadvantage of not funding the projects clearly outweigh the benefits of locating the project within such areas.

Within one year after the areas are designated and annually thereafter, every department, agency, and institution must prepare a report that describes grants for growth-related projects made under these provisions.

AN ACT CONCERNING THE LIS PENDENS STATUTE, THE VALIDATION OF CERTAIN CONVEYANCES, NOMINATIONS AND GRANTS PURSUANT TO THE SMALL TOWN ECONOMIC ASSISTANCE PROGRAM, EXTENSIONS OF FILING DEADLINES FOR CERTAIN TAX EXEMPTIONS AND FOR LICENSURE IN SWIMMING POOL MAINTENANCE AND REPAIR, EXEMPTION FROM DECK WIDTH REQUIREMENTS FOR CERTAIN SWIMMING POOLS, AND AMENDMENTS TO THE CHARTER OF THE GROVE BEACH POINT ASSOCIATION

EFFECTIVE DATE: October 1, 2005

SUMMARY: The act validates a recorded mortgage, lease, release, assignment, or other document conveying or otherwise affecting a real estate interest from a fiduciary to himself recorded before January 2, 1997 unless someone has initiated a legal proceeding to set aside the transfer and recorded a *lis pendens* notice on the land records within 10 years after the document was recorded. (A *lis pendens* is a notice filed on the land records, which advises that a lawsuit affecting real estate is pending against the owner of that property. Once recorded, it serves as notice to anyone who subsequently acquires any interest in the property and binds him to the lawsuit's outcome.)

The law does the same thing for such documents recorded after January 1, 1997. Under prior law, a recorded notice of *lis pendens* was invalid and did not constitute constructive notice of the lawsuit unless the person recording the notice served a true and attested copy of it on the property owner within 30 days after recording it. The act eliminates the requirement to serve a copy of the *lis pendens* in foreclosure actions. Thus, a recorded notice of *lis pendens* involving a foreclosure of a mortgage or other lien would be valid and bind those who subsequently acquire an interest in the property even if the foreclosing party did not serve the property owner with a copy of the *lis pendens*.

The act requires that the party that recorded the *lis pendens* notice file a copy of the papers showing that the notice was served on the property owner with the clerk of the court in which the lawsuit that affects the property is pending. The act requires the clerk to include a copy in the court record.

The act makes North Branford eligible for a Small Town Economic Assistance Program Grant for a sewer project even if the project is inconsistent with the locational guide maps accompanying the state conservation and development plan, but requires the town to meet other state requirements as needed. It applies to municipalities that (1) have a population of fewer than 15,000 people as determined by the most recent decennial census and (2) have within their borders between 5,500 and 6,000 acres of land owned by a regional water authority.

The act validates certain actions and activities regarding:

1. property tax exemption in the cities of Bloomfield, Branford, East Hartford, Hartford, Milford, and Norwalk;
2. subdivision plan or maps in New Fairfield; and
3. the confirmation of executive or legislative nominations during the 2005 regular session.

AN ACT CONCERNING ENDOWMENT MATCHING FUNDS, THE BOARD OF TRUSTEES FOR THE UNIVERSITY OF CONNECTICUT, FACULTY INCREASES, AND THE UCONN HEALTH CENTER

EFFECTIVE DATE: July 1, 2005, except for the faculty planning provisions, which are effective on passage.

SUMMARY: This act requires UConn, Connecticut State University (CSU), and Community Technical College (CTC) boards of trustees to develop plans every two years to increase the number of full-time faculty at their institutions and biennially report these plans to the Higher Education Committee beginning December 31, 2005. The act also makes the Economic and Community Development Commissioner (DECD) and the chairman of the UConn Health Center board of trustees ex-officio members of UConn's board of trustees.

AN ACT CONCERNING THE CONVEYANCE OF CERTAIN PARCELS OF STATE LAND.

Effective Date: Upon Passage

Summary: The act requires the conveyances of various state properties. Land conveyances are subject to the review and approval of the State Properties Review Board (SPRB). The SPRB is required to review each conveyance within 30 days. Deeds or any other instruments necessary for the conveyances must be executed and delivered by the State Treasurer. These requirements are part of the respective agencies normal operations and can be accomplished with existing staff and resources.

Further Explanation

The tables below summarize each section of the act. Table 1 summarizes property conveyances and shows the fiscal impact of each. The parcels must be used for the purposes specified in the act (labeled "Use Restriction") or the property will revert to the state. Table 2 summarizes special conveyance provisions in the act, such as land exchanges. Table 3 summarizes adjustments in the conditions of prior land conveyances.

Sec.	From	To/Location	Acres	Estimated Value	Use Restriction
1	DMV	City of New Britain(land is located in Plainville)	.26 acre	N/A ¹	Economic development
2	DOT	City of New	.32 acre	\$21, 500	Economic

		Britain			development or housing
3	DOT	City of New Britain	.11 acre	\$7, 500	Economic development
28	DPW	Haddam	4 parcels – 51 acres total	Not Available	Municipal use, recreation, economic development
32	DECD	Nutmeg Housing Corp, East Hartford	5 parcels – 1.9 acres total	\$140, 200	Affordable housing

Table 3: Changes in Prior Conveyances

Sec.	From	To/Location	Reference	Language Change/Provision
13	DECD	Wallingford	N/A	Validate transfer of housing project by town housing authority to Ridgeland Road, LLC
23	State Of CT	Meriden YMCA	N/A	Land may be conveyed without moderate income housing restriction on deed
30	State of CT	Newtown	N/A	Remove deed restriction on number of units allowed in elderly housing project

Public Act# 05-289

HB# 6205

AN ACT CONCERNING TAXING DISTRICTS TO PAY FOR SOUND BARRIERS AND ESTABLISHING SPECIAL TAXING DISTRICTS WITHIN THE CITY OF BRIDGEPORT AND THE TOWN OF EAST LYME

EFFECTIVE DATE: July 1, 2005 for the authorization to create the districts in Bridgeport and East Lyme and October 1, 2005 for the authorization for districts to install sound barriers.

SUMMARY: This act allows voters in Bridgeport and East Lyme to form special taxing districts to finance roads, sewers, and other infrastructure for new development and pay for the services needed to support it. It delineates the districts’ geographic boundaries, but the districts come into existence only if the voters approve their formation. The statutes allow people who reside or own property in a section of a town to form similar special taxing districts on their own without legislative approval, but only for collecting garbage, fighting fires, or providing other similar public services.

The procedures for creating, operating, and terminating the Bridgeport and East Lyme districts are largely the same as those for creating, operating, and terminating special taxing districts under existing law. Both procedures allow people who reside or own property in the district to vote on these matters. But the act extends voting rights to corporations, partnerships, and other entities that own or have an ownership interest in property in the Bridgeport and East Lyme districts.

The Bridgeport and East Lyme districts can assess and collect property taxes, fees, rents, and benefit assessments and issue and secure bonds with these revenues and the districts' full faith and credit. They must begin issuing bonds by specified dates, after which the municipalities may vote to merge with them. The districts can assess the benefits when they first issue the bonds, which could happen before the property owners paying the assessment benefit from the improvement. Statutory districts can only assess and collect property taxes and issue bonds.

Like the statutory districts, the Bridgeport and East Lyme districts are solely liable for their bonds and other debt. Consequently, neither the state nor the districts' respective towns are liable for the bonds. The towns may help the districts finance their projects, but are under no obligation to do so. If they choose to provide financial or other assistance, they must do so under an interlocal agreement negotiated with their respective districts.

The districts' powers are in addition to those the law gives to statutory districts. But act's provisions control where they conflict with the statutes or any municipal law, ordinance, or resolution. These provisions must be liberally interpreted to achieve the districts' goals. But state and municipal laws, ordinances, and resolutions still govern property, residents, and businesses in the districts.

Lastly, the act expands the purposes of the statutory districts to include installing highway sound barriers. The law already allows them to construct and maintain roads, sidewalks, sewers, recreational facilities, and flood control systems and provide various public services, including fire protection and trash pick-up.

FORMATION

Petition

As with statutory districts, the process for forming the Bridgeport and East Lyme districts starts when 15 or more voters petition the municipalities' chief elected officials (CEOs) to convene a meeting to vote on the issue. The petitioners may include those who reside outside the proposed districts.

Decision

The forums for deciding whether to form the Bridgeport and East Lyme districts are the same as those for forming districts under the statutes. Under those statutes, voters must decide whether to create the district at a meeting or referendum. The vote must be taken within 30 days after the CEOs received the petition. The act imposes this deadline on Bridgeport's CEO but not East Lyme's.

The CEOs, at their discretion, can require the voters to decide the issue at the meeting or referendum. But they must hold a referendum if at least 200 voters or 10% of all voters residing in the proposed districts, whichever is less, petition for one. The CEOs and the voters still can call for a referendum after the CEOs scheduled the meeting, and they may do so up to 24 hours before the meeting. The act's timeframes and methods for notifying voters about the meeting or referendum are the same as those under the special districts statute.

Eligible Voters

The act's voting requirements for creating the districts are different than those for creating districts under the statutes. Under the statutes, only voters who reside in the proposed district and people who own property there can vote. The latter must be U. S. citizens age 18 or older who are liable to the district for at least \$1,000 in real property taxes or who would be liable for that minimum amount if they received no residential property tax exemptions.

The act gives voting rights to these groups and corporations, partnerships, and other holders of record interests in real property in the district. Holders of record include tenants in common and joint tenants. A tenant in common's vote equals the fraction of his ownership interest. A joint tenant's vote equals his fractional share of the real property.

Holders of record include:

1. corporations, partnerships, unincorporated associations, trustees, fiduciaries, guardians, conservators, other forms of entity, or any combination of forms; and
2. individuals who hold interests jointly or in common with other individuals or entities.

A corporation must cast its vote through its chief executive officer or his designee. A noncorporate entity must designate someone to cast its vote. Each owner gets only one vote (or fraction thereof), and the act explicitly bans the district from excluding holders of record from participating in its affairs.

Approving the District

As with districts formed under the statutes, the East Lyme district is formed if two-thirds of the voters vote to form it at the meeting or referendum. But the standard is different for the Bridgeport district: it comes into existence if voters representing two-thirds of the tax assessments of the holders of record vote to form it. In either case, the vote may be at the district's initial meeting or at a referendum on the question.

If the voters agree to form the districts, they can start operating it after the district clerks complete certain administrative steps. They must notify the municipalities about the vote, the officers the voters elected, how the districts will organize themselves, and how they will finance their operations. The clerks must also record the districts' names and boundaries in the municipalities' land records. Both requirements also apply to districts formed under the statutes. The act additionally requires the Bridgeport and East Lyme district clerks to include a caveat in those records, but does not specify its purpose.

Each district becomes a body corporate and politic with the same the powers granted to the statutory districts once their clerks complete these steps. Those powers include assessing and collecting property taxes and issuing bonds.

ORGANIZING THE DISTRICT

Organizational Meeting

The voters must address several specific policy and administrative issues if they agree to form the district. They must do this at their first meeting, which could be the meeting called on whether to form the district or a meeting held after a referendum on its formation.

The voters can address the issues only if they have a quorum, which they have if:

1. 15 or more voters are present, or
2. a majority of the holders of record are present and the assessed value of their properties exceeds half of the assessed value of all real property in the district.

The town's CEOs chair this meeting and can adjourn it until a quorum is met.

District Purpose

At the organizational meeting, the voters must specify the district's purposes, which are mostly the same those of the statutory districts. These include financing many types of public improvements, such as constructing and maintaining roads, sidewalks, drains, sewers, and parking facilities. Voters may also authorize the Bridgeport district to repair bulkheads, construct facilities, dredge water bodies, and clean up contaminated land.

Governance

The voters must name the district, elect its officers, and set the date of its annual meeting. The officers are the same as those for the statutory districts: president, vice president, clerk, treasurer, and five directors. These officers must serve until the first annual meeting, at which the voters must elect new officers. But the act allows the municipalities' CEO to appoint one additional director, who serves at the CEO's pleasure. It also requires that at least three directors be Connecticut residents.

OPERATIONS

Meetings

The act's provisions for calling special meetings and requiring votes on agenda items at regular and special meetings are the same as those that apply to statutory districts. The quorum requirement is the same as the one for the district's organizational meeting, except that the district's president, not the CEOs, may adjourn the meeting until the quorum is met. The act requires the districts' clerk to prescribe the form for submitting petitions and imposes the same requirements that apply to special municipal meetings.

Annual Reports

The district clerks must comply with the same reporting requirements that apply to statutory district clerks. By law, a district clerk must report to the town's clerk. The initial report must list the officers and describe the district's organization and finances and be accompanied by a copy of the district's charter or the special act establishing it. The law does not specify the contents of the subsequent reports, but it requires the district clerk to include copies of subsequent charter or special act changes.

Activity Reports

The district clerks must submit quarterly activity reports to the Office of Policy and Management secretary and the Finance, Revenue and Bonding Committee. The reports must provide information and updates on the districts' projects, including their design, financing, construction, sales, and any other aspect the secretary or the Finance Committee chairmen ask about. This requirement does not apply to statutory districts.

Disclosure

The districts must take affirmative steps to disclose the public funds used to finance and maintain the improvements. They must disclose this information to all existing and prospective residents and give each developer who constructs housing in their districts enough documents containing this information to pass along to prospective buyers. Condominium, cooperative, or planned unit development developers must also include the information in the public offering statement the law requires them to provide.

FINANCIAL POWERS AND MANAGEMENT

The districts' boards must adopt budgets and set taxes, fees, rents, benefit assessments, and other charges. They must do this according to procedures that they must establish at a board meeting held for that purpose. The boards must notify people and the municipalities' CEOs about the meeting and hold at least two public hearings on the revenue measures. The Bridgeport district's board must also notify the city's common council. The act requires the boards to adopt their budgets and revenue packages at least annually, within 30 days of the start of their fiscal year.

The act gives the districts broad revenue-raising powers to finance improvements, cover their debts and operating costs, and pay for other services and commodities provided to district properties. They can issue bonds and assess, levy, collect, abate, and forgive reasonable taxes, fees, rents, benefit assessments, and other charges. They may do these things to finance the improvements at the same time they issue the bonds. They can use the bond proceeds to pay 100% of the improvements, financing costs, capitalized interest, and debt. They can impose the taxes and other charges before or after they acquire or construct the improvements. The districts must base the taxes and charges they impose before acquiring or starting an improvement on the estimated costs.

The districts have the same powers as municipalities to collect revenues. These include charging interest and imposing liens, which take precedence over all other liens except Bridgeport and East Lyme's tax liens.

The act requires the districts to maintain financial records, which they must make available to municipal and state officials. It also requires the state to audit the records.

BENEFIT ASSESSMENTS

The districts can assess land and buildings that benefit, in their judgment, from district-financed improvements. They can decide how to apportion the costs among the properties benefiting from the improvements and pay the balance from the general revenues. The districts can assess newly constructed or improved buildings and structures as though they already existed when the districts initially imposed the assessment. In other words, the districts can assess these properties without prorating the benefit from when they were constructed or improved. They can also adjust assessments that were imposed before the improvements were completed to reflect their actual costs.

The districts may allow taxpayers to pay the benefit assessments in up to 30 installments. They can also forgive assessments that are due in any year without forgiving the remaining installments.

The act specifies that providing open space in the districts or their respective municipalities benefits all property within the districts.

BONDING

Bond Limits

The act authorizes the districts to issue bonds within specified limits. It allows the Bridgeport district to issue up to \$190 million and the East Lyme district to issue up to \$30 million in bonds, but only after they execute an interlocal agreement with their respective municipalities. The districts may then issue the bonds without obtaining the state's or their respective municipalities' approval.

Security

The districts can use the bond proceeds to finance the improvements, create and maintain necessary reserves, and cover the issuance costs. They can secure the bonds through a trust agreement, which need only be filed in the districts' records. The act specifically exempts the agreements from any Uniform Commercial Code filing requirements.

The districts may use their revenues and full faith and credit to secure the bonds, whose terms cannot exceed 30 years. The board may decide how to issue and repay the bonds and whether to secure them through an indenture of trust. While the districts' debt is outstanding, the legislature cannot diminish their powers, duties, or existence or impair them in any way that would harm the bondholders' rights and interests. The districts' bonds are securities in which public agencies and financial institutions may invest.

Merger Provisions

The act allows the municipalities' legislative bodies to merge the districts into the municipalities if the districts fail to issue bonds by certain dates. The deadline for the Bridgeport district is July 1, 2009; the deadline for the East Lyme district is July 1, 2007. The municipalities may also vote to

merge the districts after they pay off the bonds. In both cases, the districts must transfer their property to their respective municipalities.

TAX EXEMPTION

The act exempts the districts' revenues and real and personal property from state and municipal taxes. It also exempts the principal and interest on their bonds from taxes except state estate and gift, franchise, and excise taxes. But the state and the municipalities can still levy taxes on the incomes and properties of the people and businesses residing or operating in the districts.

TERMINATION

The requirements for terminating the district are the same as those for statutory districts. The decision must be made at a district meeting, which the officers can call for this purpose by voting to terminate the district. The voters can also trigger the meeting if at least 10% of qualified voters or 20 voters, whichever is less, sign a petition calling for a meeting on termination. Or, in lieu of the meeting, voters can petition for a referendum on termination, which requires a two-thirds affirmative vote. The petition requirements are the same as those for referenda on whether to form a district.

If the voters decide to terminate the district, it must still pay off its debt and transfer its remaining assets to the municipality. Alternatively, the district may dissolve if the municipality agrees to assume that debt.

The clerk must notify the Office of Policy and Management about the termination and record the fact in the municipalities' land records.

BACKGROUND

Related Acts

SA 05-14 authorizes the creation of a special taxing district in Redding to clean up and redevelop contaminated property and provide municipal services. PA 05-106 adds tic control to the services statutory districts may provide.

**AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2007,
DEFICIENCY APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2005,
AND CERTAIN TAXES AND OTHER PROVISIONS RELATING TO REVENUE.****EFFECTIVE DATE:** July 1, 2005 and various by sections**SUMMARY:** Section 1. The following sums are appropriated for the annual period as indicated and for the purposes described.

GENERAL FUND	
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	FY 2005-2006
Personal Services	6,544,280
Other Expenses	1,544,934
Equipment	1,000
Elderly Rental Registry and Counselors	617,654
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS	
Entrepreneurial Centers	142,500
Subsidized Assisted Living Demonstration	770,400
Congregate Facilities Operation Costs	5,258,151
Housing Assistance and Counseling Program	588,903
Elderly Congregate Rent Subsidy	1,523,004
AGENCY TOTAL	16,990,826

Section 11. The following sums are appropriated for the annual period as indicated and for the purposes described.

GENERAL FUND	
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	FY 2006-2007
Personal Services	6,734,347
Other Expenses	1,623,249
Equipment	1,000
Elderly Rental Registry and Counselors	617,654
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS	
Entrepreneurial Centers	142,500
Subsidized Assisted Living Demonstration	1,445,400
Congregate Facilities Operation Costs	5,995,979
Housing Assistance and Counseling Program	588,903
Elderly Congregate Rent Subsidy	1,523,004
AGENCY TOTAL	18,672,036

Section 49. (a) The following sums are appropriated for the purposes herein specified for the fiscal year ending June 30, 2005:

DEPARTMENT OF ECONOMIC COMMUNITY DEVELOPMENT	FY 06	FY 07	Total
PAYMENTS TO LOCAL GOVERNMENTS			
(f) Tax Abatement	1,704,890	1,704,890	3,409,780
(g) Payment in Lieu of Taxes	2,204,000	2,204,000	4,408,000
AGENCY TOTAL			7,817,780

Other General Fund Adjustments:

	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>
Stem Cell Research		10,000,000	10,000,000
OPM - OE to avoid federal base closures		1,500,000	
OPM- Plan of Conservation and Development		100,000	
OPM- PILOT Manufacturing Machinery		4,569,640	5,662,806

Section 58. (a) The following amounts appropriated in section 11 of public act 03-1 of the June 30 special session, as amended by section 1 of public act 04-216, shall not lapse on June 30, 2005, and shall continue to be available for expenditure during the fiscal year ending June 30, 2006:

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	
Personal Services	100,705
Other Expenses	78,315
OTHER THAN PAYMENTS TO LOCAL GOVERNMENTS	
Subsidized Assisted Living Demonstration	348,300
AGENCY TOTAL	527,320

Sections 62 & 63 - CORPORATION TAX SURCHARGES

The act imposes corporation tax surcharges of 20% for the 2006, and 15% for the 2007, income year. The surcharges apply to all companies that pay the tax, if they owe more than the \$250 minimum tax. The surcharges do not apply to the minimum tax.

Under the act, a corporation must calculate its surcharge based on its tax liability before any tax credits. The surcharge is due, payable, and collectible as part of the company's total tax for the year.

EFFECTIVE DATE: Upon passage and applicable to income years starting on or after January 1, 2006.

Sections 64 & 65 - BUSINESS TAX CREDIT AND TAX POLICY REVIEW COMMITTEE

Committee Membership

The act revamps the Corporation Business Tax Credit Review Committee, expands its charge, renames it the Business Tax Credit and Tax Policy Review Committee, and requires it to report annually by January 1. To date, no members have been appointed to the committee and it has never issued a report.

The act increases the committee's membership from 13 to 14 by adding the labor commissioner or his designee and makes the Finance, Revenue and Bonding Committee co-chairmen the review committee's co-chairmen. As under current law, the committee also includes one member appointed by the governor and six by legislative leaders, the Finance Committee's co-chairmen and ranking members or their designees, and the DRS and Department of Economic and Community Development commissioners or their designees.

The act requires the committee to meet whenever the chairmen consider it necessary but at least twice a year. Appointments must be made by August 15, 2005. Appointing authorities fill any vacancies.

Evaluating Business Tax Credits and Tax Policy

Under current law, the committee is responsible for evaluating corporation business tax credits. This act also makes the committee responsible for evaluating changes in the corporation tax and considering other policy changes on business taxation.

By law, the review committee must evaluate corporation tax credits according to specified criteria. The act extends these criteria to the committee's evaluation of corporation tax modifications and business tax policy changes. Each must, at a minimum, be evaluated on whether:

1. it benefits the state through measurable economic development, new in-state investments, job growth or retention, or measurable benefits to the state's workforce;
2. there is sufficient justification to continue the credit or policy in its existing form;
3. it could be more efficiently administered as part of a broad-based credit or policy; and
4. the application, administration, and approval process for the credits add unnecessary complexity to the corporation tax.

In addition, the committee must analyze the history, rationale, and estimated revenue loss for each tax credit or policy change and recommend revisions to those that are (1) redundant, obsolete, or unnecessary or (2) not providing enough of a measurable benefit to justify the state revenue loss.

DRS Information

The act requires the DRS commissioner, at the request of the review committee chairmen, to provide information to the committee about (1) corporation tax exemptions or credits, (2) how legislative tax policies are implemented and operate, and (3) other tax-related issues. The information may not include taxpayer names and addresses but may include, for each recipient of a tax credit or change in tax policy:

1. a description of its business activities;
2. amount of income apportioned to Connecticut and taxes paid on that income;
3. the exemption or credit taken and its amount; and
4. any other information DRS has available that relates to the committee's inquiry.

The act exempts tax returns and return information that DRS provides to the review committee from statutory confidentiality requirements covering tax return information.

Review Committee Report

The act requires the committee to report its findings and recommendations to the Finance, Revenue and Bonding Committee by January 1 each year starting in 2006. Under current law, the corporation tax credit review committee was to make its first report to the Finance, Revenue and Bonding Committee by January 1, 2002 and every five years thereafter.

EFFECTIVE DATE: July 1, 2005 for the changes in the committee and its responsibilities. Upon passage and applicable to income years starting January 1, 2005 for the tax return confidentiality exemption.

Public Act# 05-3

June Special Session

HB# 7502

AN ACT CONCERNING THE IMPLEMENTATION OF VARIOUS BUDGETARY PROVISIONS.

EFFECTIVE DATE: Various, see sectional summaries

SUMMARY:

Section 1 - FEDERAL BLOCK GRANT APPROVAL PROCESS

The act eliminates a requirement that the Appropriations Committee and the committee of cognizance hold a public hearing on the governor's recommended allocations for federal block grants. Under current law, the hearing must be held within 15 days after the committees' receive the recommendations from the House speaker and Senate president pro tempore. The act retains the current requirement for the committees to submit their approval or changes within 30 days of receiving the governor's recommendations.

EFFECTIVE DATE: Upon passage

Section 5 - TAX CONFIDENTIALITY EXEMPTION EFFECTIVE DATE

PA 05-251 exempts tax returns and return information that the Department of Revenue Services (DRS) provides to the Business Tax Credit and Tax Policy Review Committee from statutory confidentiality requirements to allow the committee to evaluate corporation tax credits and policies. This act changes the effective date of that exemption to July 1, 2005 from upon passage and applicable to tax years starting on or after January 1, 2005.

EFFECTIVE DATE: Upon passage

Section 24 - FUNDING FOR WATERBURY VOCATIONAL-TECHNICAL TRAINING PROGRAM

For FYs 06 and 07, the act exempts WACE Technical Training Center in Waterbury from adult education grant requirements and allows it to spend up to \$ 300,000 of the grant money it receives for technical training.

EFFECTIVE DATE: Upon passage

Section 25 - TRANSFERRING UNEMPLOYMENT TRUST FUND MONEY

This section transfers \$ 18 million of the federal money credited to the state's Unemployment Trust Fund out of the fund and appropriates it for the following uses:

1. \$ 10 million to the Labor Department to improve the 20-year-old information technology infrastructure for the unemployment compensation program;
2. \$ 2. 5 million to migrate data and improve the CTWorks Business System that links three program: One-Stop-Jobs First, Workforce Investment Act, and the Wagner-Peyser Act;
3. \$ 3. 5 million to improve linkages between employers and potential employees;
4. \$ 2 million to expand electronic storage for employer tax forms.

These amounts will be spent to the extent allowed in federal law (Sec. 903 of the Social Security Act, as amended by Sec. 209 of P. L. 107-147).

EFFECTIVE DATE: Upon passage

Section 31 - WORKFORCE COMPETITIVENESS \$ 300,000 TRANSFER

This section transfers \$ 300,000 from the Labor Department for the Spanish-American Merchants Association for FYs 06 and 07 to the Office of Workforce Competitiveness for the same fiscal years for the Spanish-American Merchants Association.

EFFECTIVE DATE: July 1, 2005

Section 36 - TAX RETURN CONFIDENTIALITY

PA 05-251 allows the revenue services commissioner to disclose tax returns and return information to the Business Tax Credit and Tax Policy Review Committee to allow the committee to evaluate corporation tax credits and policies. This act specifies that the tax return disclosure authority does not cover copies of tax returns filed with the commissioner, which must remain confidential.

EFFECTIVE DATE: Upon passage

Section 63 - COSTS OF ADMINISTERING THE FARM LAND PRESERVATION, LAND PROTECTION, AFFORDABLE HOUSING AND HISTORIC PRESERVATION ACT

The act requires that the costs of administering Public Act 05-228, AAC Farm Land Preservation, Land Protection, Affordable Housing and Historic Preservation, be paid from the land protection, affordable housing and historic preservation account that the act creates within the General Fund. Such costs include fringe benefits.

EFFECTIVE DATE: July 1, 2005

Section 83 - DSS SECURITY DEPOSIT GUARANTEE PROGRAM

PA 05-280 (HB 7000) section 39 allows the DSS commissioner to deny an applicant eligibility for DSS's security deposit guarantee program if he has made more than two claims in a five-year period.

This act makes it clear that the commissioner's ability to deny program eligibility applies to an applicant for whom the commissioner has paid two or more claims by landlords in the immediately preceding five-year period.

Generally, the law allows qualifying people who are on welfare or have a demonstrated financial need and are in emergency shelters or do not have permanent housing to apply to DSS and receive a security deposit guarantee for a rental apartment no more than once in an 18-month period without the DSS commissioner's express authorization. If the tenant does not fulfill his obligations, the landlord claims the appropriate amount of the security deposit from DSS.

EFFECTIVE DATE: July 1, 2005

Section 84 - GEOSPATIAL INFORMATION SYSTEMS (GIS) COUNCIL

Purpose

The act establishes a 21-member council to coordinate, within available appropriations, a GIS capacity for the state, regional planning agencies, municipalities and others as needed. In doing so, the council must consult with these parties. The capacity must guide and assist state and local officials involved in transportation; economic development; land use planning; environmental, cultural, and natural resource management; delivering public services; and other areas as necessary.

In coordinating the GIS capacity, the council specify how the GIS must created, maintain, and disseminate geographic information or imagery that (1) precisely identifies certain locations or areas or (2) creates maps or information profiles in graphic or electronic form about them. The council must also promote a forum where GIS information can be centralized and distributed.

The council may apply for or accept and spend federal funds on the state's behalf through OPM.

Composition

As the table shows, the council consists mostly of state officials and specific GIS users appointed by legislative leaders. The council can add more members, as it deems necessary. The appointing authority must fill any vacancies. The members are not paid for their services but are reimbursed for necessary expenses they incur while working on the council.

Geospatial Information System Council Membership

<i>Appointee</i>	<i>Appointing Authority</i>
OPM Secretary	Statutory
Environmental Protection Commissioner	Statutory
Economic and Community Development Commissioner	Statutory
Transportation Commissioner	Statutory
Public Safety Commissioner	Statutory
Public Health Commissioner	Statutory
Public Works Commissioner	Statutory
Agriculture Commissioner	Statutory
Emergency Management and Homeland Security Commissioner	Statutory
Social Services Commissioner	Statutory
Department of Information Technology Chief Information Officer	Statutory
Connecticut State University System Chancellor	Statutory
University of Connecticut President	Statutory
Connecticut Siting Council Executive Director	Statutory
Public Utility Control Authority Chairman	Statutory
Military Department Adjacent General	Statutory
GIS User representing town with over 60,000 people	Senate President Pro Tempore
GIS User representing a regional planning agency	Senate Minority Leader
GIS User representing a town with between 30,000 and 60,000 people	Governor

GIS User representing a town with fewer than 30,000 people	House Speaker
GIS User	House Minority Leader

The act requires the governor to select the council's chairman from among its members. The chairman must administer the council's affairs.

Meetings

The council must meet at least once a month and may hold additional meetings as its rules require. The chairman or any three members can call special meetings if they notify the other members in writing at least 48 hours before the meeting.

Technical Assistance Program

The council must, within available appropriations, provide technical assistance to towns and regional planning agencies for developing GISs. It must recommend how the GIS it developed can be improved.

Report

Beginning January 1, 2006, the council must report annually on its activities to the Planning and Development Committee.

EFFECTIVE DATE: Upon passage

Section 85 - LAND USE EDUCATION

The act requires the Office of Policy and Management secretary to report on the land use training and education programs available to members of local land use agencies and the extent to which members participate in them. He may include any recommendations for improving or expanding the programs, including recommendations for changing state law.

In preparing the report, the secretary must consult with:

1. environmental protection commissioner,
2. Council on Soil and Water Conservation District,
3. regional planning agencies,
4. regional councils of governments,
5. regional councils of elected officials,
6. UConn's Agricultural Extension Service,

7. Connecticut Chapter of the American Planning Association,
8. UConn's Center of Land Use Education and Research, and
9. Rural Development Council

EFFECTIVE DATE: Upon passage

Section 99 - CORRECTION TO SA 05-13

The act removes an erroneous reference to the Board for State Academic Awards in a special act requiring the higher education commissioner and the Office of Workforce Competitiveness to review and report to the Higher Education and Employment Advancement Committee on the inclusion of nanotechnology, molecular manufacturing, and advanced and developing technologies at higher education institutions.

EFFECTIVE DATE: Upon passage

Sections 101 - 103 - SUPPORTIVE HOUSING AND MENTAL HEALTH

The act amends the memorandum of understanding and debt servicing provisions of PA 05-280 (HB 7000) ("DSS Implementer," sections 32 & 33) dealing with supportive housing.

Section 101 Memorandum of Understanding

PA 05-280 requires the OPM secretary and Mental Health and Addiction Services (DMHAS) commissioner to enter into a memorandum of understanding (MOU) with the Social Services, Children and Families (DCF), and Economic and Community Development (DECD) departments to effectuate the Next Steps initiative to create 500 additional units of supportive housing. Under HB 7000, the MOU is to require (1) DMHAS and DCF to provide annual grants for support services and (2) DECD and the Connecticut Housing Finance Authority (CHFA) to provide grants, mortgage loans, and tax credits for projects. This act makes these agencies' actions optional. And it allows CHFA and DECD to combine the types of assistance they provide. It also specifies that the rent subsidies DSS can provide to project under the MOU can include payments to fund reasonable repair and replacement reserves.

The act permits the MOU to contain any provisions the parties (1) find necessary to implement the Supportive Housing Initiative (which includes an earlier 650-unit pilot program) and (2) appropriate for repaying state assistance (see below) if CHFA receives mortgage payments from federal or other sources. It eliminates a provision that the MOU provide for the state treasurer and OPM secretary to enter a debt service agreement with CHFA to pay debt service on tax-exempt bonds CHFA issues for the units, but it explicitly authorizes them to contract with CHFA to provide state assistance on bonds it issues.

PA 05-280 requires CHFA, by January 1, 2006, to issue requests for proposals to participate in the Next Steps Initiative. This act requires it to give priority to applicants that include organizations DMAHS, DSS, and DCF deem qualified to provide services.

EFFECTIVE DATE: July 1, 2005

Section 102 Debt Service Agreement

PA 05-280 permits the treasurer and OPM secretary to contract with CHFA for the state to pay principal and interest and reasonable operating reserves on CHFA mortgages issued under both phases of the Supportive Housing Initiative. This act broadens the types of such "state assistance" they may provide to include interest-rate swap payments; liquidity, letter of credit, and trustee fees; and similar bond-related expenses on bonds issued to provide mortgages, but it eliminates assistance for operating reserves. It also requires the state to pay up to \$ 70 million for reasonable repair and replacement reserves and bond issuance costs. Under the act, the Bond Commission must first authorize the treasurer and secretary to take action.

The act excludes bonds or refunding bonds to which this state assistance applies from counting against the state's bond limit. It also eliminates a requirement that the contract with CHFA include provisions the secretary and treasurer find (1) needed to assure the initiative is put into effect, (2) appropriate for repaying the state when CHFA receives mortgage payments from federal or other sources, and (3) in the state's best interests by allowing direct payment to the bond trustee or paying agent.

The act makes any provision of the contract that provides for annual debt service payments a full faith and credit obligation of the state. HB 7000 deems such a provision a state contract with the bondholders and, like this act, appropriates all amounts needed to make prompt payment.

PA 05-280 permits CHFA to pay off the original bonds at any time by issuing refunding bonds. This act permits the treasurer and OPM secretary to amend their contract with CHFA as needed in connection with such a refunding without Bond Commission authorization.

EFFECTIVE DATE: July 1, 2005

Section 104 - CONTRACTS FOR LEGAL SERVICES

Beginning January 1, 2006, PA 05-286 requires state agency contracts for legal services that will, or could reasonably be expected to, result in attorney's fees, including contingency fees, of at least \$ 250,000 to be awarded pursuant to request for proposal or for qualification and negotiation procedures.

The act limits this requirement to contracts awarded by the attorney general only. It retains a provision in PA 05-286 for the attorney general to establish request for proposal or for qualification and negotiation procedures for state agencies to follow when contracting for legal services expected to cost the state at least \$ 250,000.

EFFECTIVE DATE: Upon passage

Sections 105 - 106 - CITIZEN'S ETHICS ADVISORY BOARD MEMBERS

PA 05-183 abolishes the State Ethics Commission (SEC) and establishes the Office of State Ethics (OSE) and a nine-member Citizen's Ethics Advisory Board as its successor. It requires the governor,

Senate president, and House speaker to jointly appoint an interim executive director of the OSE to serve until the new Citizen's Ethics Advisory Board appoints the OSE executive director.

The act permits a member of the SEC on June 30, 2005 to serve on the Citizen's Ethics Advisory Board from July 1, 2005 to September 30, 2005. After July 1, 2005, all board members, including vacancies, must be appointed consistent with the provisions in PA 05-183. Any SEC member who elects to serve on the board during the three-month period is considered to fill a vacancy and after the term expires he is eligible for appointment to one full four-year term.

If the advisory board does not have enough members from July 1, 2005 to September 1, 2005 to constitute a quorum, the governor can appoint members that the Senate president and House speaker approve. Like the SEC members who elect to serve on the board, the gubernatorial appointees are considered to fill vacancies and after their terms expire they are eligible for appointment to one full four-year term.

The act requires the full board to be in place and serving their initial terms, which begin on October 1, 2005, before they hire the executive director.

EFFECTIVE DATE: Upon passage, except the provision on the executive director is effective July 1, 2005

Section 107- ETHICS PROBABLE CAUSE HEARINGS

The act stipulates that any probable cause hearing pending with the SEC on June 30, 2005 continues on and after July 1, 2005 when the SEC ceases to exist. Once the OSE is established, it must resolve all matters the SEC started.

EFFECTIVE DATE: Upon passage

Sections 108 - 109 - ETHICS REGULATIONS

PA 05-183 authorizes the board to adopt regulations to carry out the purposes of the State Ethics Code. This act specifies that the regulations do not govern the conduct of judge trial referees who determine if probable cause exists to believe that an ethics violation was committed and preside over ethics violation hearings.

EFFECTIVE DATE: July 1, 2005

Section 113 - FARMLAND PRESERVATION, LAND PROTECTION, AFFORDABLE HOUSING, AND HISTORIC PRESERVATION ACT EFFECTIVE DATE CHANGE

The act makes all the sections of PA 05-228 effective October 1, 2005. The act creates new farmland preservation programs and institutes a new document-recording fee to fund them. It takes effect July 1, 2005, except for the property tax exemption for agricultural buildings, which takes effect upon passage. The act specifies that the exemption applies to assessment years beginning on or after October 1, 2005.

EFFECTIVE DATE: Upon passage

AN ACT CONCERNING THE AUTHORIZATION OF SPECIAL TAX OBLIGATION BONDS OF THE STATE FOR CERTAIN TRANSPORTATION PURPOSES.

EFFECTIVE DATE: July 1, 2005, except (1) the New Haven Rail Line \$ 1 per trip surcharge, rail revitalization account, and revitalization program status report provisions are effective January 1, 2006; (2) the \$ 49 million bond authorization for capital resurfacing is effective may 1, 2006; (3) the FY 07 STO bond authorization for general transportation purposes and the provision requiring annual expenditures of \$ 15 million from the TSB projects account for FY 08 through FY 15 for the rail revitalization program are effective on July 1, 2006; and (4) the FY 05 transfer of \$ 5 million for the rail projects and the provision carrying forward current funding are effective upon passage.

SUMMARY: This act:

1. requires the transportation commissioner to acquire new self-propelled rail cars for the New Haven Rail Line and construct maintenance facilities for them, construct operational improvements on I-95, purchase 25 transit buses, and, in consultation with the Transportation Strategy Board (TSB) and appropriate regional planning and governmental bodies, evaluate, design, and construct transportation improvements in places other than on I-95;
2. authorizes \$ 485. 65 million in bonding for the rail-related improvements the act requires and \$ 344. 5 million in bonding for the other required transportation improvements;
3. authorizes \$ 136. 9 million in bonding for general transportation purposes in FY 06, \$ 144. 6 million for these purposes in FY 07, and \$ 49 million for capital resurfacing and related construction projects in FY 07;
4. establishes a \$ 1 per trip surcharge on tickets for travel on the New Haven Line for the seven and one-half year period from January 1, 2008 through June 2015 and dedicates the revenue from the surcharge to the rail line improvements required by the act;
5. increases the petroleum products gross earnings tax rate from the current 5% to 5. 8% in FY 06, 6. 3% in FY 07, 7% in FY 08, 7. 5% in FY 09 through FY 13, and 8. 1% for FY 14 and thereafter;
6. annually transfers specified amounts from the Special Transportation Fund (STF) to the Transportation Strategy Board projects account and directs specified amounts to be spent from the projects account on the rail-related improvements the act requires;
7. increases the current \$ 5. 25 million quarterly transfer to the STF of petroleum products tax receipts attributable from motor vehicle fuel sales to \$ 10. 875 million in FY 06, \$ 15. 25 million in FY 07, \$ 21 million in FY 08, \$ 25. 225 million in FY 09 through FY 13, and \$ 29. 85 million in FY 14 and beyond;
8. requires \$ 5 million to be spent by the TSB in both FY 06 and FY 07 for the municipal dial-a-ride matching grant program and eliminates a requirement that it be funded within available General Fund appropriations

9. eliminates the separate revenue stream from "incremental revenues" that currently goes into the TSB projects account as well as the \$ 264 million in bonding authority supported by this dedicated revenue;

10. exempts the improvements for the New Haven Rail Line from certain requirements applicable to TSB projects; and

11. makes miscellaneous related changes and requirements.

BOND AUTHORIZATIONS

Sections 27-32 Bond Authorizations for Other Specified Transportation Projects

The act allows the Bond Commission to authorize issuance of a total of \$ 344. 5 million in bonds for the period from July 1, 2005 through July 1, 2009 to be used as follows: (1) \$ 187 million for operational improvements to Interstate 95 between Greenwich and North Stonington (including environmental assessment and planning and rights-of-way and property acquisition); \$ 150 million for transportation system improvements other than on I-95 (including environmental assessment, planning, rights-of-way and property acquisition); and \$ 7. 5 million for purchase of buses.

Of the \$ 344. 5 million in total authorizations for these purposes, the act makes \$ 26. 5 million available on July 1, 2005; \$ 48 million on July 1, 2006; \$ 70 million on July 1, 2007; and \$ 100 million on July 1, 2008 and July 1, 2009.

The requirements and stipulations for issuance of bonds described above also apply to the bonds authorized under these provisions as well.

Sections 1-17 Bond Authorizations for General Transportation Purposes

The act allows the State Bond Commission to authorize issuance of \$ 136. 9 million in STO bonds for various transportation purposes in FY 06 and \$ 144. 6 million in STO bonds for various transportation purposes in FY 07. It also authorizes up to \$ 49 million in STO bonds, effective May 1, 2006, for capital resurfacing and related construction projects in FY 07.

The requirements and stipulations for issuance of bonds described above also apply to the bonds authorized under these provisions as well.

The FY 06 and FY 07 authorizations for transportation purposes must be allocated to specific programs as shown in the following table.

<i>STO Bond Authorizations for General Transportation Purposes</i>		
Department of Transportation Programs	FY 06 (\$ million)	FY 07 (\$ million)
Interstate Highway Program	\$ 11. 5	\$ 11. 5
Urban Systems Projects	\$ 8. 0	\$ 8. 0
Intrastate Highway Program	\$ 22. 5	\$ 28. 1
Soil, water supply and groundwater remediation at or near various maintenance facilities and former disposal areas	\$ 6. 0	\$ 6. 0
State bridge improvement, rehabilitation, and replacement projects	\$ 20. 0	\$ 20. 0
Reconstruction and improvements to the warehouse and State Pier in New London, including site improvements and improvements to ferry slips	\$ 0. 2	\$ 0. 3
Development and improvement to general aviation airport facilities (other than Bradley International Airport), including grants-in-aid to municipal airports	\$ 2. 0	\$ 2. 0
Bus and rail facilities and equipment, including rights-of-way, other property acquisition, and related projects	\$ 34. 0	\$ 34. 0
Department of Transportation facilities	\$ 6. 4	\$ 6. 4
Costs of issuing STO bonds and debt service reserve	\$ 26. 3	\$ 28. 3
Total Authorizations	\$ 136. 9	\$ 144. 6

Section 51 NEW HAVEN LINE REVITALIZATION PROGRAM NOT A TSB PROJECT

Currently, the TSB must coordinate preparation of a performance report on its projects that require accompanying economic development plans. By law, transportation strategy projects that require spending more than \$ 1 million must be accompanied by an economic development plan. The act prohibits projects undertaken as part of the New Haven Line Revitalization Program from being considered TSB projects and thus exempts them from these requirements.

AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS, CONCERNING THE COLLECTION OF COSTS BY THE PROBATE COURT AND CONCERNING A HOUSING TRUST FUND.

EFFECTIVE DATE: July 1, 2005, except the following provisions, which are effective on passage:

1. the grant for Enfield,
2. the regulations the DECD commissioner must adopt for rating proposals for funds under the housing trust fund program and may adopt for the program as a whole,
3. establishment of the housing trust fund advisory committee, and
4. provisions allowing the DECD commissioner to inspect records and other financial or project-related information.

SUMMARY: For the FY 06-07 biennium, this act authorizes additional state general obligation (GO) bonds for various programs. They include \$ 150 million for urban development projects under the Urban Act, \$ 60 million for local capital improvement projects for cities and towns, \$ 40 million for the Small Town Economic Assistance Program (STEAP), \$ 18 million for farmland preservation, and \$ 10 million for the Manufacturing Assistance Act. The act also authorizes \$ 100 million in revenue bonds for Clean Water Fund projects.

The act expands eligibility for STEAP, changes the basis for establishing probate court costs for settling an estate, and reduces certain GO bond authorizations to the Office of Policy and Management (OPM) and the Department of Social Services (DSS). It also gives Enfield an extra Clean Water Fund grant to pay additional costs for upgrading its wastewater treatment plant.

The act creates a Housing Trust Fund and authorizes the State Bond Commission to capitalize it by issuing up to \$ 100 million in bonds, with \$ 20 million effective each July 1, from 2005 to 2009. It establishes a Housing Trust Fund Program to expand affordable housing opportunities for low- and moderate-income people and requires the bond proceeds to be used for this purpose.

The act specifies that the bond commission may only authorize bonds for the Housing Trust Fund when there has been an authorization request filed with it. The Office of Policy and Management (OPM) secretary must have signed the request, which must state the terms and conditions the commission may require.

The act establishes housing trust fund program goals and defines the types of housing to be developed and who is eligible for it. It (1) requires the Department of Economic and Community Development (DECD) to develop and administer the program, including adopting regulations and forming a Housing Trust Fund Program Advisory Committee, the membership of which the act details, and (2) gives the DECD commissioner the power to inspect records and other financial or project-related information of those who receive financial assistance under the program to protect the state's interest or obligations concerning such assistance.

The act allows large municipalities to create water authorities and to transfer all or part of their water systems to it. It establishes procedures for creating such authorities and establishes their powers, tax status, rights, and liabilities.

GO BOND AUTHORIZATIONS

The act authorizes bonds for FYs 06 and 07 in the amounts and for the purposes shown in Table 1. Unless otherwise stated, all authorizations are for GO bonds.

Table 1: Bond Authorizations for FY 06 & FY 07

<i>Section</i>	<i>Agency</i>	<i>Purpose/Fund</i>	<i>Total Authorization</i>	<i>FY 2006</i>	<i>FY 2007</i>
1	OPM	Urban development projects	\$ 150,000,000	\$ 85,000,000	\$ 65,000,000
2	OPM	Small Town Economic Assistance Program	40,000,000	20,000,000	20,000,000
3	OPM	Capital Equipment Purchase Fund	52,550,000	27,500,000	25,050,000
4	OPM	Local Capital Equipment Improvement Program	60,000,000	30,000,000	30,000,000
12	Economic and Community Development	Manufacturing Assistance	10,000,000	5,000,000	5,000,000
13	Environmental Protection	Special Contaminated Property Remediation and Insurance Fund	1,000,000	0	1,000,000

Section 1 - URBAN ACT EARMARKS

Of the \$ 150 million authorized for Urban Act projects, the act earmarks \$ 1. 4 million for renovating and rehabilitating the Black Rock Library in Bridgeport and \$ 2. 5 million for site acquisition, renovation, and rehabilitation of the Institute for the Hispanic Family in Hartford.

Section 2 - STEAP ELIGIBILITY

The act eliminates the population restrictions for STEAP eligibility, thus making the following six towns eligible for the program: Fairfield, Glastonbury, Greenwich, Southington, Trumbull, and Wallingford. Under current law, towns with populations of 30,000 or more are ineligible. The act retains the current requirements that STEAP towns not be economically distressed, not have urban centers according to any state plan of conservation and development adopted by the General Assembly, and not be public investment communities.

Sections 7-8 - REDUCED GO BOND AUTHORIZATIONS

The act reduces GO bond authorizations to:

1. OPM for compensating certain state and municipal bondholders for the state taking their rights to exclude certain bond interest from state corporation taxes, from \$ 35. 5 million to \$ 33. 26 million (§ 7) and
2. DSS for grants to municipalities and state agencies for child care facilities primarily for their employees, from \$ 7,775,000 to \$ 6,024,798 (§ 8).

Sections 16-22 HOUSING TRUST FUND

Funding and the Treasurer's Duties

The act establishes the "Housing Trust Fund" as a non-lapsing fund that is held by the state treasurer and separate from all other money, funds, and accounts. Under the act, the following must be deposited in it:

1. proceeds from the bonds the act authorizes;
2. all funds received in return for financial assistance awarded through the Housing Trust Fund Program; and
3. any private contributions.

The act specifies that (1) investment earnings credited to the fund's assets become part of the fund; (2) the treasurer must invest the money held by the Housing Trust Fund subject to use for financial assistance under the Housing Trust Fund Program, which the act establishes; and (3) the funds are in addition to any other resources from state, federal, or other entities that support affordable housing. The act specifies (1) how the treasurer may invest, reinvest, or deposit proceeds and (2) that any unexpended or unallocated amounts in the Housing Trust Fund from one fiscal year may be carried over to the next fiscal year and that adjustments may be made for shortfalls.

Other Funding Sources

DECD, with OPM approval, may solicit contributions from private entities, nonprofit and for-profit corporations, philanthropic organizations, and financial institutions, to support and expand the resources available through the Housing Trust Fund. But these funds must be distributed as specified by their contributor. If a contributor did not designate fund usage, the commissioner must use the funds for the program.

Housing Trust Fund Program Goals

The act establishes the Housing Trust Fund Program and requires the DECD to develop and administer it. The program must:

1. encourage the creation of housing for homeownership at a cost that makes it affordable for low- and moderate-income people, meaning they pay no more than 30% of their gross household income for it;
2. promote the rehabilitation, preservation, and production of quality, well-designed rental and homeownership housing affordable for these people;
3. maximize the leveraging of state and federal funds by encouraging private sector investment in housing developments that receive assistance;
4. encourage housing that maximizes housing choices of residents;
5. enhance economic opportunity for low- and moderate-income people and their families;
6. promote the application of efficient land use that uses existing infrastructure and the conservation of open spaces; and
7. encourage the development of housing that aids community revitalization.

The act defines "low- and moderate-income families and persons" as those people whose income falls within income levels that the commissioner sets, except he may establish income levels up to and including 120% of the area median income, as determined by the U. S. Department of Housing and Urban Development. (Connecticut law bases affordability on the proportion of income a family spends on housing. A unit is affordable if a family earning no more than the town's median income pays no more than 30% of its income for the housing (CGS § 8-39a)).

Financial Assistance and Forms of Assistance

Under the act, Housing Trust Fund Program funding resources (e. g. , no- and low-interest loans) must be available, at least semiannually, on a competitive basis in accordance with the regulations and criteria the DECD commissioner and others establish.

Financial assistance under the program from the Housing Trust Fund may be in the form of (1) no-interest and low-interest loans, (2) loan guarantees, (3) grants, and (4) appraisal gap financing and other similar financing necessary to make rent or home prices affordable. Any financial assistance

must supplement existing loan and tax credit programs available under state and federal law and grants, loans, or financial assistance from any nonprofit or for-profit entity.

Eligible Applicants

Financial assistance, paid from the Housing Trust Fund for the development of quality rental and ownership housing for low- and moderate-income people is available to:

1. nonprofit entities;
2. municipalities and municipal developers;
3. housing authorities;
4. the Connecticut Housing Finance Authority (CHFA)
5. community development financial institutions;
6. businesses that have as one of their purposes the construction, financing, acquisition, rehabilitation, or operation of affordable housing, including (a) corporations incorporated or authorized to do business, by law, that have a CHFA-approved certificate or articles of incorporation and (b) any partnership, limited partnership, limited liability company, joint venture, sole proprietorship, trust, or association that has CHFA-approved basic documents or organization;
7. any combination of these.

Under the act "housing," "housing development," or "development" means a work or undertaking whose primary goal is safe, well-designed, and adequate housing and related facilities for low- and moderate-income families and people. This (1) includes existing housing for low- and moderate-income people and housing whose primary purpose is to provide dwelling accommodations for these people, but also has dwelling accommodations for others.

Other Program Requirements

In each fiscal year that the Housing Trust Fund has funds available for distribution, the DECD commissioner must allocate \$ 300,000 from it for funding matching grants dedicated to funding purchases of primary residences for people participating in the state's Individual Development Account Program.

Under the act, the DECD commissioner, in consultation with the OPM secretary and CHFA, must establish regulations and criteria for rating the proposals for funds under the program. He must do so after considering recommendations of the Housing Trust Fund Program Advisory Committee that the act establishes.

Housing Trust Fund Program Advisory Committee

The act creates a Housing Trust Fund Program Advisory Committee. The committee must meet at least semi-annually advise the commissioner on (1) the administration, management, and objectives of the Housing Trust Fund Program and (2) the development of regulations, procedures and rating criteria for the program.

The committee includes a (1) chairman and (2) the chairpersons and ranking members of the Housing and Planning and Development committees. The commissioner, in consultation with the treasurer and the OPM secretary, appoints the members, including representatives from:

1. the for- and non-profit housing development communities;
2. a housing authority;
3. a community development financial institution;
4. CHFA;
5. a state-wide housing organization;
6. an elected or appointed official of a municipality with a population of (a) less than 50,000, (b) between 50,000 and 100,000, and (c) more than 100,000; and
5. state employers, which may be a representative from a state business and industry association or regional chambers of commerce.

DECD Commissioner Duties and Powers

Under the act, the DECD commissioner (1) must establish regulations and criteria, with consultation and input from others, for rating the proposals for funds under the program and (2) may adopt regulations for the program in general. He may request, inspect, and audit reports, books, and records and any other financial or project-related information with respect to eligible applicants that receive financial assistance, including, without limitation, resident or employment information, financial and operating statements, and audits. The commissioner may investigate the accuracy and completeness of the reports, books, and records.

It allows the commissioner to take all reasonable steps and exercise all available remedies necessary or desirable to protect the obligations or interests of the state, regarding financial assistance from the Housing Trust Fund. This includes (1) amending any term or condition of a contract or agreement, provided such amendment is allowed or agreed to pursuant to such contract or agreement, or (2) purchasing or redeeming, pursuant to foreclosure proceedings, bankruptcy proceedings or in other judicial proceedings, any property on which such commissioner or the department holds a mortgage or other lien, or in which the commissioner or the department has an interest.

The act requires the commissioner to prepare and submit an annual report for the prior fiscal year to the governor and the legislature concerning (1) the activities for of the Housing Trust Fund and the

Housing Trust Fund Program and (2) DECD's efforts to obtain private support for the fund and the program. A copy of the report must be filed with the clerks of each house of the General Assembly and the chairpersons and ranking members of the Housing Committee.

Special Act# 05-1

June Special Session

SB# 2003

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

EFFECTIVE DATE: July 1, 2006

SUMMARY: The act increases net General Obligation (GO) bond authorizations by \$ 351. 4 million in FY 06 and \$ 423. 6 Million in FY 07. It also changes the language of various prior authorizations. (See FURTHER EXPLANATION for a detailed description.)

FURTHER EXPLANATION

Bond Authorizations and Language Changes in SA 05-1				
Act Section		New / Increased Authorizations	FY 06	FY 07
FY 06	FY 07	Agency/Description	(\$)	(\$)
<u>Dept. of Economic and Community Development</u>				
		Various housing projects and programs		
Sec. 9	Sec. 28	FY 06 language: provided that at least \$ 12 million shall be used to finance renovations with priority given to health and safety needs, modernization and restructuring of state moderate rental family and elderly housing developments and other comparable projects; of this total at least \$ 8 million shall be for these purposes in the five Connecticut municipalities with the highest numerical concentration of state moderate rental housing units on the CHFA State Housing Portfolio as of January 1, 2005, provided the planning requirements of sections 35 through 37 of PA 03-6 or equivalent standards have been met; at least \$ 2 million shall be for these purposes in other Connecticut cities and towns; and at least \$ 2 million shall be used for these purposes at state-owned elderly housing units throughout the state and provided that not more than \$ 800,000 shall be made available for renovations to a facility for the Friendship Service Center and Homeless Shelter in New Britain	21,000,000	15,000,000
Sec. 13(j)(1)	-	Bridgeport: Grant-in-aid to Bridgeport for the design and construction of the Congress Street Bridge.	10,000,000	0
-	Sec.	Bridgeport: Grant-in-aid for a feasibility study for the	0	250,000

	32(j)(21)	Congress Street Plaza urban renewal area in Bridgeport		
-	Sec. 32(j)(1)	Milford: Grant-in-aid to the City of Milford for the Devon Borough Revitalization Project	0	2,500,000
Sec. 95	-	Entertainment-related projects: 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 <u>to be administered by the town</u> , \$ 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 and \$ 500,000 shall be used for restoration of the <u>Trinity on Main property in New Britain</u> . SA 04-2, (MSS),Sec. 13(h)(1)	0	0
Sec. 13(j)(2)	Sec. 32(j)(2)	Entertainment-related projects: Grants-in-aid to municipalities and organizations that are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, for cultural and entertainment-related economic development projects, including projects at museums FY 06 language: provided (A) \$ 1,000,000 shall be made available for the Bridgeport Downtown Cabaret, (B) \$ 250,000 shall be made available for capital improvements to the Augustus Curtis Cultural Center in Meriden, and (C) \$ 625,000 shall be made available to the town of Norwalk for the Norwalk Maritime Museum FY 07 language: provided that \$ 625,000 shall be made available to the town of Norwalk for the Norwalk Maritime Museum	6,000,000	4,000,000
Sec. 13(j)(3)	-	Grant-in-aid to the city of Meriden, for improvements to Castle Craig Playhouse	50,000	0
Sec. 13(j)(4)	-	Grant-in-aid to Southington for redevelopment of the former drive-in theater property	215,000	0
Sec. 13(j)(5)	Sec. 32(j)(3)	Grant-in-aid to Derby for downtown redevelopment	250,000	250,000
Sec. 13(j)(6)	Sec. 32(j)(4)	Grant-in-aid to Ansonia for the downtown redevelopment	125,000	125,000
Sec. 13(j)(7)	Sec. 32(j)(5)	Grant-in-aid to Norwich for the harbor district project	250,000	1,250,000
Sec. 13(j)(8)	-	Grant-in-aid to Putnam for downtown façade improvements	100,000	0

Sec. 13(j)(9)	-	Grant-in-aid to the town of Putnam, for planning the Quinnebaug industrial park and a facility containing the community center, town hall and library	200,000	0
-	Sec. 32(j)(6)	Grant-in-aid to Thompson for downtown revitalization	0	1,000,000
-	Sec. 32(j)(7)	Grant-in-aid to Killingly for downtown revitalization	0	1,000,000
Sec. 13(j)(10)	Sec. 32(j)(8)	Grant-in-aid to the Goodspeed Opera House Foundation, Incorporated, for construction of a new facility in the town of East Haddam	5,000,000	5,000,000
-	Sec. 32(j)(9)	Grant-in-aid to the Connecticut Culinary Institute for conversion of the former Hastings Hotel to a school	0	3,500,000
Sec. 13(j)(11)	-	Grant-in-aid for the Cross Sound Ferry Inc. for dredging and repairs to the shipyard	1,750,000	0
Sec. 13(j)(15)	-	Grant-in-aid to the town of West Haven, for revitalization of the downtown	500,000	0
Sec. 13(j)(12)	-	Grant-in-aid to the town of West Haven, for Front Avenue industrial development and for improvements to the Allingtown Business District	1,000,000	0
Sec. 13(j)(13)	-	Grant-in-aid to Stratford for the Barnum Avenue streetscape project	500,000	0
Sec. 13(j)(14)	Sec. 32(j)(10)	Grant-in-aid to the city of New Haven for rehabilitation and renovation of the Quinnipiac Terrace/Riverview Housing Project in New Haven	2,000,000	2,000,000
Sec. 13(j)(23)	-	Grant-in-aid to the city of Meriden, for economic development or the purchase of open space property rights at Mountainside Corporation	1,000,000	0
Sec. 13(j)(16)	-	Grant-in-aid for the Fairfield Theater Company for a new sprinkler system	100,000	0
-	Sec. 32(j)(11)	Grant-in-aid to Bridgeport for revitalization of Hollow Neighborhood	0	500,000
Sec. 13(j)(17)	-	Grant-in-aid to the city of Hartford, for the purchase of a building and necessary alterations and renovation for the John E. Rogers African American Cultural Center of Hartford	50,000	0
Sec. 13(j)(18)	-	Grant-in-aid to the Craftery Gallery, Incorporated, for the purchase of a building and necessary alterations and renovations	50,000	0
Sec. 13(j)(19)	Sec. 32(j)(12)	Grant-in-aid to the Northeast Connecticut Economic Alliance, for a revolving loan fund to provide financial assistance to small businesses	200,000	200,000
-	Sec.	Grant-in-aid to the city of Bridgeport, for improvements	0	250,000

	32(j)(13)	to the Palace Theater		
Sec. 13(j)(20)	Sec. 32	Grant-in-aid to Portland for renovation of property for the Sculptors Museum and Training Center	90,000	0
Sec. 13(j)(21)	Sec. 32	Grant-in-aid to Portland for the Town Green Gazebo and the historic brownstone swing	50,000	0
Sec. 13(j)(22)	-	Grant-in-aid to Portland for Main Street sidewalk repairs and aesthetic improvements	125,000	0
Sec. 13(j)(24)	Sec. 32(j)(22)	Grant-in-aid to Bloomfield for a façade improvement program	500,000	500,000
-	Sec. 32(j)(14)	Grant-in-aid to the East Hartford Housing Authority, for renovation of an existing building into a community center at Veterans Terrace	0	350,000
-	Sec. 32(j)(15)	Grant-in-aid to Hamden for improvements to Highwood Square	0	750,000
-	Sec. 32(j)(16)	Grant-in-aid to the Waterbury Development Corporation for lighting, grandstand seating and building improvements to Waterbury Municipal Stadium	0	1,500,000
-	Sec. 32(j)(17)	Grant-in-aid to Cromwell for downtown revitalization	0	150,000
-	Sec. 32(j)(18)	Grant-in-aid to the town of Farmington, for revitalization of Unionville center	0	300,000
-	Sec. 32(j)(19)	Grant-in-aid to Meriden for a streetscape project	0	250,000
-	Sec. 32(j)(20)	Grant-in-aid to the Science Center of Connecticut in West Hartford for relocation	0	500,000
		Subtotal	51,105,000	41,125,000

AN ACT ESTABLISHING A CONNECTICUT NEW OPPORTUNITIES FUND**EFFECTIVE DATE:** July 1, 2005

SUMMARY: This act requires Connecticut Innovations, Inc. (CI) to establish a fund for investing in Connecticut companies that are beginning to grow. The fund is open to pension funds, foundations, and other private entities. The act specifies how CI may structure the fund, invest its assets, and liquidate its returns. The fund's term is 10 years, but CI may extend it for three one-year terms if it needs more time to liquidate the fund's assets. If needed, the state must provide a first loss guarantee of up to \$25 million at the end of the tenth year.

CONNECTICUT NEW OPPORTUNITIES FUND*Eligible Companies*

The act requires CI to create this fund to invest in newly formed and emerging growth companies. The fund can make equity or similar investments in an emerging growth company that (1) finds it hard to raise early venture capital and faces entry barriers even though it is a "strong market driver" and (2) has a high growth potential, a strong management team, and current and prospective customers.

Fund Management

CI can manage the fund as a general or managing member or create a subsidiary for this purpose. It or the subsidiary can organize the fund as a limited partnership or a limited liability company. It can reimburse itself for its management costs by charging the fund up to 2% of its committed capital. The investors can participate in the fund as nonmanaging fund members or limited partners.

During the fund's first 10 years, the fund's committed capital cannot exceed \$50 million. The fund can invest up to 25% of its assets in companies that are beginning to develop and grow (i. e. , seed stage companies) and up to 75% in up to 20 already established, emerging growth companies. It can invest no more than \$3 million in any one company.

The investors may receive a return on their investments when the fund liquidates its investments plus 80% of the fund's net realized gains. The fund manager and the state split the remaining net gains equally.

BACKGROUND*Limited Partnership and Limited Liability Company*

A limited partnership involves a partnership between two groups of partners—general partners and limited partners. The general partners manage the partnership and are thus liable for its debts. The limited partners are investors only, and are not liable for the partnership's debt as long as they play no role in managing the partnership.

A limited liability company involves a relationship between a corporation and the people and institutions that own shares in it. The shareholders' liability for the corporation's debt is limited to the amount they have individually invested in the corporation.

Public Act# 05-149

SB# 934

AN ACT PERMITTING STEM CELL RESEARCH AND BANNING THE CLONING OF HUMAN BEINGS

EFFECTIVE DATE: Upon passage

SUMMARY: This act permits research in the state involving embryonic stem cells if (1) it is conducted with full consideration of its medical and ethical implications and before gastrulation; (2) before beginning the research, the researcher provides documentation to the Department of Public Health (DPH) Commissioner, on a form and in a way he prescribes, verifying that any human embryos, embryonic stem cells, human unfertilized eggs, or human sperm used were donated voluntarily; (3) the general research program under which the stem cell research is conducted is reviewed and approved by an institutional review committee as required by federal law; and (4) the specific protocol used to derive stem cells from an embryo is reviewed and approved by an institutional review committee.

“Gastrulation” means the process immediately following the blastula state when the hollow ball of cells representing the early embryo undergoes a complex and coordinated series of movements resulting in the formation of the three primary germ layers (ectoderm, mesoderm and endoderm). PA 05-272 imposes a fine of up to \$50,000, imprisonment up to five years, or both, for conducting embryonic stem cell research after gastrulation occurs.)

The act also:

1. requires physicians or other health care providers treating a patient for infertility to provide her with timely, relevant, and appropriate information sufficient to allow her to make an informed and voluntary choice about the disposition of any embryos or embryonic stem cells remaining after an infertility treatment;
2. prohibits a person from knowingly (a) engaging or assisting, directly or indirectly, in cloning a human being; (b) implanting human embryos created by nuclear transfer into a uterus or device similar to a uterus (“nuclear transfer” means replacing the nucleus of a human egg with the nucleus from another human cell); or (c) facilitating human reproduction through clinical or other use of human embryos created by nuclear transfer (violating any of these provisions results in a fine of up to \$100,000, imprisonment up to 10 years, or both, with each violation a separate offense);
3. requires the DPH Commissioner to enforce the provisions on information for infertility patients, cloning prohibitions, nuclear transfer, informed consent for donations, and research procedures and standards; allows him to adopt regulations to administer and enforce these provisions; and allows him to ask the attorney general to petition the Superior Court for appropriate enforcement orders;

4. establishes a “Stem Cell Research Fund,” appropriates \$20 million from the General Fund to it for FY 05, and directs that \$10 million be disbursed from the Tobacco Settlement Fund to the Stem Cell Research Fund for each of FYs 08 to 15;
5. requires that for each of FYs 06 to 15, at least \$10 million be available from the research fund for grants to eligible institutions for embryonic or human adult stem cell research, with any balance remaining in a fiscal year carried forward to the next year;
6. establishes a nine-member Stem Cell Research Advisory Committee responsible for (a) establishing and administering, in consultation with the DPH Commissioner, a program to provide stem cell research grants; (b) directing the commissioner on awarding the grants; (c) monitoring grant-funded research; (d) developing, in consultation with DPH, a donated funds program for stem cell research; and (e) reporting to the governor and General Assembly on stem cell research in the state; and
7. establishes a five-member Stem Cell Research Peer Review Committee responsible for reviewing all grant applications and making recommendations to DPH and the advisory committee on the ethical and scientific merits of applications.

DEFINITIONS

Embryonic Stem Cells

The act defines embryonic stem cells as cells created by joining a human egg and sperm or through nuclear transfer that are sufficiently undifferentiated so that they cannot be identified as components of any specialized cell type.

Institutional Review Committee

Under the act, an institutional review committee is (1) the local institutional review committee established according to federal law to supervise the clinical testing of devices in facilities where clinical testing is to be conducted and (2) where applicable, an “institutional review board” (IRB), which, under federal law, is responsible for ensuring that human subjects engaged in research are treated with dignity, are protected from harm, and have given informed consent to participation in research. An IRB reviews and approves research protocols before any work is started and reviews ongoing research periodically to ensure the protection of subjects.

Cloning of a Human Being

The act defines cloning of a human being as inducing or permitting a replicate of a living human being’s complete set of genetic material to develop after gastrulation begins.

PATIENTS UNDERGOING FERTILITY TREATMENT

Under the act, a patient undergoing infertility treatment who receives the required information on the disposition of remaining human embryos or embryonic stem cells must be given the option of storing them, donating them to another person or for research purposes, or otherwise disposing of them. People choosing to donate for research purposes any remaining embryos or embryonic stem cells,

unfertilized human eggs, or human sperm must give written consent and cannot receive any direct or indirect payment for them.

Anyone violating these provisions, or a health care provider who fails to give the act's required information about disposition, is subject to a fine of up to \$50,000, a prison term of up to five years, or both. Each violation is a separate offense.

STEM CELL RESEARCH FUND AND RESEARCH GRANTS

The act establishes a Stem Cell Research Fund as a separate, nonlapsing General Fund account. It can hold any funds required or allowed by law to be deposited in it and any public or private contributions, gifts, grants, donations, or bequests made to it. The DPH Commissioner can make grants from the fund to eligible institutions for embryonic and human adult stem research (see below).

The act appropriates \$20 million to the research fund in FY 05 from the General Fund and requires that \$10 million be disbursed to it for each of FYs 08 to 15 from the Tobacco Settlement Fund. Beginning with FY 06 and continuing through FY 15, it requires at least \$10 million be available each year from the fund for grants to eligible institutions for embryonic or human adult stem cell research. Any end-of-year balance left in a fiscal year must be carried forward to the next fiscal year. An "eligible institution" is (1) a nonprofit, tax-exempt college or university; (2) a hospital conducting biomedical research; or (3) any entity conducting biomedical research or embryonic or human adult stem cell research.

STEM CELL RESEARCH ADVISORY COMMITTEE

Membership

This nine-member committee includes the DPH Commissioner (who chairs the committee) and eight other members appointed as follows:

1. two by the governor, one who is a nationally recognized active investigator in stem cell research and one with background and experience in bioethics;
2. one each by the Senate president pro tempore and the House speaker with background and experience in private sector stem cell research and development;
3. one each by the House and Senate majority leaders who must be academic researchers specializing in stem cell research;
4. one by the Senate minority leader with background and experience in public or private sector research and development or related research fields including embryology, genetics, or cellular biology; and
6. one by the House minority leader with background and experience in business or financial investments.

Members serve staggered four-year terms beginning on October 1, with the members first appointed by the governor and majority leaders serving for only two years. Members cannot serve more than two consecutive four-year terms and no member can serve concurrently on the Stem Cell Research Peer Review Committee the act establishes (see below). All initial appointments must be made by October 1, 2005, and the appointing authority must fill any vacancy. The first meeting must be held by December 1, 2005. The members must work to advance embryonic and human adult stem cell research. A member missing three consecutive meetings or failing to attend 50% of the meetings in a calendar year is deemed to have resigned.

Members are considered public officials and must follow the Code of Ethics for Public Officials. The act prohibits a member from reviewing or considering any grant application he filed or in which he has a financial interest or one filed by someone with whom he engages in any business, employment, transaction, or professional activity.

Grants and Grant Applications

By June 30, 2006, the advisory committee must develop a grant application for conducting embryonic or human adult stem cell research. It may receive applications after that date from eligible institutions. A grant applicant must submit (1) a complete description of its organization; (2) its plans for stem cell research and proposed funding from non-state sources; and (3) proposed arrangements concerning financial benefits the state will receive as a result of any patent, royalty payments, or similar rights resulting from any stem cell research made possible by the grant.

The committee must direct the DPH commissioner on awarding the grants and monitor the research conducted by grant recipients.

Connecticut Innovations, Inc. serves as administrative staff for the committee and must assist in (1) developing the grant application; (2) reviewing applications; (3) preparing and executing any assistance or other agreements concerning grant awards; and (4) performing other necessary duties.

Other Committee Responsibilities

The act directs the committee to (1) develop, in consultation with the DPH Commissioner, a program to encourage development of funds other than state appropriations for such research and (2) identify ways to improve and promote for-profit and not-for-profit stem cell and related research in the state. The latter can include identifying public and private funding sources, maintaining existing embryonic and adult stem cell-related business in the state, and recruiting new businesses, scientists, and researchers to the state.

Report

By June 30, 2007 and then annually through June 30, 2015, the advisory committee must report to the governor and the General Assembly on (1) the amount of grants awarded from the research fund; (2) grant recipients; and (3) the current status of stem cell research in the state.

STEM CELL RESEARCH PEER REVIEW COMMITTEE

The act creates a five-member Stem Cell Research Peer Review Committee that the DPH commissioner appoints. All members must (1) have demonstrated knowledge and understanding of the ethical and medical implications of embryonic and human adult stem cell research or related research fields such as embryology, genetics or cellular biology; (2) have practical research experience in these research areas; and (3) work to advance embryonic and human adult stem cell research.

Members serve staggered four-year terms beginning on October 1, with three members first appointed serving a two-year term. No member can serve more than two consecutive four-year terms or concurrently serve on the Stem Cell Research Advisory Committee. Initial appointments must be made by October 1, 2005. Members are subject to the same attendance, ethics, and conflicts of interest requirements as the advisory committee.

The peer review committee must review all applications for grants and make recommendations to DPH and the advisory committee concerning the ethical and scientific merit of each application. It must establish guidelines for the rating and scoring of the applications.

Peer review committee members must make themselves aware of the National Academies Guidelines for Human Embryonic Stem Cell Research. They may make recommendations to the advisory committee and the DPH commissioner concerning adoption of any or all of these guidelines as state regulations.

BACKGROUND

National Academies Guidelines

The National Academies is an independent organization chartered by Congress to advise the government on scientific, engineering, and health matters. In April 2005, it released guidelines and recommendations for human embryonic stem cell research to advance the science in a responsible manner. These guidelines are intended for use by the scientific community, including researchers in academic, industry, or other private sector organizations.

AN ACT CONCERNING ESTABLISHMENT OF AN INNOVATION NETWORK FOR ECONOMIC DEVELOPMENT

EFFECTIVE DATE: Upon passage

***Also see Public Act# 05-198**

SUMMARY: This act requires the state's economic development agencies and the University of Connecticut to recommend a plan and budget for promoting technology transfer, which is the process through which scientists and business people find ways to apply research and new technologies. They must prepare both documents within available appropriations and submit them to the governor and three legislative committees by January 1, 2006.

The agencies and the Office of Workforce Competitiveness (OWC) must also implement the plan, which they may do by using up to \$10 million of their existing resources. The implementation must stimulate at least \$40 million in additional private investments. The agencies and OWC cannot implement the plan until the Bond Commission approves how they plan to use the resources and stimulate the required private investment.

INNOVATION NETWORK PLAN AND BUDGET*Planning Agencies*

The three economic development agencies and UConn must recommend a plan and budget for creating an Innovation Network to promote technology transfer. The agencies are the Department of Economic and Community Development, Connecticut Development Authority, and Connecticut Innovations, Inc. (CI).

The agencies and UConn must consult with the following individuals and organizations when preparing the plan and budget:

1. Governor's Competitiveness Council (an advisory board consisting of business executives, public officials, and university representatives);
2. education and higher education commissioners;
3. community-technology college system chancellor;
4. OWC director; and
5. leading technology-focused organizations and any other agency the economic and community development commissioner deems appropriate.

Plan Requirements

In recommending the plan and budget, the agencies and UConn must recommend how to:

1. create endowed chairs and hire leading academic professionals in targeted fields;
2. aggressively solicit federal research funds;
3. increase corporate-sponsored research;
4. establish at least one innovation center linked to the universities;
5. strengthen existing university-based technology transfer and entrepreneurial programs;
6. encourage collaboration between universities and industry or federally sponsored technology centers; and
7. create links to Connecticut-based incubators and groups of investors who generally invest in and support start-up companies in their early stages (i. e. , “angel networks”).

The recommendation regarding the innovation center must involve advanced technology corporations and start-up enterprises and the Hartford-based Connecticut Center for Advanced Technology (CCAT). CCAT is a federally funded public-private partnership that promotes science and technology.

The plan must show how the state can use existing resources, including CI’s. CI is a quasi-public venture capital agency.

The agencies and UConn must submit their recommendations to the governor and the Commerce, Education, and Labor committees by January 1, 2006.

Public Act# 05-198

SB# 1258

AN ACT CONCERNING THE PROMOTION OF COLLABORATIVE RESEARCH APPLICATIONS WITH INDUSTRY

EFFECTIVE DATE: July 1, 2005, except for the technology transfer plan and nanotechnology study provisions, which are effective on passage.

SUMMARY: This act requires the Office of Workforce Competitiveness (OWC) to establish four new grant programs to prepare college students for careers in research and development and spur research collaborations between academia and industry. It requires (1) the state’s economic development agencies and the University of Connecticut to recommend a plan for promoting technology transfer and (2) OWC to make recommendations on advancing nanotechnology development in the state.

The new OWC grants, which must be made within available appropriations, go to colleges and universities, businesses, and technology-focused organizations according to priorities the act establishes and with advice from the Council of Advisors on Strategies for the Knowledge Economy. This council already advises OWC on the grants it makes for developing educational programs geared toward emerging technologies requiring interdisciplinary skills. The act adds the executive directors of Connecticut Innovations, Inc. (CI) and the Connecticut Development Authority (CDA) to the council, increasing its membership to 11.

OWC GRANT PROGRAMS

Grants for Students

OWC must create a program to develop the academic and physical infrastructure needed to help colleges and universities prepare students. In developing that program, OWC must work with vocational-technical and other secondary schools on student outreach and development. Colleges and universities can use the grants for:

1. upgrading instructional laboratories to meet industry specifications;
2. developing new curriculum and certificate and degree programs to address industry needs;
3. developing, in collaboration with vocational-technical and other secondary schools and other colleges and universities, articulated career development programs in industries facing projected manpower shortages; and
4. supporting undergraduate and graduate research projects and experimental learning activities.

Grants for Faculty

OWC must create a grant program to help colleges and universities and technology-focused organizations:

1. recruit eminent faculty in basic and applied research;
2. leverage federal funds for research centers; and
3. help faculty develop the initial data they need to secure larger research grants from federal and other non-state sources.

Joint University-Business Research Grants

OWC must create a program to encourage colleges and universities to collaborate with businesses on finding ways to apply research. These grants can be awarded to colleges and universities, technology-focused organizations, and businesses, which may use them to (1) develop, operate, and maintain shared laboratory facilities and staff and (2) match funds for joint research projects involving businesses, technology-focused organizations, and universities.

The act specifies how OWC must administer the matching grants. The grants match private funds on a one-to-one basis, are capped at \$100,000, and small and medium-sized businesses can match the amount with in-kind services. OWC must award the grants on a competitive basis in two annual funding rounds, using outside parties to evaluate each grant request. Reviewers must determine if the proposed research is commercially relevant and if any innovations it spawns have a “clear path to market” (i. e. , there are no obstacles to their being developed and sold). OWC must publicize the grants to businesses and conduct an aggressive marketing campaign through business organizations to make them aware of universities’ and technology-focused organizations’ resources.

Grants to Commercialize University Research

Lastly, OWC must help colleges and universities to promote the commercial value of their research. It must provide grants to the institutions and businesses to:

1. verify the technical and commercial feasibility of patented or disclosed early-stage research to improve its chances for successful commercialization and
2. allow smaller institutions to contract for services with independent technology transfer organizations.

Funding Priority

The act requires OWC to use the following priority order in awarding grants. Grants that:

1. focus on key technology areas to give Connecticut a competitive advantage in the knowledge economy;
2. create certificate and degree programs to encourage talent generation;
3. promote collaboration between public and private colleges and universities;
4. involve multiple activities, enhance research capabilities, promote applied research collaboration, and find commercial uses for academic research; and
7. match funds from businesses, technology-focused organizations, or colleges and universities.

TECHNOLOGY TRANSFER PLAN AND BUDGET

The act requires the Economic and Community Development Department (DECD) Commissioner, the CDA and CI executive directors, and the UConn president, or their designees, to make recommendations on a plan and budget to create an innovation network to promote technology transfer, the process through which research and new technologies are applied to the production of goods and services. They must do this within available appropriations and in consultation with the following individuals and organizations:

1. the Governor's Competitiveness Council (an advisory board consisting of business executives, public officials, and university representatives);
2. the education and higher education commissioners;
3. the state university and community-technology college system chancellors;
4. the OWC director; and
5. leading technology-focused organizations and any other agencies the DECD commissioner deems appropriate.

Plan Requirements

The recommendations for the plan and budget must include how to:

1. create endowed chairs and hire leading academic professionals in targeted fields;
2. aggressively solicit federal research funds;
3. increase corporate-sponsored research;
4. establish at least one innovation center;
5. strengthen university-based technology transfer and entrepreneurial programs;
6. create financial and other incentives to encourage collaboration between universities and industry or federally sponsored technology centers; and
7. create links to "angel networks" (i. e. , groups of investors who generally invest in and support start-up companies in their early stages) and Connecticut-based incubators.

The recommendation concerning the innovation center must be linked to universities, involve advanced technology corporations and start-up enterprises, and leverage the Hartford-based Connecticut Center for Advanced Technology, a federally funded public-private partnership that promotes science and technology. The plan must also recommend how the state can implement these strategies by using existing resources, including those of CI, CDA, OWC, and UConn.

The DECD Commissioner, in consultation with CI, CDA, and the UConn president, must submit the plan and budget to the governor and the Commerce, Education, and Labor committees by January 1, 2006.

NANOTECHNOLOGY STUDY

The act requires OWC, within available appropriations, to make recommendations to the legislature to advance the state's nanotechnology development. The recommendations must (1) cover state investment to increase university research, and develop centers of excellence and shared-use

facilities; (2) promote partnerships and collaboration between colleges and universities and technology-based businesses and industries; (3) leverage existing federal funds; and (4) advance education and training in nanotechnology. OWC must report its recommendations to the Higher Education Committee by January 1, 2006.

In making its recommendations, OWC must establish and consult with a Nanotechnology Advisory Council. The council must include representatives from (1) DECD and other state agencies; (2) CDA and CI; (3) public and private colleges and universities; and (4) the technology industry and technology-focused organizations. The OWC executive director chairs the council. It is not clear whether she selects all council members or just the industry and technology-focused organization representatives, or who may add other state agency representatives to the council.

BACKGROUND

Nanotechnology

Nanotechnology is a hybrid science that combines chemistry and engineering to manipulate molecules and atoms and place them in a pattern to produce a desired structure. It can be applied to organic and inorganic matter. Nanotechnology is potentially applicable to materials manufacture, alternative energy production, electronics, and health care products and processes.

Council of Advisors on Strategies for the Knowledge Economy

This nine-member group, composed of state agency and technology industry representatives, advises OWC on (1) the process for awarding grants to public postsecondary schools and their business partners; (2) promoting university-business relations; and (3) identifying benchmarks for technology-based workforce innovation and competitiveness.

Related Acts

PA 05-165 also requires the development of an innovation network, and it allows DECD, CI, CDA, UConn, and OWC to use up to \$10 million of their existing resources to implement the plan.

PA 05-165 requires the commissioner of higher education, in consultation with OWC, to review inclusion of nanotechnology, molecular manufacturing, and advanced and developing technologies at colleges and universities.

**AN ACT CONCERNING THE GOVERNOR'S COMPETITIVENESS COUNCIL
RECOMMENDATIONS**

EFFECTIVE DATE: Upon passage

SUMMARY: This act makes several changes to the Urban and Industrial Sites Reinvestment Program, which provides up to \$100 million in corporate tax credits to businesses that build, expand, or rehabilitate facilities. It makes it easier for businesses to invest in smaller projects and specifically allows them to transfer credits to more than one taxpayer.

The act allows the Economic and Community Development Commissioner to establish, within available appropriations, two new programs. One must increase the entrepreneurial potential of inner cities and show their residents and students how market-based strategies can increase their wealth and income. The other must help small and medium-sized manufacturers become productive and competitive.

The act requires the commissioner to report on the amount of funds he allocated during FY 2006 for the economic and industry cluster initiative and recommend adequate funding levels. He must submit the report to the Appropriations, Commerce, and Finance, Revenue and Bonding committees by December 31, 2006.

URBAN AND INDUSTRIAL SITES REINVESTMENT PROGRAM

Investment Thresholds

The law allows businesses to invest in projects directly or through a state-registered investment fund and sets investment thresholds for each method. The act lowers the threshold for direct investments from \$20 million to \$5 million and to \$2 million for investments in projects that preserve and redevelop historic facilities for mixed uses that include at least four housing units. The act also qualifies businesses that jointly invest in these projects for credits if their combined investment is above the applicable threshold.

As under existing law, the act allows a business to qualify for the credits if it invests any amount in a state-registered investment fund and its total asset value is at least \$60 million in the year the business claims the credit.

Assigning Credits

The law allows the business to assign or sell its credit to another taxpayer who needs it. Prior law allowed the business to assign the credit to only one taxpayer. The act allows the business to assign the credit to multiple investors. As under prior law, the taxpayers receiving the credit cannot reassign it to a third taxpayer, and may claim it only during the year in which the business would have been eligible to claim it.

NEXT GENERATION MANUFACTURING COMPETITIVENESS PROGRAM

The act requires the Economic and Community Development Commissioner to establish, within available appropriations, a program to help small- and medium-sized manufacturers compete in the world economy. The program must continue current efforts to help these manufacturers adopt progressive manufacturing techniques and advanced technologies. It must also help them train their workers and identify new national and international markets and opportunities. Lastly, the program must create a center where groups of manufacturers can use computer simulators to design and develop products (i. e. , virtual center).

BACKGROUND

Economic and Industry Cluster Initiative

Developed by the Governor's Council on Economic Competitiveness and Technology, the Industry Cluster Initiative joins together state officials, academic leaders, and business executives in identifying, developing, and implementing policies and programs that support the state's major business clusters—groups of industries that use similar technologies to create products or deliver services. The current clusters are aerospace, bioscience, metal manufacturing, maritime, software and information technology, plastics, and tourism.

Related Act

PA 05-143 requires \$1 million from the proceeds of previously authorized Manufacturing Assistance Act bonds to help certain small and medium-sized manufacturers adopt new production technologies and techniques. It targets manufacturers who are at risk of losing contracts with larger defense manufacturers for supplying parts and services.

Special Act# 05-13

SB# 1167

AN ACT CONCERNING NANOTECHNOLOGY, MOLECULAR MANUFACTURING AND ADVANCED AND DEVELOPING TECHNOLOGIES AT INSTITUTIONS OF HIGHER EDUCATION.

EFFECTIVE DATE: Upon Passage

SUMMARY: The act requires the Commissioner of Higher Education in consultation with the Office of Workforce Competitiveness to study nanotechnology, molecular manufacturing, and other developing technologies.

AN ACT CONCERNING THIRD-PARTY LIABILITY FOR CONTAMINATED PROPERTY

EFFECTIVE DATE: October 1, 2005

SUMMARY: This act relieves a property owner of liability, except to a state or the federal government, for costs or damages resulting from pollution that occurred or existed before he took title to the property, if (1) the Department of Environmental Protection (DEP) Commissioner determines that the owner did not pollute state waters, or create any other pollution or source of pollution; (2) the owner is not affiliated with the person responsible for the pollution; and (3) the commissioner has approved pollution investigation and remediation reports.

The act requires a property owner to send to adjoining landowners (1) notice he is going to investigate or remediate his property and (2) the investigation and remediation reports.

It specifies when an owner may be found liable for pollution and imposes a civil penalty on a property owner affiliated with a person responsible for polluting his property.

An innocent landowner who complies with the act cannot be held liable to the state for costs or damages that exceed what he would be liable for under a lien imposed against his property. These provisions are in addition to the protections already provided to innocent landowners.

RELIEF FROM LIABILITY

The act relieves a property owner of liability for costs and damages, except to any state or the federal government, resulting from pollution that occurred or existed before he took title, if:

1. the commissioner has determined that the owner did not create a condition or facility at or on the property that could reasonably be expected to pollute state waters, and the owner is not responsible for creating any other pollution or source of pollution on the property;
2. the owner is not related to the person responsible for creating the pollution or source of pollution either through family ties or a contractual, corporate, or financial relationship, other than that by which the owner's interest in the property was conveyed or financed; and
3. the commissioner has given written approval to (a) an investigation report about such pollution, conducted by a licensed environmental professional (LEP) according to prevailing standards and guidelines, and (b) the LEP's final remedial action report showing the site was properly remediated.

NOTIFICATION OF ADJOINING PROPERTY OWNERS

The act requires a property owner to send adjoining property owners, by certified mail, (1) notice that he is going to investigate or remediate his property and (2) the LEP's investigation and final remedial action reports.

Under the act, an owner found to be affiliated with someone responsible for polluting his property faces a civil penalty of \$100,000 or the cost of remediation, whichever is greater.

INSTANCES WHERE AN OWNER IS LIABLE

Under the act, an owner is still liable if:

1. he failed to comply with the terms of an environmental land use restriction or the conditions of a variance the DEP Commissioner approved;
2. the commissioner determines that the owner provided false or misleading information, or otherwise failed to comply with the act; or
3. the pollution occurred after the owner took title to the property.

BACKGROUND

Innocent Landowner

By law, an innocent landowner is someone who owns land on which a spill or discharge occurred if the spill is caused solely by:

1. an act of God;
2. an act of war; or
3. an act or omission of a third party, other than an employee, lessee, or agent of the landowner, or someone with a contractual relationship with the landowner, unless the landlord had reason to know of the spill and failed to take reasonable steps to prevent it.

An innocent landowner also can be someone who acquires land after contamination has occurred, if he is not responsible for the pollution, and he (1) at the time he acquired the property, did not know about the contamination and inquired into previous uses of the property consistent with good commercial or customary practice, (2) acquired the property by inheritance or bequest, or (3) acquired the property interest as executor or administrator of a decedent's estate.

AN ACT CONCERNING THE DRY CLEANING ESTABLISHMENT REMEDIATION ACCOUNT

EFFECTIVE DATE: Upon passage

SUMMARY: This act (1) allows owners of property on which there are eligible dry cleaning businesses to apply for grants from the dry cleaning establishment remediation account; (2) sets a maximum grant of \$300,000 per applicant and increases, from \$50,000 to \$300,000, the maximum grant an applicant can receive in a calendar year; (3) allows the account to be used to fund environmental site assessments; and (4) makes other related changes.

GRANT APPLICANTS

Under prior law, only an owner or operator of a dry cleaning business could apply to the Department of Economic and Community Development (DECD) for a grant to remediate spills of hazardous chemicals from the business. The act allows owners of property on which eligible dry cleaning businesses are located to apply for grants if the business has been in operation for at least one year before DECD approves the application and is still there when DECD releases the funds.

Under prior law, an applicant had to show that he had been doing business and maintained his principal office and place of business in the state for at least one year before he applied. Under the act, the applicant must instead show he has maintained his principal office and place of business at the site for at least one year before he submitted, or DECD approved, his application. As under existing law, the applicant must also show that the dry cleaning business uses, or used, tetrachlorethylene, Stoddard solvent, or other chemicals to clean clothes and other fabrics, and that he is not in arrears on any state or municipal taxes.

The act eliminates a requirement for the applicant to show DECD that he is unable to obtain financing from conventional sources on reasonable terms or in reasonable amounts.

GRANT AMOUNTS AND USES

The act sets a \$300,000 cap per applicant. The applicant must satisfy the commissioner that the remediation services for which he seeks payment have been completed. It increases, from \$50,000 to \$300,000, the maximum amount an applicant may receive in a calendar year.

Under prior law, responsible parties had to pay the first \$10,000 of clean-up costs, except that applicants who reported a release to the Department of Environmental Protection (DEP) Commissioner before December 31, 1990 had to pay the first \$20,000 of such costs. Under the act, all applicants must pay only the first \$10,000 of such costs.

Under prior law, money from the remediation account could be used for grants to DEP to (1) investigate dry cleaning businesses and (2) provide potable water when necessary. The act allows grants to DEP to conduct environmental site assessments as well.

ANNUAL REPORT

The act requires the DECD Commissioner to report annually to the Environment Committee on the account and grant program. It eliminates an obsolete requirement about the reporting date.

BACKGROUND

Dry Cleaning Establishment Remediation Account

The legislature created the account (PA 94-4, May Special Session) to provide grants to owners and operators of dry cleaning businesses for the containment and clean-up of pollution resulting from the discharge of chemicals or hazardous waste from their sites. The account is funded through a one percent surcharge on dry cleaning gross receipts.

Public Act# 05-285

SB# 1215

AN ACT CONCERNING THE SPECIAL CONTAMINATED PROPERTY REMEDIATION AND INSURANCE FUND AND OPEN SPACE AND ECONOMIC DEVELOPMENT IN THE CITY OF SHELTON

EFFECTIVE DATE: Upon passage

SUMMARY: This act expands the purposes for which Special Contaminated Property Remediation and Insurance Fund (SCPRIF) loans can be used. Under prior law, SCPRIF provided loans to towns, businesses, and developers only to assess sites and demolish structures in preparation for remediation and development. The act also permits these entities to use the loans to remediate contaminated property. It allows the Department of Economic and Community Development (DECD) Commissioner to extend the periods for repaying these loans.

The act eliminates the SCPRIF advisory board's authority to approve loans and DECD's administrative costs, thus making it advisory only. It also eliminates the requirements (1) that towns in which property was remediated pay a portion of the property tax revenue from it into SCPRIF and (2) that DECD report information about the SCPRIF program to the Environment Committee.

The act requires the DECD Commissioner to revise the assistance agreement it has with the Shelton Economic Development Corporation, so that:

1. the parcel of land identified in Phase I of the agreement is designated for open space purpose;
2. the parcel of land identified in Phase II is designated for economic development; and
3. the state and Shelton and their agents and assigns are held harmless with respect to the designations.

It also makes technical and conforming changes.

SCPRIF

Loan Repayments

By law, a borrower must repay DECD on a schedule the DECD Commissioner deems appropriate. But the borrower must repay the principal when, as the commissioner determines, (1) the portion of the property subject to the evaluation or demolition is sold or leased, (2) the municipality sells or releases liens on the property, or (3) the Department of Environmental Protection (DEP) Commissioner approves the final remedial action report. The act additionally allows the commissioner to spread repayment – principal and interest – over a period of up to five years from any of these events.

Advisory Board

The act eliminates the requirement that the SCPRIF advisory board (1) approve loans and administrative costs for the program and (2) review applications and make recommendations on them to DECD. It shifts authority to review applicants' credit history and other information from the board to the DECD commissioner. It also eliminates the requirement that DECD consult with the board to establish program criteria. The act, however, requires the board to annually advise DECD on the progress of the fund. By law, the board's seven members are appointed by the legislature and governor.

Reporting

The act also eliminates the requirement that DECD report to the Environment Committee on the number of applications received, the number and amount of loans made the preceding year, and other information. (PA 05-191 consolidates this and many other DECD reports into one annual report, which DECD must submit to the legislature February 1 annually.)

Tax Payment to SCPRIF

The act terminates, upon its passage, rather than January 1, 2006, as scheduled under prior law, the requirement that municipalities contribute part of the property taxes to the SCPRIF on certain remediated sites for five years after a final remediation action report.

Public Act# 05-53

HB# 5108

**AN ACT EXTENDING THE HOLD HARMLESS PROTECTIONS FOR HOUSING
AUTHORITY EMPLOYEES TO PART-TIME EMPLOYEES**

EFFECTIVE DATE: October 1, 2005

SUMMARY: This act requires housing authorities to protect and hold harmless part-time housing authority employees from financial loss and expense, including legal fees and costs, arising from any claim, demand, suit, or judgment for alleged negligence or infringement of anyone's civil rights while fulfilling their duties. Previously, this protection was available only to the commissioner and full-time employees.

AN ACT EXTENDING THE DEMONSTRATION PROGRAM FOR ENERGY-EFFICIENT AND ENVIRONMENTALLY SAFE HOUSING

EFFECTIVE DATE: Upon passage

SUMMARY: This act extends to June 30, 2008, the end date for a Department of Economic and Community Development (DECD) window replacement matching grant demonstration program, which terminated on June 30, 2005 under prior law. The act requires DECD to report to the Housing Committee by February 1, 2008, on (1) the number of eligible buildings that received assistance; (2) costs; (3) program effectiveness; and (4) recommendations whether to expand the program and make it permanent.

BACKGROUND*Window Replacement Program*

PA 02-5 (May 9 Special Session) authorizes the DECD Commissioner to establish a three-year matching grant demonstration program to promote environmentally safe housing and energy conservation by repairing and replacing wooden windows in two-to-six-family buildings built before 1950. Of the first three towns the commissioner selects for the demonstration, at least two must have populations of 100,000 or over and one must have a population under 100,000. The maximum grant is \$100 per window. The commissioner may fund the program from an affordable housing assistance program established in 2001 or from any other money he has available.

Under prior law, the program ended on June 30, 2005 with the commissioner having to report to the Housing Committee by February 1, 2005 on whether to expand the program and make it permanent, among other things. A report was not made at that time because the program had not been implemented due to funding.

AN ACT CONCERNING THE DISPOSITION OF PROPERTY UNDER THE LIMITED EQUITY COOPERATIVE PROGRAM

EFFECTIVE DATE: October 1, 2005

SUMMARY: This act authorizes the Economic and Community Development Commissioner to take certain steps when a nonprofit organization can no longer manage a state-funded limited equity cooperative, which is a form of common interest ownership that restricts a unit's sales price or limits the return a member can expect when the property is sold. The steps concern the restrictions the commissioner imposes on the cooperative's property when he approves the funding and how the cooperative's members must use their equity.

The act allows the commissioner to remove the restrictions intended to insure that the property be used only for cooperative housing, but only after he fully examines the reasons why the nonprofit can no longer manage the property. He must replace the restrictions with new ones he deems appropriate

to insure that the land, interest in land, and buildings be used to house low- and moderate-income families.

The act requires the commissioner to take certain steps regarding the equity of the cooperative's members. He must require the nonprofit to (1) use each member's equity to pay off any debt the member incurred as a member of the cooperative and pay the balance to the member or (2) transfer the equity with the property as long as each member does not lose his equity.

Lastly, the act deletes an obsolete statute. PA 93-309 consolidated the Limited Equity Cooperative Housing Program along with many other housing programs. It required the commissioner to adopt regulations to implement the new consolidated program and prohibited him from funding projects under those programs after he adopted those regulations. These regulations were never adopted, since the program was replaced. The act eliminates that prohibition.

Public Act# 05-186

HB# 6726

AN ACT CONCERNING THE LAND BANK AND LAND TRUST PROGRAM

EFFECTIVE DATE: October 1, 2005

SUMMARY: This act gives nonprofit organizations another option for transferring property they acquired under the Department of Economic and Community Development's Land Bank and Trust Program, which provides funds for acquiring land needed to develop low- and moderate-income housing.

A nonprofit organization's only option under prior law was to transfer units, subject to the commissioner's approval, to very low-, low-, or moderate-income people when a condominium is formed on land it acquired under the program. It could do so on the condition that the units be used only for housing people in these income groups. The act additionally allows the organization to transfer the units to another nonprofit organization eligible for funds under the program.

Public Act# 05-206

HB# 6594

AN ACT CONCERNING THE TRAINING AND RESPONSIBILITIES OF RESIDENT SERVICE COORDINATORS

EFFECTIVE DATE: July 1, 2005

***Also See PA 05-239**

SUMMARY: This act expands and redefines the responsibilities of resident service coordinators (RSCs) and allows the Department of Economic and Community Development (DECD) to convene monthly in-service training and information sharing meetings for them.

By law, RSCs assist residents in state-assisted elderly housing projects to live independently. The act broadens RSCs' responsibilities by requiring them to (1) organize meetings and plan activities to promote socialization among residents; (2) provide orientation services to new residents; and (3) establish and maintain relationships with community service providers, including linking residents to

appropriate services. The act redefines RSCs' responsibilities for conflict mediation and resolution by specifying that they must (1) facilitate conflict resolution between residents, including between elderly and younger residents, and (2) act as liaisons to assist in problem solving. Under existing law and unchanged by the act, they also assess tenants' needs in order to establish and maintain support services, monitor the delivery of services, and advocate for service changes sought or required by the residents.

Under the act, if DECD convenes the RSC in-service training and information sharing meetings, the topics must include information on the health care needs of seniors and people with disabilities, mediation and conflict resolution, and local and regional service resources.

BACKGROUND

State-Assisted Elderly Housing Developments

By law, those who qualify to live in state-assisted elderly housing are low-income people (1) age 62 and older and (2) age 61 or younger and certified by the Social Security Board or any other federal board or agency as totally disabled (CGS § 8-113a).

Public Act# 05-223

HB# 6539

AN ACT CONCERNING IDENTIFICATION OF A LANDLORD

EFFECTIVE DATE: October 1, 2005 for allowing towns to require nonresident rental property owners to maintain their current address on file and upon passage for establishing a penalty for noncompliance with the address provisions.

SUMMARY: The act allows towns to require nonresident owners of rental property, or their agents, to maintain their current residential addresses on file in the town where the property is located. The property owner or agent must maintain the residential address on file whether the rental property is occupied or vacant. The owner or agent must inform the town when his residential address changes. (It is not clear if "nonresident" refers to the rental property owner or agent not being a resident of the town or the rental property or both.)

If the nonresident owner or agent fails to file his address, the address to which the municipal tax assessor mails the property tax acts for the property is deemed to be his current residential address under the act. The act specifies that a post office box is not considered an address.

Under the act, when the state or a town serves orders for certain reasons to an owner or agent who is required to file his residential address under the act, that action is sufficient proof of service in any subsequent criminal or civil action against him for failure to comply with the orders.

Violators, presumably a nonresident owner or agent whose address is on file as a post office box, commit an infraction (See Table on Penalties). Additionally, any town may, by ordinance, establish a civil penalty for noncompliance with the address-reporting requirement. The amount of the penalty may not exceed \$250 for the first violation and \$1,000 for subsequent violations. Anyone who is assessed a civil penalty may appeal to the Superior Court.

RESIDENTIAL ADDRESS REQUIRED TO BE ON FILE

The act allows towns to require nonresident owners of rental property to maintain on file in the tax assessor's office where their property is located, or other office the town designates, his current residential address, if he is an individual, or the address of the agent in charge if the owner is a corporation, partnership, trust, or other legally recognized entity. The act defines "agent in charge" as one who manages real estate, including collecting rent and supervising property.

Address and Dwelling Unit

The act defines "address" as a location (1) described by the street name and full street number, if any; (2) the city or town; and (3) the state. The act specifies that "address" does not include a post office box. "Dwelling unit" means any house or building, or portion of one, that is rented, leased, or hired out to be occupied, is arranged or designed to be occupied, or is occupied, as the home or residence of one or more people, living independently of each other, cooking on the premises, and having a common right in the halls, stairways, or yards.

Service of Orders

Under the act, when the state or a town serves orders to the owner or agent concerning (1) the maintenance of his rental property or (2) compliance with state law and local codes at the address on file, which is considered his residential address under the act, that action is sufficient proof of service in any subsequent criminal or civil action against the owner or agent for failure to comply with the orders. The act does not limit the validity of any other means of giving notice of such orders that the state or a municipality may use.

Address Change

If the nonresident owner's residential address changes, the owner or his agent must provide the new address to the tax assessor or other designated municipal office within 21 days after the date that the address change occurred.

Violations

The act makes a violation of its provisions an infraction. It appears that an owner or agent who fails to file a residential address, which would be evident when the address on file is a post office box, is a violator.

Under the act, any town's legislative body may, by ordinance, establish a civil penalty for noncompliance with the address reporting requirements. The penalty may not exceed \$250 for the first violation and \$1,000 for subsequent violations.

Anyone assessed a civil penalty may appeal to the Superior Court, which they must do within 30 days after the town mailed the penalty notice. The appeal must be brought in the Superior Court facility designated by the chief court administrator. The appellant must pay an entry fee equal to the entry fee for small claims cases (currently \$35). The petition and the fee entitle the appellant to a hearing.

AN ACT CONCERNING FARM LAND PRESERVATION, LAND PROTECTION, AFFORDABLE HOUSING AND HISTORIC PRESERVATION

EFFECTIVE DATE: July 1, 2005, except for the property tax exemption, which is effective upon passage and applicable to assessment years beginning on or after October 1, 2005. (PA 05-3 (HB 7502), June Special Session, makes the entire act effective on October 1, 2005.)

SUMMARY: This act creates new farmland preservation programs and institutes a new \$30 document-recording fee to fund these and several existing programs, including affordable housing, open space acquisition, and historic preservation. The towns collect the fee for each document they record in their land records and keep \$3 to fund local capital improvement projects.

The act reinstates the program under which the agriculture commissioner purchases title to real and personal agricultural property without any conditions or restrictions on the sale (i. e. , purchase of fee simple title). It also extends the existing property tax exemption for agricultural buildings to those housing seasonal agricultural employees. That exemption is for up to \$100,000 of assessed value.

Lastly, the act allows towns to create quasi-public authorities to help preserve land for farming, recreation, or open space.

NEW FARMLAND PRESERVATION PROGRAMS*Agricultural Viability Matching Grant Program*

The act authorizes grants to towns for helping farmers to improve the viability of their operations. The Department of Agriculture (DOA) must annually allocate \$500,000 for these grants from its share of the revenue from the new document recording fee the act establishes and which is described below. Towns may use the grants to:

1. fund processing facilities, farmers' markets, and other capital projects intended to make farms viable; and
2. develop and implement land use regulations that are sensitive to farming and strategies to sustain and promote it.

Farm Transition Matching Grant Program

The act authorizes matching grants to help farmers diversify their crops, transition to value-added production and sales, and develop farmers' markets and other places where most of the products sold are grown in Connecticut. DOA must annually allocate \$500,000 for these grants from its share of the document recording fee revenue. Farmers, agricultural cooperatives, and nonprofit agricultural organizations qualify for the grants. The DOA commissioner must adopt implementing regulations, which must require grant applicants to prepare business plans.

Connecticut Farm Link Program

The act requires DOA to create and maintain a database on its website linking people who want to sell farms or farmland with people who want to farm or start an agricultural business. DOA must annually allocate \$75,000 from its share of the document recording fee for this purpose.

People interested in starting or expanding an agricultural business may authorize DOA to enter their names, contact information, and business intentions in the database. DOA must make reasonable efforts to link people with similar interests. It must also post educational materials about the program on its website. The material must include information about farm transfer and succession planning, family farm estate planning, farm transfer strategies, farm leasing, forming farm partnerships, and starting a farm business.

LAND PROTECTION, AFFORDABLE HOUSING, AND HISTORIC PRESERVATION FUNDING MECHANISM

The act creates a mechanism to fund affordable housing development and farmland, open space, and historic preservation. It requires town clerks to collect an additional \$30 fee for each document they record in the town's land records, except those recorded for a municipal or state employee as part of his official duties. The state receives \$26 of each recorded document fee and the towns keep \$4.

The act specifies how towns must use their share. The clerks keep \$1 and the remaining \$3 becomes part of the town's general revenue. Towns must use their share to fund the same types of projects that qualify for state Local Capital Improvement Program grants.

The clerks must remit the state share they collect each month to the state treasurer by the 15th day of the next month. She must deposit this money in the General Fund and credit it to the nonlapsing Land Protection, Affordable Housing, and Historic Preservation Account, which the act establishes. The act requires the funds to be distributed quarterly and divides them equally among four agencies:

1. Connecticut Commission on Culture and Tourism, which must allocate \$200,000 annually to supplement the Connecticut Trust for Historic Preservation's technical assistance and preservation programs and the remainder to supplement the state's historic preservation programs;
2. Connecticut Housing Finance Authority, for supplementing new or existing affordable housing programs;
3. Department of Environmental Protection, for municipal open space preservation grants; and
4. DOA, for new and existing farmland preservation programs.

In addition to the three new DOA programs described above, the act allocates from the fund:

1. \$100,000 annually for encouraging Connecticut schools, restaurants, retailers, and other institutions and businesses to buy Connecticut-grown food;

2. as noted above, \$75,000 annually for the Farm Link Program; and
3. the remainder to purchase the development rights to farms and fee simple titles to agricultural real and personal property.

The act allows the four agencies to use up to 10% of the funds they receive to administer the funded programs. (HB 7502, June Special Session, requires that the cost of administering these programs be paid from the account the act creates.)

PURCHASE OF FEE SIMPLE TITLE PROGRAM

The act reinstitutes the program under which the DOA commissioner acquires fee simple title to agricultural real and personal property. He must sell the property he acquires for agricultural purposes as soon as practicable or lease, transfer, assign, or manage it for specified purposes until he can sell it. The commissioner must also retain the development rights to any land he sells. The program's authorization expired under prior law on July 1, 1995.

LOCAL LAND ACQUISITION AND DEVELOPMENT AUTHORITY

The act allows towns, by vote of their legislative bodies, to create authorities to help them preserve land for agricultural, open space, and recreational uses. An authority can help the town acquire or develop land for these purposes or acquire easements, interests, or rights to the land. It can also help the town enter into covenants and agreements to acquire, maintain, improve, or protect land for agricultural, open space, and recreational uses; limit its future use; or conserve it.

Public Act# 05-239

HB# 6662

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE RELATING TO POPULATIONS IN STATE ELDERLY AND DISABLED HOUSING PROJECTS

EFFECTIVE DATE: Upon passage, except for the requirements concerning the inventory of assisted housing, which take effect July 1, 2005.

SUMMARY: This act makes several changes to address concerns about elderly and non-elderly disabled people living in state-assisted elderly housing projects. It requires (1) state social service agencies to assist local housing authorities to identify and access their services and (2) several agencies to develop plans detailing their outreach efforts, available services, and crisis intervention activities.

The act also requires a comprehensive assessment of rental assistance needs for state-assisted elderly and disabled housing projects and a comprehensive inventory of all state and federally assisted housing in the state.

It requires a number of reports to legislative committees, including a report by February 1, 2006 from the Department of Economic and Community Development (DECD) to the Legislative Program Review and Investigations Committee. The report must describe DECD's progress in a number of areas, such as revising the elderly and disabled housing operating manual, providing specified

training to housing authorities, addressing security issues, reassessing the duties and qualifications of resident service coordinators at these housing projects, and planning for a statewide manager position for the resident service coordinator program.

SOCIAL SERVICES AGENCIES' COLLABORATION REPORTS

The act requires state agencies that provide social services to elderly people and non-elderly disabled people in state-assisted elderly housing projects in Connecticut to help housing authorities identify and access the services they offer for such people. Specifically, it requires the departments of Mental Health and Addiction Services (DMHAS), Mental Retardation (DMR), and Social Services (DSS) to each develop a plan that details outreach efforts, available services, and crisis intervention. By October 1, 2005, each department must report a summary of its collaboration efforts with housing authorities to the Housing and Legislative Program Review and Investigations committees.

RENTAL ASSISTANCE NEEDS ASSESSMENT

The act requires DECD, in consultation with the Connecticut Housing Finance Authority (CHFA), to (1) annually conduct a comprehensive assessment of current and future rental assistance needs in state-assisted housing projects for the elderly and disabled and (2) present the results of the first such analysis to the Housing Committee by April 1, 2006.

ASSISTED HOUSING INVENTORY

The act also requires DECD, by July 1, 2006, to develop and maintain a comprehensive inventory of all "assisted housing" in the state. It defines "assisted housing" as housing that receives financial assistance under any government program for construction or rehabilitation of low- and moderate-income housing and housing occupied by people receiving federal or state rental assistance. The inventory must identify all existing assisted rental units by type and funding source, and include such information as (1) tenant eligibility, (2) rents charged, (3) available subsidies, (4) occupancy and vacancy rates, (5) waiting lists, and (6) accessibility features.

In order to help DECD complete the inventory, the act requires owners of such public or private housing units to report accessible units to the electronic accessible housing database of dwelling units suitable for people with disabilities maintained at DECD.

DECD PROGRESS REPORT

The act requires DECD, by February 1, 2006, to submit a report to the Legislative Program Review and Investigations Committee about its progress in a number of areas. One is its progress in working with CHFA to revise and update the operating manual for state-funded elderly and disabled housing programs. The revisions must include: (1) a policy about, and documentation of, negative incidents and waiting list creation and maintenance and (2) in consultation with the state Commission on Human Rights and Opportunities, guidelines for tenant selection and suitability consistent with all state and federal laws. The report must also describe DECD's progress in consulting with CHFA, the Connecticut housing court specialists, and the Connecticut Association of Housing Authorities about developing possible training seminars or material on eviction proceedings for local housing authorities.

In addition, the DECD report must describe its progress in:

1. reinstating training for local housing authorities on state affirmative fair housing requirements such as the use and maintenance of waiting lists and tenant selection from the lists;
2. requiring local housing authority plans for safety and security measures to be part of the required management plans they submit annually for DECD review, encouraging housing authorities to establish rapport with local police departments, and outlining respective roles and responsibilities in responding to negative incidents;
3. reassessing, in consultation with DMHAS, DMR, and DSS, the job description and accompanying qualifications for resident service coordinators to reflect the services needed by all residents of state-funded disabled and elderly housing and setting their hours and salary rates to reflect the level of skills and qualifications required to adequately serve these populations;
4. enlisting professionals from mental health and other service agencies to train resident service coordinators and housing authority staff to better understand elderly and disabled residents' needs and related problems; and
5. establishing a plan in consultation with DSS, DMHAS, and CHFA for the creating and funding a single statewide manager position for the resident service coordinator program.

At a minimum, the statewide manager must:

1. help measure housing authority interest in reopening availability of resident service coordinator grants;
2. revise the content and format of the existing resident service coordinator reporting requirements;
3. monitor the coordinators' activities periodically through a review of the newly revised reporting instrument;
4. provide technical assistance and guidance to the coordinators in their roles and responsibilities, such as assessing residents' needs;
5. evaluate the currently employed coordinators' training needs and arrange ongoing training for all coordinators as needed;
6. act as a liaison between the coordinators and the social service agencies to further collaboration efforts and develop opportunities for residents' education and disability awareness; and

7. prepare and maintain a resource guide that contains contact information and available services from social services agencies across the state.

Public Act# 05-280

HB# 7000

AN ACT CONCERNING SOCIAL SERVICES AND PUBLIC HEALTH BUDGET IMPLEMENTATION PROVISIONS.

EFFECTIVE DATE: Sections 12; 32-34; 39: July 1, 2005; Section 43: Upon passage; Sections 53-54: January 1, 2007, Department of Aging Task force July 1, 2005

Section 12 - EXTENDED SUNSET FOR RESIDENTIAL ENERGY CONSERVATION SERVICES PROGRAM

The act extends the sunset date for the Office of Policy and Management's

Sections 32-34 - SUPPORTIVE HOUSING

The act requires the DMHAS commissioner to provide for up to 500 additional units of affordable, supportive housing for people with mental illness. These units are a second, "Next Steps," phase of the Supportive Housing Initiative. The first phase, the Supportive Housing Pilots Initiative, was instituted in 2001 to create 650 units.

Like the pilot initiative, the Next Steps Initiative is funded through mortgages, tax credits, and grants from the Connecticut Housing Finance Authority (CHFA) and the Department of Economic and Community Development (DECD); DSS rent subsidies; and grants from various state agencies for support services. The act permits the state to pay debt service on tax-exempt bonds CHFA issues for the program.

Eligible Individuals And Housing

Under the act, Next Steps housing is for:

1. people or families affected by psychiatric disabilities, chemical dependency, or both who are homeless or at risk of homelessness (including people living on the streets or in shelters or unsafe, abusive, or overcrowded environments; paying more than 50% of their income for rent; leaving homeless programs or transitional housing with no permanent housing; or needing supportive services to maintain permanent housing);
2. families who are eligible for temporary family assistance;
3. 18- to 23-year olds who are homeless or at risk of homelessness because they are transitioning out of foster care or other residential programs; and
4. community-supervised offenders with serious mental health needs who are under the jurisdiction of the Judicial Branch or the Correction Department.

All of the units developed under the act must be permanent and can house individuals and families with or without special needs.

Financing-Memorandum of Understanding

The act requires the DMHAS commissioner and OPM secretary to enter into an MOU with the department of Children and Families (DCF), DSS, and DECD, and CHFA by October 1, 2005. That memorandum must provide for:

1. submission of a collaborative plan and timetables for creating up to 500 supported units;
2. an option for DSS to provide subsidies, including project-based rent subsidies during the term of any mortgage;
3. CHFA and DECD to offer viable financing through grants, mortgages, or tax credits, including capitalized operating reserves;
4. the treasurer and OPM secretary's ability to enter into an agreement, after January 1, 2006, to pay debt service on any tax-exempt bonds CHFA issues for the units;
5. DMHAS, DSS, and DCF to provide annual grants for supportive services during the term of any mortgage; and
6. a plan for private and federal predevelopment financing and for grants and loans from nonstate sources generated by federal and state tax credits and federal project-based rent subsidies.

The act requires CHFA, by January 1, 2006, to issue a request for proposals for participation in the initiative. It also requires CHFA to review and underwrite projects developed under both the pilot and Next Steps initiatives.

Debt Service Agreement

The act permits the treasurer and OPM secretary, on behalf of the state, to contract with CHFA to pay principal and interest and reasonable operating and replacement reserves on CHFA mortgages issued under both phases of the Supportive Housing Initiative. The contract must contain provisions they find (1) needed to assure the initiative is put into effect, (2) appropriate for repaying the state when CHFA receives mortgage payments from federal or other sources, and (3) in the state's best interests by allowing direct payment to the bond trustee or paying agent.

The act makes any contract provision for the state's paying an amount equal to the annual debt service a state contract with bondholders, appropriates all amounts needed to pay promptly, and requires the treasurer to make payments when due. It allows CHFA to pledge the state's payment as security for the bonds. And it allows CHFA to issue refunding bonds at any time.

DSS Rent Certificates

The act allows the DSS commissioner to set aside some of its rent assistance certificates for tenant- and project-based supportive housing units. Tenant-based certificates go to individuals who secure

private housing; project-based certificates go to property owners who participate in government housing development programs. The act requires, to the extent practicable, that the tenant's share of rent under a certificate for supportive housing be calculated based on federal Housing Choice Voucher Program regulations. These call for a tenant to pay 30% of the family's adjusted monthly income for a unit that rents for up to the fair market price set by the Department of Housing and Urban Development.

Reporting

The act adds DCF and DSS to the list of agencies (DMHAS, DECD, CHFA) that must submit an interim status report to various legislative committees on the Supportive Housing Initiative and extends the deadline for this report to January 1, 2006. It also extends the deadline for the final report by one year to January 1, 2007.

Section 39 - SECURITY DEPOSIT GUARANTEE PROGRAM

By law, DSS, within available appropriations, must provide security deposit guarantees of up to two months' rent, and can also offer a limited number of security deposit grants, to people residing in emergency shelters or other emergency housing, as well as to people who cannot remain in permanent housing due to circumstances beyond their control. Currently, people can receive subsequent guarantees without DSS' approval if they are requested or provided at least 18 months after the guarantee. The act permits the DSS commissioner to deny eligibility for the program to an applicant who has made more than two claims in a five-year period.

By law, the commissioner can establish priorities for giving out guarantees or deposits. The act specifies that the purpose for such prioritization is to keep the program within the available appropriation.

Section 43 - EXTENDED STAYS IN DCF CONGREGATE HOUSING FOR STUDENTS

The act also allows DCF-licensed congregate residential settings to house youth until they reach 21 years of age if (1) the youth was placed in this type of facility prior to his 18th birthday and (2) is attending school or a state accredited job training program on a full-time basis. The current cutoff is age 18.

Sections 53-54 - DEPARTMENT ON AGING 2007 REESTABLISHMENT AND TASK FORCE

The act establishes a Department on Aging, headed by a commissioner on aging appointed by the governor. It requires the commissioner to serve full-time and be knowledgeable and experienced in the conditions and needs of the elderly. He must administer all laws under the department's jurisdiction and use the most efficient and practical means to provide care for and protection of elderly persons. The act requires the commissioner to:

1. administer, coordinate, and direct department operations;
2. adopt and enforce regulations;

3. establish rules for the department's internal operation and administration;
4. plan for, establish, and develop programs, administer services, and enter into contracts to achieve the department's purposes;
5. advocate for additional needed comprehensive and coordinated programs for the elderly;
6. assist and advise all appropriate state, federal, local, and area planning agencies for the elderly in the performance of their functions and duties under federal law;
7. coordinate outreach activities by public and private agencies serving the elderly; and
8. consult and cooperate with area and private planning agencies.

The act transfers the functions, powers, duties, and personnel of the DSS Division of Elderly Services to the Department on Aging. (This DSS division was recently merged into a larger Bureau of Aging, Community, and Social Work Services.) It continues in force relevant DSS and Commission on Aging orders and regulations in effect on January 1, 2007, until they are amended, repealed, or superseded.

The act establishes a 23-member task force to study reestablishment of the Department on Aging. The task force must study this act's provisions and make recommendations on further revising the statutes and other changes needed or advisable to implement the act. It consists of the chairmen, vice chairmen, and ranking members of the Aging Committee; the Office of Policy and Management secretary or his designee; and the DSS, DPH, DMHAS, DMR, **DECD**, transportation, and insurance commissioners or their designees. Appointed members include one member each appointed by the House speaker, Senate president pro tempore, and House and Senate majority and minority leaders. The legislative appointments may be legislators. The governor appoints two members. All appointments must be made by July 31, 2005. If the legislative leaders fail to make the appointments, the act authorizes the Aging Committee's chairmen and ranking members to do so. Vacancies must be filled by the appointing authority. The House speaker and Senate president pro tempore together must select the task force co-chairmen from among its members, and the co-chairmen must schedule the first meeting by August 29, 2005. The act designates the Aging Committee's administrative staff as staff for the task force. The task force also (1) must report on its findings by February 15, 2006 to the Aging Committee and (2) terminates on the earlier of the date it submits the report or January 1, 2007.

Section 88 - SUPPORTIVE HOUSING

The act permits the DMHAS commissioner, before January 1, 2006 and within available appropriations, to provide additional supportive or supervised housing for adults with severe and persistent psychiatric disabilities.