



## Senate

General Assembly

**File No. 315**

February Session, 2000

Substitute Senate Bill No. 449

*Senate, March 30, 2000*

The Committee on Commerce reported through SEN. LEBEAU of the 3<sup>rd</sup> Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***An Act Providing Matching Grants For Businesses New To Exporting.***

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

1 (NEW) (a) The Commissioner of Economic and Community  
2 Development may provide cost sharing or matching grant moneys,  
3 with funds available through bond authorization pursuant to section  
4 32-235 of the general statutes, to assist and promote economic clusters  
5 representing businesses that are new to exporting or organizations  
6 representing such businesses. For purposes of this section, "cost  
7 sharing or matching grant moneys" means all contributions, including  
8 cash and third party in-kind donations that are approved by the  
9 commissioner.

10 (b) Such cost sharing or matching grant moneys shall be available to  
11 a group of businesses or the organization representing such group, for  
12 the following purposes: (1) Recruiting and organizing of member  
13 businesses for the purpose of collaborating on ways in which the

14 member business may export their products and services to other  
15 countries; (2) researching and identifying the foreign markets where  
16 there is a demand for their products and services; (3) designating  
17 agents for the purpose of accessing the services of federal, state, local,  
18 private and non-private export service providers; and (4) identifying  
19 and contracting with foreign representatives in the identified markets  
20 to promote and sell the products and services of the member  
21 businesses.

22 (c) A group receiving grants shall provide the commissioner with  
23 information concerning goals, methodology, budget and program  
24 results. Such information shall be provided in a form and manner  
25 prescribed by the commissioner.

**Statement of Legislative Commissioners:**

In subsection (a), "match grant" was changed to "matching grant" for consistency and "shall mean" was changed to "means" to correct an error in grammar. In subsection (b), "cost sharing or" and "moneys" was added for consistency.

**CE Committee Vote:** Yea 24 Nay 0 JFS

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** Minimal Cost and Potential Future Cost (GO Bonds)

**Affected Agencies:** Department of Economic and Community Development

**Municipal Impact:** None

**Explanation**

**State Impact:**

The bill expands the use of Manufacturing Assistance Act (MAA) funds to include cost sharing or matching grants to assist and promote economic clusters representing businesses that are new to exporting or organizations representing such businesses for various purposes. To the extent that additional funds are used for this purpose, there could be a need for future bond authorizations. The current balance in the account is approximately \$23 million. An additional \$35 million will be available July 1, 2000.

It is anticipated the Department of Economic and Community Development (DECD) can undertake any increase in administrative duties within the current economic cluster program staff and funding. The DECD currently works with these types of groups and on these types of programs.

**OLR Bill Analysis**

sSB 449

***AN ACT PROVIDING MATCHING GRANTS FOR BUSINESSES NEW TO EXPORTING.*****SUMMARY:**

This bill allows the economic and community development commissioner to help businesses develop the expertise they need to export goods and services to foreign markets. He must provide this assistance through economic clusters or any other type of organization that represents these businesses. Clusters are groups of similar or related businesses formed to address common concerns.

The commissioner can provide matching grants or third party in-kind donations. He can fund the grants with existing Manufacturing Assistance Act funds. He can extend this assistance for the purposes the bill specifies. Organizations receiving grants must give him information regarding their goals, methodology, budget, and accomplishments. They must provide this information in the form and manner the commissioner specifies.

EFFECTIVE DATE: October 1, 2000

**ELIGIBLE ACTIVITIES**

Clusters or other organizations representing businesses new to export can use the grants to:

1. recruit and organize member businesses to help them find ways to collaborate on exporting their products and services to foreign markets,
2. research and identify markets where there is a demand for their products and services,
3. designate agents who can help members access public and private

export assistance programs, and

4. identify and contract with representatives in foreign markets to promote and sell members' products and services.

**BACKGROUND**

***Related Law***

The law allows the commissioner to make grants to organizations that certify, train, and oversee broker-agents providing technical assistance to businesses with little or no experience in export trade. To date, he has not made any grants for this purpose (CGS § 32-502).

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute  
Yea 24    Nay 0