



**Substitute House Bill No. 5264**

**Public Act No. 22-97**

**AN ACT CONCERNING THE APPROVAL OF FINANCIAL AID APPLICATIONS FILED WITH CONNECTICUT INNOVATIONS, INCORPORATED AND ESTABLISHING AN ATTENDANCE POLICY FOR CONNECTICUT INNOVATIONS, INCORPORATED'S BOARD OF DIRECTORS.**

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

Section 1. Section 32-40 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2022*):

(a) All applications for financial aid shall be forwarded, together with an application fee prescribed by the corporation, to the chief executive officer of the corporation. Each such application shall be processed in accordance with the written procedures adopted by the corporation under subdivision (5) of subsection (d) of section 32-35. The board of directors or a duly constituted committee thereof shall approve or deny each application recommended by the chief executive officer. If the board of directors or any such committee approves an application, the board or such committee may authorize the corporation to enter into an agreement or agreements on behalf of the corporation to provide financial aid to the applicant. The applicant shall be promptly notified of such action by the corporation.

(b) In making the decision as to approval or denial of an application,

***Substitute House Bill No. 5264***

the board or any committee of the board shall give priority to those applicants (1) whose businesses are defense-dependent, or are located in municipalities which the Commissioner of Economic and Community Development has declared have been severely impacted by prime defense contract cutbacks pursuant to section 32-56, and (2) whose proposed research and development activity, technology, product or invention is to be used to convert all or a portion of the applicant's business to non-defense-related industrial or commercial activity, or to create a new non-defense-related industrial or commercial business. For purposes of this section, a defense-dependent business is any business that derives over fifty per cent of its gross income, generated from operations within the state, from prime defense contracts or from subcontracts entered into in connection with prime defense contracts, a significant portion of whose facilities and equipment are designed specifically for defense production and cannot be converted to nondefense uses without substantial investment.

(c) All financial and credit information and all trade secrets contained in any application for financial aid submitted to the corporation or obtained by the corporation concerning any applicant, project, activity, technology, product or invention shall be exempt from the provisions of subsection (a) of section 1-210.

(d) Notwithstanding the provisions of subsections (a) and (b) of this section, the board of directors may delegate to staff of the corporation the authority to approve any application for financial aid filed pursuant to this section for not more than [one hundred fifty] five hundred thousand dollars, provided (1) such application is processed in accordance with the written procedures adopted by the corporation under subdivision (5) of subsection (d) of section 32-35, and (2) the sum of the financial aid requested in such application and the total amount of financial aid awarded to the applicant by the corporation during the preceding twelve-month period does not exceed [one hundred fifty] five

**Substitute House Bill No. 5264**

hundred thousand dollars.

Sec. 2. Subsections (b) and (c) of section 32-35 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2022*):

(b) (1) The corporation shall be governed by a board of seventeen directors. Nine members shall be appointed by the Governor, six of whom shall be knowledgeable, and have favorable reputations for skill, knowledge and experience, in the development of innovative start-up businesses, including, but not limited to, expertise in academic research, technology transfer and application, the development of technological invention and new enterprise development and three of whom shall be knowledgeable, and have favorable reputations for skill, knowledge and experience, in the field of financial lending or the development of commerce, trade and business. Four members shall be the Commissioner of Economic and Community Development, the president of the Connecticut State Colleges and Universities, the Treasurer and the Secretary of the Office of Policy and Management, who shall serve ex officio and shall have all of the powers and privileges of a member of the board of directors. Each ex-officio member may designate his deputy or any member of his staff to represent him at meetings of the corporation with full power to act and vote in his behalf. Four members shall be appointed as follows: One by the president pro tempore of the Senate, one by the minority leader of the Senate, one by the speaker of the House of Representatives and one by the minority leader of the House of Representatives. [Each member appointed by the Governor shall serve at the pleasure of the Governor but no longer than the term of office of the Governor or until the member's successor is appointed and qualified, whichever is longer. Each member appointed by a member of the General Assembly shall serve in accordance with the provisions of section 4-1a. A director shall be eligible for reappointment. The Governor shall fill any vacancy for the unexpired

***Substitute House Bill No. 5264***

term of a member appointed by the Governor. The appropriate legislative appointing authority shall fill any vacancy for the unexpired term of a member appointed by such authority.] Except as provided in subdivision (2) of this subsection, (A) each member appointed by the Governor shall serve at the pleasure of the Governor but not longer than the term of office of the Governor or until the member's successor is appointed and qualified, whichever is longer, (B) the Governor shall fill any vacancy for the unexpired term of a member appointed by the Governor, (C) each member appointed by a member of the General Assembly shall serve in accordance with the provisions of section 4-1a, and (D) the appropriate legislative appointing authority shall fill any vacancy for the unexpired term of a member appointed by such authority. A director shall be eligible for reappointment.

(2) Any member appointed by the Governor or appointed by a member of the General Assembly who fails to attend three consecutive meetings of the board or who fails to attend fifty per cent of all meetings of the board held during any calendar year shall be deemed to have resigned from the board.

(3) Not later than thirty days after the occurrence of any vacancy, the chief executive officer of Connecticut Innovations, Incorporated, in consultation with the chairperson of the board, shall recommend a person to fill such vacancy to the appropriate appointing authority.

(c) The Governor shall appoint a chairperson from among the board members. The directors shall annually elect one of their number as secretary. The board may elect such other officers of the board as it deems proper. Members shall receive no compensation for the performance of their duties hereunder but shall be reimbursed for necessary expenses incurred in the performance thereof.