



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Brownfield Program Statute Revisions

Document Name	DECD – Brownfield Program Statute Revisions
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Legislative Liaison	Brie Wolf, brie.wolf@ct.gov , 860.990.8631
Division Requesting This Proposal	Office of Brownfield Remediation and Development (OBRD)
Drafter	Binu Chandy, Director, Office of Brownfield Remediation and Development, binu.chandy@ct.gov

Title of Proposal	DECD Brownfield Program Statute Revisions
Statutory Reference, if any	Connecticut General Statutes Section 32-763 . (Formerly Sec. 32-9kk). Remedial action and redevelopment municipal grant program. Section 32-765 . Targeted brownfield development loan program.
Brief Summary and Statement of Purpose	The following updates are being proposed to the Brownfield Program statutes: <ol style="list-style-type: none">1. Increasing the maximum award possible under the Grant and Loan programs from \$4m to \$6m.2. Clarifying language regarding allowable supplemental funding to an original grant award.3. Clarifying language regarding enrollment in the Voluntary Remediation Program in situations whether there is no site-wide remediation.
How does this proposal relate to the agency's mission?	Brownfield redevelopment is directly related to the agency's mission of enabling economic and community redevelopment by cleaning up and bringing back derelict and contaminated properties back to being assets to the communities and municipalities of Connecticut.



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SECTION-BY-SECTION SUMMARY

Summarize sections in groups where appropriate

1. Increasing the maximum award possible under the Grant and Loan programs from \$4m to \$6m.

- The \$4m limit was set when the program statutes were established, approximately 15 years ago. Since then, the costs for remediation have increased.
- There are cost efficiencies if remediation phases can be implemented at the same time.

2. Clarifying language regarding allowable additional funding to an original grant award.

- The grant statutes allow for 50% additional funding to an original grant award up to the maximum limit.
- The statutes are not clear whether additional funding awards can be made to a project or project phases beyond the 50% limit. So, clarification language has been included to:
 - i. Allow for grant application submissions (or grant awards) for related but distinct phases of a project or project addresses
 - ii. Allow for additional funding requests, if
 - 1. new parcels have been added to the original project site;
 - 2. the budget required to complete the remediation actions has increased due to inflation or issues identified during remediation action work; and/or
 - 3. the initial scope of remediation action has been altered or expanded.

3. Clarifying language regarding enrollment in the Voluntary Remediation Program in situations whether there is no site-wide remediation.

- The Department of Energy and Environmental Protection has proposed Released-Based Cleanup Regulations (RBCR). If adopted, the RBCR may impact the Brownfield Program. The proposed amendment will proactively provide options to potential applicants for brownfield funding. It allows them to choose to follow the RBCR Voluntary Remediation Program versus entering into a more formal brownfield remediation program.



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BACKGROUND

Origin of Proposal ☒ New Proposal ☐ Resubmission

Please consider the following, if applicable:

Have there been changes in federal/state laws or regulations that make this legislation necessary?	Department of Energy and Environmental Protection has proposed Released-Based Cleanup Regulations (RBCR).
Has this proposal or a similar proposal been implemented in other states? If yes, to what result?	The proposed revisions are very specific to Connecticut's Brownfield Program.
Have certain constituencies called for this proposal?	Yes, the state cost for larger brownfield projects with complicated issues can be more than \$4 million and brownfield developers and municipalities have struggled with this funding limitation. Additionally, the Office of the Attorney General has encouraged DECD to clarify the statutory language so as to understand whether a project with a pre-defined scope can be awarded additional funding beyond the allowable fifty percent limit.



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INTERAGENCY IMPACT

List each affected agency. Copy the table as needed.

☐ Check here if this proposal does NOT impact other agencies

1. Agency Name	Department of Energy and Environmental Protection
Agency Contact (name, title)	Graham Stevens, Bureau Chief, DEEP Bureau of Water Protection and Land Reuse; Ray Frigon, Director, DEEP Remediation Division; Megan Andrews, Legislative Liaison
Date Contacted	September 2024
Status	<input type="checkbox"/> Approved <input checked="" type="checkbox"/> Talks Ongoing
Open Issues, if any	

FISCAL IMPACT

Include the section number(s) responsible for the fiscal impact and the anticipated impact

☒ Check here if this proposal does NOT have a fiscal impact

State	Allows for more bond funds to be allocated to each Brownfield Remediation project but does not increase the overall bond authorization required. Additional bond funds will not be requested. No fiscal impact.
Municipal (Include any municipal mandate that can be found within legislation)	None
Federal	None
Additional notes	None



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MONITORING & EVALUATION PLAN

If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes

[X] Check here if this proposal does NOT lead to any measurable outcomes

ANYTHING ELSE WE SHOULD KNOW?



INSERT FULLY DRAFTED BILL HERE

Section 1. Sec. 32-763 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2025):

(a) There is established a remedial action and redevelopment municipal grant program to be administered by the Department of Economic and Community Development for the purpose of providing grants pursuant to subsections (b) and (c) of this section.

(b) (1) ~~[Grants may be provided to m]~~ Municipalities, Connecticut brownfield land banks and economic development agencies may apply for grants under this section for the eligible costs of (A) brownfield remediation projects or distinct phases thereof; [] (B) brownfield assessment projects or distinct phases thereof; and (C) reasonable administrative expenses not to exceed five per cent of any grant awarded. Any grant awarded under this [sub]section shall not exceed [four] six million dollars for a project site or phase and under an application submitted as per subdivision (4) of this subsection. Notwithstanding this limit and the provisions of subdivision (6) of this subsection, additional grant awards may be made that exceed this limit to related but distinct phases of a project or project addresses if separate applications, as per subdivision (4) of this subsection, are submitted.

(2) A grant applicant shall submit an application for a grant under this subsection to the Commissioner of Economic and Community Development on forms provided by the commissioner and with such information the commissioner deems necessary, including, but not limited to: (A) A description of the proposed project or a distinct phase thereof; (B) an explanation of the expected benefits of the project in relation to the purposes of this section; (C) information concerning the financial and technical capacity of the applicant to undertake the proposed project; (D) a project budget; and (E) with respect to a brownfield remediation project, a description of the condition of the brownfield, including the results of any environmental assessment of the brownfield in the possession of or available to the applicant.

(3) The commissioner may approve, reject or modify any application properly submitted in accordance with the provisions of this subsection. The commissioner may not reject an application solely because a municipality has submitted more than one application in response to a request for applications. In reviewing an application and determining the amount of the



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grant, if any, to be provided, the commissioner shall consider the following criteria: (A) The availability of funds; (B) the estimated costs of assessing and remediating the brownfield, if known; (C) the relative economic condition of the municipality in which the brownfield is located; (D) the relative need of the project for financial assistance; (E) the degree to which a grant under this subsection is necessary to induce the applicant to undertake the project; (F) the public health and environmental benefits of the project; (G) the relative benefits of the project to the municipality, the region and the state, including, but not limited to, the extent to which the project will likely result in a contribution to the municipality's tax base, the retention and creation of jobs and the reduction of blight; (H) the time frame in which the contamination occurred; (I) the relationship of the applicant to the person or entity that caused the contamination; (J) the length of time the brownfield has been abandoned; (K) the taxes owed and the projected revenues that may be restored to the community; (L) the relative need for assessment of the brownfield within the municipality or region; (M) whether the brownfield is located in a federally designated opportunity zone; and (N) such other criteria as the commissioner may establish consistent with the purposes of this subsection.

(4) The commissioner shall award grants under this subsection on a competitive basis, based on a request for applications occurring at least twice annually. The commissioner may increase the frequency of requests for applications and awards depending upon the number of applicants and the availability of funding. A **[municipality]** grant applicant may submit more than one application in response to a request for applications. On and after July 1, 2019, the commissioner **[shall]** may give priority to grant applications for brownfields located in federally designated opportunity zones.

(5) If a grant recipient under this subsection is not subject to section 22a-134a, such recipient shall enter a program for remediation of the property pursuant to either section 22a-133x, 22a-133y, 32-768 or 32-769, as determined by the commissioner, except no such recipient shall be required to enter such a program if the grant funds are used (A) for the abatement of hazardous building materials and such recipient demonstrates to the satisfaction of the Commissioners of Economic and Community Development and Energy and Environmental Protection that such hazardous building materials represent the sole or sole remaining environmental contamination on the property, (B) for remediation actions that are not site-wide and will not benefit from being in a formal program for remediation (C) solely for assessment of the brownfield, or **[(C)]** (D) as provided in subdivision (7) of this subsection.

(6) The commissioner, in consultation with the Commissioner of Energy and Environmental



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Protection and following the award of a grant under this subsection to a municipality, Connecticut brownfield land bank or economic development agency pursuant to subdivisions (3) and (4) of this subsection, may award an additional grant under this subsection to such municipality, Connecticut brownfield land bank or economic development agency to enable the completion of a brownfield remediation or assessment project, provided such project is identified as a priority by said commissioners and such additional grant funds (A) will be used to address unexpected cost overruns or costs related to remedial activities that will provide a greater environmental benefit than originally proposed pursuant to subdivision (2) of this subsection, and (B) **[do not exceed fifty per cent of the original grant, and (C)]** will not result in more than **[four]** six million dollars in total grants being awarded under this section for a single brownfield remediation or assessment project or for a project site or phase. If the projected need for additional funding identified in the course of implementing the project exceeds fifty percent of the original grant award or six million dollars, a new application may be made under subdivision (4) of this subsection provided proof is provided to the satisfaction of the commissioner that (A) new parcels have been added to the original project; (B) the budget required to complete the remediation actions has increased due to issues identified during remediation action work; or (C) the initial scope of remediation action has been altered or expanded.

(7) The commissioner may award grants under this subsection to any municipality, Connecticut brownfield land bank, economic development agency or regional council of governments organized under sections 4-124i to 4-124p, inclusive, for the eligible costs of developing a comprehensive plan for the remediation and redevelopment of multiple brownfields whenever such plan is consistent with the state plan of conservation and development, adopted pursuant to chapter 297, and the plan of conservation and development, adopted pursuant to section 8-23, for each municipality in which such brownfields are located. For purposes of this subsection, “eligible costs” shall also include expenditures associated with the development of any such plan for remediation and redevelopment.

(c) (1) The commissioner may award capacity building grants for operational expenses to any Connecticut brownfield land bank, provided such land bank (A) matches any state funds awarded pursuant to this subsection, and (B) has not previously been awarded a capacity building grant under this subsection. A grant awarded under this subsection shall not exceed fifty thousand dollars.

(2) Any Connecticut brownfield land bank may apply to the Commissioner of Economic and



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Community Development, in the form and manner prescribed by the commissioner, for a capacity building grant in an amount indicated by the Connecticut brownfield land bank. The Connecticut brownfield land bank shall include such information the commissioner deems necessary to determine whether to award such capacity building grant, in whole or in part, and to verify that such land bank has sufficient funds to match such amount and has not previously been awarded a capacity building grant under this subsection.

(d) The provisions of sections 32-5a and 32-701 shall not apply to grants provided pursuant to this section.

Sec 2. Sec. 32-765 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2025):

(a) The Department of Economic and Community Development shall establish a targeted brownfield development loan program to provide low-interest loans for the eligible costs of brownfield remediation projects to potential brownfield purchasers and current brownfield owners who (1) have no direct or related liability for the conditions of the brownfield, and (2) seek to develop brownfields for purposes of reducing blight or for industrial, commercial, residential or mixed use development.

(b) Notwithstanding subsection (a) of this section, a current owner of a brownfield on which a manufacturing facility is located shall be eligible for a loan under this section, provided neither such owner nor any partner, member, officer, manager, director, shareholder, subsidiary or affiliate of such owner (1) is liable under section 22a-427, 22a-432, 22a-433, 22a-451 or 22a-452 with respect to the property; (2) is otherwise responsible, directly or indirectly, for the discharge, spillage, uncontrolled loss, seepage or filtration of the hazardous substance, material or waste; (3) is a member, officer, manager, director, shareholder, subsidiary, successor of, or affiliated with, directly or indirectly, the person who is otherwise liable under section 22a-427, 22a-432, 22a-433, 22a-451 or 22a-452 with respect to the property; or (4) has been found guilty of knowingly or wilfully violating any environmental law.

(c) An applicant for a loan pursuant to this section shall submit an application to the Commissioner of Economic and Community Development on forms provided by the commissioner and with such information the commissioner deems necessary, including, but not limited to: (1) A description of the proposed project; (2) an explanation of the expected benefits



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of the project in relation to the purposes of this section; (3) information concerning the financial and technical capacity of the applicant to undertake the proposed project; (4) a project budget; and (5) a description of the condition of the brownfield involved, including the results of any environmental assessment of the brownfield in the possession of or available to the applicant. The commissioner shall provide loans based upon project merit and viability, the economic and community development opportunity, municipal support, contribution to the community's tax base, past experience of the applicant, compliance history and ability to pay. For applications received on and after July 1, 2019, the commissioner **[shall]** may give priority to proposed projects located in federally designated opportunity zones.

(d) If a loan recipient is not subject to section 22a-134a, such recipient shall enter a program for remediation of the property pursuant to either section 22a-133x, 22a-133y, 32-768 or 32-769, as determined by the commissioner, except if the loan funds are used (A) for the abatement of hazardous building materials and such recipient demonstrates to the satisfaction of the Commissioners of Economic and Community Development and Energy and Environmental Protection that such hazardous building materials represent the sole or sole remaining environmental contamination on the property or (B) for remediation actions that are not site-wide and will not benefit from being in a formal program for remediation.

(e) Loans made pursuant to this section shall have such terms and conditions and be subject to such eligibility and loan approval criteria as determined by the commissioner. Such loans shall be for a period not to exceed thirty years.

(f) If a loan recipient sells a property subject to a loan granted pursuant to this section before the loan is repaid, the loan shall be payable upon closing of such sale, according to its terms, unless the commissioner agrees otherwise. The commissioner may carry the loan forward as an encumbrance to the purchaser with the same terms and conditions as the original loan.

(g) A loan recipient may be eligible for a loan of not more than **[four]** six million dollars per year, subject to agency underwriting and reasonable and customary requirements to assure performance. If additional funds are required, the commissioner may recommend that the project be funded through other programs administered by the commissioner.

(h) The commissioner may modify the terms of any loan made pursuant to this section to provide for forgiveness of interest, principal, or both, or delay in repayment of interest, principal, or both, when the commissioner determines such forgiveness or delay is in the best interest of the state from an economic or community development perspective.



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Document Name: DECD – Brownfield Program Statute Revisions

(i) The provisions of sections 32-5a and 32-701 shall not apply to loans provided pursuant to this section.



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Document Name: DECD – Good to Great Liens

Document Name	DECD – Good to Great Liens
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Legislative Liaison	Brie Wolf, brie.wolf@ct.gov , 860.990.8631
Division Requesting This Proposal	Connecticut Office of the Arts
Drafter	Chris Kurker-Stewart, christon.kurker-stewart@ct.gov

Title of Proposal	DECD – Good to Great Liens
Statutory Reference, if any	None
Brief Summary and Statement of Purpose	To protect public assets and ensure appropriate use of public funds, liens are placed on land owned by the awardee of state funds. There is a requirement in a number of public acts (not codified into statute) that this lien be on land. It has come to our attention that some awardees may not own land. Therefore, the Department would like to allow a lien to be placed on real or personal property for grants-in-aid to non-profit organizations sponsoring cultural and historic sites (Good to Great Program) funded at \$100,000 or less.
How does this proposal relate to the agency's mission?	This amendment aligns with the department's mission to strengthen Connecticut's communities by providing funding and technical support for local community and economic development projects.



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Document Name: DECD – Good to Great Liens

SECTION-BY-SECTION SUMMARY

Summarize sections in groups where appropriate

Section 1 of the proposal allows a lien to be placed on real or personal property for grants-in-aid to non-profit organizations sponsoring cultural and historic sites funded at \$100,000 or less.

BACKGROUND

Origin of Proposal ☒ New Proposal ☐ Resubmission

Please consider the following, if applicable:

Have there been changes in federal/state laws or regulations that make this legislation necessary?	No
Has this proposal or a similar proposal been implemented in other states? If yes, to what result?	No
Have certain constituencies called for this proposal?	There is a small universe of Good to Great Program applicants that do not own land. These applicants would be unable to receive grant funds unless such an amendment is made and codified into the general statutes.



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Good to Great Liens

INTERAGENCY IMPACT

List each affected agency. Copy the table as needed.

☐ Check here if this proposal does NOT impact other agencies

1. Agency Name	Office of Policy and Management
Agency Contact (name, title)	Peter Hopko
Date Contacted	10.4.24
Status	<input type="checkbox"/> Approved <input checked="" type="checkbox"/> Talks Ongoing
Open Issues, if any	

FISCAL IMPACT

Include the section number(s) responsible for the fiscal impact and the anticipated impact

☒ Check here if this proposal does NOT have a fiscal impact

State	None
Municipal (Include any municipal mandate that can be found within legislation)	None
Federal	None
Additional notes	None



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Document Name: DECD – Good to Great Liens

MONITORING & EVALUATION PLAN

If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes

[X] Check here if this proposal does NOT lead to any measurable outcomes



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Good to Great Liens

ANYTHING ELSE WE SHOULD KNOW?

INSERT FULLY DRAFTED BILL HERE

Section 1. NEW (Effective July 1, 2025):

Notwithstanding section 15 of public act 14-98, section 38 of public act 15-1 of the June special session, section 414 of public act 17-2 of the June special session, section 38 of public act 20-1, section 38 of public act 21-111, section 320 of public act 22-118, or section 15 of public act 24-151, the commissioner of the department of economic and community development may require, for grants-in-aid not to exceed one hundred thousand dollars to non-profit organizations sponsoring cultural and historic sites, [funded in an amount not to exceed one hundred thousand dollars, may require that] a lien [shall] be placed on real or personal property in favor of the state to ensure that such amount shall be repaid in the event of such change in use, provided if the premises for which such grant-in-aid was made are owned by the state, a municipality or a housing authority no lien need be placed.



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Statewide Marketing Sales Program

Document Name	DECD – Statewide Marketing Sales Program
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Legislative Liaison	Brie Wolf, brie.wolf@ct.gov , 860.990.8631
Division Requesting This Proposal	Office of Statewide Marketing and Tourism
Drafter	Brie Wolf, brie.wolf@ct.gov , 860.990.8631

Title of Proposal	DECD – Statewide Marketing Sales Program
Statutory Reference, if any	Connecticut General Statutes Section 10-395b . Tourism Fund.
Brief Summary and Statement of Purpose	<p>This proposal allows the Department to create a Sales Program to sell Connecticut brand merchandise and advertising space for Connecticut businesses on CTvisit.com, the state tourism website, due to the high number of impressions the site receives (9.4 million in 2024). All revenue from the Sales Program would be deposited in the Tourism Fund Statewide Marketing Account. This is another step toward making tourism funding more self-sustaining. The funds will be managed by Office of Statewide Marketing and Tourism, which is responsible for driving the narrative and shaping perceptions of Connecticut as one of the best places in the country to live, work, and play.</p>
How does this proposal relate to the agency's mission?	<p>It dovetails into the Department's mission to promote Connecticut industries and businesses here at home and make tourism a leading economic contributor and a source of pride for Connecticut.</p>



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Statewide Marketing Sales Program

SECTION-BY-SECTION SUMMARY

Summarize sections in groups where appropriate

Section one of this proposal allows the Department to create a Sales Program to sell Connecticut brand merchandise and advertising space for Connecticut businesses on CTvisit.com, the state tourism website. All revenue from the Sales Program would be deposited in the Tourism Fund Statewide Marketing Account.

BACKGROUND

Origin of Proposal ☒ New Proposal ☐ Resubmission

Please consider the following, if applicable:

Have there been changes in federal/state laws or regulations that make this legislation necessary?	No
Has this proposal or a similar proposal been implemented in other states? If yes, to what result?	<p>Yes. NY State has the I ♥ NY online shop. This brand is iconic and in fact received intense public pushback when they refreshed the look in 2022. The brand awareness and positive public perception of this alone are worthy of our efforts, which will cost minimally to implement and keep running year after year.</p> <p>Sister state agencies Department of Agriculture and Department of Energy and Environmental Protection also operate sales programs.</p>
Have certain constituencies called for this proposal?	<p>The Office of Statewide Marketing and Tourism made a small number of Connecticut brand shirts for elected officials to wear in the Middletown PrideFEST. Many members of the public approached those wearing the apparel to ask where they could purchase it. This was the inspiration for our legislative proposal.</p>



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Document Name: DECD – Statewide Marketing Sales Program

INTERAGENCY IMPACT

List each affected agency. Copy the table as needed.

☒ Check here if this proposal does NOT impact other agencies

1. Agency Name	
Agency Contact (name, title)	
Date Contacted	
Status	<input type="checkbox"/> Approved <input type="checkbox"/> Talks Ongoing
Open Issues, if any	

FISCAL IMPACT

Include the section number(s) responsible for the fiscal impact and the anticipated impact

☐ Check here if this proposal does NOT have a fiscal impact

State	This proposal could generate new revenue, which is needed to bolster the tourism industry.
Municipal (Include any municipal mandate that can be found within legislation)	None
Federal	None
Additional notes	None



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Statewide Marketing Sales Program

MONITORING & EVALUATION PLAN

If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes

[] Check here if this proposal does NOT lead to any measurable outcomes

DECD staff will track the (1) type, quantity and cost of the state merchandise being sold; (2) type, quantity and cost of advertising space being sold to Connecticut businesses; (3) amount being deposited into the Tourism Fund Statewide Marketing Account.

ANYTHING ELSE WE SHOULD KNOW?



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Statewide Marketing Sales Program

INSERT FULLY DRAFTED BILL HERE

Section 1. Sec. 10-395b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) There is established a fund to be known as the “Tourism Fund” which shall be a separate, nonlapsing fund. The fund shall contain any moneys required by law to be deposited in the fund.

(b) On or after July 1, 2025, the Commissioner of Economic and Community Development may establish and administer a sales program to sell Connecticut brand merchandise and advertising space for Connecticut businesses. All revenue from the sales program shall be deposited in the Tourism Fund Statewide Marketing Account.



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Film and Digital Media Production Tax Credit
Revisions

Document Name	DECD – Film and Digital Media Production Tax Credit Revisions
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Naming Format: AGENCY ACRONYM PROPOSAL NUMBER – TOPIC

*Please insert a copy of the fully drafted bill at the end of this document
(required for review)*

Legislative Liaison	Brie Wolf, brie.wolf@ct.gov , 860.990.8631
Division Requesting This Proposal	Office of Film, Television and Digital Media
Drafter	Colin Pavel, CCT Economist, colin.pavel@ct.gov Brie Wolf, Director of Government Affairs, brie.wolf@ct.gov

Title of Proposal	Film and Digital Media Production Tax Credit Revisions
Statutory Reference, if any	Connecticut General Statutes Section 12-217jj . Film production tax credit. Regulations. Section 12-217kk . Tax credit for infrastructure projects in the entertainment industry. Regulations. Section 12-217ll . Tax credit for digital animation production companies. Regulations.
Brief Summary and Statement of Purpose	This proposal contains several revisions to the Film and Digital Media Production Tax Credits. It (1) modifies the Film Production Tax Credit as recommended in the performance audit conducted by the Auditors of Public Accounts for Fiscal Years 2020, 2021, and 2022; (2) modifies the Live Theatrical Production/Infrastructure Project Tax Credit as recommended in the performance audit conducted by the Auditors of Public Accounts for Fiscal Years 2020, 2021, and 2022; and (3) repeals the digital animation production tax credit.
How does this proposal relate to the agency's mission?	These revisions will bring DECD into compliance with many of the auditor's recommendations for the administration of DECD's longstanding Film Production and Infrastructure Project Tax Credit, while also increasing the program's efficiency. Collectively, these



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Film and Digital Media Production Tax Credit

Revisions

	measures will maintain Connecticut’s competitiveness as an attractive location for film and digital media business activities.
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SECTION-BY-SECTION SUMMARY

Summarize sections in groups where appropriate

Section 1 amends CGS Sec. 12-217jj, Film Production Tax Credit, to:

- Allow production of a qualifying interactive website to truly be eligible for the Film Production Tax Credit and provide consistency within statutory language, as recommended by the auditors of public accounts. To qualify for the credit, there are minimum thresholds of in-state photography days or postproduction spending to be met, however, websites often lack any photography or postproduction spending. If interactive websites are to remain eligible, there must be an exception to these specific criteria included in the statute. The language has been revised to clarify that to qualify for the credit one million dollars must be spent on website *production* costs.
- Allow applicants to apply for Film Production Tax Credit voucher not later than 90 days after the certification of the mandatory independent audit has been completed, as recommended by the auditors of public accounts. The existing application window is within 90 days of the last qualified expenditure, but this time frame is often insufficient to complete and submit the audit for larger projects, and productions that span multiple states can extend longer than 90 days after their final production expense in Connecticut. Setting the deadline to 90 days after the completion of the audit certification solves these issues.
- Clarify that administrative fees are nonrefundable, as recommended by the auditors of public accounts.
- Make the adoption of regulations governing the Film Production Tax Credit permissive.

Section 2 amends CGS Sec. 12-217kk to clarify that administrative fees are nonrefundable and make the adoption of regulations governing the Infrastructure Project Tax Credit permissive.

Section 3 repeals 12-217ll, Tax Credit for Digital Animation Production Companies. This credit was only claimed by one company since its inception and repealing it from statute will not impact DECD’s operations or our credit offerings but will prevent future audit findings on the subject.



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Film and Digital Media Production Tax Credit

Revisions

BACKGROUND

Origin of Proposal

☐ New Proposal

☒ Resubmission

The proposed repeal of the Digital Animation Companies credit is a new concept. All other concepts in the bill are were submitted for consideration during the 2024 session, consistent with auditors' recommendations.

Please consider the following, if applicable:

Have there been changes in federal/state laws or regulations that make this legislation necessary?	N/A
Has this proposal or a similar proposal been implemented in other states? If yes, to what result?	
Have certain constituencies called for this proposal?	The Auditors of Public Accounts performance audits for Fiscal Years 2020, 2021, and 2022 cited finding stated that a business cannot claim Film Production Tax Credit if it received the digital animation tax credit, with which we disagree. However, only one company was ever issued the digital animation tax credit, so a solution is to simply repeal from statute to prevent further findings.



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Document Name: DECD – Film and Digital Media Production Tax Credit

Revisions

INTERAGENCY IMPACT

List each affected agency. Copy the table as needed.

☐ Check here if this proposal does NOT impact other agencies

1. Agency Name	Department of Revenue Services
Agency Contact (name, title)	Ernie Adamo
Date Contacted	10.11.24
Status	<input type="checkbox"/> Approved <input checked="" type="checkbox"/> Talks Ongoing
Open Issues, if any	

FISCAL IMPACT

Include the section number(s) responsible for the fiscal impact and the anticipated impact

☐ Check here if this proposal does NOT have a fiscal impact

State	None
Municipal (Include any municipal mandate that can be found within legislation)	None
Federal	None
Additional notes	None



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Document Name: DECD – Film and Digital Media Production Tax Credit

Revisions

MONITORING & EVALUATION PLAN

If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes

[] Check here if this proposal does NOT lead to any measurable outcomes

DECD will continue monitoring and reporting the economic and fiscal impact of the Film Production Tax Credits in annual reports as measured by GDP, output, and employment associated with qualified production spending and net state revenue associated with film and digital media industry jobs.

ANYTHING ELSE WE SHOULD KNOW?



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Film and Digital Media Production Tax Credit
Revisions

INSERT FULLY DRAFTED BILL HERE

Sec 1. Sec. 12-217jj of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2025, and applicable to all open credit applications for tax credit vouchers and applications filed on or after the effective date of this act): (a) As used in this section:

(1) “Commissioner” means the Commissioner of Revenue Services.

(2) “Department” means the Department of Economic and Community Development.

(3) (A) “Qualified production” means entertainment content created in whole or in part within the state, including motion pictures, except as otherwise provided in this subparagraph; documentaries; long-form, specials, mini-series, series, sound recordings, videos and music videos and interstitials television programming; interactive television; relocated television production; interactive games; videogames; commercials; any format of digital media, including an interactive web site, created for distribution or exhibition to the general public; and any trailer, pilot, video teaser or demo created primarily to stimulate the sale, marketing, promotion or exploitation of future investment in either a product or a qualified production via any means and media in any digital media format, film or videotape, provided such program meets all the underlying criteria of a qualified production. For state fiscal years ending on or after June 30, 2014, “qualified production” shall not include a motion picture that has not been designated as a state-certified qualified production prior to July 1, 2013, and no tax credit voucher for such motion picture may be issued for such motion picture, except, for state fiscal years ending on or after June 30, 2015, “qualified production” shall include a motion picture for which twenty-five per cent or more of the principal photography shooting days are in this state at a facility that receives not less than twenty-five million dollars in private investment and opens for business on or after July 1, 2013, and a tax credit voucher may be issued for such motion picture.

(B) “Qualified production” shall not include any ongoing television program created primarily as news, weather or financial market reports; a production featuring current events, other than a relocated television production, sporting events, an awards show or other gala



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event; a production whose sole purpose is fundraising; a long-form production that primarily markets a product or service; a production used for corporate training or in-house corporate advertising or other similar productions; or any production for which records are required to be maintained under 18 USC 2257, as amended from time to time, with respect to sexually explicit content.

(4) “Eligible production company” means a corporation, partnership, limited liability company, or other business entity engaged in the business of producing qualified productions on a one-time or ongoing basis, and qualified by the Secretary of the State to engage in business in the state.

(5) “Production expenses or costs” means all expenditures clearly and demonstrably incurred in the state in the preproduction, production or postproduction costs of a qualified production, including:

(A) Expenditures incurred in the state in the form of either compensation or purchases including production work, production equipment not eligible for the infrastructure tax credit provided in section 12-217kk, production software, postproduction work, postproduction equipment, postproduction software, set design, set construction, props, lighting, wardrobe, makeup, makeup accessories, special effects, visual effects, audio effects, film processing, music, sound mixing, editing, location fees, soundstages and any and all other costs or services directly incurred in connection with a state-certified qualified production;

(B) Expenditures for distribution, including preproduction, production or postproduction costs relating to the creation of trailers, marketing videos, commercials, point-of-purchase videos and any and all content created on film or digital media, including the duplication of films, videos, CDs, DVDs and any and all digital files now in existence and those yet to be created for mass consumer consumption; the purchase, by a company in the state, of any and all equipment relating to the duplication or mass market distribution of any content created or produced in the state by any digital media format which is now in use and those formats yet to be created for mass consumer consumption; and

(C) “Production expenses or costs” does not include the following: (i) On and after January 1, 2008, compensation in excess of fifteen million dollars paid to any individual or entity representing an individual, for services provided in the production of a qualified production and on or after January 1, 2010, compensation subject to Connecticut personal income tax in



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excess of twenty million dollars paid in the aggregate to any individuals or entities representing individuals, for star talent provided in the production of a qualified production; (ii) media buys, promotional events or gifts or public relations associated with the promotion or marketing of any qualified production; (iii) deferred, leveraged or profit participation costs relating to any and all personnel associated with any and all aspects of the production, including, but not limited to, producer fees, director fees, talent fees and writer fees; (iv) costs relating to the transfer of the production tax credits; (v) any amounts paid to persons or businesses as a result of their participation in profits from the exploitation of the qualified production; and (vi) any expenses or costs relating to an independent certification, as required by subsection (h) of this section, or as the department may otherwise require, pertaining to the amount of production expenses or costs set forth by an eligible production company in its application for a production tax credit.

(6) “Sound recording” means a recording of music, poetry or spoken-word performance, but does not include the audio portions of dialogue or words spoken and recorded as part of a motion picture, video, theatrical production, television news coverage or athletic event.

(7) “State-certified qualified production” means a qualified production produced by an eligible production company that (A) is in compliance with regulations adopted pursuant to subsection (l) of this section, (B) is authorized to conduct business in this state, and (C) has been approved by the department as qualifying for a production tax credit under this section.

(8) “Interactive web site” means a web site, the production costs of which (A) are expended within the state and exceed **[five hundred thousand]** one million dollars per income year, and (B) is primarily (i) interactive games or end user applications, or (ii) animation, simulation, sound, graphics, story lines or video created or repurposed for distribution over the Internet. An interactive web site does not include a web site primarily used for institutional, private, industrial, retail or wholesale marketing or promotional purposes, or which contains obscene content.

(9) “Post-certification remedy” means the recapture, disallowance, recovery, reduction, repayment, forfeiture, decertification or any other remedy that would have the effect of reducing or otherwise limiting the use of a tax credit provided by this section.

(10) “Compensation” means base salary or wages and does not include bonus pay, stock options, restricted stock units or similar arrangements.



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(11) “Relocated television production” means:

(A) An ongoing television program all of the prior seasons of which were filmed outside this state, and may include current events shows, except those referenced in subparagraph (B)(i) of this subdivision.

(B) An eligible production company's television programming in this state that (i) is not a general news program, sporting event or game broadcast, and (ii) is created at a qualified production facility that has had a minimum investment of twenty-five million dollars made by such eligible production company on or after January 1, 2012, at which facility the eligible production company creates ongoing television programming as defined in subparagraph (A) of this subdivision, and creates at least two hundred new jobs in Connecticut on or after January 1, 2012. For purposes of this subdivision, “new job” means a full-time job, as defined in section 12-217ii, that did not exist in this state prior to January 1, 2012, and is filled by a new employee, and “new employee” includes a person who was employed outside this state by the eligible production company prior to January 1, 2012, but does not include a person who was employed in this state by the eligible production company or a related person, as defined in section 12-217ii, with respect to the eligible production company during the prior twelve months.

(C) A relocated television production may be a state-certified qualified production for not more than ten successive income years, after which period the eligible production company shall be ineligible to resubmit an application for certification.

(b) (1) The Department of Economic and Community Development shall administer a system of tax credit vouchers within the resources, requirements and purposes of this section for eligible production companies producing a state-certified qualified production in the state.

(2) Any eligible production company incurring production expenses or costs shall be eligible for a credit (A) for income years commencing on or after January 1, 2010, but prior to January 1, 2018, against the tax imposed under chapter 207 or this chapter, (B) for income years commencing on or after January 1, 2018, but prior to January 1, 2022, against the tax imposed under chapter 207 or 211 or this chapter, and (C) for income years commencing on or after January 1, 2022, against the tax imposed under chapter 207, 211, 219 or this chapter, as follows: (i) For any such company incurring such expenses or costs of not less than one hundred thousand dollars, but not more than five hundred thousand dollars, a credit equal to ten per cent of such expenses or costs, (ii) for any such company incurring such expenses or costs of



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more than five hundred thousand dollars, but not more than one million dollars, a credit equal to fifteen per cent of such expenses or costs, and (iii) for any such company incurring such expenses or costs of more than one million dollars, a credit equal to thirty per cent of such expenses or costs.

(c) No eligible production company incurring an amount of production expenses or costs that qualifies for such credit shall be eligible for such credit unless on or after January 1, 2010, such company conducts (1) not less than fifty per cent of principal photography days within the state, or (2) expends not less than fifty per cent of postproduction costs within the state, or (3) expends not less than one million dollars of postproduction costs within the state. This subsection shall not apply to an eligible production company that produces an interactive web site, created for distribution or exhibition to the general public.

(d) For income years commencing on or after January 1, 2010, no expenses or costs incurred outside the state and used within the state shall be eligible for a credit, and one hundred per cent of such expenses or costs shall be counted toward such credit when incurred within the state and used within the state.

(e) (1) On and after July 1, 2006, and for income years commencing on or after January 1, 2006, any credit allowed pursuant to this section may be sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers, provided (A) no credit, after issuance, may be sold, assigned or otherwise transferred, in whole or in part, more than three times, (B) in the case of a credit allowed for the income year commencing on or after January 1, 2011, but prior to January 1, 2012, any entity that is not subject to tax under chapter 207 or this chapter may transfer not more than fifty per cent of such credit in any one income year, and (C) in the case of a credit allowed for an income year commencing on or after January 1, 2012, any entity that is not subject to tax under chapter 207 or this chapter may transfer not more than twenty-five per cent of such credit in any one income year.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, any entity that is not subject to tax under this chapter or chapter 207 shall not be subject to the limitations on the transfer of credits provided in subparagraphs (B) and (C) of said subdivision (1), provided such entity owns not less than fifty per cent, directly or indirectly, of a business entity, as defined in section 12-284b.

(3) Notwithstanding the provisions of subdivision (1) of this subsection, any qualified



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production that is created in whole or in significant part, as determined by the Commissioner of Economic and Community Development, at a qualified production facility shall not be subject to the limitations of subparagraph (B) or (C) of said subdivision (1). For purposes of this subdivision, “qualified production facility” means a facility (A) located in this state, (B) intended for film, television or digital media production, and (C) that has had a minimum investment of three million dollars, or less if the Commissioner of Economic and Community Development determines such facility otherwise qualifies.

(4) (A) For the income year commencing on or after January 1, 2018, but prior to January 1, 2019, any credit that is sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers pursuant to subdivision (1) of this subsection may be claimed against the tax imposed under chapter 211 only if there is common ownership of at least fifty per cent between such taxpayer and the eligible production company that sold, assigned or otherwise transferred such credit. Such taxpayer may only claim ninety-two per cent of the amount of such credit entered by the department on the production tax credit voucher.

(B) For income years commencing on or after January 1, 2019, any credit that is sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers pursuant to subdivision (1) of this subsection, which credit is claimed against the tax imposed under chapter 211, shall be subject to the following limits:

(i) The taxpayer may only claim ninety-five per cent of the amount of such credit entered by the department on the production tax credit voucher; and

(ii) If there is common ownership of at least fifty per cent between such taxpayer and the eligible production company that sold, assigned or otherwise transferred such credit, such taxpayer may only claim ninety-two per cent of the amount of such credit entered by the department on the production tax credit voucher.

(5) (A) For income years commencing on or after January 1, 2022, but prior to January 1, 2024, and on or after January 1, 2026, any credit that is claimed against the tax imposed under chapter 219 shall be subject to the following limits:

(i) Any credit that is sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers pursuant to subdivision (1) of this subsection may be claimed against the tax imposed under chapter 219 only if there is common ownership of at least fifty per cent between



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such taxpayer and the eligible production company that sold, assigned or otherwise transferred such credit; and

(ii) The eligible production company or taxpayer claiming the credit against the tax imposed under chapter 219 may only claim seventy-eight per cent of the amount of such credit entered by the department on the production tax credit voucher.

(B) For income years commencing on or after January 1, 2024, but prior to January 1, 2026, any credit that is claimed against the tax imposed under chapter 219 shall be subject to the following limits:

(i) Any credit that is sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers pursuant to subdivision (1) of this subsection may be claimed against the tax imposed under chapter 219 only if there is common ownership of at least fifty per cent between such taxpayer and the eligible production company that sold, assigned or otherwise transferred such credit; and

(ii) The eligible production company or taxpayer claiming the credit against the tax imposed under chapter 219 may only claim ninety-two per cent of the amount of such credit entered by the department on the production tax credit voucher.

(f) (1) On and after July 1, 2006, and for income years commencing on or after January 1, 2006, but prior to January 1, 2015, all or part of any such credit allowed under this section may be claimed against the tax imposed under chapter 207 or this chapter for the income year in which the production expenses or costs were incurred, or in the three immediately succeeding income years.

(2) For production tax credit vouchers issued on or after July 1, 2015, but prior to January 1, 2018, all or part of any such credit may be claimed against the tax imposed under chapter 207 or this chapter, for the income year in which the production expenses or costs were incurred, or in the five immediately succeeding income years.

(3) For production tax credit vouchers issued on or after July 1, 2018, but prior to January 1, 2022, all or part of any such credit may be claimed against the tax imposed under chapter 207 or 211 or this chapter, for the income year in which the production expenses or costs were incurred, or in the five immediately succeeding income years.



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(4) For production tax credit vouchers issued on or after January 1, 2022, all or part of any such credit may be claimed against the tax imposed under chapter 207, 211, 219 or this chapter, for the income year in which the production expenses or costs were incurred, or in the five immediately succeeding income years.

(g) Any production tax credit allowed under this section shall be nonrefundable.

(h) (1) An eligible production company shall apply to the department for a tax credit voucher on an annual basis, but not later than ninety days after the first production expenses or costs are incurred in the production of a qualified production, and shall provide with such application such information as the department may require to determine such company's eligibility to claim a credit under this section. No production expenses or costs may be listed more than once for purposes of the tax credit voucher pursuant to this section, or pursuant to section 12-217kk or 12-217ll, and if a production expense or cost has been included in a claim for a credit, such production expense or cost may not be included in any subsequent claim for a credit.

(2) Not later than ninety days after the end of the annual period, or after the **[last production expenses or costs are incurred in the production of a qualified production]** completion of the independent certification, an eligible production company shall apply to the department for a production tax credit voucher, and shall provide with such application (A) a report that includes the number of full-time jobs and the number of part-time jobs created by the eligible production company during the annual period, a description of each such job and an explanation of what the eligible production company considers to be job creation for purposes of the report, and (B) such information and independent certification as the department may require pertaining to the amount of such company's production expenses or costs. Such independent certification shall be provided by an audit professional chosen from a list compiled by the department. If the department determines that such company is eligible to be issued a production tax credit voucher, the department shall enter on the voucher the amount of production expenses or costs that has been established to the satisfaction of the department and the amount of such company's credit under this section. The department shall provide a copy of such voucher to the commissioner, upon request.

(3) The department shall charge a reasonable and nonrefundable administrative fee sufficient to cover the department's costs to analyze applications submitted under this section.

(i) If an eligible production company sells, assigns or otherwise transfers a credit under this



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section to another taxpayer, the transferor and transferee shall jointly submit written notification of such transfer to the department not later than thirty days after such transfer. If such transferee sells, assigns or otherwise transfers a credit under this section to a subsequent transferee, such transferee and such subsequent transferee shall jointly submit written notification of such transfer to the department not later than thirty days after such transfer. The notification after each transfer shall include the credit voucher number, the date of transfer, the amount of such credit transferred, the tax credit balance before and after the transfer, the tax identification numbers for both the transferor and the transferee, and any other information required by the department. Failure to comply with this subsection will result in a disallowance of the tax credit until there is full compliance on the part of the transferor and the transferee, and for a second or third transfer, on the part of all subsequent transferors and transferees. The department shall provide a copy of the notification of assignment to the commissioner upon request.

(j) Any eligible production company that submits information to the department that it knows to be fraudulent or false shall, in addition to any other penalties provided by law, be liable for a penalty equal to the amount of such company's credit entered on the production tax credit voucher issued under this section.

(k) No tax credits transferred pursuant to this section shall be subject to a post-certification remedy, and the department and the commissioner shall have no right, except in the case of possible material misrepresentation or fraud, to conduct any further or additional review, examination or audit of the expenditures or costs for which such tax credits were issued. The sole and exclusive remedy of the department and the commissioner shall be to seek collection of the amount of such tax credits from the entity that committed the fraud or misrepresentation.

(l) The department, in consultation with the commissioner, [shall] may adopt regulations, in accordance with the provisions of chapter 54, as may be necessary for the administration of this section.

Sec 2. Sec. 12-217kk of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) As used in this section:



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(1) “Commissioner” means the Commissioner of Revenue Services.

(2) “Department” means the Department of Economic and Community Development.

(3) “Infrastructure project” means a capital project to provide basic buildings, facilities or installations needed for the functioning of the digital media and motion picture industry in this state.

(4) “State-certified project” means an infrastructure project undertaken in this state by an entity that (A) is in compliance with regulations adopted pursuant to subsection (e) of this section, (B) is authorized to conduct business in this state, (C) is not in default on a loan made by the state or a loan guaranteed by the state, nor has ever declared bankruptcy under which an obligation of the entity to pay or repay public funds was discharged as a part of such bankruptcy, and (D) has been approved by the department as qualifying for an infrastructure tax credit under this section.

(5) “Post-certification remedy” means the recapture, disallowance, recovery, reduction, repayment, forfeiture, decertification or any other remedy that would have the effect of reducing or otherwise limiting the use of a tax credit provided by this section.

(b) (1) (A) For income years commencing prior to January 1, 2010, there shall be allowed a state-certified project credit against the tax imposed under chapter 207 or this chapter to any taxpayer that invests in a state-certified project. Such credit may be in the following amounts: (i) For state-certified projects costing greater than fifteen thousand dollars and less than one hundred fifty thousand dollars, each taxpayer may be allowed a tax credit of ten per cent of the investment made by such taxpayer; (ii) for state-certified projects costing one hundred fifty thousand dollars or more, but less than one million dollars, each taxpayer may be allowed a tax credit of fifteen per cent of the investment made by such taxpayer; and (iii) for state-certified projects costing one million dollars or more, each taxpayer may be allowed a tax credit of twenty per cent of the investment made by such taxpayer.

(B) For income years commencing on or after January 1, 2010, there shall be allowed a state-certified project credit against the tax imposed under chapter 207 or this chapter to any taxpayer that invests three million dollars or more in a state-certified project in an amount equal to twenty per cent of the investment made by such taxpayer.



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(2) Eligible expenditures pursuant to this section shall include the following: All expenditures for a capital project to provide buildings, facilities or installations, whether a capital lease or purchase, together with necessary equipment for a film, video, television, digital production facility or digital animation production facility; project development, including design, professional consulting fees and transaction costs; development, preproduction, production, post-production and distribution equipment and system access; and fixtures and other equipment.

(3) Any credit allowed pursuant to this section may be sold, assigned or otherwise transferred, in whole or in part, to one or more taxpayers, and such taxpayers may sell, assign or otherwise transfer, in whole or in part, such credit.

(4) All or part of any credit allowed pursuant to this section shall be claimed against the tax imposed under chapter 207 or this chapter for the income year in which expenditures were made for the infrastructure project, or in the three immediately succeeding income years.

(5) Any tax credit earned under this section shall be nonrefundable.

(c) (1) An entity undertaking an infrastructure project shall apply to the department for an eligibility certificate not later than ninety days after the first expenses or costs are incurred, and shall provide with such application such information as the department may require to determine such infrastructure project's eligibility as a state-certified project.

(2) Each application for an eligibility certificate shall include: (A) A detailed description of the infrastructure project; (B) a preliminary budget; (C) estimated completion date; and (D) such other information as the department may require. The department may require an independent audit of all project costs and expenditures prior to certification. If the department determines that such project is eligible to be a state-certified project, the department shall indicate the amount of costs or expenditures that has been established to the satisfaction of the department, and issue to such entity a tax credit certification letter for investors indicating the amount of tax credits available under this section. The department shall provide a copy of such letter to the commissioner, upon request.

(3) Prior to the issuance of a state-certified project tax credit voucher to a taxpayer based upon the tax credit certification letter issued pursuant to subdivision (2) of this subdivision, the entity undertaking such infrastructure project shall provide the department with a description of the



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progress on such project and an estimated completion date. The department may require an independent audit of all project costs and expenditures prior to issuance of such tax credit voucher to a taxpayer. No such tax credit voucher may be issued prior to such time as such state-certified project is shown to be one hundred per cent complete.

(4) The department shall charge a reasonable and nonrefundable administrative fee sufficient to cover the department's costs to analyze applications submitted under this section.

(d) If a taxpayer sells, assigns or otherwise transfers a credit under this section to another taxpayer, the transferor and transferee shall jointly submit written notification of such transfer to the department not later than thirty days after such transfer. The notification shall include the credit certificate number, the date of transfer, the amount of such credit transferred, the tax credit balance before and after the transfer, the tax identification numbers for both the transferor and the transferee and any other information required by the commissioner. After the initial issuance of a tax credit, such credit may be sold, assigned or otherwise transferred not more than three times. Failure to comply with this subsection will result in a disallowance of the tax credit until there is full compliance on both the part of the transferor and the transferee, and all subsequent transferors and transferees. The department shall provide a copy of the notification of assignment to the commissioner upon request.

(e) No tax credits transferred pursuant to this section shall be subject to a post-certification remedy, and the department and the commissioner shall have no right, except in the case of possible material misrepresentation or fraud, to conduct any further or additional review, examination or audit of the expenditures or costs for which such tax credits were issued. The sole and exclusive remedy of the department and the commissioner shall be to seek collection of the amount of such tax credits from the entity that committed the fraud or misrepresentation.

(f) The department, in consultation with the commissioner, **[shall]** may adopt regulations, in accordance with the provisions of chapter 54, as may be necessary for the administration of this section.

Sec. 3. Section 12-217ll of the general statutes is repealed. (*Effective upon passage*)



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Document Name	DECD7 – Various Revisions
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Legislative Liaison	Brie Wolf, brie.wolf@ct.gov , 860.990.8631
Division Requesting This Proposal	Commissioner's Office, Legal Unit
Drafter	Chris Kurker-Stewart, Agency Legal Director, christon.kurker-stewart@ct.gov

Title of Proposal	Various Revisions to the Economic and Community Development Statutes
Statutory Reference, if any	<p>Connecticut General Statutes</p> <p>Section 32-4q. Innovation Corridor and Connecticut Communities Challenge programs; funding; application process; criteria.</p> <p>Section 32-285a. Community Investment Fund 2030 Board. Bond authorization. Report.</p> <p>Section 32-228. Sale, exchange or lease of real property under custody and control of the Department of Economic and Community Development.</p> <p>Section 32-4a. Assistance to Connecticut Economic Resource Center, Incorporated. (previously repealed)</p> <p>Section 32-5a. Conditions re relocation of certain businesses which received state financial assistance.</p>
Brief Summary and Statement of Purpose	<p>This proposal seeks to make several technical changes. It will:</p> <ul style="list-style-type: none">- Allow DECD to continue to operate the Innovation Corridor program under the new name, Innovation Clusters, as well as the Communities Challenge program;



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	<ul style="list-style-type: none">- Include distressed municipalities in the eligible towns for Community Investment Fund;- Change the Community Investment Fund Annual Report due date from August 31 to October 15, to give time for the CIF Board to approve the report at their September meeting;- Enable the agency to appropriately scale state investment by exempting the Innovation Clusters from a \$10 Million general cap on funding to business projects, a cap that predates these programs' inception by decades;- Clarify DECD's ability to hold and lease out state property related to cultural or historic sites or attractions and work with outside entities to further state interests;- Reinstate language allowing DECD to support AdvanceCT that was unintentionally removed when CERC transitioned into AdvanceCT; and- Clarify the non-relocation clause for state assistance to make clear that tax credits issued pursuant to programs administered by DECD or Connecticut Innovations are not included.
How does this proposal relate to the agency's mission?	These programs and functions are fundamental parts of the agency's economic and community development mission to encourage economic growth, provide funding and technical support for local community and economic development projects, foster tourism and an appreciation of our state's cultural and historical sites, and clarify how the agency protects state investment in the private sector.

SECTION-BY-SECTION SUMMARY

Summarize sections in groups where appropriate

Section 1. Removes the end dates for the Innovation Corridor and Communities Challenge programs to allow the agency to continue carrying out these initiatives. The name of the Innovation Corridor program is also updated to "Innovation Clusters." Finally, it enables the agency to appropriately scale state investment by exempting the Innovation Clusters Program from a \$10 Million general cap on funding to business projects and allows the agency to serve on the Board of Directors for Innovation Clusters projects.



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Section 2. Amends the definition of “municipality” to include “[distressed municipalities](#)” as eligible towns for the Community Investment Fund. Currently a municipality is eligible if they are a [Public Investment Community](#) or in an [Alliance District](#). This revision would capture small universe of additional towns (currently Lisbon and North Stonington). The distressed municipalities metric is another key economic indicator that DECD typically uses in its programs.

This section also revises the date by which the annual Community Investment Fund (CIF) Report is due to the Legislature. By law, the CIF Board must meet quarterly. They typically convene every March, June, September, and December. An October 15th reporting date ensures that the CIF Board will review and approve the annual report prior to its submission.

Section 3. Makes clear the agency’s abilities related to cultural and historical sites and attractions on land owned by the state. DEEP owns a parcel of property adjacent to DECD’s [Eric Sloane Museum](#). DEEP leases this property to the [Connecticut Antique Machinery Association](#) (CAMA). CAMA has built their own antique machinery museum on DEEP’s property as well as a short track of private railroad on which they showcase locomotives. The existing track of railroad runs onto DECD’s property.

DECD would like to purchase the parcel from DEEP and start a new lease agreement with CAMA so that appropriate insurance requirements are established to protect the state and CAMA from liability around operating a private railroad. DECD is in ongoing communication with DEEP on how best to approach this one, specific land transfer issue, and both agencies agree that statutory clarification would be beneficial.

Please note that no issues have happened with operating the private railroad, to date. DECD appreciates the Connecticut Antique Machinery Museum, as it draws machine enthusiasts to the area and funnels visitors to the Eric Sloane Museum.

Section 4. Reinstates a repealed statute, 32-4a, that allowed the agency to work with AdvanceCT (formerly Connecticut Economic Resource Center, Incorporated) to jointly further agency goals. This is a beneficial arrangement that previously existed in statute and was inadvertently repealed. AdvanceCT is a private nonprofit economic development organization that drives job creation and new capital investment in Connecticut through business attraction, retention, and expansion.



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Section 5. Removes tax credit programs from the definition of state assistance within the non-relocation requirement to conform with existing practice and to reflect the requirements as we understand them. Legal Unit is seeking the change as the result of a state audit finding. The auditors have taken consistent issue with DECD omitting non-relocation requirements in our Urban Redevelopment Authority (URA) tax credit awards. Tax credits are already earned by the time they are issued, so the state has already realized the benefits by the time of award and recouping benefits is not a concern. Therefore, prohibiting a recipient from relocating does not protect the state's interest, and should be struck as a tax credit receipt requirement.

BACKGROUND

Origin of Proposal ☒ New Proposal ☐ Resubmission

Please consider the following, if applicable:

Have there been changes in federal/state laws or regulations that make this legislation necessary?	None
Has this proposal or a similar proposal been implemented in other states? If yes, to what result?	None
Have certain constituencies called for this proposal?	The Office of the Attorney General flagged the sunset provision related to the Innovation Corridor and Communities Challenge programs, which is addressed in section 1. Additionally, the Office of the Attorney General and Department of Administrative Services have reviewed the agency's current authority related to state



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	properties, which lead to the inclusion of section 3. The State Auditors have taken issue with the applicability of the agency's non-relocation statute and the ambiguity that currently exists, which is why section 5 has been drafted.
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INTERAGENCY IMPACT

List each affected agency. Copy the table as needed.

[] Check here if this proposal does NOT impact other agencies

1. Agency Name	Department of Energy and Environmental Protection
Agency Contact (name, title)	Megan Andrews, Legislative Liaison
Date Contacted	10.11.24
Status	[] Approved [X] Talks Ongoing
Open Issues, if any	

2. Agency Name	Department of Administrative Services
Agency Contact (name, title)	Amanda Bellagamba, Legislative Liaison
Date Contacted	10.11.24
Status	[] Approved [X] Talks Ongoing
Open Issues, if any	



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3. Agency Name	State Properties Review Board
Agency Contact (name, title)	Dimple Desai, Director
Date Contacted	10.11.24
Status	<input type="checkbox"/> Approved <input checked="" type="checkbox"/> Talks Ongoing
Open Issues, if any	

4. Agency Name	Office of the Attorney General
Agency Contact (name, title)	Cara Passaro
Date Contacted	10.11.24
Status	<input type="checkbox"/> Approved <input checked="" type="checkbox"/> Talks Ongoing
Open Issues, if any	

FISCAL IMPACT

Include the section number(s) responsible for the fiscal impact and the anticipated impact

☒ Check here if this proposal does NOT have a fiscal impact

State	Revisions in section 1 will allow the existing Innovation Cluster and Communities Challenge programs to continue operation, as previously budgeted. No fiscal impact. Revisions to the Community Investment Fund Statute in section 2 allow two additional municipalities to be eligible for
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	Community Investment Fund grants, but does not increase the existing bond authorizations. No fiscal impact. Allows the agency to fund projects over \$10 Million for the Innovation Clusters, as intended. No fiscal impact.
Municipal (Include any municipal mandate that can be found within legislation)	None
Federal	None
Additional notes	None

MONITORING & EVALUATION PLAN

If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes

[X] Check here if this proposal does NOT lead to any measurable outcomes

ANYTHING ELSE WE SHOULD KNOW?

All stakeholders are in alignment on these proposed changes.



Sec 1. Sec. 32-4q of the general statutes is repealed and the following is substituted in lieu thereof (*Effective upon passage*): Innovation Corridor and Connecticut Communities Challenge programs; funding; application process; criteria.

(a) On and after July 1, 2021, **[and until June 30, 2024,]** the Commissioner of Economic and Community Development, in coordination with the Secretary of the Office of Policy and Management, may, for the purposes of implementing the state's Economic Action Plan, use bond funds, **[funding received as a result of the American Rescue Plan Act of 2021, P.L. 117-2, as amended from time to time,]** and available resources, to provide (1) not more than one hundred million dollars in the aggregate for grants in support of major projects selected pursuant to subsection (b) of this section, and (2) not more than one hundred million dollars in the aggregate for community development grants awarded pursuant to subsection (c) of this section. Total funding for grants provided pursuant to subsections (b) and (c) of this section shall not exceed two hundred million dollars in the aggregate.

(b) On and after July 1, 2021, **[and until June 30, 2024,]** the Department of Economic and Community Development may establish an Innovation **[Corridor]** Clusters program, which shall provide grants for major projects in the state. The department shall develop a competitive application process and criteria consistent with the purposes of the state's Economic Action Plan to (1) evaluate applications submitted pursuant to this subsection, and (2) select projects for funding pursuant to subdivision (1) of subsection (a) of this section. Financial assistance awarded pursuant to this subsection shall be exempt from the provisions of section 32-462.

(c) On and after July 1, 2021, **[and until June 30, 2024,]** the Department of Economic and Community Development may establish a Connecticut Communities Challenge program, which shall provide community development grants. The department shall develop a competitive application process and criteria consistent with the purposes of the state's Economic Action Plan to (1) evaluate applications submitted pursuant to this subsection, and (2) select community development projects for funding pursuant to subdivision (2) of subsection (a) of this section.



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Sec 2. Sec. 32-285a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*): (a) As used in this section:

(1) “Administrative costs” means the costs paid or incurred by the administrator of the Community Investment Fund 2030 Board established under subsection (b) of this section, including, but not limited to, allocated staff costs and other out-of-pocket costs attributable to the administration and operation of the board;

(2) “Administrator” means the Commissioner of Economic and Community Development, or the commissioner's designee;

(3) “Eligible project” means:

(A) A project proposed by a municipality, community development corporation or nonprofit organization, for the purpose of promoting economic or community development in the municipality or a municipality served by such corporation or organization, such as brownfield remediation, affordable housing, establishment of or improvements to water and sewer infrastructure to support smaller scale economic development, pedestrian safety and traffic calming improvements, establishment of or improvements to energy resiliency or clean energy projects and land acquisition, capital projects to construct, rehabilitate or renovate public facilities such as libraries and senior centers and to facilitate or enhance home rehabilitation programs; and

(B) Such project furthers consistent and systematic fair, just and impartial treatment of all individuals, including individuals who belong to underserved and marginalized communities that have been denied such treatment, such as Black, Latino and indigenous and Native American persons; Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender and queer persons and other persons comprising the LGBTQ+ community; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality; and

(4) “Municipality” means a municipality designated as a public investment community pursuant to section 7-545, **[or]** as an alliance district pursuant to section 10-262u, or as a distressed municipality pursuant to section 32-9p.

(b) (1) There is established a Community Investment Fund 2030 Board, which shall be within the Department of Economic and Community Development. The board shall consist of the



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following members:

- (A) The speaker of the House of Representatives and the president pro tempore of the Senate;
 - (B) The majority leader of the House of Representatives, the majority leader of the Senate, the minority leader of the House of Representatives and the minority leader of the Senate;
 - (C) One appointed by the speaker of the House of Representatives and one appointed by the president pro tempore of the Senate, each of whom shall be a member of the Black and Puerto Rican Caucus of the General Assembly;
 - (D) The two chairpersons of the general bonding subcommittee of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding;
 - (E) Two appointed by the Governor; and
 - (F) The Secretary of the Office of Policy and Management, the Attorney General, the Treasurer, the Comptroller, the Secretary of the State and the Commissioners of Economic and Community Development, Administrative Services, Social Services and Housing, or their designees.
- (2) All initial appointments shall be made not later than sixty days after June 30, 2021. The terms of the members appointed by the Governor shall be coterminous with the term of the Governor or until their successors are appointed, whichever is later. Any vacancy in appointments shall be filled by the appointing authority. Any vacancy occurring other than by expiration of term shall be filled for the balance of the unexpired term.
- (3) Notwithstanding any provision of the general statutes, it shall not constitute a conflict of interest for a trustee, director, partner, officer, stockholder, proprietor, counsel or employee of any person to serve as a member of the board, provided such trustee, director, partner, officer, stockholder, proprietor, counsel or employee abstains and absents himself or herself from any deliberation, action and vote by the board in specific respect to such person. The members appointed by the Governor shall be deemed public officials and shall adhere to the code of ethics for public officials set forth in chapter 10.



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(4) The speaker of the House of Representatives and the president pro tempore of the Senate shall serve as the chairpersons of the board and shall schedule the first meeting of the board, which shall be held not later than January 1, 2022. The board shall meet at least quarterly.

(5) Eleven members of the board shall constitute a quorum for the transaction of any business.

(6) The members of the board shall serve without compensation, but shall, within the limits of available funds, be reimbursed for expenses necessarily incurred in the performance of their duties.

(7) The board shall have the following powers and duties: (A) To review eligible projects to be recommended to the Governor under subsection (c) of this section for approval; (B) to establish bylaws to govern its procedures; (C) to review and provide comments to the Department of Economic and Community Development on projects funded through the state's Economic Action Plan as provided under section 32-4p; and (D) to perform such other acts as may be necessary and appropriate to carry out its duties described in this section.

(8) The administrator shall hire such employee or employees as may be necessary to assist the board to carry out its duties described in this section.

(c) (1) The Community Investment Fund 2030 Board shall establish an application and review process with guidelines and terms for funds provided from the bond proceeds under subsection (d) of this section for eligible projects. Such funds shall be used for costs related to an eligible project recommended by the board and approved by the Governor pursuant to this subsection but shall not be used to pay or to reimburse the administrator for administrative costs under this section. The Department of Economic and Community Development shall pay for administrative costs within available appropriations.

(2) The chairpersons of the board shall notify the chief elected official of each municipality when the application and review process has been established and shall publicize the availability of any funds available under this section. Each such official or any community development corporation or nonprofit organization may submit an application to the board requesting funds for an eligible project. The board shall meet to consider applications submitted and determine which, if any, the board will recommend to the Governor for approval.

(3) (A) The board shall give priority to eligible projects (i) that are proposed by a municipality that (I) has implemented local hiring preferences pursuant to section 7-112, or (II) has or will



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leverage municipal, private, philanthropic or federal funds for such project, (ii) that have a project labor agreement or employ or will employ ex-offenders or individuals with physical, intellectual or developmental disabilities, and (iii) on and after the date the ten-year plan developed under section 118 of public act 24-151 is submitted to the General Assembly, that are included in such plan. The board shall give additional priority to an application submitted by a municipality that includes a letter of support for the proposed eligible project from a member or members of the General Assembly in whose district the eligible project is or will be located.

(B) In evaluating applications for an eligible project described in subparagraph (A)(ii) of subdivision (3) of subsection (a) of this section, the board shall (i) consider the impact of the eligible project on job creation or retention in the municipality, (ii) consider the impact of the eligible project on blighted properties in the municipality, and (iii) consider the overall impact of the eligible project on the community.

(4) (A) Whenever the board deems it necessary or desirable, the chairpersons of the board shall submit to the Governor a list of the board's recommendations of eligible projects to be funded from bond proceeds under subsection (d) of this section. The board may recommend state funding for eligible projects, provided the total cost of such recommendations shall not exceed one hundred seventy-five million dollars in any fiscal year. Such list shall include, at a minimum for each eligible project described in subparagraph (A) of subdivision (3) of subsection (a) of this section, a description of such project, the municipality in which such project is located, the amount of funds sought for such project, any cost estimates for such project, any schematics or plans for such project, the total estimated project costs and the applicable fiscal year to which such disbursement will be attributed.

(B) The Governor shall review the eligible projects on the list and may recommend changes to any eligible project on the list. The Governor shall determine the most appropriate method of funding for each eligible project and shall provide to the members of the board, in writing, such determination for each eligible project on the list and the reasons therefor. The board may reconsider at a future meeting any eligible project for which the Governor recommends a change. Each eligible project for which the Governor recommends the allocation of bond funds shall be considered at a State Bond Commission meeting not later than two months after the date such eligible project was submitted to the Governor pursuant to subparagraph (A) of this subdivision.

(5) Funds for an eligible project approved under this section may be administered on behalf



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of the board by a state agency, as determined by the Secretary of the Office of Policy and Management, provided a memorandum of understanding between the administrator of the Community Investment Fund 2030 Board and the state, acting by and through the Secretary of the Office of Policy and Management, has been entered into with respect to such funds and project.

(6) Not later than **[August 31, 2023]** October 15, 2025, the board shall submit a report, in accordance with the provisions of section 11-4a, to the General Assembly, the Black and Puerto Rican caucus of the General Assembly, the Auditors of Public Accounts and the Governor, for the preceding fiscal year, that includes (A) a list of the eligible projects recommended by the board and approved by the Governor pursuant to this section, (B) the total amount of funds provided for such eligible projects, (C) for each such eligible project, a description of the project and the amounts and terms of the funds provided, (D) the status of the project and any balance remaining of the allocated funds, and (E) any other information the board deems relevant or necessary. The board shall submit such report annually for each fiscal year in which the funds specified in subparagraph (A) of subdivision (3) of this subsection are disbursed for eligible projects.

(7) The Auditors of Public Accounts shall audit, on a biennial basis, all eligible projects funded under this section and shall report their findings to the Governor, the Secretary of the Office of Policy and Management and the General Assembly.

(d) (1) The State Bond Commission may authorize the issuance of bonds of the state, in accordance with the provisions of section 3-20, in principal amounts not exceeding in the aggregate eight hundred seventy-five million dollars. The amount authorized for the issuance and sale of such bonds in each of the following fiscal years shall not exceed the following corresponding amount for each such fiscal year, except that, to the extent the State Bond Commission does not provide for the use of all or a portion of such amount in any such fiscal year, such amount not provided for shall be carried forward and added to the authorized amount for the next succeeding fiscal year, and provided further, the costs of issuance and capitalized interest, if any, may be added to the capped amount in each fiscal year, and each of the authorized amounts shall be effective on July first of the fiscal year indicated as follows:

Fiscal Year Ending June 30,	Amount
2023	\$175,000,000



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2024	175,000,000
2025	175,000,000
2026	175,000,000
2027	175,000,000
Total	\$875,000,000

(2) The proceeds of the sale of bonds set forth in this subsection shall be used for the purpose of funding eligible projects for which the Governor has determined under subsection (c) of this section that bond funding is appropriate and that no other bond authorization is available.

(e) (1) Upon the agreement of the Governor and the Community Investment Fund 2030 Board, and subsequent to the adoption of a resolution by the General Assembly affirming the reauthorization of the board and the program provided for under this section, the State Bond Commission may authorize the issuance of bonds of the state, in accordance with the provisions of section 3-20, in principal amounts not exceeding in the aggregate one billion two hundred fifty million dollars. The amount authorized for the issuance and sale of such bonds in each of the following fiscal years shall not exceed the following corresponding amount for each such fiscal year, except that, to the extent the State Bond Commission does not provide for the use of all or a portion of such amount in any such fiscal year, such amount not provided for shall be carried forward and added to the authorized amount for the next succeeding fiscal year, and provided further, the costs of issuance and capitalized interest, if any, may be added to the capped amount in each fiscal year, and each of the authorized amounts shall be effective on July first of the fiscal year indicated as follows:

Fiscal Year Ending June 30,	Amount
2028	\$250,000,000
2029	250,000,000
2030	250,000,000



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2031	250,000,000
2032	250,000,000
Total	\$1,250,000,000

(2) The proceeds of the sale of bonds set forth in this subsection shall be used for the purpose of funding eligible projects for which the Governor has determined under subsection (c) of this section that bond funding is appropriate and that no other bond authorization is available.

(f) All provisions of section 3-20, or the exercise of any right or power granted thereby, that are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section. Temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section, and from time to time renewed. All bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

Sec 3. Sec. 32-228 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) The Commissioner of Economic and Community Development may, with the approval of the Commissioner of Administrative Services, the Secretary of the Office of Policy and Management and the State Properties Review Board, sell, exchange, lease or enter into agreements concerning any real property belonging to the state and transferred to the custody and control of the Department of Economic and Community Development. The commissioner shall require, as a condition of any sale, exchange, lease or agreement entered into pursuant to this section, that such real property be used primarily for manufacturing or economic base businesses, ~~[or for]~~ business support services, or for cultural and historic sites or attractions. Prior to any such sale, exchange, lease or agreement, the commissioner shall consult with each



municipality in which the land, improvement or interest is located.

(b) The Commissioner of Economic and Community Development, with the approval of the Commissioner of Administrative Services, the Secretary of the Office of Policy and Management and the State Properties Review Board, may: (1) Enter into a contract to purchase, lease or hold any surplus real property made available by the federal government if the commissioner determines that such real property can be utilized for manufacturing or other economic base businesses or for business support services; and (2) sell, exchange, lease or enter into an agreement concerning any real property acquired by the commissioner under subdivision (1) of this subsection. The commissioner shall require, as a condition of any sale, exchange, lease or agreement entered into pursuant to subdivision (2) of this subsection, that such real property be used primarily for manufacturing or other economic base businesses or for business support services. No such land may be sold, exchanged or leased by the commissioner under subdivision (2) of this subsection without prior consultation with each municipality in which such land is located.

(c) The use of any land sold, exchanged or leased under this section shall be subject to the planning, zoning, sanitary and building laws, ordinances or regulations of the municipality in which such land is located.

(d) The Commissioner of Economic and Community Development may, with the approval of the Commissioner of Administrative Services, the Secretary of the Office of Policy and Management and the State Properties Review Board: (1) Enter into a contract to purchase, lease or hold any real property, other than property owned by the state or made available by the federal government, if the commissioner has entered into a contract to sell, exchange or lease such property to another person who will utilize such property for manufacturing or other economic base business or for business support services, provided such sale or lease shall close not later than one week after the commissioner purchases, leases, holds or otherwise acquires such property and further provided such contract shall provide that the transferor shall be liable for any costs associated with remediation of environmental contamination of such real property; and (2) sell, exchange or lease any real property acquired by the commissioner under subdivision (1) of this subsection. The commissioner shall require, as a condition of any sale, exchange, lease or agreement entered into pursuant to subdivision (2) of this subsection, that such real property be used primarily for manufacturing or other economic base business or for business support services. No such land may be sold, exchanged or leased by the commissioner under subdivision (2) of this subsection without prior consultation with each municipality in



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which such real property is located, provided any person who leases such property from the commissioner under this subsection shall be liable to the municipality for any tax due under chapter 203 as if such lessee were the owner of such property. The transferor shall be liable for any costs associated with remediation of environmental contamination of any property which the Commissioner of Economic and Community Development proposes to acquire under this section provided, in the case of a property to be subsequently sold by the commissioner under this section, the commissioner may enter into a contract with the subsequent transferee under which the transferee shall be liable for such costs.

Sec 4. NEW (*Effective July 1, 2025*):

The state, acting through the Department of Economic and Community Development or any other state agency, governmental entity or the private sector, may, within available appropriations, provide financial assistance, lend staff, or provide other in-kind contributions to AdvanceCT Foundation, Inc.

Sec 5. Sec. 32-5a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

The Commissioner of Economic and Community Development and the board of directors of Connecticut Innovations, Incorporated shall require, as a condition of any financial assistance provided on and after June 23, 1993, under any program administered by the Department of Economic and Community Development or such corporation to any business organization, except for a business organization that receives any such financial assistance in an amount not more than fifty thousand dollars and is an eligible small business, as defined in section 31-3pp, or under any assistance program that is funded entirely by the federal government, in which case the commissioner may require, that such business organization: (1) Shall not relocate outside of the state for ten years after receiving such assistance or during the term of a loan or loan guarantee, whichever is longer, unless the full amount of the assistance is repaid to the state and a penalty equal to five per cent of the total assistance received is paid to the state, except that this subdivision shall not be applicable to financial assistance by the corporation in the form of an equity investment or other financial assistance, including a convertible or seed loan, with predominantly equity characteristics, and (2) shall, if the business organization relocates within



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the state during such period, offer employment at the new location to its employees from the original location if such employment is available. For the purposes of subdivision (1) of this section, the value of a guarantee shall be equal to the amount of the state's liability under the guarantee. As used in this section, (1) “financial assistance” shall not include any tax credit program administered by the Department or such corporation, and (2) “relocate” means the physical transfer of a substantial portion, as determined by the Commissioner of Economic and Community Development, of the operations of a business or any division of a business that independently receives any financial assistance from the state from the location such business or division occupied at the time it accepted the financial assistance to another location. Notwithstanding the provisions of this section, the Commissioner of Economic and Community Development shall adopt regulations in accordance with chapter 54 to establish the terms and conditions of repayment, including specifying the conditions under which repayment may be deferred, following a determination by the commissioner of a legitimate hardship.



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Document Name: DECD – Intellectual and Development Disability (IDD)
Workforce Development Grant Program

Document Name	DECD – Intellectual and Development Disability (IDD) Workforce Development Grant Program
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Legislative Liaison	Brie Wolf, brie.wolf@ct.gov , 860.990.8631
Division Requesting This Proposal	Office of Business Development at the Department of Economic and Community Development in partnership with Department of Developmental Services.
Drafter	Brie Wolf, brie.wolf@ct.gov , 860.990.8631 Jill Kennedy, jill.kennedy@ct.gov ; 860.874.8095

Title of Proposal	Revisions to DECD's Intellectual and Development Disability (IDD) Workforce Incentive Grant Program
Statutory Reference, if any	Connecticut General Statutes Section 32-7v . Workforce development program re grants to nonprofit organizations that employ individuals with intellectual disability. Application.
Brief Summary and Statement of Purpose	<p>This proposal would allow Connecticut statutes to conform to federal best practices on competitive integrated employment (CIE), which includes work that is performed on a full-time or part-time basis for which an individual with IDD is:</p> <ul style="list-style-type: none">• Compensated at or above minimum wage and comparable to the customary rate paid by the employer to employees without disabilities performing similar duties and with similar training and experience;• Receiving the same level of benefits provided to other employees without disabilities in similar positions;• At a location where the employee interacts with other individuals without disabilities; and• Presented opportunities for advancement similar to other employees without disabilities in similar positions.



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Document Name: DECD – Intellectual and Development Disability (IDD)
Workforce Development Grant Program

	The goal is for individuals with IDD earn a living wage and be fully integrated into the workforce (e.g. kitchen or laundry services in a hospital setting) as opposed to being placed in a work environment where they are exclusively surrounded by their peers.
How does this proposal relate to the agency's mission?	One component of the Department of Economic and Community Development's mission is to support existing businesses, and attract new businesses and jobs, with a wide range of programs and services. This grant program aims to incentivize IDD workforce participation, which enriches the culture of a work environment and empowers people with IDD to fully utilize their skill sets. It also embraces the agency's movement towards performance-based incentives for grant allocations.

SECTION-BY-SECTION SUMMARY

Summarize sections in groups where appropriate

Section 1 makes several revisions:

Changes the name of the program to better describe its goal. Swaps "development" for "incentive;"

Allows for-profit employers to participate in the IDD Workforce Incentive Grant Program;

Allows employers to use the grant to pay salary of workers with IDD by changing "startup" to "programmatic;"

Requires workers with IDD to be paid at least minimum wage in order for employers to be eligible for the grant;

Requires workers with IDD to be employed for at least six months in order for employers to be eligible for the grant;

Requires employers to be in compliance with [34 Code of Federal Regulations \(CFR\) 361.5c \(9\)\(D\)\(ii\)\(B\)](#). in order to be eligible for the grant;

Lowers the IDD workforce inclusion threshold from ten to five percent of total workers;



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Document Name: DECD – Intellectual and Development Disability (IDD)
Workforce Development Grant Program

Caps the percentage of total IDD workers in a workplace program to thirty percent of total workers; and

Ties the two grant award thresholds to different percentages of workers with IDD. An employer is eligible to receive a \$25,000 grant if 5-20 percent of their employees are workers with IDD. An employer is eligible to receive a \$75,000 grant if 21-30 percent of their employees are workers with IDD.

BACKGROUND

Origin of Proposal ☒ New Proposal ☐ Resubmission

Please consider the following, if applicable:

Have there been changes in federal/state laws or regulations that make this legislation necessary?	<p>Yes. Must be in compliance with Competitive Integrated Employment (CIE) as defined by the Workforce Innovation and Opportunity Act (WIOA) .</p> <p>Workforce Innovation and Opportunity Act (WIOA) amendments passed in 2014. CFR Title 34, Subtitle B, Chapter III, Part 361 was revised in August 2016 to include Competitive Integrated Employment.</p>
Has this proposal or a similar proposal been implemented in other states? If yes, to what result?	<p>Employment First is a national systems-change framework centered on the premise that all individuals, including those individuals with the most significant disabilities, are capable of full participation in Competitive Integrated Employment (CIE). It aligns policies, regulatory guidance, and reimbursement structures to commit to CIE as the priority option with respect to the use of publicly financed day and employment services for youth and adults with significant disabilities.</p> <p>The Association of People Supporting Employment First (APSE) notes that, as of August 2021, 31 states have passed Employment First</p>



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Document Name: DECD – Intellectual and Development Disability (IDD)
Workforce Development Grant Program

	legislation, 16 states have Employment First executive orders, and 32 states have Employment First state agency administrative policies or regulations in place. Multiple examples exist of other states committing to programs and initiatives that advance Competitive Integrated Employment (CIE).
Have certain constituencies called for this proposal?	Section 63 of Public Act 23-137 passed with the endorsement of Representatives Dathan and Case to support employment initiatives for individuals with Intellectual disability. The Department of Developmental Services supports the concept of employment initiatives, as long as they ensure individuals have access to Competitive Integrated Employment (CIE).

INTERAGENCY IMPACT

List each affected agency. Copy the table as needed.

☐ Check here if this proposal does NOT impact other agencies

1. Agency Name	Department of Developmental Services
Agency Contact (name, title)	Jill Kennedy, Legislative and Regulations Specialist Kevin Bronson, Director of Communications, Legislation & Regulations
Date Contacted	9.9.24
Status	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Talks Ongoing
Open Issues, if any	

2. Agency Name	Department of Labor
Agency Contact (name, title)	Marissa Morello, Legislative Director Billy Taylor, Legislative Liaison



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Document Name: DECD – Intellectual and Development Disability (IDD)
Workforce Development Grant Program

Date Contacted	10.11.24
Status	<input type="checkbox"/> Approved <input checked="" type="checkbox"/> Talks Ongoing
Open Issues, if any	

3. Agency Name	Department of Aging and Disability Services
Agency Contact (name, title)	Jennifer Proto, Legislative and Administrative Advisor
Date Contacted	10.11.24
Status	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Talks Ongoing
Open Issues, if any	

FISCAL IMPACT

Include the section number(s) responsible for the fiscal impact and the anticipated impact

☐ Check here if this proposal does NOT have a fiscal impact

State	The Intellectual and Development Disability Workforce Incentive Grant Program is not yet operationalized, so this revision will not lead to additional program costs.
Municipal (Include any municipal mandate that can be found within legislation)	None
Federal	None
Additional notes	None



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Document Name: DECD – Intellectual and Development Disability (IDD)
Workforce Development Grant Program

MONITORING & EVALUATION PLAN

If applicable, please describe the anticipated measurable outcomes and the data that will be used to track those outcomes. Include the section number(s) responsible for those outcomes

[] Check here if this proposal does NOT lead to any measurable outcomes

The Office of Business Development will collect and track the number of workers with and without IDD in a workplace that receives IDD Disability Workforce Incentive Grant in order to assess compliance with the cap and inclusion threshold.

ANYTHING ELSE WE SHOULD KNOW?



Agency Legislative Proposal – 2025 Session

Document Name: DECD – Intellectual and Development Disability (IDD)
Workforce Development Grant Program

INSERT FULLY DRAFTED BILL HERE

Section 1. Sec. 32-7v of the general statutes is repealed and the following is substituted in lieu thereof:

(a)(1) The Commissioner of Economic and Community Development shall, within available resources, establish a workforce **[development]** incentive program to provide grants to **[nonprofit organizations]** employers that employ individuals with intellectual disability, as defined in section 1-1g who receive at least minimum wage compensation and are in compliance with Competitive Integrated Employment, in accordance with 34 CFR 361.5c (9)(D)(ii)(B). Such grants shall be awarded for infrastructure expenditures, **[start-up]** programmatic costs or expansion costs.

(2) Any **[nonprofit organization]** employer that employs, at the time of application, a workforce of which not less than **[ten]** five per cent consists of individuals with intellectual disability, as defined in section 1-1g, who have been employed for a period of not less than six months in the previous calendar year may apply for a grant under the program.

(3) Grants awarded pursuant to this section shall not exceed:

(A) Twenty-five thousand dollars per **[nonprofit organization]** employer employing a workforce of which between **[ten]** five and **[thirty]** twenty per cent, inclusive, consists of individuals with intellectual disability; and

(B) Seventy-five thousand dollars per **[nonprofit organization]** employer employing a workforce of which at least twenty one percent, but not more than thirty per cent consists of individuals with intellectual disability.

(b) The Department of Economic and Community Development may enter into an agreement, pursuant to chapter 55a, with a person, firm, corporation or other entity to operate the program established pursuant to this section.

(c) The commissioner shall prescribe the form and manner of the application and such application procedure shall include a competitive award process.