

PA 11-103

HB6221

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**JOINT
STANDING
COMMITTEE
HEARINGS**

**COMMERCE
PART 1
1-277**

2011

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it. But I think you have to take that birds-eye view of this and if we're not growing any -- any jobs here in Connecticut, certainly then we have to say well, you know, take the small businessman's approach, which is, you know, sometimes you have to spend a little money to make some money. And this may be, I think, certainly a step in the right direction.

And I appreciate your testimony and that of Representative Lavielle.

Thank you. Lavielle.

Thank you, Mr. Chairman.

REP. BERGER: Thank you, Representative.

Thank you for your testimony.

Marie O'Brien, Connecticut Development Authority, Executive Director. Madam Chairwoman.

MARIE C. O'BRIEN: Thank you very much. For the record, my name is Marie O'Brien. I'm President of the Connecticut Development Authority. Good afternoon, Senator LeBeau, Representative Berger and ranking members Frantz and Camillo. Thank you so much for this opportunity to address two bills that are on your agenda this afternoon.

They both have an impact on the Connecticut Development Authority. The first one, and I'm speaking in support of Raised Bill 843, AN ACT CONCERNING RECIPIENTS OF FINANCIAL ASSISTANCE BY THE CDA. This bill makes changes to our statute which are necessary in order for the CDA to clear up recurring comments from your auditors of public accounts. It -- it amends

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Committees, at the request of the CDA, to examine the data in confidence including specific revenue data.

And I would just like to conclude my comments on this by telling you and reminding you, I know you know, you know, that annually the CDA actually undergoes three audits. The first is by your Auditors of Public Accounts. The second is by an independent firm. The firm is selected by the CDA's Board of Governors. And because that does go out to bid, every three years we have a separate firm that comes in and in fact looks at all of our books and looks at our transactions. And finally, the third set of auditors are bank auditors. A firm that is used by most of the banks in the Northeast looking at our risk rating on each loan to be sure that for our loan administration procedures we are adhering to the highest standards in the banking industry.

The second bill I'd like to address and support is Raised Bill 6221, CONCERNING THE ELIMINATION OF CERTAIN SUNSET DATES. As you know, CDA is the State's bank, offers financing, business expertise and program resources necessary to meet the State's economic development goals, and to help Connecticut businesses grow in their enterprises.

And we measure our success by the number of jobs affected, and we place a high value on new jobs created, especially, in certain core fields important to the State. Our operations are streamlined. They undergo annual continuous improvement assessments in order to remain flexible and competitive. And certainly that's important to us because we leverage every dollar with banking partners.

that we do not, in fact, at this very important time in our State, such an innovative state, and right now with the economy bouncing back so many wonderful small companies in conjunction with our academic universities and colleges and other institutions finding those new products that need to hit the market with some competitive advantage.

I hope I've answered your question.

REP. BERGER: Thank you, Marie.

Any other questions from Committee members?

Senator Frantz.

SENATOR FRANTZ: Just a comment. Great to see you again. Thank you for your testimony.

MARIE C. O'BRIEN: Thank you.

SENATOR FRANTZ: I think -- I think we'd all agree, those of us who work in the private sector that, you know, if we think that political competition is -- is furious, and in the business world, in the world of commerce, it's -- it's even more intense. And the -- the kind of investigatory capabilities that are available today are mind-boggling to say the least.

So, we need to do everything we can for Connecticut companies to keep them competitive. And it's not just a national competitive landscape. It's a truly world, global economy these days. And I know for a fact from personal experience that the kind of quote/unquote spying that goes on, is -- is intense. So, let's not make it easy for people in the same industry, same businesses,

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to find out competitive information that can be used against Connecticut companies. The -- the intent of the bill is a very good one. I think it's grown. And I think it's -- it's something that should -- it should -- it should pass all the way through the legislative process this year.

Thank you again for your testimony.

MARIE C. O'BRIEN: Thank you. We do hope for your full support through the entire process. As you know this has been a couple of years in the making, and this committee has always been supportive, so thank you very much for that. And we look forward to the final and full passage of the bill.

Thank you.

REP. BERGER: Thank you, Senator.

Any other questions or comments?

Thank you for your testimony.

We're going to move to the public portion.
Dan Greer.

(No audio for approximately 5 minutes.)

BONNIE STEWART: Good afternoon. My name is Bonnie Stewart, and with me is Pete Gioia and we're both with the Connecticut Business and Industry Association. We're here today to support with modification Senate Bill 842 regarding Job Impact Statements.

CBIA has been requesting, as all of you have heard over and over for years, that we do look at the impact a lot of the measures here passed on the private sector. And so we



TESTIMONY
of the
CONNECTICUT CONFERENCE OF MUNICIPALITIES
to the
COMMERCE COMMITTEE
February 3, 2011

CCM is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 93% of Connecticut's population. We appreciate this opportunity to provide testimony to you on issues of concern to towns and cities.

CCM supports Raised Bill 6221 "An Act Concerning the Elimination of Certain Sunset Dates".

This bill would **eliminate the sunset clause on the tax incremental financing (TIF) mechanism.**

TIF can be a useful mechanism that provides for greater economic self-sufficiency for promoting projects of benefit to the prospective city or town -- without huge upfront costs.

TIF has proven to be an effective alternative method to finance needed projects and the programs should be retained. Eliminating the sunsets currently included in the statutes would do just that.

CCM urges the committee to **support** this bill and **favorably report** it.

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If you have any questions, please contact Donna Hamzy, Legislative Associate of CCM via email dhamzy@ccm-ct.org or via phone (203) 498-3000.

Testimony of Marie C. O'Brien, President, Connecticut Development Authority
To the Commerce Committee
February 3, 2011



In Support of Raised HB 6221
AN ACT CONCERNING THE ELIMINATION OF CERTAIN SUNSET DATES

Good afternoon Senator LeBeau, Representative Berger and distinguished members of the Commerce Committee. My name is Marie O'Brien, President of the Connecticut Development Authority.

I would like to thank you for the opportunity to speak in support of Raised House Bill 6221, AN ACT CONCERNING THE ELIMINATION OF CERTAIN SUNSET DATES.

CDA As The State's Bank

CDA is the state's bank – a quasi-public authority offering financing, business expertise and program resources necessary to meet the state's economic development goals and to help Connecticut businesses grow their enterprises. We measure success by the number of jobs affected and place a high value on new jobs created, especially in core fields important to the state. CDA operations are streamlined and undergo continuous improvement assessments in order to remain flexible and competitive. In addition CDA stimulates business investment and creates jobs by financing projects that contribute to Connecticut's economy, technology base, intellectual capital, and urban infrastructure.

Tax Incremental Financing

One of the most important tools CDA uses to help finance sites that are market-ready for development is Property Tax Incremental Financing (TIF). Under existing statutory language, this capability is due to expire as of July 1, 2012.

HB 6221 will eliminate the sunset date, providing CDA and its partnering municipalities with a benefit. That benefit is a more predictable and long-serving financial tool that can be accessed throughout the lengthy lifetime of redevelopment and brownfield projects. In many cases, brownfield projects require several years to be completed, facing changing development pressures and financial terms. The greater reliability of a permanent TIF would help reduce this cycle by a significant percentage.

How does TIF work?

- A municipality identifies a brownfield or information technology infrastructure project (current statutory emphasis.)
- The municipality and CDA determine that the increased property value will generate incrementally new property taxes.
- A portion of the increased property taxes are assigned to CDA.
- CDA monetizes the assigned property tax and generates up-front cash to be invested in the project.

Recent TIF projects include:

- North Haven Commons – Retail development – former metal reclamation yard. TIF for \$2.3 million
- Killingly Commons – Power Retail Center - Former manufacturing facility converted into a big box complex. TIF for \$1.5 million
- Goodwin College – Former petroleum tank farm. Property used for the expansion of an educational facility. TIF for \$3 million.

In your folders is a presentation from CDA's subsidiary, the Connecticut Brownfields Redevelopment Authority, that provides details on the program and lists additional projects.

I'd be happy to answer any questions that you might have or provide further details at another time. Thank you for your attention to this important request.

###

H – 1100

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2011**

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2762 – 3112**

pat/gbr
HOUSE OF REPRESENTATIVES

84
May 17, 2011

Those voting Yea	138
Those voting Nay	0
Those absent and not voting	13

DEPUTY SPEAKER ALTOBELLO:

The Bill as amended is passed.

Would the Clerk please call Calendar 452.

THE CLERK:

On Page 30, Calendar 452, House Bill Number 6221

AN ACT CONCERNING THE ELIMINATION OF CERTAIN SUNSET
DATES. Favorable Report of the Committee on Finance,
Revenue and Bonding.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger from the Brass City, you
have the floor, sir.

REP. BERGER (73rd):

Good afternoon, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Good afternoon, sir.

REP. BERGER (73rd):

I move for acceptance of the Joint Committee's
Favorable Report and passage of the Bill.

DEPUTY SPEAKER ALTOBELLO:

The question before the Chamber is acceptance and
passage. Please proceed, sir.

pat/gbr
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REP. BERGER (73rd):

Yes, thank you, Mr. Speaker. The Bill before us eliminates a sunset date for municipal tax incremental financing, commonly known as the TIF program through CDA.

Mr. Speaker, the passage of this Bill will ultimately lead to, and has the potential for, grand list expansion in municipalities and also for economic development that will lead to increased state tax revenue base.

Mr. Speaker, the Bill makes permanent this financing, which CDA frequently comes before this Chamber for extensions yearly.

To describe very briefly the two programs, one uses property tax and other specified revenues to repay bonds issued for cleaning up and redeveloping contaminated property commonly known as brownfield programs.

The other program uses incremental sales, hotel dues, cabaret and admission tax revenue to repay bonds issued for projects that create jobs and stimulate significant business activity in the State of Connecticut.

Mr. Speaker, I move its passage.

pat/gbr
HOUSE OF REPRESENTATIVES

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May 17, 2011

DEPUTY SPEAKER ALTOBELLO:

The question before the Chamber is passage of the Bill. Representative Camillo of the 151st, you have the floor, sir.

REP. CAMILLO (151st):

Thank you, Mr. Speaker. This Bill was taken up in Commerce. It passed unanimously. We heard from CCM, which cited the TIF mechanism as a useful tool for promoting greater self-sufficiency for projects that will benefit towns and cities.

We also heard from Marie O'Brien of CDA who cited specifically brownfield projects, which will, which do take, sometimes many, many years under changing conditions, so this certainly would provide a useful tool and be vital to crossing out that time requirement, and I urge adoption. Thank you.

DEPUTY SPEAKER ALTOBELLO:

Thank you, sir. Representative Williams of the 68th, you have the floor, sir.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker and good afternoon.

DEPUTY SPEAKER ALTOBELLO:

Good afternoon, sir.

REP. WILLIAMS: (68th):

pat/gbr
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May 17, 2011

Thank you, Mr. Speaker. Through you, just a quick question to the proponent of the Bill, please.

DEPUTY SPEAKER ALTOBELLO:

Please proceed, sir.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. Representative Berger, in your summary you mentioned the cabaret tax being a part of this. Could you elaborate a little bit on that as the cabaret tax, as it relates to the cabaret tax that was proposed in the budget and passed a few weeks ago.

Through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes. Through you, Mr. Speaker to the Representative. In the context of the Bill, it does have incremental sales, which are part of a TIF program. Involved in the incremental sales are hotel dues, cabaret, which could be the result of cabaret taxation increase and/or changes that could be effective as of July 1, 2011.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. And through you to Representative Berger. So that cabaret tax as part of the budget was the subject of some controversy, not in the dollars that were proposed or the percentages that were proposed, necessarily, but in the philosophy behind it and whether or not it was collectible.

There was some talk between Representative Widlitz and some Members of this Chamber that that part may be removed from the budget in an implementer in a not too distant future legislative Session.

And so, removal of the cabaret tax, would that affect this at all? Through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Yes, through you, Mr. Speaker. Removal of this should not, because there are other revenue streams that could be associated with the repayment of the bonds.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Williams.

pat/gbr
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REP. WILLIAMS (68th):

Thank you, Mr. Speaker. And through you, then, so this is not such a significant portion of the repayment that it would cause this to be a problem?

Through you.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger.

REP. BERGER (73rd):

Through you, Mr. Speaker, it is just one component of many other tax revenue streams issued for the repayment, used for the repayment of the bonds for the job creation.

Through you.

DEPUTY SPEAKER ALTOBELLO:

And Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker, and I thank the gentleman for his answers.

DEPUTY SPEAKER ALTOBELLO:

Thank you, sir. Further on the Bill? If not, staff and guests please retire to the Well of the House. Members take your seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by Roll
Call. Members to the Chamber.

The House is voting by Roll Call. Members to the Chamber, please.

DEPUTY SPEAKER ALTOBELLO:

Have all Members voted? Have all Members voted?
Please check the board to make sure your vote is properly cast.

If all Members have voted, the machine will be locked. Will the Clerk please take a tally.

And would the Clerk please announce the tally.

THE CLERK:

House Bill 6221.

Total Number Voting	138
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Necessary for Passage	70
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Those voting Yea	138
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Those voting Nay	0
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Those absent and not voting	13
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DEPUTY SPEAKER ALTOBELLO:

The Bill passes.

Are there any points of personal privilege at this time? Any points of personal privileges? Lo and behold, Representative Fox of Stamford, of the 146th. You have the floor, sir.

S - 632

**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

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6546-6914**

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SENATE

497
June 7, 2011

So ordered.

SENATOR LOONEY:

Thank you Madam President.

Continuing calendar page 13. Calendar 515,
House Bill Number 6221.

Madam President, move to place the item on the
Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Also, calendar page 13, Calendar 516, House
Bill Number 6455.

Madam President, move to place the item on the
Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Moving to calendar page 14, Madam President,
Calendar 519, House Bill Number 5437.

Madam President, move to the place the item on
the Consent Calendar.

THE CHAIR:

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SENATE

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June 7, 2011

Mr. Clerk.

THE CLERK:

Immediate roll call's been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber. Immediate roll call's been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

THE CLERK:

Madam President, the items placed...

THE CHAIR:

I would ask the Chamber to be quiet please so we can hear the call of the Calendar for the Consent Calendar.

Thank you.

Please proceed, Mr. Clerk

THE CLERK:

Madam President, the items placed on the first Consent Calendar begin on calendar page 5, Calendar 336, House Bill 5697.

Calendar page 7, Calendar 421, Substitute for House Bill 6126.

Calendar page 8, Calendar 449, Senate Bill 1149.

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Calendar page 10, Calendar 470, Substitute for House Bill 5340. Calendar 474, Substitute for House Bill 6274. Calendar 476, House Bill 6635.

Calendar page 12, Calendar 499, Substitute for House Bill 6638. Calendar 500, House Bill 6614. Calendar 508, House Bill 6222.

Calendar page 13, Calendar 511, House Bill 6356. Calendar 512, Substitute for House Bill 6422. Calendar 514, House Bill 6590. Calendar 515, House Bill 6221. Calendar 516, House Bill 6455.

Calendar page 14, Calendar 517, House Bill 6350. Calendar 519, House Bill 5437. Calendar 522, House Bill 6303.

Calendar page 15, Calendar 523, Substitute for House Bill 6499. Calendar 524, House Bill 6490. Calendar 525, House Bill 5780. Calendar 526, House Bill 6513. Calendar 527, Substitute for House Bill 6532.

Calendar page 16, Calendar 528, House Bill 6561. Calendar 529, Substitute for House Bill 6312. Calendar 530, Substitute for House Bill 5032. Calendar 532, House Bill 6338.

Calendar page 17, Calendar 533, Substitute for House Bill 6325. Calendar 534, House Bill 6352.

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Calendar 536, House Bill 5300. Calendar 537, House
Bill 5482.

calendar page 18, Calendar 543, House Bill 6508.

Calendar 544, House Bill 6412. Calendar 546,
Substitute for House Bill 6538. Calendar 547,
Substitute for House Bill 6440. Calendar 548,
Substitute for House Bill 6471.

Calendar page 19, Calendar 550, Substitute for
House Bill 5802. Calendar 551, House Bill 6433.
Calendar 552, House Bill 6413. Calendar 553,
Substitute for House Bill 6227.

Calendar page 20, Calendar 554, Substitute for
House Bill 5415. Calendar 557, Substitute for House
Bill 6318. Calendar 558, Substitute for House Bill
6565.

Calendar page 21, Calendar 559, Substitute for
House Bill 6636.

Calendar page 22, Calendar 563, Substitute for
House Bill 6600. Calendar 564, Substitute for House
Bill 6598. Calendar 566, House Bill 5585.

Calendar page 23, Calendar 568, Substitute for
House Bill 6103. Calendar 570, Substitute for House
Bill 6336. Calendar 573, Substitute for House Bill
6434.

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Calendar page 24, Calendar 577, Substitute for
House Bill 5795.

Calendar page 25, Calendar 581, House Bill
6354.

Calendar page 26, Calendar 596, Substitute for
House Bill 6282. Calendar 598, Substitute for House
Bill 6629.

Calendar page 27, Calendar 600, House Bill
6314. Calendar 601, Substitute for House Bill 6529.
Calendar 602, Substitute for House Bill 6438.
Calendar 604, Substitute for House Bill 6639.

Calendar page 28, Calendar 605, Substitute for
House Bill 6526. Calendar 608, House Bill 6284.

Calendar page 30, Calendar number 615,
Substitute for House Bill 6485. Calendar 616,
Substitute for House Bill 6498.

Calendar page 31, Calendar 619, Substitute for
House Bill 6634. Calendar 627, Substitute for House
Bill 6596.

Calendar page 32, Calendar 629, House Bill
5634. Calendar 630, Substitute for House Bill 6631.
Calendar 631, Substitute for House Bill 6357.
Calendar 632, House Bill 6642.

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SENATE

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Calendar page 33, Calendar 634, Substitute for
House Bill 5431. Calendar 636, Substitute for
House, correction, House Bill 6100.

Page 34, Calendar 638, Substitute for House
Bill 6525.

Calendar page 48, Calendar 399, Substitute for
Senate Bill 1043.

Calendar page 49, Calendar 409, Substitute for
House Bill 6233. Calendar 412, House Bill 5178.
Calendar 422, Substitute for House Bill 6448.

Calendar page 52, Calendar 521, Substitute for
House Bill 6113.

Madam President, that completes the item placed
on the first Consent Calendar.

THE CHAIR:

Thank you, sir.

We call for another roll call vote. And the
machine will be open for Consent Calendar number 1.

THE CLERK:

The Senate is now voting by roll on the Consent
Calendar. Will all Senators please return to the
Chamber. The Senate is now voting by roll on the
Consent Calendar, will all Senators please return to
the Chamber.

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SENATE

525
June 7, 2011

Senator Cassano, would you vote, please, sir.

Thank you.

Well, all members have voted. All members have voted. The machine will be closed, and Mr. Clerk, will you call the tally?

THE CLERK:

Motion is on option Consent Calendar Number 1.

Total Number Voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

Consent Calendar Number 1 has passed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

We might stand at ease for just a moment as we prepare the next item..

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)