



General Assembly

February Session, 2024

Raised Bill No. 5434

LCO No. 2681



Referred to Committee on COMMERCE

Introduced by:
(CE)

AN ACT AUTHORIZING THE COMMUNITY AND ECONOMIC DEVELOPMENT FUND TO CONDUCT BUSINESS OUTSIDE THE STATE.

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

1 Section 1. Section 8-240l of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2024*):

3 (a) [The] (1) Prior to January 1, 2025, the entity created pursuant to
4 subsection (b) of section 8-240k shall be governed by a state-wide board
5 of directors appointed as follows: Five members shall be representatives
6 of relevant state agencies and quasi-public agencies, appointed by the
7 Governor; one member shall be appointed by each investor who has
8 committed an amount of money to the program established by
9 subsection (a) of section 8-240k; and six members shall be persons of low
10 or moderate income residing in public investment communities or
11 targeted investment communities or representatives of nonprofit
12 organizations the primary purpose of which is to serve low and
13 moderate income, unemployed or underemployed residents of targeted
14 neighborhoods, except that such members shall comprise not less than

15 one third of the membership, one appointed by the speaker of the House
16 of Representatives, one by the president pro tempore of the Senate, one
17 by the majority leader of the House of Representatives, one by the
18 majority leader of the Senate, one by the minority leader of the House
19 of Representatives and one by the minority leader of the Senate. The
20 board shall appoint the additional members. The members of the board
21 of directors appointed pursuant to this subdivision and serving as
22 members of such board on October 1, 2024, shall continue to serve as
23 members of such board through December 31, 2024.

24 (2) On and after January 1, 2025, the entity created pursuant to
25 subsection (b) of section 8-240k shall be governed by a board of directors
26 as follows: (A) A chairperson of the joint standing committee of the
27 General Assembly having cognizance of matters relating to commerce,
28 jointly appointed by the speaker of the House of Representatives and
29 the president pro tempore of the Senate; (B) the Commissioner of
30 Economic and Community Development, or the commissioner's
31 designee; (C) the Banking Commissioner, or the commissioner's
32 designee; and (D) the Secretary of the Office of Policy and Management,
33 or the secretary's designee.

34 (b) The entity may: (1) Employ a staff and fix their duties,
35 qualifications and compensation; (2) solicit, receive and accept aid or
36 contributions including money, property, labor and other things of
37 value from any source; (3) establish uniform underwriting standards
38 and approval mechanisms for financing projects; (4) retain outside
39 consultants and technical experts; and (5) do all acts and things
40 necessary and convenient to carry out the purposes of sections 8-240k to
41 8-240n, inclusive.

42 (c) The purposes of the entity are to: (1) Coordinate, fund and
43 implement investment and community development in targeted
44 neighborhoods, including small for-profit enterprises, nonprofit
45 organizations, and related residential properties; (2) provide funding to
46 low and moderate income individuals to establish, maintain and expand
47 businesses in the state; (3) provide access for borrowers to existing

48 public and private lending and development programs and other
49 funding sources, including, but not limited to, equity investment, loan
50 guarantees and mortgage insurance; (4) provide technical assistance;
51 and (5) preserve public dollars by leveraging private capital for
52 community investment.

53 (d) The goals of the entity shall be to promote the following in public
54 investment communities, in targeted investment communities, and
55 state-wide in areas in which low and moderate income individuals
56 establish, maintain and expand businesses: (1) Job creation and skill
57 development for the unemployed and underemployed and persons
58 receiving public assistance; (2) leveraging of private and community
59 investment; (3) community participation in decision-making; (4) the
60 establishment of self-sustaining enterprises; (5) improvement of the
61 physical environment of the community and the state; (6) promotion of
62 affirmative action and equal employment opportunities and minority-
63 owned businesses; and (7) coordination with the state plan of
64 conservation and development adopted under chapter 297 and local,
65 regional and state strategic economic development plans.

66 (e) The entity may establish one or more local or state-wide affiliates
67 to participate in implementation of the program established under
68 subsection (a) of section 8-240k. Each affiliate shall be governed by a
69 board of directors appointed by the entity. The board of the affiliate shall
70 reflect the categories of membership as the membership of the board of
71 directors of the entity.

72 (f) Financial assistance shall be provided, in coordination with other
73 sources of public or private funds, by the entity on a competitive basis,
74 if feasible, to individuals, organizations, businesses, community
75 development corporations, regional economic development
76 corporations and any affiliate established under subsection [(c)] (e) of
77 this section. Not less than seventy per cent of the financial assistance
78 available under sections 8-240k to 8-240n, inclusive, shall be used for
79 activities in targeted investment communities. The purposes for which
80 such assistance may be used include, but are not limited to, direct small

81 business and community revitalization loans, technical capacity
82 training, loans to peer lending or borrowing groups, creation of business
83 incubators, and development of commercial real estate for businesses
84 owned or operated by or employing residents of public investment
85 communities or targeted investment communities, or owned by low or
86 moderate income individuals who are residents of the state. As used in
87 this section, "financial assistance" means any and all forms of loans,
88 extensions of credit, guarantees, equity investments or any other form
89 of financing or refinancing to applicants for activities consistent with the
90 purposes of sections 8-240k to 8-240n, inclusive.

91 (g) The entity shall provide not less than one million dollars for
92 technical assistance from the funds authorized for the program for the
93 fiscal year ending June 30, 1994. The entity shall establish a system for
94 assuring that funds are available for technical assistance on a permanent
95 basis.

96 (h) On and after January 1, 2025, the entity may conduct business
97 outside the state, provided the following conditions are satisfied: (1) The
98 assets of the entity existing on January 1, 2025, shall be utilized only for
99 the purpose of conducting business in the state; (2) any assets the entity
100 receives on or after January 1, 2025, for the purpose of conducting
101 business in the state shall be utilized only for such purpose; and (3) the
102 entity complies with all laws of the states in which the fund conducts
103 business. Any assets the entity receives on or after January 1, 2025, for
104 the purpose of conducting business outside the state shall be utilized for
105 purposes outside the state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2024	8-240l

Statement of Purpose:

To authorize the Community and Economic Development Fund to conduct business outside the state.

[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.]