



General Assembly

January Session, 2021

Raised Bill No. 1104

LCO No. 6689



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING COMMUNITY RESTORATION FUNDS.

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

1 Section 1. (NEW) (*Effective from passage*) (a) There are established
2 community development corporations, which shall use the revenue
3 from the taxes imposed under subsection (b) of section 6 of this act and
4 the portion of the tax received and retained by the state from sales
5 subject to the tax under subsection (b) of section 7 of this act, for the
6 community restoration and revitalization purposes set forth in this
7 section and section 2 of this act. Such moneys shall be disbursed by and
8 used in coordination with the community development corporation
9 oversight council established under section 3 of this act.

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

16 as a community development corporation.

17 (2) To be eligible to be designated as a community development
18 corporation, such entity shall:

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

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

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

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

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

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

45 (B) Increasing achievement at public elementary and middle schools

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

57 (C) Rebuilding community assets through:

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

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

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

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

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

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

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

109 (F) Creating pipelines to employment for residents of a community

110 impact zone through:

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

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

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

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

140 (2) If the corporation has insufficient funds to execute to a high level
141 of quality all of the strategies set forth in subdivision (1) of this

142 subsection, the corporation shall pursue each strategy in the order of
143 priority listed in said subdivision, with an emphasis on achieving a high
144 level of quality in the execution and implementation of such strategy
145 before undertaking the next strategy listed.

146 (d) A community development corporation may:

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

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

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

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

170 (f) Notwithstanding the provisions of chapter 846 of the general
171 statutes or section 12-157 of the general statutes, a community
172 development corporation shall be offered the right of first refusal in the

173 sale of any real property that has been foreclosed or is being sold at
174 public auction and is located in the community impact zone in which
175 such corporation is located, provided such corporation has timely
176 notified the mortgagee or the town tax collector, as applicable, of such
177 corporation's interest in acquiring such property.

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

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

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

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

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

203 (2) To be designated as a community development credit union, a

204 Connecticut credit union or Connecticut credit union service
205 organization shall:

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

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

216 (c) Each community development credit union shall:

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

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

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

231 (4) Agree to establish or relocate a location in the community impact
232 zone in which its partnered community development corporation is
233 located after such zones are designated pursuant to section 3 of this act.

234 Such credit union shall not be precluded from establishing or having
235 locations elsewhere in the state or establishing or having multiple
236 locations within the municipality in which the community impact zone
237 is located; and

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

244 (d) A community development credit union may:

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

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

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

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

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

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

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

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

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

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

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

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

305 (c) The council shall:

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

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

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

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

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

325 (6) Advise community development corporations, community

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

419 (g) The council shall establish an annual budget that sets forth the
420 amounts in the Community Development Corporation Trust Fund to be

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

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

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

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

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

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

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

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

485 (l) Not later than February 1, 2024, and annually thereafter, the
486 council shall submit a report to the Governor and to the General

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

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

507 (b) The Treasurer shall invest the amounts on deposit in the fund in
508 a manner reasonable and appropriate to achieve the objectives of the
509 fund, exercising the discretion and care of a prudent person in similar
510 circumstances with similar objectives. The Treasurer shall give due
511 consideration to rate of return, risk, term or maturity, diversification of
512 the total portfolio within the fund, liquidity, the projected
513 disbursements and expenditures, and the expected payments, deposits,
514 contributions and gifts to be received. The Treasurer shall not require
515 the fund to invest directly in obligations of the state or any political
516 subdivision of the state or in any investment or other fund administered
517 by the Treasurer. The assets of the fund shall be continuously invested
518 and reinvested in a manner consistent with the objectives of the fund
519 until disbursed for the purposes set forth in sections 1 and 2 of this act.

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

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

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

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

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

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

550 (4) "Cannabis retailer" means a person licensed by the Cannabis

551 Control Commission to sell cannabis and cannabis products to
552 consumers;

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

555 (6) "Cannabis Control Commission" means the commission
556 established under section 21 of substitute senate bill 888 of the current
557 session; and

558 (7) "Municipality" means any town, city or borough, consolidated
559 town and city or consolidated town and borough.

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

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

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

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

581 moneys in accordance with this section to municipalities in which
582 cannabis retailers are selling cannabis and cannabis products to
583 consumers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

686 (D) (i) With respect to the sales of computer and data processing
687 services occurring on or after July 1, 2001, at the rate of one per cent, and
688 (ii) with respect to sales of Internet access services, on and after July 1,
689 2001, such services shall be exempt from such tax;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

803 (vi) For calendar months commencing on or after July 1, 2022, the
804 commissioner shall deposit into the Special Transportation Fund
805 established under section 13b-68 one hundred per cent of the amounts

806 received by the state from the tax imposed under subparagraphs (A)
807 and (H) of this subdivision on the sale of a motor vehicle; and

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

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

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

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

821 A Connecticut credit union may:

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

829 (2) (A) Issue shares to its members and receive payments on shares
830 from its members and from those nonmembers specified in subsection
831 (e) of section 36a-456a, subject to the provisions of sections 36a-290 to
832 36a-297, inclusive, 36a-330 to 36a-338, inclusive, and 36a-456a, (B)
833 receive deposits of members and nonmembers subject to provisions of
834 sections 36a-456a and 36a-456b, (C) reduce the amount of its member
835 and nonmember shares and deposits, (D) expel members and cancel

836 shares in accordance with section 36a-439a, and (E) provide check
837 cashing and wire and electronic transfer services to nonmembers who
838 are within such credit union's field of membership;

839 (3) Make and use its best efforts to make secured and unsecured loans
840 and other extensions of credit to its members in accordance with section
841 36a-265 and sections 36a-457a, 36a-457b and 36a-458a;

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

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

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

863 (7) Borrow money to an amount not exceeding fifty per cent of the
864 total assets of the Connecticut credit union provided the credit union
865 shall give prior notice to the commissioner in writing of its intention to
866 borrow amounts in excess of thirty-five per cent of its total assets;

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

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

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

883 (11) With the prior approval of the commissioner, exercise fiduciary
884 powers;

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

888 (13) Provide certification services, including notary services,
889 signature guaranties, certification of electronic signatures and share
890 draft certifications;

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

896 (15) Issue and sell securities which (A) are guaranteed by the Federal

897 National Mortgage Association or any other agency or instrumentality
898 authorized by state or federal law to create a secondary market with
899 respect to extensions of credit of the type originated by the Connecticut
900 credit union, or (B) subject to the approval of the commissioner, relate
901 to extensions of credit originated by the Connecticut credit union and
902 are guaranteed or insured by a financial guaranty insurance company
903 or comparable private entity;

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

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

925 (18) Subject to the provisions of section 36a-455b, sell, pledge or
926 assign any or all of its outstanding extensions of credit to any other
927 lending institution, credit union service organization or quasi-
928 governmental entity and any government-sponsored enterprise, and act
929 as collecting, remitting and servicing agent in connection with any such

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

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

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

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

957 (22) With the prior written approval of the commissioner, engage in
958 closely related activities, unless the commissioner determines that any
959 such activity shall be conducted by a credit union service organization
960 of the Connecticut credit union, utilizing such organizational, structural
961 or other safeguards as the commissioner may require, in order to protect

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

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

989 (24) (A) Partner with a community development corporation, as
990 described in section 1 of this act, and be designated as a community
991 development credit union in accordance with the provisions of section
992 2 of this act, (B) if so designated, engage in any activity authorized for a
993 community development credit union under sections 1 and 2 of this act,
994 and (C) issue social impact bonds in accordance with subdivision (5) of
995 subsection (c) of section 2 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	12-408(1)
Sec. 8	<i>from passage</i>	12-408
Sec. 9	<i>from passage</i>	36a-455a

Statement of Purpose:

To implement certain community restoration and revitalization efforts through the establishment of community development corporations, community development credit unions and community impact zones, using tax revenue from the sale of cannabis and cannabis products and deposits in lieu of taxes payments.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]