

TABLE OF CONTENTS

Standards for Repayment of Loans or Grants Made to Business Organizations that Relocate Out of State

Definitions 32-5a-1

Terms and conditions of repayment of a loan or grant 32-5a-2

Legitimate hardship 32-5a-3

Action on Application for Financial Assistance

Definitions 32-5a-4

Application deadlines and extensions. 32-5a-5

Standards for Repayment of Loans or Grants Made to Business Organizations that Relocate Out of State

Sec. 32-5a-1. Definitions

(a) "Award of a Grant" means the date of receipt by a business organization of the proceeds of any grant made to it by the department or the date specified in a contract, agreement or audit executed by the department and a business organization in connection with the provision of a grant.

(b) "Business Organization" means any private sole proprietorship, partnership, corporation or other entity, with twenty-five (25) employees or more, duly engaged in for-profit activities in the State of Connecticut, which receives a loan or grant directly from the department or indirectly through a municipality.

(c) "Commissioner" means the commissioner of economic development.

(d) "Department" means the department of economic development.

(e) "Legitimate Hardship" means any combination of factors which adversely impact upon a business organization, including but not limited to labor, financial, regulatory, or market conditions, and which, in the sole discretion of the commissioner, are of such magnitude that a deferral of repayment of any loan or grant is necessary to ensure the continued operations of the business organization or to ensure continued employment by such business organization of its employees within the state.

(f) "Relocate" means the physical transfer of the operations of a business organization in its entirety, or of any division of a business organization which independently receives any grant or loan from the state, from the location such business or division occupied at the time it accepted the grant or loan to another location.

(Effective October 25, 1990)

Sec. 32-5a-2. Terms and conditions of repayment of a loan or grant

(a) A business organization shall pay to the department the outstanding balance of any loan, including interest thereon, or the full amount of any grant made to it under any program administered by the department if such business organization or division thereof relocates outside of the state during the term of such loan or prior to the expiration of three years after the award of such grant, or such longer period of years specified in any agreement or contract for the provision of such grant.

(b) Payment shall be made to the department no later than thirty days after a business organization relocates outside of the state.

If payment is not received by the department within such thirty day period, such business organization shall pay interest monthly on the amount due and owing the department at a rate to be determined by the commissioner not to be less than one percent (1%) above the interest paid by the State of Connecticut on the latest general obligation bonds issued prior to the date such payment was due to be made to the department. Interest shall be charged on the outstanding balance until payment is made in full to the department.

(Effective October 25, 1990)

Sec. 32-5a-3. Legitimate hardship

(a) Upon the determination of a legitimate hardship, as defined in Section 32-5a-1 (e) of these Regulations, the repayment of the outstanding balance of any loan, including interest thereon, or the full amount of any grant made to a business organization may be deferred for a period not to exceed five (5) years from the date of relocation.

(b) During the period that repayment of a loan or grant is deferred, the commissioner may require the business organization to provide appropriate security for such loan or grant, including but not limited to a lien on real property or a security interest in goods, equipment, inventory or other property.

If the business organization is required to provide security, it shall be enforceable against the business organization until repayment is made in full to the department.

(Effective October 25, 1990)

Action on Application for Financial Assistance

Sec. 32-5a-4. Definitions

As used in sections 32-5a-4 to 32-5a-6, inclusive, of the Regulations of Connecticut State Agencies:

(1) “Application” means a pre-application for financial assistance, as defined in subsection (6) of this section, in the form, and containing the information, specified by the department;

(2) “Approval” means a decision by the department to request State Bond Commission or any other reviews or approvals as required under section 3-20 of the Connecticut General Statutes;

(3) “Commissioner” means the Commissioner of Economic and Community Development;

(4) “Department” means the Department of Economic and Community Development;

(5) “Filing date” means the date on which a completed application, containing all of the information specified by the department, is filed with the department; and

(6) “Financial assistance” means grants, loans or other financial assistance provided or administered by the department pursuant to Title 8 and Title 32 of the Connecticut General Statutes. It shall not include the Community Development Block Grant Program, the HOME program or any other program funded by the United States or any agency or instrumentality thereof.

(Adopted effective August 26, 2004)

Sec. 32-5a-5. Application deadlines and extensions

(a) Except as otherwise provided in this section, the department shall approve or disapprove an application for assistance within sixty (60) days of its filing date;

(b) The commissioner may, for good cause, extend the deadline for approval or disapproval for up to an additional sixty (60) days;

(c) In the event that the commissioner determines that additional information is required in order to evaluate an application, the information shall be requested in writing. The period from the date of such request until the date when the information is provided shall not count toward the deadline specified in subsection (c) of this section.

(Adopted effective August 26, 2004)