



Agency Legislative Proposal

2026 Session

General Information

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| Agency | Dept. of Economic and Community Development |
| Proposal Name | AAC Revisions to the Concentrated Poverty Statutes |
| Legislative Liaison | Brie J. Wolf |
| Division Requesting Proposal | Commissioner's Office |
| Drafter | Brie Wolf, Matt Pugliese, Dave Steuber |

Overview

Brief Summary of Proposal

Revise the statutory language related to concentrated poverty to eliminate references to the Office of Community Economic Development Assistance (OCEDA) and Office of Neighborhood Investment and Community Engagement (ONICE), thereby enabling administration of the pilot plan through the existing Office of Community Development. Defer or eliminate current reporting requirements to align with implementation.

What problem is this proposal looking to solve?

DECD has been unable to launch ONICE to develop and implement the ten-year pilot plan program as required by CGS [Sec. 32-7z](#), nor the associated Concentrated Poverty Grant Program codified in CGS [Sec. 32-7x](#), because the agency does not have the available resources to do so.

The Concentrated Poverty Plan Framework Working Group that was established through Section 119 of [Public Act 24-151](#) was repealed during the 2025 Regular Legislative Session. The working group would have developed a guidance document outlining specified metrics to be incorporated into the ten-year pilot plan to eradicate poverty that the ONICE would implement with a participating community development corporation (CDC). Repealing the working group leaves DECD to develop the guidance document, and the agency does not have the internal expertise or resource capacity to establish parameters for the concentrated poverty pilot on its own.

How does the proposal solve the problem?

This proposal eliminates one barrier to implementation by enabling DECD to administer the concentrated poverty pilot statutes within existing programmatic structures, rather than through OCEDA and ONICE.

The revisions in the proposal create no fiscal impact. However, DECD would still require a State Budget appropriation to hire a vendor to: (1) establish the framework and metrics for the ten-year pilot program; (2) develop the application process for the ten-year pilot program; and (3) establish the criteria for evaluating ten-year pilot plans submitted to DECD.

Section by section summary:

| Section #(s) | Section Summary |
|---------------------|---|
| Section 1 | <p>32-7s (Community Development Corporation Certification)</p> <ul style="list-style-type: none">• Strike reference to Office of Community Economic Development Assistance.• Strike grant program and associated bond funding because one is outlined in 32-7x. DECD will administer a single consolidated grant program. <p>Require DECD to post on its website information on number of CDCs established and description of projects undertaken, instead of report to legislative committee.</p> |
| Section 2 | <p>32-7x (Concentrated Poverty Grant Program)</p> <ul style="list-style-type: none">• Push out implementation date of grant program to July 1, 2028. Logic is RFP for vendor July 2026 to develop the 1) ten-year plan framework and metrics, 2) application for ten-year pilot program, and 3) evaluation criteria for plans submitted to DECD. Hire vendor by January 2027. Complete work by July 2028.• Allow DECD Commissioner to set application criteria.• Remove Governor from application approval process.• Require DECD to post on its website information regarding municipalities that were awarded grants and the projects they will fund, instead of report to legislative committees. |
| Section 3 | <p>32-7y (Grant Program Bond Authorization)</p> |

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- Change name of program from “high poverty-low opportunity census tract grant program” to “concentrated poverty census tract grant program.”
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Section 4

32-7z (Ten Year Pilot Plan to Address Concentrated Poverty)

- Strike reference to Office of Neighborhood Investment and Community Engagement.
 - Change name of census tract from “high poverty-low opportunity” to “concentrated poverty.”
 - Removes requirement to hold informational forum on the ten year pilot plan with legislative committees.
 - Pushes ten year plan reporting requirement from January 1, 2029 to February 1, 2031.
 - Eliminates right of action for failure to implement ten year plan.
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Statutory Reference:

CGS Sections [32-7s](#), [32-7x](#), [32-7y](#), [32-7z](#).

Background

☒ New Proposal

☐ Resubmission

Have there been any changes in federal laws or regulations that make this legislation necessary?

No

Have there been any changes in state laws or regulations that make this legislation necessary?

No

Has this proposal or a similar proposal been implemented in other states?

No

Have certain constituencies called for this proposal?

No

Interagency Impact

☐ Check here if this proposal does NOT impact other agencies

| | | | |
|----------------|--|-------------------------------------|--|
| Agency | Dept. of Housing | | |
| Contact | Aaron Turner | | |
| Date Contacted | 9/29/2025 | | |
| Status | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Unresolved | |
| Open Issues | N/A | | |
| | | | |
| Agency | Office of Workforce Strategy | | |
| Contact | Laura Baker | | |
| Date Contacted | 9/29/2025 | | |
| Status | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Unresolved | |
| Open Issues | N/A | | |
| | | | |
| Agency | Office of Early Childhood | | |
| Contact | Maggie Adair | | |
| Date Contacted | 9/29/2025 | | |
| Status | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Unresolved | |
| Open Issues | N/A | | |
| | | | |
| Agency | Dept. of Education | | |
| Contact | Chloe Cummings and Laura Stefon | | |
| Date Contacted | 9/29/2025 | | |
| Status | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Unresolved | |
| Open Issues | N/A | | |

Fiscal Impact

☒ No Fiscal Impact

☐ Budget Option Submitted

Include the section number(s) which have a fiscal impact and the anticipated impact:

State

No

Municipal

No

Federal

No

Other Information

If there is any additional information we should know, please detail below: N/A

Legislative Language

Insert fully drafted bill below. Please use standard legislative drafting considerations, as published by LCO [here](#).

Sec. 1 Section 32-7s of the general statutes is repealed and the following is substituted in lieu thereof (Effective upon passage):

(a) As used in this section:

(1) "Certified community development corporation" means an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, that (A) focuses a substantial majority of the community development corporation's efforts on serving one or more target areas, (B) has as its purpose to engage local residents and businesses to work together to undertake community development programs, projects and activities that develop and improve urban communities in sustainable ways that create and expand economic opportunities for low and moderate-income people, (C) demonstrates to the Office of Community Economic Development Assistance established under subsection (b) of this section that the community development corporation's constituency is meaningfully represented on the board of directors of such community development corporation, through (i) the percentage of the board members who are residents of a target area or a community that such community development corporation serves or seeks to serve, (ii) the percentage of board members who are low or moderate-income, (iii) the racial and ethnic composition of the board in comparison to the racial and ethnic composition of the community such community development corporation serves or seeks to serve, or (iv) the use of mechanisms such as committees or membership meetings that the community development corporation uses to ensure that its constituency has a meaningful role in the governance and direction of the community development corporation, and (D) is certified by the Office of Community Economic Development Assistance pursuant to this section;

(2) "Department" means the Department of Economic and Community Development; and

(3) "Target area" means a contiguous geographic area in which the current unemployment rate exceeds the state unemployment rate by at least twenty-five per cent or in which the mean household income is at or below eighty per cent of the state mean household income, as determined by the most recent decennial census.

(b) (1) [There is established an Office of Community Economic Development Assistance within the Department of Economic and Community Development.] The [office] [department](#) shall, within available appropriations, (A) provide assistance to organizations seeking to establish themselves or be certified as a community development corporation in the state, (B) provide grants to certified community development corporations for projects to be undertaken in a target area, (C) serve as the liaison between community development corporations and investors seeking to invest funds in such community development corporations and provide assistance in soliciting investment funds for such community development corporations, and (D) seek to ensure coordinated, efficient and timely responses to such organizations, community development corporations and investors.

(2) The [office] [department](#) shall identify eligible target areas in the state and post such target areas on the department's Internet web site.

(c) (1) Any organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, may apply to the [Office of Community Economic Development Assistance] [department](#) to establish itself as or be certified as a community development corporation in the state. The [office] [department](#) shall prescribe the form and manner of such application.

(2) (A) Any existing community development corporation that operates or seeks to operate in the state may apply to the [office] [department](#) to be certified. The [office] [department](#) shall certify any community development corporation that is exempt from taxation under Section 501(c)(3) of said Internal Revenue Code and meets the requirements set forth in subparagraphs (A) to (C), inclusive, of subdivision (1) of subsection (a) of this section. Each community development corporation that is established pursuant to this subsection shall be deemed to be certified.

(B) The [office] department shall maintain a current list of certified community development corporations and shall post such list on the department's Internet web site [of the department].

[(3) The Office of Community Economic Development Assistance shall establish a grant program in accordance with section 32-7x for projects to be undertaken by a certified community development corporation in a target area, provided, on and after the date the ten-year plan developed under section 32-7z is submitted to the General Assembly, the office give priority to projects included in such plan. Such projects shall include, but not be limited to, infrastructure improvements, housing rehabilitation, streetscape improvements and facade improvements for businesses. The office shall establish the application form and process for such grant program, the criteria for eligible projects and for awarding grants and any caps or limits on the amount or number of grants awarded. The office shall post information concerning the grant program on the department's Internet web site.

(d) (1) For the purposes described in subdivision (2) of this subsection, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate fifty million dollars.

(2) The proceeds of the sale of such bonds, to the extent of the amount stated in subdivision (1) of this subsection, shall be used by the Department of Economic and Community Development for the purposes of carrying out the duties under subsection (b) of this section and the grant program under subsection (c) of this section.

(3) 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 section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a

request for such authorization that is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Such 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 such bonds as the same become due, and accordingly and as part of the contract of the state with the holders of such bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.]

(e) Not later than July 1, [2023] 2026, and annually thereafter, the [Office of Community Economic Development Assistance] department shall post on its internet website [submit a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to commerce, planning and development and finance, revenue and bonding. Such report shall include, but not be limited to, a description of the activities undertaken by the office in the preceding fiscal year,] the number of community development corporations established and certified in the preceding fiscal year[, the number and amounts of grants awarded to certified community development corporations in the preceding fiscal year] and a description and the locations of the projects undertaken by certified community development corporations in the preceding fiscal year.

Sec. 2 Section 32-7x of the general statutes is repealed and the following is substituted in lieu thereof (Effective upon passage):

(a) As used in this section, "concentrated poverty census tract" means a United States census tract in which thirty per cent or more of the households within such census tract have incomes below the federal poverty level, according to the most recent five-year United States Census Bureau American Community Survey.

(b) The Secretary of the Office of Policy and Management shall compile a list of concentrated poverty census tracts in the state and the municipalities in which such census tracts are located and shall, not later than July 31, 2023, submit such list to the General Assembly in accordance with the provisions of section 11-4a. The secretary shall post such list to the Internet web site of the Office of Policy and Management and shall review and update such list as necessary. Whenever the secretary updates such list, the

secretary shall submit such updated list to the General Assembly in accordance with the provisions of section [11-4a](#).

(c) (1) The Commissioner of Economic and Community Development shall establish a grant program to fund eligible projects within concentrated poverty census tracts. An eligible project shall seek to reduce concentrated poverty within such tracts and the effects of such poverty, including, but not limited to, the lower lifetime income of residents within such tracts, the lower lifetime income expectations of future generations within such tracts, increased crime and risk of incarceration for residents within such tracts and educational deficiencies within such tracts. An eligible project includes:

(A) Construction, renovation or rehabilitation of mixed-income rental housing and owner-occupied housing, in order to retain individuals and families of different income levels and to increase the percentage of owner-occupied housing within such census tract or tracts;

(B) The establishment or improvement of workforce development programs, including, but not limited to, programs that partner with organizations to identify unemployed or underemployed individuals and at-risk youth residing in such census tracts, identify workforce training opportunities and other resources for such individuals and link such individuals with the appropriate training and resources that will increase the skills and earning potential of such individuals; and

(C) Construction, renovation or rehabilitation of public infrastructure, in order to support and improve the private investment opportunities, quality of life and public safety within such census tract or tracts.

(2) Beginning on [\[January 1, 2024\]](#) [July 1, 2028](#), and not later than [\[January\]](#) [July](#) 1, 2030, each municipality in which a concentrated poverty census tract is located may apply to the commissioner, in a form and manner prescribed by the commissioner, to receive a grant for an eligible project or any combination of eligible projects. An application may target one concentrated poverty census tract or more than one such census tract if such census tracts are geographically contiguous or within reasonable proximity of each other. An applicant shall not be prohibited from filing more than one application for different concentrated poverty census tracts or groups of such census tracts.

(d) (1) [\[Not later than January 1, 2024, the\]](#) [The](#) commissioner shall establish criteria for the awarding of grants as described in subdivision (2) of this subsection, requirements for documents and information as described in subdivision (4) of this subsection and deadlines for submitting applications and revised and modified applications under subsection (e) of this section. The commissioner shall post such criteria, requirements and

deadlines on the Internet web site of the Department of Economic and Community Development, notify each municipality in which a concentrated poverty census tract is located of such posting and promote the availability of the grant program established by this section in each such census tract.

(2) Criteria for the awarding of grants pursuant to this section shall include, but need not be limited to:

(A) The likelihood that a proposal will reduce adult or child poverty within a concentrated poverty census tract;

(B) The likelihood that a proposal will reduce the likelihood that children currently residing within a concentrated poverty census tract will live in poverty after reaching adulthood;

(C) The likelihood that a proposal will produce persistent and meaningful improvements in residents' wealth, financial security, employability or quality of life beyond the duration of the proposal;

(D) The feasibility of the initiatives in a proposal and the demonstrated or perceived capacity to execute upon the scope of work in a proposal, including, but not limited to, adequate staffing levels of entities involved with the proposal; and

(E) The interconnectivity and mutual reinforcement among all proposed initiatives in the same concentrated poverty census tract area or areas, such as providing workforce training programs to parents of children enrolled in a supported early childhood program.

(3) On and after the date the ten-year plan developed under section [32-7z](#) is submitted to the General Assembly, priority shall be given to projects included in such plan.

(4) Requirements for documents and information to be submitted by municipalities to evaluate applications shall **[include, but need not be limited to:**

(A) A description of how the proposal intends to address each type of eligible project described in subparagraphs (A) to (C), inclusive, of subdivision (1) of subsection (c) of this section, and whether there are existing projects or programs to address such eligible projects;

(B) A description of each initiative within the proposal, which may include multiple simultaneous initiatives, and how each initiative will meet one of the criteria established pursuant to subdivision (2) of this subsection;

- (C) A description of sufficient efforts, as determined by the commissioner, to engage residents of the concentrated poverty census tract in formulating a proposal;
- (D) For an initiative that is an eligible project described in subparagraph (B) of subdivision (1) of subsection (c) of this section, a description of the municipality's consultations with the regional workforce development board that serves the municipality regarding the development of such project and efforts to coordinate such project with the board's activities;
- (E) A description of each organization that will participate in an eligible project described in subparagraph (B) of subdivision (1) of subsection (c) of this section, and information on each organization's commitment to provide continuous, sustained engagement with residents of such tract throughout the project;
- (F) A description of the entity or organization responsible for coordinating the implementation of each component of the application and overseeing the various projects and programs outlined in such application;
- (G) A description of plans for ongoing engagement with residents of such census tracts and solicitation of feedback on the progress of a proposal during its implementation; and
- (H) A description of plans to provide residents of such census tract with opportunities to become involved in implementation of a proposal.
- (e) (1) The department shall review and evaluate each application submitted and shall work with the applicant municipality to revise the application if the department believes such revisions will improve or strengthen the application. The department shall assist an applicant in identifying and applying for funding under other programs in order to maximize the amount of funding available for an applicant, including seeking funding under section 4-66c. For a proposal for an eligible project described in subparagraph (A) of subdivision (1) of subsection (c) of this section, the commissioner shall evaluate such project in consultation with the Commissioner of Housing and the Commissioner of Housing shall assist the applicant with obtaining funding for such project through programs operated by the Department of Housing] be determined by the commissioner.
- [(2) The commissioner shall submit to the Governor all applications that are deemed to satisfy the requirements of subsection (d) of this section. The Governor shall review such applications and may approve or disapprove an application or return an application to the commissioner for modifications. If an application is returned to the commissioner, the commissioner shall work with the applicant to modify the application and shall resubmit

such application with modifications to the Governor. If the Governor approves an application, the Governor shall make a grant award from bond proceeds under section 32-7y, provided the Governor may use funds from other bond proceeds authorized for the general purposes described in subparagraphs (A) to (C), inclusive, of subdivision (1) of subsection (c) of this section for such grants. Grants awarded under this section shall be for a period of three years, and in an amount sufficient to carry out the objectives of the application, but not less than five hundred thousand dollars. Each application that the Governor approves shall be considered at a State Bond Commission meeting not later than two months after the date the application was approved by the Governor.]

(f) At the conclusion of the initial grant period, the commissioner shall evaluate the municipality's progress toward reducing the number of households within the applicable concentrated poverty census tract who have incomes below the federal poverty level to less than thirty per cent of the households of such census tract. Such evaluation shall consider, among other factors, any change in the percentage of households within such census tract who have incomes below the federal poverty level, and whether the actions taken pursuant to such grant during the initial grant period: (1) May reasonably result in a future reduction in the percentage of households within such census tract who have incomes below the federal poverty level, (2) have resulted in a reduction in child poverty within such census tract, (3) may reasonably result in a future reduction in child poverty within such census tract, or (4) may reasonably decrease the likelihood that children who are currently living within such census tract will have incomes below the federal poverty level after they reach adulthood. Upon a determination by the commissioner that reasonable progress has been made, the municipality shall be eligible for subsequent grants under this section, provided, at the conclusion of each subsequent grant period of three years, each applicant municipality shall be subject to an evaluation and determination under this subsection prior to being eligible to apply for a subsequent grant. An application for a subsequent grant and the awarding of a subsequent grant shall be in accordance with the provisions of subsections (c) to (e), inclusive, of this section.

(g) Not later than [August 1, 2024] July 1, 2029, and annually thereafter until and including [August 1, 2029] July 1, 2031, the commissioner shall [submit a report, in accordance with the provisions of section 11-4a, to the General Assembly, that includes] post on its internet website a list of the municipalities that submitted applications and that were awarded grants under this section in the prior fiscal year[, and] a description of each purpose and eligible project a municipality awarded a grant under this section is seeking to accomplish [or undertaking, a progress report, if applicable, for each such purpose or eligible project and any other information the commissioner deems relevant].

Sec. 3 Section 32-7y of the general statutes is repealed and the following is substituted in lieu thereof (Effective upon passage):

(a) For the purposes described in subdivision (b) of this subsection, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate **three hundred million dollars**, provided fifty million dollars shall be effective each fiscal year for the fiscal years commencing July 1, 2023, to July 1, 2028, inclusive.

(b) The proceeds of the sale of such bonds, to the extent of the amount stated in subdivision (a) of this subsection, shall be used by the Department of Economic and Community Development for the purpose of, the **[high poverty-low opportunity census tract]** concentrated poverty census tract grant program established pursuant to section 32-7x.

(c) 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 subsection 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 section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization that is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Such bonds issued pursuant to this subsection 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 such bonds as the same become due, and accordingly and as part of the contract of the state with the holders of such bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.

Sec. 4 Section 32-7z of the general statutes, as amended by Section 402 of Public Act 25-168, is repealed and the following is substituted in lieu thereof (Effective upon passage):

(a) It is hereby declared that there exists concentrated poverty in the state that exacts a critical toll on poor and nonpoor residents of communities that house areas of concentrated poverty, which create lifelong and persistent disadvantages across

generations by lowering the quality of educational and employment opportunities, limiting health care access and diminishing health outcomes, increasing exposure to crime, reducing available choices for affordable and properly maintained housing and imposing obstacles to wealth-building and economic mobility. It is further declared that the development and implementation of the ten-year plan under this section to eradicate concentrated poverty in the state are necessary and for the public benefit, as a matter of legislative determination.

[(b) There is established an Office of Neighborhood Investment and Community Engagement within the Department of Economic and Community Development. Said office shall carry out the provisions of this section, overseeing the implementation of the ten-year plan developed pursuant to this subsection, monitoring the state's progress in reducing concentrated poverty in the state and serving as the facilitator to coordinate communication between the various parties and disseminate information in a timely and efficient manner.

(c) [(b) (1) There is established a pilot program to implement the provisions of the ten-year plan developed pursuant to this section for participating concentrated poverty census tracts. Any concentrated poverty census tract or group of tracts (A) that is located in any of the four municipalities with the greatest number of concentrated poverty census tracts, and (B) for which community members have established a community development corporation pursuant to the provisions of section [32-7s](#) to assist the municipality in which such census tract or group of tracts is located in carrying out the municipality's responsibilities under this section and the ten-year plan developed for such census tract or group of tracts, shall be eligible to apply to participate in the program. Notwithstanding the provisions of subparagraph (A) of this subdivision, any municipality in which a concentrated poverty census tract or group of tracts is located and for which a community development corporation has been established as described under subparagraph (B) of this subdivision, or any such community development corporation, may apply to participate in the program. The Commissioner of Economic and Community Development shall issue a request for proposals for participation in the pilot program and select the applicant with the highest score. As used in this section, "concentrated poverty census tract" means a census tract identified as a [high poverty-low opportunity] [concentrated poverty](#) census tract, as of January 1, 2024, by the Office of Policy and Management pursuant to section [32-7x](#) of the 2024 supplement to the general statutes.

(2) (A) (i) The [Office of Neighborhood Investment and Community Engagement] [Commissioner of Economic and Community Development](#) shall develop a plan for the pilot participating concentrated poverty census tract or group of tracts, as applicable, to

eradicate, over ten years, the levels of concentrated poverty in the service area of the community development corporation, evidenced by a reduction, to twenty per cent or lower, in the percentage of households who reside in such concentrated poverty census tract or group of tracts and have incomes below the federal poverty level, as well as sustained improvements in community infrastructure and other underlying conditions that serve to prolong concentrated poverty and economic inertia in such census tract or group of tracts.

(ii) In developing such plan, [said office shall] the Commissioner may consult with the [Office of Community Economic Development Assistance established under section 32-7s, the, Department of Economic and Community Development, the] Office of Workforce Strategy established under section 4-124w, the regional workforce development board, established under section 31-3k, serving the participating concentrated poverty census tract or group of tracts, the Office of Early Childhood, the Department of Education, the Department of Housing, the Office of Policy and Management, the applicable community development corporations serving the participating concentrated poverty census tract or group of tracts and the applicable municipal chief elected officials and any other public or private entity the Commissioner of Economic and Community Development deems relevant or necessary to achieving the purposes of this subsection.

(B) The ten-year plan shall include, but need not be limited to, (i) measurable steps to be taken for its implementation, the target date by which each such step is to be completed and the state or municipal official or state or municipal agency, department or division responsible for each such step, (ii) minimum state-wide averages for educational metrics, including, but not limited to, kindergarten-readiness, grade level reading and mathematics and college-readiness or career-readiness, to be used as benchmarks for improvements in such concentrated poverty census tract or group of tracts, as applicable, and (iii) the list of possible projects determined pursuant to subdivision (3) of this subsection.

[(C) On or before June 1, 2025, and again not later than September 1, 2025, the Commissioner of Economic and Community Development shall inform the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, in writing, of the progress made to date in the development of the ten-year plan. Not later than January 1, 2026, said commissioner shall submit such plan to the General Assembly, in accordance with the provisions of section 11-4a, and the Office of Neighborhood Investment and Community Engagement shall immediately commence overseeing the implementation of such plan.]

(3) The [Office of Neighborhood Investment and Community Engagement] Commissioner of Economic and Community Development shall, jointly with the chief elected official of each applicable municipality and the community development corporation established to assist such municipality, develop a list of possible projects that will be included in the ten-year plan for the participating concentrated poverty census tract or group of tracts, as applicable, located in such municipality. [Said office] The department, official and corporation shall (A) determine the types of projects they deem to be the most appropriate and effective for such census tract or group of tracts to eradicate concentrated poverty within such census tract or group of tracts, including, but not limited to, capital projects, workforce development programs, housing development, community and neighborhood improvements and education initiatives to assist and support residents in meeting and surpassing the educational metrics described in subparagraph (B)(ii) of subdivision (2) of this subsection, and (B) take into account the criteria for projects eligible for grants under sections [32-7s,] 32-7x and 32-285a.

(4) Not later than February 1, [2027] 2029, and annually thereafter, the Commissioner of Economic and Community Development shall submit a report to the General Assembly, the Office of Workforce Strategy, the Office of Early Childhood and the Office of Policy and Management, in accordance with the provisions of section 11-4a, that summarizes the progress being made by the [Office of Neighborhood Investment and Community Engagement] department in implementing the ten-year plan, the status of any projects pending or undertaken for the participating concentrated poverty census tract or group of tracts and any other information the commissioner [or the Office of Neighborhood Investment and Community Engagement] deems relevant or necessary.

[(5) (A) Commencing with the calendar year 2027, not later than March first of said year and annually thereafter for the next two years, the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding shall hold an informational forum for the Commissioner of Economic and Community Development to present the contents of the submitted report and for other state officials, municipal officials, representatives of community development corporations serving participating concentrated poverty census tracts or groups of tracts and other interested parties to provide oral and written comments on the submitted report and the pilot program.

(B) Commencing with the calendar year 2030, said committee shall hold such informational forum every two years.]

(d) [On and after the date the ten-year plan is submitted to the General Assembly pursuant to subparagraph (C) of subdivision (2) of subsection (c) of this section, each] Each state agency shall give priority to projects included in such ten-year plan with respect to any grants or funding programs such agency awards or administers and for which such projects may be eligible.

(e) Not later than [January 1, 2029] February 1, 2031, the Commissioner of Economic and Community Development shall submit a recommendation to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding of (1) whether the pilot program should be expanded to all concentrated poverty census tracts or groups of tracts in the state for which a community development corporation has been established as described under subparagraph (B) of subdivision (1) of subsection (c) of this section, and (2) any additional or alternative criteria to be considered for expansion of the pilot program to other economically disadvantaged census tracts that do not fall within the definition of a concentrated poverty census tract. If the commissioner recommends expansion under subdivision (1) of this subsection, the commissioner [and the Office of Neighborhood Investment and Community Engagement shall] may immediately undertake such expansion.

[(f) On and after July 1, 2027, if any state or municipal official responsible for carrying out a requirement or responsibility under the provisions of this section or a ten-year plan fails to do so in a timely manner, any community development corporation established as described under subparagraph (B) of subdivision (1) of subsection (c) of this section that was (1) selected pursuant to the request for proposals under subdivision (1) of subsection (c) of this section, (2)] (1) can demonstrate good faith efforts to effectuate the ten-year plan, and (3) is aggrieved by such failure may bring an action against such official in the superior court for the judicial district in which such census tract or group of tracts is located for a writ of mandamus to compel such official to carry out such requirement or responsibility.] |



Agency Legislative Proposal

2026 Session

General Information

| | | | |
|-------------------------------------|--|--|--|
| Agency | Dept. of Economic and Community Development | | |
| Proposal Name | An Act Incentivizing Economic Development | | |
| Legislative Liaison | Brie J. Wolf | | |
| Division Requesting Proposal | Commissioner's Office | | |
| Drafter | Brie Wolf, Tony Roberto, Nandika Prakash | | |

Overview

Brief Summary of Proposal

Section 1: Increase financial assistance statutory caps for business projects to \$25 million every two years for all industries.

Section 2: Create a carve out to the employment promissory note prohibition law for [H-1B visa](#) associated costs.

What problem is this proposal looking to solve?

Section 1: The financial assistance statutory cap was set in 1994. It has not been adjusted in the decades since its adoption, and no longer aligns with today's project pricing. The existing \$10 million cap, when adjusted for inflation, equals \$25 million, which is why that figure was chosen.

Section 2: A [Presidential Proclamation](#) was issued prohibiting the entry of nonimmigrant workers under H-1B visa applications filed with United States Citizenship and Immigration Services (USCIS) after the proclamation's effective date of September 21, 2025, unless a \$100,000 H-1B application fee is paid. This policy change effectively bars prospective H-1B visa applicants from entering the American workforce. Larger employers have expressed concern that Connecticut's law prohibiting employment promissory notes is preventing employers from placing H-1B visa employees in Connecticut when the employer is advancing part or all of the \$100,000 H-1B application fee in return for a three-year employment commitment from the employee. Instead,

these H-1B visa employees are being placed in states that don't prohibit promissory notes.

How does the proposal solve the problem?

Section 1: Increasing the financial assistance cap will allow DECD to offer more competitive incentives to help attract economic development to, and retain business in, Connecticut.

Section 2: Inserts a narrow carve out of the promissory note prohibition for employers that pay the \$100,000 H-1B via application fee for an employee.

Section by section summary:

| Section #(s) | Section Summary |
|-----------------------------|---|
| Section 1 | Increases financial assistance statutory cap in CGS Sec. 32-462 for business projects to \$25 million every two years for all industries. |
| Section 6 | Creates a limited exception to the promissory note prohibition for employers who cover part or all of the \$100,000 H-1B application fee for a new hire. |
| <hr/> | |
| Statutory Reference: | Section 1: CGS Sec. 32-462 Section 2: CGS Sec. 31-51r |

Background

☒ New Proposal

☐ Resubmission

Have there been any changes in federal laws or regulations that make this legislation necessary?

☒ Yes Section 2 is introduced in response to a [Presidential Proclamation](#) that prohibits the entry of nonimmigrant workers under H-1B visa applications after the proclamation's effective date of September 21, 2025, unless a \$100,000 H-1B application fee is paid.

Have there been any changes in state laws or regulations that make this legislation necessary?

☒ No

Has this proposal or a similar proposal been implemented in other states?

☒ No

Have certain constituencies called for this proposal?

☒ Yes Section 2: Larger employers in Connecticut will be significantly affected as they rely on H-1B visas for a variety of technical jobs.

Interagency Impact

☐ Check here if this proposal does NOT impact other agencies

| | | | |
|----------------|--|-------------------------------------|--|
| Agency | Dept. of Labor | | |
| Contact | Marisa Morello and Billy Taylor | | |
| Date Contacted | 10/28/2025 | | |
| Status | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Unresolved | |
| Open Issues | CTDOL does not have any objections due to agency impact, but defers to OTG on the policy decision. | | |

Fiscal Impact

☒ No Fiscal Impact

☐ Budget Option Submitted

Include the section number(s) which have a fiscal impact and the anticipated impact:

State

☐ No

Municipal

☐ No

Federal

☐ No

Other Information

If there is any additional information we should know, please detail below: N/A

Legislative Language

Insert fully drafted bill below. Please use standard legislative drafting considerations, as published by LCO [here](#).

Sec. 1 Section 32-462 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2026 and applicable to income and taxable years commencing on or after January 1, 2026):

(a) As used in this section:

(1) "Agency" means the Department of Economic and Community Development or Connecticut Innovations, Incorporated.

(2) "Financial assistance" means grants, loans, loan guarantees, contracts of insurance, investments, or combinations thereof, which are provided from the proceeds of bonds, notes or other obligations of the state or an agency which constitute a debt or liability of the state or which are secured by a special capital reserve fund payable from amounts appropriated or deemed appropriated from the General Fund.

(3) "Applicant" means any eligible applicant seeking financial assistance from an agency for a business project. The term "applicant" shall not include any political subdivision of the state.

(4) "Business project" means a business proposal undertaken by one or more applicants, but does not include housing unless undertaken in combination with another unrelated type of business.

[(5) "Biotechnology business project" means any commercial project to be used or occupied by any person to conduct laboratory activity relating to, or the research, development or manufacture of, biologically active molecules or devices that apply to, affect or analyze biological processes.]

(b) (1) No agency or agencies may award more than a total of [ten] [twenty five](#) million dollars of financial assistance during any two-year period to an applicant or for a business project unless such financial assistance is specifically authorized by an act of the General Assembly which has been enacted before, on or after July 1, [1994] [2026](#). (2) The provisions of subdivision (1) of this subsection shall not apply to any awards funded

or to be funded by bonds authorized to be issued by the State Bond Commission before July 1, 1994.

[(c) Notwithstanding the provisions of subsection (b) of this section, no agency or agencies may award more than twenty million dollars of financial assistance for a biotechnology business project during any two-year period unless such financial assistance is specifically authorized by an act of the General Assembly which has been enacted before, on or after July 1, 2001.]

Sec. 2 Section 31-51r of the general statutes is repealed and the following is substituted in lieu thereof (Effective upon passage):

(a) As used in this section:

(1) "Employer" means any person engaged in business who has twenty-six or more employees, including the state and any political subdivision thereof.

(2) "Employee" means any person engaged in service to an employer in the business of his employer.

(3) "Employment promissory note" means any instrument or agreement executed on or after October 1, 1985, which requires an employee to pay the employer, or [his] [the employer's](#) agent or assignee, a sum of money if the employee leaves such employment before the passage of a stated period of time. "Employment promissory note" includes any such instrument or agreement which states such payment of moneys constitutes reimbursement for training previously provided to the employee. [As a matter of public policy, an employment promissory note shall not include a promissory note entered into by an employer and employee for the full or partial repayment of a federal H1-B visa application fee paid by an employer on behalf of an employee.](#)

(b) On or after October 1, 1985, no employer may require, as a condition of employment, any employee or prospective employee to execute an employment promissory note. The execution of an employment promissory note as a condition of employment is against public policy and any such note shall be void. If any such note is part of an employment agreement, the invalidity of such note shall not affect the other provisions of such agreement.

(c) Nothing in this section shall prohibit or render void any agreement between an employer and an employee (1) requiring the employee to repay to the employer any sums advanced to such employee, (2) requiring the employee to pay the employer for any property it has sold or leased to such employee, (3) requiring educational personnel to comply with any terms or conditions of sabbatical leaves granted by their employers, or (4) entered into as part of a program agreed to by the employer and its employees' collective bargaining representative. |



Agency Legislative Proposal

2026 Session

General Information

| | |
|-------------------------------------|---|
| Agency | Dept. of Economic and Community Development |
| Proposal Name | AAC The Department of Economic and Community Development's Recommendations for Revisions to the Commerce Statutes |
| Legislative Liaison | Brie J. Wolf |
| Division Requesting Proposal | Commissioner's Office |
| Drafter | Brie J. Wolf |

Overview

Brief Summary of Proposal

This proposal makes a series of statutory revisions that remove references to DECD offices in statute – apart from the Office of Military Affairs and Office of Workforce Strategy; repeal or modify reporting requirements; repeal defunct programs; address changes to federal funding levels; refine the Manufacturing Innovation Fund (MIF) Advisory Board membership and create a board absentee policy; revise the Tourism Council reporting requirement and create a council absentee policy; rename the Small Business Express Program to the Connecticut Small Business Boost Program, revise the name, charge and membership of the Minority Business Initiative (MBI) Advisory Board and allow the board to establish bylaws.

What problem is this proposal looking to solve?

This proposal allows DECD increased operational flexibility, enabling more efficient management of internal workflows and departmental functions. Additionally, it creates a proactive mechanism to address audit findings from Fiscal Years 2024–2025, specifically those related to delays in meeting statutory reporting requirements. By streamlining processes, amending reporting deadlines, and enhancing responsiveness, the department will be better positioned to fulfill its statutory obligations and improve overall accountability.

How does the proposal solve the problem?

Section by section summary:

| Section #(s) | Section Summary |
|-------------------------|--|
| Sections 1 - 6 | Offices Sections one through six remove references to individual offices with DECD and instead reference the department or commissioner. |
| Section 1 | Section 1 amends CGS Sec. 32-1u to remove reference to the Office of Film, Television and Digital Media. |
| Section 2 | Section 2 amends Subsection (c) (2) (F) (5) of CGS Sec. 32-286 to remove reference to the Office of Data Infrastructure Administration and Security. |
| Section 3 | Sections 3 and 4 amend CGS Sec. 32-726 and CGS Sec. 32-1m to remove reference to the Office Of The Permit Ombudsman. |
| Section 4 | Section 4 amends CGS Sec. 32-1m to rename the Small Business Express Program to Connecticut Small Business Boost. |
| Sections 5 and 6 | Sections 5 and 6 amend CGS Sec. 32-761 and CGS Sec. 32-764 to remove reference to the Office of Brownfield Remediation and Development. Section 5 also removes reference to the State Historic Preservation Office. |
| Sections 7 - 13 | Reports Sections seven through thirteen repeal reporting requirements or push January 1 reporting dates to February 1 to allow staff more time to prepare and review reports without the pressure of deadlines near the December holidays. Those reports being repealed were not submitted for at least two consecutive years. Aside from the State Auditors, no one has requested them. DECD must address a recurring audit finding or late or missing reporting. |
| Section 7 | Section 7 amends Subsection (e) of CGS Sec. 32-4r to remove the Youth Service Corps Grant Program reporting requirement. |
| Section 8 | Section 8 amends Subsection (c) of CGS Sec. 38a-88a to push the Invest CT Fund reporting date to February 1. |
| Section 9 | Section 9 amends Section 137 of Public Act 25-174 to push the Good to Great Program reporting date to February 1. |

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| Section 10 | Section 10 amends Subsection (f) of Section 1 of Public Act 25-149 to push the Makerspace Program reporting date to February 1. |
| Section 11 | Section 11 amends CGS Sec. 32-7n to allow the Manufacturing Innovation Fund (MIF) Advisory Board to consult with subject matter experts as necessary; insert additional, strategic industries into the membership; include the high school technical system in board membership; and create an absentee policy to ensure robust membership participation. |
| Section 12 | Section 12 amends CGS Sec. 32-7o to push the (MIF) Advisory Board annual reporting date to February 1 and make clear that the department is responsible for submitting the annual report, not the board. |
| Section 13 | Section 13 amends CGS Sec. 10-397c to push the Tourism Council annual reporting date to February 1; make clear that the department is responsible for submitting the annual report, not the council; and create an absentee policy to ensure robust membership participation. |
| Section 14 | Section 14 amends Section 6 of Public Act 25-125 to reflect that the Connecticut Council Economy Council report is to be delivered every two years, not twice a year. |
| Section 15 | <p>Federal</p> <p>Section 15 amends CGS Sec. 4-66aa (as amended by Section 411 of Public Act 25-168) to allow DECD to use fifty percent of the Donald E. Williams, Jr. Community Investment Account revenue for administrative purposes. Federal funding for historic preservation has been significantly reduced, and these dollars will be used to retain federally funded staff when such federal funds have been exhausted.</p> |
| Section 16 | Section 16 amends CGS Sec. 32-7g (as amended by Section 16 of Public Act 25-95) to rename the Small Business Express Program to the Connecticut Small Business Boost Program. These revisions also strike the Minority Business Revolving Loan Fund and create the Connecticut Opportunity Fund. |
| Section 17 | Section 17 amends CGS Sec. 32-7h (as amended by Section 85 of Public Act 25-168) to rename the Small Business Express Program to the Connecticut Small Business Boost Program. |

| | |
|-------------------|--|
| Section 18 | Section 18 amends Subsection (a) of CGS Sec. 32-235 to rename the Small Business Express Program to the Connecticut Small Business Boost Program. |
| Section 19 | Section 19 amends Subsection (b) of CGS Sec. 4-68cc to rename the Small Business Express Program to the Connecticut Small Business Boost Program. |
| Section 20 | Section 20 amends CGS Sec. 32-9n to remove reference to the Office of Small Business Affairs. |
| Section 21 | <p>Reports Reprise</p> <p>Section 21 amends CGS Sec. 32-357 to remove the annual small business innovation research program and small business technology transfer program reporting requirement.</p> |
| Section 22 | Section 22 amends subsection (a) of CGS Sec. 32-39m to remove the annual innovation place program reporting requirement. |
| Section 23 | Section 23 amends CGS Sec. 32-7q to rename the Minority Business Initiative (MBI) Advisory Board to the First Generation and Emerging Business Initiative Advisory Board; make clear the goals of the Advisory Board; insert two additional board members selected by the Black and Puerto Rican Caucus; and allow the board to establish bylaws. |
| Section 24 | <p>Repealer Section</p> <p>Section 24 repeals the defunct Connecticut Qualified Biodiesel and Renewable Diesel Producer Incentive Account in Chapter 588p, Sections 32-324 through 32-324h. It also repeals the economic cluster reporting requirement for Connecticut Innovations (CI) in CGS Sec. 32-4h as this program is also defunct.</p> |

Statutory Reference:

- Section 1 amends [CGS Sec. 32-1u](#)
 - Section 2 amends Subsection (c) (2) (F) (5) of [CGS Sec. 32-286](#)
 - Section 3 amends [CGS Sec. 32-726](#)
 - Section 4 amends [CGS Sec. 32-1m](#)
 - Section 5 amends [CGS Sec. 32-761](#)
 - Section 6 amends [CGS Sec. 32-764](#)
 - Section 7 amends Subsection (e) of [CGS Sec. 32-4r](#)
 - Section 8 amends Subsection (c) of [CGS Sec. 38a-88a](#)
 - Section 9 amends Section 137 of [Public Act 25-174](#)
 - Section 10 amends Subsection (f) of Section 1 of [Public Act 25-149](#)
 - Section 11 amends [CGS Sec. 32-7n](#)
 - Section 12 amends [CGS Sec. 32-7o](#)
 - Section 13 amends [CGS Sec. 10-397c](#)
 - Section 14 amends Section 6 of [Public Act 25-125](#)
 - Section 15 amends [CGS Sec. 4-66aa](#) (as amended by Section 411 of [Public Act 25-168](#))
 - Section 16 amends [CGS Sec. 32-7g](#) (as amended by Section 16 of [Public Act 25-95](#))
 - Section 17 amends [CGS Sec. 32-7h](#) (as amended by Section 85 of [Public Act 25-168](#))
 - Section 18 Subsection (a) of [CGS Sec. 32-235](#)
 - Section 19 amends Subsection (b) of [CGS Sec. 4-68cc](#)
 - Section 20 amends [CGS Sec. 32-9n](#)
 - Section 21 amends [CGS Sec. 32-357](#)
 - Section 22 amends [CGS Sec. 32-39m](#)
 - Section 23 amends [CGS Sec. 32-7q](#)
 - Section 24 strikes [Chapter 588p](#) and [CGS Sec. 32-4h](#)
-

Background

☒ New Proposal

☐ Resubmission

Have there been any changes in federal laws or regulations that make this legislation necessary?

☒ Yes Section 15 is being offered in response to a reduction in federal funding for historic preservation. These state dollars will be used to retain federally funded staff if such federal funds are exhausted.

Have there been any changes in state laws or regulations that make this legislation necessary?

☐ No

Has this proposal or a similar proposal been implemented in other states?

☐ No

Have certain constituencies called for this proposal?

☒ Yes Section 23: In June of 2025, the Minority Business Initiative Advisory Board initiated a strategic planning process and, as a result, has determined that revising the board's mission is critical to achieving its goals.

Section 24: [Senate Bill 1291](#) from the 2025 Regular Session would have required DECD to award grants to qualified biodiesel and renewable diesel producers and distributors through the Connecticut Qualified Biodiesel and Renewable Diesel Producer Incentive Account. This grant program is defunct and has not been operational since 2010. This legislation was the catalyst to review DECD statutes for updating.

Interagency Impact

☐ Check here if this proposal does NOT impact other agencies

| | | | |
|----------------|--|-------------------------------------|--|
| Agency | Dept. of Energy and Environmental Protection | | |
| Contact | Megan Andrews – Sections 3, 5, 6, 13, 15, 24 | | |
| Date Contacted | 9/25/2025 | | |
| Status | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Unresolved | |
| Open Issues | N/A | | |
| | | | |
| Agency | Dept. of Agriculture | | |
| Contact | Kayleigh Royston – Sections 15 and 24 | | |
| Date Contacted | 9/25/2025 | | |
| Status | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Unresolved | |
| Open Issues | N/A | | |
| | | | |
| Agency | Agriculture Experiment Station | | |
| Contact | Jason White - Section 24 | | |
| Date Contacted | 9/25/2025 | | |
| Status | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Unresolved | |
| Open Issues | N/A | | |
| | | | |
| Agency | University of Connecticut | | |
| Contact | Gail Garber - Section 24 | | |
| Date Contacted | 9/25/2025 | | |
| Status | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Unresolved | |
| Open Issues | N/A | | |
| | | | |
| Agency | Dept. of Labor | | |
| Contact | Marisa Morello and Billy Taylor – Sections 3 and 8 | | |
| Date Contacted | 9/25/2025 | | |
| Status | <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Unresolved | |
| Open Issues | N/A | | |

| | |
|----------------|--|
| Agency | Dept. of Transportation |
| Contact | Phil Mainiero and Josh Beckett Flores – Sections 3 and 13 |
| Date Contacted | 9/25/2025 |
| Status | <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Unresolved |
| Open Issues | N/A |
| | |
| Agency | Dept. of Public Health |
| Contact | Adam Skowera and Miriam Miller – Sections 3 and 5 |
| Date Contacted | 9/25/2025 |
| Status | <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Unresolved |
| Open Issues | N/A |
| | |
| Agency | Connecticut Innovations |
| Contact | Phil Siuta – Sections 5 and 21 |
| Date Contacted | 9/25/2025 |
| Status | <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Unresolved |
| Open Issues | N/A |
| | |
| Agency | Dept. of Children and Families |
| Contact | Mike Carone and Vin Russo – Section 7 |
| Date Contacted | 9/25/2025 |
| Status | <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Unresolved |
| Open Issues | N/A |
| | |
| Agency | Office of the State Treasurer |
| Contact | Cheryl Rice – Section 12 |
| Date Contacted | 9/25/2025 |
| Status | <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Unresolved |
| Open Issues | N/A |
| | |
| Agency | Connecticut Airport Authority |
| Contact | Alex Peterson – Section 13 |
| Date Contacted | 9/25/2025 |
| Status | <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Unresolved |
| Open Issues | N/A |

Fiscal Impact

☒ No Fiscal Impact

☐ Budget Option Submitted

Include the section number(s) which have a fiscal impact and the anticipated impact:

State

Municipal

Federal

Other Information

If there is any additional information we should know, please detail below: N/A

Legislative Language

Insert fully drafted bill below. Please use standard legislative drafting considerations, as published by LCO [here](#).

Sec. 1 Section 32-1u of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) The Department of Economic and Community Development[, through its Office of Film, Television and Digital Media,] shall serve as a state-wide point of contact for all producers of film, television and digital media productions requesting permission to (1) conduct film production activities on state-owned property, including, but not limited to, all state roads and highways, railroads and train stations, state forests and parks, airports and seaports, hospitals and all campuses of the public institutions of higher education in the state; and (2) use any other state-owned real or personal property, except courthouses and judicial branch facilities, for such purposes.

(b) The Commissioner of Economic and Community Development may issue a state film permit, on a form designated by the commissioner, to any person seeking to conduct film production activities on such state-owned property. Such permit shall specify the insurance coverage that the permittee shall be required to obtain, as determined by the commissioner in consultation with the state's Director of Insurance and Risk Management, with the state named as an additional insured. No liability shall accrue to the state or any agency or employee of the state for any injuries or damages to any person or property that may result, either directly or indirectly, from such film production activities of the permittee on such state-owned property.

(c) A state film permit shall identify the person requesting permission to conduct film production activities on state property and indicate that the permittee has provided documentation to the Department of Economic and Community Development substantiating the permittee's ability to conduct indemnified film production activities. Any permittee seeking permission to conduct film production activities on property controlled by a state agency, authority or institution shall present such permit to such agency, authority or institution when the permittee requests such permission. Following the presentment of such permit by a permittee, such state agency, authority or institution may authorize film production activities by the permittee on such property.

(d) The Commissioner of Economic and Community Development, pursuant to section [32-1p](#), shall establish guidelines to be used in working with state agencies,

authorities or institutions to implement the provisions of this section. Such guidelines shall include, but not be limited to: (1) An agency contact [at the Office of Film, Television and Digital Media] for filing permit applications and for obtaining information on permit requirements; (2) identification of each individual within each respective state agency who shall be a point of contact for an agency permit application; (3) a mandatory preapplication review process to reduce permitting issues or conflicts by providing guidance to applicants on (A) information required for authorization or permit approval from the relevant state agencies, authorities or institutions, (B) specifications for desired on-site production and production-related activities, site suitability and limitations, and (C) steps the applicant can take to ensure expeditious permit application; (4) a single, coordinated production activity description form, including an equipment checklist and personnel roster; (5) a process by which the [Office of Film, Television and Digital Media] department may forward permit applications to other relevant state agencies, authorities or institutions on behalf of an applicant; and (6) at the commissioner's discretion, a permit fee structure.

(e) The [Office of Film, Television and Digital Media, at the request of the Commissioner of Economic and Community Development,] commissioner may request the assistance of any other agency, authority or institution of the state to assist in providing information and assistance as may be necessary to expedite [such office's] the duties and responsibilities under this section. Each officer or employee of such other agency, authority or institution of the state shall make reasonable efforts to cooperate with the [Office of Film, Television and Digital Media] department.

Sec. 2 Subsection (c) of Section 32-286 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(c) (1) Any person described in subsection (b) of this section that seeks an exemption under subsection (b) of this section shall submit an application to the Commissioner of Economic and Community Development, in a manner and form prescribed by the commissioner. If the commissioner approves such application, the commissioner shall enter into an agreement with such person, provided such person demonstrates to the satisfaction of the commissioner that:

(A) The facility to be developed, acquired, constructed, rehabilitated, renovated, repaired or operated will be used as a qualified data center; and

(B) The qualified data center will make, on or before the fifth anniversary of the date an agreement entered into pursuant to this section becomes effective, a qualified

investment of at least (i) fifty million dollars if such qualified data center is located in an enterprise zone designated pursuant to section [32-70](#) or a federal qualified opportunity zone designated pursuant to the Tax Cuts and Jobs Act of 2017, P.L. 115-97, as amended from time to time, or (ii) two hundred million dollars if such qualified data center is not located in an enterprise zone or a federal qualified opportunity zone.

(2) Any agreement entered into pursuant to this subsection shall:

(A) Be for a period of twenty years, unless extended under the provisions of subdivision (3) of this subsection, from the date an agreement entered into pursuant to this section becomes effective, which may be in the year in which the construction, rehabilitation, renovation or repair of a qualified data center commences;

(B) Include a five-year qualifying period, from the date an agreement entered into pursuant to this section becomes effective, for the applicable qualified investment amount set forth in subparagraph (B) of subdivision (1) of this subsection to be reached;

(C) Include the payment of an annual fee by the qualified data center, to be determined annually by the commissioner and not to exceed fifty thousand dollars, for the administrative and operational costs of the [\[Office of Data Infrastructure Administration and Security established under subdivision \(5\) of this subsection\]](#) [tax credit program](#). Such fee shall be paid by the qualified data center to the commissioner during each year of such qualifying period or until the applicable qualified investment amount set forth in subparagraph (B) of subdivision (1) of this subsection is reached, whichever is sooner;

(D) Include a detailed description of the capital project that is the subject of the agreement;

(E) Provide that the provisions of the agreement shall be applicable, within the time period such agreement is effective and for the remaining duration of such time period, to any (i) subsequent owner of the qualified data center, (ii) operator or affiliate of the operator of the qualified data center, or (iii) colocation tenant, provided the facility continues to be used as a qualified data center; and

(F) Include provisions for the assessment and payment of the taxes exempted pursuant to such agreement and the rates or amounts of penalties and interest to be imposed thereon, if the commissioner determines that the requirements of the agreement or of a qualified data center are not being met or have not been met.

(3) If a qualified data center makes a qualified investment of at least (A) two hundred million dollars if such qualified data center is located in an enterprise zone designated pursuant to section [32-70](#) or a federal qualified opportunity zone designated pursuant to the Tax Cuts and Jobs Act of 2017, P.L. 115-97, as amended from time to time, or (B) four hundred million dollars if such qualified data center is not located in an enterprise zone or a federal qualified opportunity zone, the commissioner shall extend to thirty years the period for which an agreement entered into pursuant to this section is effective.

(4) Any qualified data center that enters into an agreement pursuant to this section and makes the applicable qualified investment amount set forth in subdivision (3) of this subsection, and any operator or affiliate of and colocation tenant of such qualified data center, shall be exempt from any financial transactions tax or fee that may be imposed by the state on trades of stocks, bonds, derivatives and other financial products. The exemption under this subdivision shall be effective for a period of thirty years from the date the construction, rehabilitation, renovation or repair of a facility is completed, as determined by the commissioner. The commissioner may incorporate the provisions of this subdivision into the agreement entered into pursuant to this section or amend an existing agreement with a qualified data center to incorporate the provisions of this subdivision.

(5) [There is established an Office of Data Infrastructure Administration and Security within the Department of Economic and Community Development. The office] [The department](#) shall (A) serve as the liaison between applicants and qualified data centers and other state agencies, (B) provide assistance to applicants and qualified data centers from the preapplication phase to the post-operational stage, and (C) seek to ensure coordinated, efficient and timely responses to applicants and qualified data centers.

Sec. 3 Section 32-726 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) As used in this section:

(1) "Jobs" means permanent, full-time equivalent positions, not including construction jobs;

(2) "Commissioner" means the Commissioner of Economic and Community Development;

(3) "Permit applications" means applications for state permits and licenses; and

(4) "Permit ombudsman" means the [office of the] permit ombudsman established within the Department of Economic and Community Development under this section.

(b) (1) The commissioner shall [establish an office of the] designate a permit ombudsman for the purpose of expediting review of permit applications for projects that would (A) create at least one hundred jobs, (B) create fifty jobs, if such project is to be located in an enterprise zone designated pursuant to section 32-70, (C) be located in a brownfield, as defined in section 32-760, (D) be compatible with the state's responsible growth initiatives, (E) be considered transit-oriented development, as defined in section 13b-79kk, (F) develop green technology business, (G) develop bioscience business, (H) develop any of the state's federally designated opportunity zones, or (I) meet the criteria set forth in subdivision (2) of this subsection. Projects ineligible for review under this section are projects for which the primary purpose is to (i) effect the final disposal of solid waste, biomedical waste or hazardous waste in this state, (ii) produce electrical power, unless the production of electricity is incidental and not the primary function of the project, (iii) extract natural resources, (iv) produce oil, or (v) construct, maintain or operate an oil, petroleum, natural gas or sewage pipeline. For purposes of this section, "responsible growth initiatives" includes the principles of smart growth, as defined in section 1 of public act 09-230*, and "green technology business" means an eligible business with not less than twenty-five per cent of its employment positions being positions in which green technology is employed or developed and may include the occupation codes identified as green jobs by the Department of Economic and Community Development and the Labor Department for such purposes. The permit ombudsman shall also assist and provide guidance to bioscience businesses seeking to expedite the review and approval of permits required by local zoning authorities.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, the commissioner may, upon consideration of the economic impact factors of the project that include, but are not limited to: (A) The proposed wage and skill levels relative to those existing in the area in which the project may be located, (B) the project's potential to diversify and strengthen the state and local economy, (C) the amount of capital investment, and (D) in the judgment of the commissioner, after consultation with the Departments of Energy and Environmental Protection, Transportation and Public Health that there is consistency with the strategic economic development priorities of the state and the municipality, deem projects eligible for expedited permitting pursuant to this section.

(c) The Departments of Energy and Environmental Protection, Transportation and Public Health shall each designate through existing and available resources one or more staff members to act as a business ombudsmen and a liaison between their [offices]

[departments](#) and the permit [\[ombudsmen\]](#) [ombudsman](#). The Commissioners of Economic and Community Development, Energy and Environmental Protection, Transportation and Public Health shall enter into a memorandum of understanding concerning each entity's responsibilities with respect to the permit [\[ombudsmen\]](#) [ombudsman](#) and the process for expediting eligible permit applications, which shall include appropriate opportunities for public participation.

(d) The memorandum of understanding may provide for the waiver or modification of procedural rules prescribing forms, fees, procedures or time limits for the review or processing of permit applications under the jurisdiction of those agencies.

Notwithstanding any other provision of the general statutes, to the extent feasible, the memorandum of understanding shall provide for proceedings and hearings otherwise held separately by the parties to be combined into one proceeding or held jointly and at one location. Such waivers or modifications shall not be available for permit applications governed by federally delegated or approved permitting programs, the requirements of which would prohibit, or be inconsistent with, such waivers or modifications. In no event shall the memorandum of understanding waive requirements of environmental statutes or regulations.

(e) The permit ombudsman may solicit assistance of volunteers from the private sector, including a state-wide business association, the Office of Responsible Growth and from an association representing small businesses. Said volunteers may assist the permit ombudsman in developing the guidelines established pursuant to subsection (f) of this section.

(f) The permit ombudsman, subject to the approval of the Commissioner of Economic and Community Development, shall establish, pursuant to subsection (c) of this section, guidelines to be used in working with state permitting authorities to implement the provisions of this section. Guidelines shall include, but are not limited to, the following: (1) An agency contact point for filing permit applications and for obtaining information on permit requirements; (2) identification of the individual or individuals within each respective agency who shall be responsible for processing the expedited permit application; (3) a mandatory preapplication review process to reduce permitting conflicts by providing guidance to applicants on (A) the permits needed from each agency, (B) specifications for site planning and development, site suitability and limitations and facility design, and (C) steps the applicant can take to ensure expeditious permit application and local comprehensive plan amendment review; (4) a single, coordinated project description form and checklist and an agreement by state agencies to reduce the

necessity that an applicant provide duplicate information to multiple agencies; and (5) an application fee structure for permit expedition.

(g) The permit ombudsman, at the request of the Commissioner of Economic and Community Development, may request the assistance of any other department, board, commission or other agency of the state to assist in providing information and assistance as said permit ombudsman determines necessary to expedite its duties and responsibilities. Each officer or employee of such office, department, board, commission or other agency of the state shall make reasonable efforts to cooperate with the permit ombudsman.

(h) The expedited permitting process established pursuant to this section shall not modify, qualify or otherwise alter existing agency nonprocedural standards for permit applications, unless expressly authorized by law. If it is determined that the applicant is not eligible to use this process, the applicant may apply for permitting of the project through the normal permitting processes.

Sec. 4 Section 32-1m of the general statutes, as amended by section 11 of Public Act 25-165, is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) Not later than February first, annually, the Commissioner of Economic and Community Development shall submit a report to the Governor, the Auditors of Public Accounts and the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, finance, revenue and bonding and commerce, in accordance with the provisions of section [11-4a](#). Not later than thirty days after submission of the report, said commissioner shall post the report on the Department of Economic and Community Development's web site. Such report shall include, but not be limited to, the following information with regard to the activities of the Department of Economic and Community Development and to business assistance programs administered by Connecticut Innovations, Incorporated, during the preceding state fiscal year:

(1) A brief description and assessment of the state's economy during such year, utilizing the most recent and reasonably available data, and including:

(A) Connecticut employment by industry;

(B) Connecticut and national average unemployment; and

(C) Connecticut gross state product, by industry.

(2) An analysis of the economic development portfolio of the department, including, but not limited to, each business assistance or incentive program, including any business tax credit or abatement program, grant, loan, forgivable loan or other form of assistance, enacted for the purpose of improving economic development. The analysis shall include:

(A) The Internet web site address of the state's open data portal and an indication of where the name, address and location of each recipient of the department's assistance is published on the site along with the following information concerning each recipient: (i) Business activities, (ii) standard industrial classification codes or North American industrial classification codes, (iii) whether the recipient is a minority or woman-owned business, (iv) a summary of the terms and conditions for the assistance, including the type and amount of state financial assistance and job creation or retention requirements, (v) the amount of investments from private and other nonstate sources that have been leveraged by the assistance, and (vi) the amount of state investment;

(B) A portfolio analysis, including an analysis of the wages paid by recipients of financial assistance by industry;

(C) An investment analysis, including (i) total portfolio value, (ii) total investment by industry, (iii) portfolio dollar per job average, and (iv) portfolio leverage ratio;

(D) An overview of the business assistance and incentive programs administered by the department and an analysis of their estimated economic impact on the state's economy. The analysis shall include, for each business assistance or incentive program for which such data is available, the number of new jobs created, the borrowing cost to the state and the estimated impact of such program on annual state revenues;

(E) An analysis of whether the statutory and programmatic goals of each business or incentive program are being met, with obstacles to such goals identified, if possible;

(F) (i) Recommendations as to whether any existing business assistance or incentive program should be continued, modified or repealed and the basis or bases for such recommendations, and (ii) any recommendations for additional data collection by the state to better inform future evaluations of such programs; and

(G) The methodologies and assumptions used in carrying out the analyses under this subdivision.

(3) An analysis of the community development portfolio of the department, including:

(A) The Internet web site address of the state's open data portal and an indication of where the name, address and location of each recipient of the department's assistance is published on the site along with the following information concerning each recipient: (i) Amount of state investment, (ii) a summary of the terms and conditions for the department's assistance, including the type and amount of state financial assistance, and (iii) the amount of investments from private and other nonstate sources that have been leveraged by such assistance; and

(B) An investment analysis, including (i) total active portfolio value, (ii) total investments made in the preceding state fiscal year, and (iii) total portfolio leverage ratio.

(4) An analysis of each business assistance or incentive program, including any business tax credit or abatement program, grant, loan, forgivable loan or other form of assistance, enacted for the purpose of improving economic development, that (A) (i) had ten or more recipients of assistance in the preceding state fiscal year, or (ii) credited, abated or distributed more than one million dollars in the preceding state fiscal year, and (B) is administered by the department or Connecticut Innovations, Incorporated. The analysis shall include:

(i) An overview of the business assistance or incentive program and an analysis of its estimated economic effects on the state's economy, including, for each program where such data is available, the number of new jobs created and the estimated impact of such program on annual state revenues;

(ii) An analysis of whether the statutory and programmatic goals of each business assistance or incentive program are being met, with obstacles to such goals identified, if possible;

(iii) Recommendations as to whether any such existing business assistance or incentive program should be continued, modified or repealed and the basis or bases for such recommendations, and any recommendations for additional data collection by the state to better inform future evaluations of such programs; and

(iv) The methodologies and assumptions used in carrying out the analysis under this subdivision.

(5) A summary of the department's international trade efforts in the preceding state fiscal year, and, to the extent possible, a summary of foreign direct investment that occurred in the state in such year.

(6) A summary of the total social and economic impact of the department's efforts and activities in the areas of economic and community development, and an assessment of the department's performance in terms of meeting its stated goals and objectives.

(7) With regard to the [\[Small Business Express\]](#) [Connecticut Small Business Boost](#) program established pursuant to section [32-7g](#), data on (A) the number of small businesses that received assistance under said program and the general categories of such businesses, (B) the amounts and types of assistance provided, (C) the total number of jobs on the date of application and the number proposed to be created or retained, (D) the most recent employment figures of the small businesses receiving assistance, (E) the default rate of small businesses that received assistance under said program, and (F) the progress of the lenders participating in said program in becoming self-sustainable.

(8) With regard to airport development zones established pursuant to section [32-75d](#), a summary of the economic and cost benefits of each zone and any recommended revisions to any such zones.

(9) An overview of the department's activities related to tourism, the arts and historic preservation.

(10) An overview of the department's activities concerning digital media, motion pictures and related production activity, and an analysis of the use of the film production tax credit established under section 12-217jj, and the entertainment industry infrastructure tax credit established under section 12-217kk, including the amount of any tax credit issued under said sections, the total amount of production expenses or costs incurred in the state by the taxpayer who was issued such a tax credit and the information submitted in the report required under subparagraph (A) of subdivision (2) of subsection (h) of section 12-217jj.

(11) A summary of the department's and the [\[office of the\]](#) permit ombudsman's brownfield-related efforts and activities in the preceding fiscal year.

(12) A summary of the department's dry cleaning establishment remediation account activities in the preceding fiscal year.

(b) Any annual report that is required from the department by any provision of the general statutes shall be incorporated into the annual report submitted pursuant to subsection (a) of this section.

(c) On or before April 1, 2022, and annually thereafter, the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, finance, revenue and bonding and commerce shall hold, individually or jointly, one or more public hearings on the analyses included in the annual report under subdivisions (2), (4) and (7) of subsection (a) of this section.

Sec. 5 Section 32-761 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) ~~[There is established, within the]~~ [The](#) Department of Economic and Community Development~~[, an Office of Brownfield Remediation and Development. Such office shall be managed by a director, appointed by the commissioner in accordance with section 5-198. In addition to the other powers, duties and responsibilities provided for in this chapter, the office]~~ shall promote and encourage the remediation and development of brownfields in the state. The ~~[Office of Brownfield Remediation and Development]~~ [department](#) shall coordinate and cooperate with state and local agencies and individuals within the state on brownfield redevelopment initiatives, including program development and administration, community outreach, regional coordination and seeking federal funding opportunities.

(b) The ~~[office]~~ [department](#) shall:

(1) Develop procedures and policies for streamlining the process for brownfield remediation and development;

(2) Identify existing and potential sources of funding for brownfield remediation and develop procedures for expediting the application for and release of such funds;

(3) ~~[Establish an office and maintain]~~ [Maintain](#) an informational Internet web site to provide assistance and information concerning the state's technical assistance, funding, regulatory and permitting programs for brownfield remediation and development;

(4) Provide a single point of contact for financial and technical assistance from the state and quasi-public agencies with regard to brownfield remediation and development;

(5) Develop a common application to be used by all state and quasi-public entities providing financial assistance for brownfield assessment, remediation and development;

(6) Identify and prioritize state-wide brownfield development opportunities, including, but not limited to, in consultation with ~~[the State Historic Preservation Office,]~~ [the state historic](#)

[preservation officer](#), municipal officials and regional planning organizations, the identification of abandoned and underutilized mills that are important assets to the municipalities or the regions in which such mills are located;

(7) Develop and administer a communication and outreach program to educate municipalities, economic development agencies, property owners, potential property owners and other organizations and individuals with regard to state programs for brownfield remediation and redevelopment;

(8) At the [\[office's\]](#) [department's](#) discretion, enter into cooperative agreements with economic development agencies and may, where appropriate, make grants to such organizations for the purpose of designing, implementing and supervising brownfield assessment and cleanups, or making further subgrants, provided each subgrant is in compliance with the terms and conditions of the original grant; and

(9) Create and maintain a web site independent of the department's other web sites that is specifically dedicated to marketing and promoting state-owned brownfields, and develop and implement a marketing campaign for such brownfields and web site.

(c) [\[The Department of Energy and Environmental Protection, Connecticut Innovations, Incorporated, the Office of Policy and Management and the Department of Public Health shall each designate one or more staff members to act as a liaison between their offices and the Office of Brownfield Remediation and Development.\]](#) The Commissioners of Economic and Community Development, Energy and Environmental Protection and Public Health, the Secretary of the Office of Policy and Management and the chief executive officer of Connecticut Innovations, Incorporated shall enter into a memorandum of understanding concerning each entity's responsibilities with respect to the [\[Office of Brownfield Remediation and Development\]](#) [the Department of Economic and Community Development brownfield and remediation activities](#). The [\[Office of Brownfield Remediation and Development\]](#) [department](#) may recruit two volunteers from the private sector, including a person from the Connecticut chapter of the National Brownfield Association, with experience in different aspects of brownfield remediation and development. Said volunteers may assist the [\[Office of Brownfield Remediation and Development\]](#) [department](#) in marketing the brownfield programs and redevelopment activities of the state.

(d) The [\[Office of Brownfield Remediation and Development\]](#) [department](#) may call upon any other department, board, commission or other agency of the state to supply such reports, information and assistance as [\[said office\]](#) [the department](#) determines is

appropriate to carry out its duties and responsibilities. Each officer or employee of such office, department, board, commission or other agency of the state is authorized and directed to cooperate with the [\[Office of Brownfield Remediation and Development\]](#) [department](#) and to furnish such reports, information and assistance.

Sec. 6 Subsection (a) of section 32-764 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) Any recipient of a grant pursuant to subsection (b) of section [32-763](#) or subsection (c) of section [32-9cc](#) of the general statutes, revision of 1958, revised to January 1, 2013, shall not be liable under section [22a-427](#), [22a-432](#), [22a-433](#), [22a-451](#) or [22a-452](#) for conditions pre-existing or existing on the brownfield property as of the date of acquisition or control, provided such recipient (1) did not establish, create, cause or contribute to the discharge, spillage, uncontrolled loss, seepage or filtration of such hazardous substance, material, waste or pollution that is subject to remediation under section [22a-133k](#) and funded by [\[the Office of Brownfield Remediation and Development or\]](#) the Department of Economic and Community Development; (2) does not exacerbate the conditions; and (3) complies with reporting of significant environmental hazard requirements in section [22a-6u](#). To the extent that any conditions are exacerbated, such recipient shall only be responsible for responding to contamination exacerbated by its negligent or reckless activities.

Sec. 7 Subsection (e) of section 32-4r of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(e) Not later than January 1, 2024[\[, and annually thereafter,\]](#) the Commissioner of Economic and Community Development, in consultation with the Commissioner of Children and Families, shall report, in accordance with the provisions of section [11-4a](#), to the joint standing committees of the General Assembly having cognizance of matters relating to commerce and children regarding the Youth Service Corps grant program.

Sec. 8 Subdivision (3) of subsection (c) of section 38a-88a of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(c) (3) (A) On or before July 1, 2010, the Commissioner of Economic and Community Development shall begin to accept applications for certification as an invest CT fund and for allocations of tax credits under this subsection with allocation dates of June 30, 2015, or earlier. On and after September 1, 2015, the commissioner shall accept applications for certification as an invest CT fund and for allocations of tax credits under this subsection with allocation dates of September 1, 2015, or later. Applications shall include: (i) The

amount of eligible capital the applicant will raise; (ii) a nonrefundable application fee of seven thousand five hundred dollars; (iii) evidence of satisfaction of the requirements of the definition of “invest CT fund” pursuant to subparagraph (G) of subdivision (1) of this subsection; (iv) an affidavit by each taxpayer committing an investment of eligible capital; (v) a business plan detailing (I) the approximate percentage of eligible capital the applicant will invest in eligible businesses by the third, fifth, seventh and ninth anniversaries of its allocation date, (II) the industry segments listed by the North American Industrial Classification System code and percentage of eligible capital in which the applicant will invest, (III) the number of jobs that will be created or retained as a result of the applicant's investments once all eligible capital has been invested, (IV) the percentage of eligible capital to be invested in eligible businesses primarily engaged in conducting research and development or manufacturing, processing or assembling technology-based products, and (V) a revenue impact assessment demonstrating that the applicant's business plan has a revenue neutral or positive impact on the state; (vi) a commitment to invest at least twenty-five per cent of its eligible capital in green technology businesses; (vii) with respect to applications submitted on or before June 30, 2015, a commitment to invest, by the third anniversary of its allocation date, three per cent of its eligible capital in preseed investments, and with respect to applications submitted on or after September 1, 2015, a commitment to invest, by the fourth anniversary of the allocation date, seven per cent of its eligible capital in preseed investments, in consultation with Connecticut Innovations, Incorporated, pursuant to the corporation's program for preseed financing established pursuant to section [32-41x](#); and (viii) with respect to applications submitted on or after September 1, 2015, a commitment to invest at least three per cent of its eligible capital in cybersecurity businesses and at least twenty-five per cent of its eligible capital in eligible businesses located in municipalities with a population greater than eighty thousand. The commissioner may require the applicant to obtain a revenue impact assessment conducted by an independent third party.

(B) (i) From October 1, 2024, to September 30, 2026, inclusive, an applicant may submit to the commissioner a request, in such form and manner prescribed by the commissioner, to consider as an eligible business a business that does not have its principal business operations in Connecticut. The commissioner may approve such a request if the commissioner determines that such an approval would significantly advance the objectives of the invest CT fund program, provided such applicant complies with all other requirements under subparagraph (A) of this subdivision.

(ii) Not later than January 1, 2026, the commissioner shall submit a report, in accordance with the provisions of section [11-4a](#), on any requests approved by the commissioner pursuant to subparagraph (B)(i) of this subdivision during the period of October 1, 2024, to September 30, 2025, inclusive, to the joint standing committee of the General Assembly having cognizance of matters relating to commerce. Not later than [\[January 1, 2027\] February 1, 2027](#), the commissioner shall submit a report, in accordance with the provisions of section [11-4a](#), on any requests approved by the commissioner pursuant to subparagraph (B)(i) of this subdivision during the period of October 1, 2025, to September 30, 2026, inclusive, to the joint standing committee of the General Assembly having cognizance of matters relating to commerce. Such reports shall include, but need not be limited to, a list of the applicants whose requests were approved by the commissioner and an analysis of the benefit to and impact on the state resulting from such approvals.

Sec. 9 Section 137 of Public Act 25-174 is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) The Commissioner of Economic and Community Development shall establish, within available resources, a program to provide grants-in-aid to nonprofit organizations that own or operate cultural and historic sites in the state for the purposes of making capital improvements. The commissioner shall (1) develop eligibility criteria and application forms, and (2) accept applications for such grants-in-aid on a continuing basis. (b) Not later than [\[January 1, 2026\] February 1, 2027](#), and annually thereafter, the Commissioner of Economic and Community Development shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding. Such report shall include (1) the number of applications received by the commissioner during the previous calendar year for a grant-in-aid pursuant to subsection (a) of this section, and (2) the total amount of funds requested in such applications.

Sec. 10 Subsection (f) of section 1 of Public Act 25-149 is repealed and the following is substituted in lieu thereof (Effective from passage):

(f) Not later than [\[January 1, 2027\] February 1, 2027](#), and annually thereafter, the commissioner shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, containing an evaluation of the operation and effectiveness of the program to the joint standing committee of the General Assembly having cognizance of matters relating to commerce.

Sec. 11 Section 32-7n repealed and the following is substituted in lieu thereof (Effective from passage):

(a) There is established a Manufacturing Innovation Advisory Board that shall consist of the following members: (1) Four appointed by the Governor; (2) one appointed by the president pro tempore of the Senate; (3) one appointed by the speaker of the House of Representatives; (4) one appointed by the majority leader of the Senate; (5) one appointed by the majority leader of the House of Representatives; (6) one appointed by the minority leader of the Senate; (7) one appointed by the minority leader of the House of Representatives; (8) the Chief Workforce Officer, or the officer's designee; and (9) the Commissioner of Economic and Community Development, or the commissioner's designee, who shall serve as the chairperson of the advisory board. [The advisory board may consult with any individual or entity to inform the work of the board.](#) Each appointed member shall (A) have skill, knowledge and experience in industries and sciences related to aerospace, medical devices, [biotech](#), digital manufacturing, digital communication, [semiconductors](#), [\[or\]](#) advanced manufacturing, [or clean energy production](#); (B) be a university [or community college](#) faculty member, [or technical high school system teacher](#) in, or hold a graduate degree in, a related discipline, including, but not limited to, additive manufacturing and materials science; (C) have manufacturing education and training expertise; or (D) represent manufacturing related businesses or professional organizations. Appointed members shall each serve a term that is coterminous with the respective appointing authority. Each member shall hold office until a successor is appointed. Any vacancy occurring on the advisory board, other than by expiration of term, shall be filled in the same manner as the original appointment for the balance of the unexpired term.

(b) The chairperson shall call the first meeting of the advisory board not later than September 30, 2014. The advisory board shall meet at such times as the chairperson deems necessary.

(c) No member of the advisory board shall receive compensation for such member's services, except that each member shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of such member's official duties.

(d) A majority of the members of said advisory board shall constitute a quorum for the transaction of any business or the exercise of any power of the advisory board. The advisory board may act by a majority of the members present at any meeting at which a

quorum is in attendance, for the transaction of any business or the exercise of any power of the advisory board, except as otherwise provided in this section.

(e) Notwithstanding any provision of the general statutes, it shall not constitute a conflict of interest for a trustee, director, partner, officer, manager, shareholder, proprietor, counsel or employee of an eligible recipient, or any individual with a financial interest in an eligible recipient, to serve as a member of the advisory board, provided such trustee, director, partner, officer, manager, shareholder, proprietor, counsel, employee or individual shall abstain from deliberation, action or vote by the advisory board concerning any matter relating to such eligible recipient.

(f) Any member who fails to attend three consecutive meetings or who fails to attend fifty per cent of all meetings held during any calendar year shall be deemed to have resigned. The appointing authority shall fill the vacancy for the unexpired term of any member who is deemed to have resigned under this subsection. If a vacancy is not filled within sixty calendar days, then the chair of the council shall temporarily fill the vacancy until the appointing authority makes their appointment.

Sec. 12 Section 32-7o is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) There is established the Connecticut Manufacturing Innovation Fund, which shall be a nonlapsing fund held by the Treasurer separate and apart from all other moneys, funds and accounts. The following moneys shall be deposited in the fund: (1) Any moneys required or permitted by law to be deposited in the fund; (2) any moneys received in return for financial assistance awarded from the Connecticut Manufacturing Innovation Fund pursuant to the program established in subsection (k) of this section; (3) all private contributions, gifts, grants, donations, bequests or devises received by the fund; and (4) to the extent not otherwise prohibited by state or federal law, any local, state or federal funds received by the fund. Investment earnings credited to the assets of such fund shall become part of the assets of such fund. The Treasurer shall invest the moneys held by the Connecticut Manufacturing Innovation Fund subject to use for financial assistance in accordance with subsections (d) and (k) of this section.

(b) Any moneys held in the Connecticut Manufacturing Innovation Fund may, pending the use or application of the proceeds thereof for an authorized purpose, be (1) invested and reinvested in such obligations, securities and investments as are set forth in subsection (f)

of section [3-20](#) and in participation certificates in the Short Term Investment Fund created under sections [3-27a](#) and [3-27f](#), (2) deposited or redeposited in any bank or banks, at the direction of the Treasurer, or (3) invested in participation units in the combined investment funds, as defined in section [3-31b](#). Proceeds from investments authorized by this subsection shall be credited to the Connecticut Manufacturing Innovation Fund.

(c) The Connecticut Manufacturing Innovation Fund shall not be deemed an account within the General Fund. The moneys of the fund shall be used in accordance with the provisions of subsections (d) and (k) of this section and are in addition to any other resources available from state, federal or other entities that support the purposes described in subsections (d) and (k) of this section.

(d) The Connecticut Manufacturing Innovation Fund shall be used: (1) To provide financial assistance to eligible recipients as may be approved by the Manufacturing Innovation Advisory Board pursuant to subsection (g) of this section, and (2) to pay or reimburse the administrator for administrative costs pursuant to subsection (m) of this section. Such financial assistance shall be awarded for the purpose of: (A) Furthering the development or modernization of manufacturing equipment; (B) supporting advancements in manufacturing; (C) supporting advanced manufacturing research and development; (D) supporting expansion and training by eligible recipients; (E) attracting new manufacturers to the state; (F) supporting education and training programs designed to meet an anticipated demand for appropriately skilled and trained workers; (G) matching federal grants or otherwise leveraging federal grant funds to aid Connecticut universities and nonprofit organizations to increase research efforts; and (H) funding a voucher program as described in subsection (k) of this section. Additionally, such financial assistance shall target aerospace, medical device, composite materials, digital manufacturing and other technologically advanced commercial products and services' supply chains and related disciplines that are likely to lead to an improvement in or development of products or services that are commercializable and designed to advance the state of technology and the competitive position of eligible recipients, and that promise, directly or indirectly, to lead to job growth in the state in these or related fields.

(e) The administrator, in consultation with the Manufacturing Innovation Advisory Board, shall give priority consideration to proposals from any company that is located in or planning to relocate to: (1) A distressed municipality, as defined in section [32-9p](#); (2) a

targeted investment community, as defined in section [32-222](#); (3) a public investment community, as defined in section [7-545](#); (4) an enterprise zone designated pursuant to section [32-70](#); or (5) a manufacturing innovation district established pursuant to subsection (f) of this section.

(f) The administrator, in consultation with the Manufacturing Innovation Advisory Board, may establish manufacturing innovation districts in order to promote economic development priorities identified by the administrator.

(g) All expenditures from the Connecticut Manufacturing Innovation Fund, except for administrative costs reimbursed to the administrator pursuant to subsection (m) of this section, shall be approved by the advisory board, provided the advisory board may delegate to staff of the administrator the approval of transactions not greater than one hundred thousand dollars. Any such approval by the advisory board shall be (1) specific to an individual expenditure to be made; (2) for budgeted expenditures with such variations as the advisory board may authorize at the time of such budget approval; or (3) for a financial assistance program to be administered by staff of the administrator, subject to limits, eligibility requirements and other conditions established by the Manufacturing Innovation Advisory Board at the time of such program approval.

(h) The administrator shall provide any necessary staff, office space, office systems and administrative support for the operation of the Connecticut Manufacturing Innovation Fund in accordance with this section. In acting as administrator of the fund, the Department of Economic and Community Development shall have and may exercise all of the powers set forth in this chapter, provided expenditures from the fund shall be approved by the Manufacturing Innovation Advisory Board pursuant to subsection (g) of this section.

(i) The Manufacturing Innovation Advisory Board shall establish an application and approval process with guidelines and terms for financial assistance awarded from the Connecticut Manufacturing Innovation Fund to any eligible recipient. Such guidelines and terms shall include: (1) A requirement that any applicant for financial assistance operate in the state, or propose to relocate operations to the state, in whole or in part, as a condition of such financial assistance; (2) limitations on the total amount of financial assistance that may be awarded in the form of loans and grants; (3) eligibility requirements for loans and grants, including a requirement for applicants to obtain

matching funds from nonstate sources; (4) a process for preliminary review of applications for strength and eligibility by the administrator before such applications are presented to the advisory board for consideration; (5) return on investment objectives, including, but not limited to, job growth and leveraged investment opportunities; and (6) such other guidelines and terms as the advisory board determines to be necessary and appropriate in furtherance of the objectives of this section.

(j) Financial assistance awarded from the Connecticut Manufacturing Innovation Fund to eligible recipients shall be used for costs related to facilities, necessary furniture, fixtures and equipment, tooling development and manufacture, materials and supplies, proof of concept or relevance, research and development, compensation, apprenticeship and such other costs that the Manufacturing Innovation Advisory Board determines pursuant to subsection (i) of this section to be eligible for financial assistance within the purposes of this section.

(k) The Manufacturing Innovation Advisory Board may establish a voucher program that shall provide eligible recipients access to technical experts in universities, nonprofit organizations and other organizations that can provide specialized expertise to such eligible recipients to solve engineering, marketing and other challenges. The Commissioner of Economic and Community Development, in consultation with the advisory board, may adopt regulations, in accordance with the provisions of chapter 54, to implement such voucher program.

(l) On or before July 1, 2015, and prior to each fiscal year thereafter, the administrator shall prepare a plan of operations and an operating and capital budget for the Connecticut Manufacturing Innovation Fund, provided not later than ninety days prior to the start of each fiscal year, the administrator shall submit such plan and budget to the Manufacturing Innovation Advisory Board for its review and approval.

(m) Administrative costs shall be paid or reimbursed to the administrator from the Connecticut Manufacturing Innovation Fund, provided the total of such administrative costs in any fiscal year shall not exceed five per cent of the total amount of the allotted funding for such fiscal year as determined in the operating budget prepared pursuant to subsection (l) of this section. Nothing in this section or section [32-7n](#) shall be deemed to require the administrator to risk or expend the funds of the Department of Economic and

Community Development in connection with the administration of the Connecticut Manufacturing Innovation Fund.

(n) Not later than ~~[January 1, 2016]~~ February 1, 2027, and annually thereafter, the administrator shall provide a report of the activities of the Connecticut Manufacturing Innovation Fund to the Manufacturing Innovation Advisory Board for the advisory board's review and approval. Upon such approval, the ~~[advisory board]~~ administrator shall provide such report, in accordance with the provisions of section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to commerce. Such report shall contain available information on the status and progress of the operations and funding of the Connecticut Manufacturing Innovation Fund and the types, amounts and recipients of financial assistance awarded and any returns on investment.

Sec. 13 Section 10-397c is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) There is established within the Department of Economic and Community Development, for administrative purposes only, a Connecticut Tourism Council. The council shall consist of (1) the Commissioner of Economic and Community Development, or the commissioner's designee, (2) the Commissioner of Transportation, or the commissioner's designee, (3) the Commissioner of Energy and Environmental Protection, or the commissioner's designee, (4) thirteen members appointed by the Governor, (A) one of whom shall represent the lodging industry, (B) one of whom shall represent a chamber of commerce, (C) one of whom shall represent a tourist attraction, (D) one of whom shall represent the arts, (E) one of whom shall represent a culturally diverse event or attraction, (F) one of whom shall represent the heritage tourism industry, (G) one of whom shall represent the airline industry, (H) one of whom shall represent the Connecticut Airport Authority, (I) one of whom shall represent a convention center and sports arena trade organization, (J) one of whom shall represent a charter bus trade organization, (K) two of whom shall represent casino gaming facilities, and (L) one of whom shall represent the Connecticut Tourism Coalition, (5) fourteen members appointed as follows: (A) Three by the president pro tempore of the Senate, one of whom shall represent the agritourism industry, one of whom shall represent the convention center and coliseum industry and one of whom shall represent the eastern regional tourism district established pursuant to section 10-397, (B) two by the majority leader of

the Senate, one of whom shall represent the events industry and one of whom shall represent the western regional tourism district established pursuant to section [10-397](#), (C) two by the minority leader of the Senate, one of whom shall represent the marine trades industry and one of whom shall represent the outdoor recreation industry, (D) three by the speaker of the House of Representatives, one of whom shall represent the destination shopping industry, one of whom shall represent the restaurant industry and one of whom shall represent the central regional tourism district established pursuant to section [10-397](#), (E) two by the majority leader of the House of Representatives, one of whom shall represent the attractions industry and one of whom shall represent the lodging industry, and (F) two by the minority leader of the House of Representatives, one of whom shall represent the museum industry and one of whom shall represent the tour and travel industry. All members appointed by the Governor shall serve a term of four years. The terms of all members appointed by members of the General Assembly shall be coterminous with the terms of such members of the General Assembly. [Any member who fails to attend three consecutive meetings or who fails to attend fifty per cent of all meetings held during any calendar year shall be deemed to have resigned. The appointing authority shall fill the vacancy for the unexpired term of any member who is deemed to have resigned under this subsection. If a vacancy is not filled within sixty calendar days, then the chair of the council shall temporarily fill the vacancy until the appointing authority makes their appointment.](#) The Commissioner of Economic and Community Development shall serve as chairperson of the council.

(b) The council shall: (1) Adopt procedures for the operation of the council; (2) review and approve or recommend changes to the strategic marketing plan developed by the Department of Economic and Community Development pursuant to subdivision (1) of subsection (b) of section [10-392](#); **and (3) not**.

(c) Not later than **[January 1, 2021]** [February 1, 2027](#), and annually thereafter, [the Department of Economic and Community Development shall](#) submit a report describing tourism promotion efforts by the state and evaluating the [strategic](#) marketing plan[, **developed by the Department of Economic and Community Development pursuant to subdivision (1) of subsection (b) of section 10-392,**] to the joint standing committee of the General Assembly having cognizance of matters relating to commerce, in accordance with the provisions of section [11-4a](#).

Sec. 14 Subsection (g) of section 6 of [Public Act 25-125](#) is repealed and the following is substituted in lieu thereof (Effective upon passage):

(g) Not later than February 15, 2026, and ~~[biannually]~~ [biennially](#) thereafter, the council shall report on its work, findings and recommendations to the Governor, the Office of Policy and Management, and the joint standing committees of the General Assembly having cognizance of matters relating to the environment, energy and technology, higher education and commerce, in accordance with the provisions of section 11-4a of the general statutes

Sec. 15 Section 411 of [Public Act 25-168](#) is repealed and the following is substituted in lieu thereof (Effective upon passage):

(a) There is established, within the General Fund, a separate, nonlapsing account to be known as the "Donald E. Williams, Jr. community investment account". The account shall contain any moneys required by law to be deposited in the account. The funds in the account shall be distributed every three months as follows: (1) Twelve dollars of each fee credited to said account shall be deposited into the agriculture sustainability account established pursuant to section 4-66cc and, then, of the remaining funds, (2) twenty-five per cent to the Department of Economic and Community Development to use as follows: (A) Four hundred seventy-five thousand dollars, annually, to supplement the technical assistance and preservation activities of the Connecticut Trust for Historic Preservation, established pursuant to special act 75-93, and (B) the remainder to supplement historic preservation activities as provided in sections 10-409 to 10-415, inclusive; (3) twenty-five per cent to the Department of Housing to supplement new or existing affordable housing programs; (4) twenty-five per cent to the Department of Energy and Environmental Protection for municipal open space grants; and (5) twenty-five per cent to the Department of Agriculture to use as follows: (A) Six hundred twenty-five thousand dollars annually for the agricultural viability grant program established pursuant to section 22-26j; (B) six hundred twenty-five thousand dollars annually for the farm transition program established pursuant to section 22-26k; (C) one hundred twenty-five thousand dollars annually to encourage the sale of Connecticut-grown food to schools, restaurants, retailers and other institutions and businesses in the state; (D) ninety-three thousand seven hundred fifty dollars annually for the Connecticut farm link program established pursuant to section 22-26l; (E) fifty-nine thousand three hundred seventy-five dollars annually for the Seafood Advisory Council established pursuant to section 22-455; (F)

fifty-nine thousand three hundred seventy-five dollars annually for the Connecticut Farm Wine Development Council established pursuant to section 22-26c; (G) thirty-one thousand two hundred fifty dollars annually to the Connecticut Food Policy Council established pursuant to section 22-456; and (H) the remainder for farmland preservation programs pursuant to chapter 422. Each agency receiving funds under this section may use not more than ten per cent of such funds for administration of the programs for which the funds were provided.

(b) If the National Park Service Historic Preservation Fund is eliminated, or the state allocation is fully exhausted, notwithstanding the provisions of subsection (a) of this section, up to fifty percent of the sum of the funds distributed to DECD under this section in any fiscal year, including any balance in the account from prior fiscal years and anticipated allotments for the current fiscal year, may be used by the Department of Economic and Community Development to pay employees who had previously been paid for by the Historic Preservation Fund.

Sec. 16 Section 16 of Public Act 25-95 is repealed and the following is substituted in lieu thereof (Effective upon passage):

(a) There is established within the Department of Economic and Community Development the **[Small Business Express]** Connecticut Small Business Boost program. Said program shall provide small businesses with various forms of financial assistance. A small business eligible for assistance through said program shall (1) employ not more than one hundred employees, (2) have operations in Connecticut, and (3) be in good standing with the payment of all state and local taxes and with all state agencies. It shall be the goal of the Department of Economic and Community Development that, on or before July 1, 2026, the **[Small Business Express]** Connecticut Small Business Boost program be self-funded and that the default rate of small businesses that receive assistance under said program be not more than twenty per cent.

(b) The **[Small Business Express]** Connecticut Small Business Boost program shall consist of various components, including (1) a revolving loan fund, as described in subsection (c) of this section, to support small business growth, (2) at least one **[minority business revolving loan]** Connecticut opportunity fund, as described in subsection (d) of this section, **[to support the growth of minority-owned businesses,]** (3) a component established in consultation with representatives from Connecticut-based banks and a

banking industry association, as described in subsection (e) of this section, and (4) a component established in consultation with Connecticut Innovations, Incorporated, as described in subsection (f) of this section. The commissioner may give preference to program applications from disabled veteran-owned businesses. Notwithstanding the provisions of section 32-5a regarding relocation limits, the department may require, as a condition of receiving financial assistance pursuant to this section, that a small business receiving such assistance shall not relocate, as defined in section 32-5a, for five years after receiving such assistance or during the term of the loan, whichever is longer. All other conditions and penalties imposed pursuant to section 32-5a shall continue to apply to such small business. As used in this subsection, (A) "disabled veteran" means a veteran, as defined in section 27-103, who has a disability rating of at least thirty per cent, as determined by the United States Department of Veterans Affairs; and (B) "disabled veteran-owned business" means a small business of which greater than fifty per cent is owned by one or more disabled veterans.

(c) There is established as part of the [\[Small Business Express\] Connecticut Small Business Boost](#) program a revolving loan fund to provide loans, loan guarantees, loan portfolio guarantees, portfolio insurance and grants.

(d) (1) There is established as part of the [\[Small Business Express\] Connecticut Small Business Boost](#) program at least one [\[revolving loan\] Connecticut opportunity](#) fund to provide loans to eligible small businesses that are [\[owned by one or more members of a minority\] located in an eligible municipality or earn one million dollars or less in annual revenue](#). As used in this subsection, (A) "[minority] business development entity" means a nonprofit [\[organization \(i\) having a lending portfolio on or before June 9, 2016, from which at least seventy-five per cent of lending is provided to minority-owned businesses state-wide; and \(ii\) that provided technical assistance on or before June 9, 2016, provided at least seventy-five per cent of such assistance was provided to minority-owned businesses state-wide;\]](#) [Community Development Financial Institution having operations in Connecticut](#) and (B) [\["minority" means \(i\) Black Americans, including all persons having origins in any of the Black African racial groups not of Hispanic origin; \(ii\) Hispanic Americans, including all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race; \(iii\) all persons having origins in the Iberian Peninsula, including Portugal, regardless of race; \(iv\) women; \(v\) Asian Pacific Americans and Pacific islanders; or \(vi\) American Indians and persons](#)

having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification] “eligible municipality” means a municipality designated as a public investment community pursuant to section 7-545, an alliance district pursuant to section 10-262u, or a distressed municipality pursuant to section 32-9p.

(2) Notwithstanding the provisions of section 32-7h, the commissioner shall allocate from the available funding under the [Small Business Express] Connecticut Small Business Boost program a total of five million dollars for grants-in-aid to not more than two [minority] business development entities in each of the fiscal years ending June 30, 2016, to June 30, 2020, inclusive, for the purpose of establishing and administering [minority business revolving loan] Connecticut opportunity funds. Moneys from such funds shall be used to (A) provide loans to eligible small businesses, and (B) fund the administrative costs associated with the provision of such loans by a [minority] business development entity, provided a [minority] business development entity may not use more than ten per cent of the amount received as a grant under this section to fund such costs. Such loans shall be used for acquisition or purchase of machinery and equipment, construction or leasehold improvements, relocation expenses, working capital, which may be used for payment of rent, or other business-related expenses, as authorized by the minority business development entity.

(3) Loans from a [minority business revolving loan] Connecticut opportunity fund may be in amounts from ten thousand dollars to a maximum of five hundred thousand dollars, shall carry a maximum repayment rate of four per cent and shall be for a term of not more than ten years. The [minority] business development entity shall review and approve loan terms, conditions and collateral requirements in a manner that prioritizes job growth and retention.

(4) Any eligible small business [owned by one or more members of a minority] may apply for assistance from a [minority business revolving loan] Connecticut opportunity fund, provided the [minority] business development entity shall give priority to applicants that, as part of their business plan, are creating new jobs that will be maintained for not less than twelve consecutive months.

(5) Loans from a [minority business revolving loan] Connecticut opportunity fund shall be

provided in such a manner that, on or before five years after the date such loan fund is established, the annual funds or revenues derived from investment income, loan repayments or any other sources received by the [minority] business development entity in connection with such loan fund is sufficient to fund the administrative costs associated with such loan fund.

(6) A [minority] business development entity receiving a grant pursuant to this subsection shall annually submit to the commissioner a financial audit of grant expenditures until all grant moneys have been expended by such entity. Any such audit shall be prepared by an independent auditor and if the commissioner finds that any such grant is used for purposes that are not in conformity with uses set forth in subdivisions (2) and (3) of this subsection, the commissioner may require repayment of such grant.

(e) The commissioner, in consultation with representatives from Connecticut-based banks and a banking industry association, may establish as part of the [Small Business Express] [Connecticut Small Business Boost](#) program a component operated in collaboration with Connecticut-based banks, which may include, but need not be limited to, loan guarantees, short-term loans used as a bridge to private sector financing and the transfer of loans issued under subsection (c) of this section. Any loans issued under such component shall be used for acquisition or purchase of machinery and equipment, construction or leasehold improvements, relocation expenses, working capital, which may be used for payment of rent, or other business-related expenses, as authorized by the commissioner. The provisions of subsections (c) and (d) of this section shall not be construed to apply to such component. Such component shall be administered by Connecticut Innovations, Incorporated, in collaboration with the Department of Economic and Community Development. For purposes of this section, "Connecticut-based banks" means banks and out-of-state banks, each as defined in section 36a-2, having deposit-taking branches in the state.

(f) The commissioner, in consultation with Connecticut Innovations, Incorporated, may establish as part of the [Small Business Express] [Connecticut Small Business Boost](#) program a component operated in collaboration with Connecticut Innovations, Incorporated, which may include, but need not be limited to, financial assistance consistent with the provisions and purposes of sections 32-23e, 32-23ii and 32-265. Such component may be administered by Connecticut Innovations, Incorporated, in

collaboration with the Department of Economic and Community Development.

(g) Not later than February 1, 2022, and annually thereafter, the commissioner shall provide a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding, appropriations, commerce and labor. Such report shall include available data on (1) the number of small businesses that received assistance under the **[Small Business Express]** [Connecticut Small Business Boost](#) program and the general categories of such businesses, (2) the amounts and types of assistance provided, (3) the total number of jobs on the date of application and the number proposed to be created or retained, (4) the most recent employment figures of the small businesses receiving assistance, (5) the default rate of small businesses that received assistance under said program, and (6) the progress of the lenders participating in said program in becoming self-sustainable. The contents of such report shall also be included in the department's annual report.

(h) The commissioner may contract with nongovernmental entities, including, but not limited to, nonprofit organizations, economic and community development organizations, lending institutions, and technical assistance providers to carry out the provisions of this section.

Sec. 17 Section 85 of [Public Act 25-168](#) is repealed and the following is substituted in lieu thereof (Effective upon passage):

(a) There is established an account to be known as the **["small business express assistance account"]** "[Connecticut Small Business Boost assistance account](#)" which will be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Repayment of principal and interest on loans shall be credited to such fund and shall become part of the assets of the fund. Moneys in the account shall be expended by the Department of Economic and Community Development for (1) the purposes of the **[Small Business Express]** [Connecticut Small Business Boost](#) program established pursuant to section 32-7g, and (2) the purposes enumerated in sections 32-39f and 32-39g. Except as provided in subsection (d) of section 32-7g, all moneys received for the purposes of the **[Small Business Express]** [Connecticut Small Business Boost](#) program and payments of principal and interest on

any loans given under said program shall be credited to the account. (b) Except as provided in subsection (d) of section 32-7g, the Commissioner of Economic and Community Development may provide for the payment of any administrative expenses or other costs incurred by the department or its lender partners in carrying out the purposes of (1) the **[Small Business Express]** [Connecticut Small Business Boost](#) program, or (2) the purposes enumerated in, or any programs established pursuant to, sections 32-39f and 32-39g, not to exceed five per cent of funding provided for such programs or for such enumerated purposes, from the account established pursuant to subsection (a) of this section, provided one per cent shall be dedicated to develop capacity for capital construction projects for minority business enterprises

Sec. 18 Subsection (a) of section 32-235 is repealed and the following is substituted in lieu thereof (Effective upon passage):

(a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate one billion seven hundred fifty-five million three hundred thousand dollars, provided (1) one hundred forty million dollars of said authorization shall be effective July 1, 2011, and twenty million dollars of said authorization shall be made available for small business development; (2) two hundred eighty million dollars of said authorization shall be effective July 1, 2012, and forty million dollars of said authorization shall be made available for the **[Small Business Express]** [Connecticut Small Business Boost](#) program established pursuant to section [32-7g](#) and not more than twenty million dollars of said authorization may be made available for businesses that commit to relocating one hundred or more jobs that are outside of the United States to the state; and (3) seventy-five million dollars of said authorization shall be effective July 1, 2018. Any amount of said authorizations that are made available for small business development or businesses that commit to relocating one hundred or more jobs that are outside of the United States to the state, but are not exhausted for such purpose by the first day of the fiscal year subsequent to the fiscal year in which such amount was made available, shall be used for the purposes described in subsection (b) of this section. For purposes of this subsection, a "small business" is one employing not more than one hundred employees.

Sec. 19 Subsection (b) of section 4-68cc is repealed and the following is substituted in lieu

thereof (Effective upon passage):

(b) (1) The Office of Policy and Management shall establish a pilot program to foster neighborhood safety in urban environments and to serve as a blueprint to reduce neighborhood gun violence state-wide. The Secretary of the Office of Policy and Management shall select a municipality that has a population of at least one hundred twenty-four thousand and less than one hundred twenty-five thousand to participate in the Neighborhood Security Fellowship Program.

(2) The chief elected official of the municipality selected by the secretary shall select a nonprofit entity to administer the program, which shall be funded by local, state, federal and private moneys. Such moneys shall be used for the administration and costs of the program, including, but not limited to, salaries, benefits and other compensation for any individuals hired by such nonprofit entity to administer the program and stipends to be paid to Fellows.

(3) The Neighborhood Security Fellowship Program shall engage in, but not be limited to, the following activities and initiatives:

(A) The identification and recruitment into the program of individuals between eighteen and twenty-four years of age who are most likely to be perpetrators or victims of gun violence. Such identification and recruitment shall be accomplished after the execution of all appropriate or necessary waivers, authorizations and releases with the assistance of (i) the local or state police department serving the municipality selected, (ii) the local board of education serving the municipality selected, (iii) the state's attorney serving the judicial district of the municipality selected, (iv) the Court Support Services of the Judicial Branch, and (v) any other state agencies and departments and organizations capable of providing such assistance; and

(B) The coordination of programs, services and activities in which Fellows will participate, including, but not limited to, (i) anger management, (ii) life skills training, (iii) dispute and conflict resolution, (iv) remedial education, (v) leadership development, (vi) character building, (vii) mentoring programs, and (viii) preemployment skills workshops, including career counseling, work-readiness, team building, customer service and entrepreneurial training.

(4) The Neighborhood Security Fellowship Program may engage in (A) the coordination and placement of Fellows in worksite assignments, including (i) local, state and federal government agencies and departments, (ii) state-funded public construction projects within the municipality selected, (iii) private businesses, particularly those receiving assistance from the [\[Small Business Express\]](#) [Connecticut Small Business Boost](#) program established pursuant to section 32-7g or the Subsidized Training and Employment program established pursuant to section 31-3pp, and (iv) nonprofit community-based organizations receiving a grant-in-aid from the state, and (B) the coordination of training placements, including in adult education courses, vocational training programs, higher education courses and apprenticeship programs.

Sec. 20 Section 32-9n is repealed and the following is substituted in lieu thereof (Effective upon passage):

(a) [\[There is established within the Department of Economic and Community Development an Office of Small Business Affairs. Such office\]](#) [The Department of Economic and Community Development](#) shall aid [\[and encourage\]](#) small business enterprises, particularly those owned and operated by minorities and other socially or economically disadvantaged individuals in Connecticut. As used in this section, "minority" means: (1) Black Americans, including all persons having origins in any of the Black African racial groups not of Hispanic origin; (2) Hispanic Americans, including all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race; (3) all persons having origins in the Iberian Peninsula, including Portugal, regardless of race; (4) women; (5) Asian Pacific Americans and Pacific islanders; (6) American Indians and persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

(b) [\[Said Office of Small Business Affairs\]](#) [The Department of Economic and Community Development](#) shall: (1) Administer at least one regional office of the small business development center program [\[within the Department of Economic and Community Development\]](#); (2) coordinate, with the director of the small business development center program, the flow of information within the technical and management assistance program [\[within the Department of Economic and Community Development;](#) (3) [encourage Connecticut Innovations, Incorporated to grant loans to small businesses,](#)

particularly those owned and operated by minorities and other socially or economically disadvantaged individuals; (4)] (3) coordinate and serve as a liaison between all federal, state, regional and municipal agencies and programs affecting small business affairs; [(5)](4) administer any business management training program established under section 32-352 or section 32-355 as the Commissioner [of Economic and Community Development] may determine; [(6)] (5) provide a single point of contact for small businesses seeking financial and technical assistance from the state and quasi-public agencies; [(7)] (6) coordinate all state funded revolving loan funds used to assist small businesses; and [(8)] (7) establish, [in cooperation with the Commissioner of Economic and Community Development, and] within available appropriations, an informational web page with a list and links to all small business resources available and post them in a conspicuous place on the department's web site. The [office] department shall update this information on its web site on at least a quarterly basis.

(c) On or after February 1, 2011, the [Office of Small Business Affairs] department shall compile a summary of all small business activities and programs available and incorporate such summary into the report required pursuant to section 32-1m.

Sec. 21 Section 32-357 is repealed and the following is substituted in lieu thereof (Effective upon passage):

Connecticut Innovations, Incorporated, in consultation with the Department of Economic and Community Development and the Connecticut Center for Advanced Technology, Inc., shall develop and implement a plan to increase the total of funds provided to state businesses pursuant to the small business innovation research program, as defined in section 32-344, and the small business technology transfer program, as defined in section 32-344. Not later than January 1, 2022, [and annually thereafter,] the Commissioner of Economic and Community Development shall report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to commerce and veterans' and military affairs, regarding such plan and its implementation.

Sec. 22 Subsection (a) of section 32-39m is repealed (Effective upon passage):

(a) Through the innovation place program described in section 32-39k, the commissioner may:

(1) Review and evaluate applications for innovation place designation submitted by entities pursuant to section [32-39l](#).

(2) (A) Approve applications for innovation place designation and designate such approved applications as an innovation place. Such approval may include modifications to an application, agreed to by the applicant, as a condition for approval thereof. If no such application meets the purposes set forth in section [32-39k](#) or the criteria set forth in this subdivision, the commissioner shall not approve any application for innovation place designation. Preference shall be given to applicants having (i) diverse partners, including, but not limited to, anchor institutions, (ii) partnerships with entities located within the proposed innovation place, and (iii) substantial private funding for expenses associated with the development of the proposed innovation place in relation to the amount of grant moneys requested.

(B) Award grants-in-aid to innovation entities, within available funds, for the allowable grant expenses set forth in an agreement described in this subparagraph. Prior to awarding any such grant-in-aid, the commissioner shall (i) enter into an agreement with any such innovation entity concerning allowable grant expenses and the submission of an annual financial audit of grant expenditures to the commissioner until all grant moneys have been expended by the innovation entity, provided any such audit shall be prepared by an independent auditor; (ii) confirm that a significant portion of the underlying zoning of the proposed innovation place allows for mixed-use development, including, but not limited to, housing, office and retail; and (iii) confirm that no portion of a grant-in-aid awarded to an innovation entity be given to an entity that is not part of the master plan for the innovation place. If the commissioner finds that any such grant-in-aid awarded is being used for purposes that are not in conformity with the expenses allowed pursuant to this section, the commissioner may require repayment of such grant-in-aid.

(C) No application may be designated as an innovation place by the commissioner unless such application (i) is consistent with the purposes set forth in section [32-39k](#), (ii) is for a proposed innovation place where a significant portion of such proposed innovation place is located in an existing or proposed mixed-use zoning district, (iii) was prepared in collaboration with the local chamber of commerce or other industry association and the municipal economic development department, or similar municipal authority, of the municipality in which the proposed innovation place is located, and (iv) is approved by

majority vote of the legislative body of the municipality in which the proposed innovation place is to be located.

(D) In determining whether to approve an application for innovation place designation, the commissioner shall consider, but such consideration shall not be limited to: (i) Whether the entities partnering together to implement and administer the proposed master plan are of the quality to, and have demonstrated the commitment to, implement and administer the master plan in a manner sufficient to achieve the purposes set forth in section [32-39k](#); (ii) whether the geography of the proposed innovation place is sufficiently compact to achieve the purposes set forth in section [32-39k](#); (iii) whether the master plan is sufficient to achieve the purposes set forth in section [32-39k](#) and whether such plan includes (I) sufficient measures to ensure walkability of the geographic areas within the municipality that make up the proposed innovation place; (II) sufficient measures to enhance regular interpersonal interactions among residents, workers and visitors of the proposed innovation place; (III) adequate and accessible public transportation; and (IV) existing or proposed restaurants, affordable housing options, retail spaces and public spaces, indoor or outdoor, that provide adequate opportunity for interpersonal interaction; (iv) the extent to which the master plan leverages private investment; (v) self-sustainability of the innovation place after moneys granted by the commissioner are fully expended; (vi) whether the underlying zoning of the proposed innovation place provides for, or will be amended to provide for, reduced minimum floor area for residential dwelling units; and (vii) any other criteria the commissioner determines is relevant for evaluating whether the proposed innovation place, if granted innovation place designation, will achieve the purposes set forth in section [32-39k](#).

[(E) The commissioner shall report, in accordance with the provisions of section [11-4a](#), to the joint standing committees of the General Assembly having cognizance of matters relating to commerce and finance, revenue and bonding on or before September thirtieth annually, regarding the grants-in-aid distributed pursuant to this section and concerning the operation and effectiveness of the innovation place program.]

(3) Publicize and post on the department's Internet web site the deadline for applications for innovation place designation pursuant to section [32-39](#)l.

Sec. 23 Section 32-7q is repealed and the following is substituted in lieu thereof (Effective upon passage):

(a) There is established a **[Minority]** First Generation and Emerging Business Initiative Advisory Board to foster a collaborative ecosystem that promotes equitable growth and generational wealth, which shall be within the Department of Economic and Community Development. The advisory board shall: (1) Advise the Commissioner of Economic and Community Development with regard to increasing the availability of technical assistance, access to capital and access to state contracts to **[minority-owned]** first-generation and emerging businesses; (2) develop and administer programs to foster financial literacy**[, minority employment and entrepreneurship]** and strengthen generational wealth, which may include, but need not be limited to, internship and externship programs, apprenticeship programs, entrepreneurship development programs and subsidies to employers for job creation.

(b) The advisory board shall consist of the following members:

(1) Four appointed by the Commissioner of Economic and Community Development, in consultation with members of the minority business community. Each such appointee shall: (A) Have skill, knowledge and experience in business and business development, procurement, and state and federal contracting; (B) have skill, knowledge and experience in developing minority-owned businesses; (C) be a member of or hold an office in a community organization serving minority populations that has economic development, including, but not limited to, business and entrepreneurial development, as part of its mission; (D) have business development education and training expertise; (E) represent a business or organization that primarily engages in business development; or (F) own a business;

(2) One appointed by the speaker of the House of Representatives;

(3) One appointed by the president pro tempore of the Senate;

(4) One appointed by the minority leader of the House of Representatives;

(5) One appointed by the minority leader of the Senate;

(6) Two appointed by the chairperson of the Black and Puerto Rican Caucus; and

[(6)] (7) The Commissioner of Economic and Community Development, or the commissioner's designee.

(c) All appointments to the task force shall [be made not later than September 1, 2017. Members shall] serve a two-year term and may not serve more than three such terms consecutively, except that each member shall hold office until a successor is appointed. Any vacancy shall be filled by the appointing authority.

(d) [The commissioner shall schedule the first meeting of the advisory board not later than September 30, 2017.] The advisory board shall elect a chairperson from among its members. The advisory board shall meet at such times as the chairperson deems necessary.

(e) No member of the advisory board shall receive compensation for such member's services.

(f) The advisory board may establish bylaws to govern its procedures.

Sec. 24 Sections 32-324, 32-324a, 32-324b, 32-324c, 32-324d, 32-324e, 32-324f, 32-324g, 32-324h, and 32-4h of the general statutes are repealed. (Effective upon passage) |