



An Act Concerning Incubators And Consortia.

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

1 Section 1. (a) For the purposes described in subsection (b) of this
2 section, the State Bond Commission shall have the power, from time to
3 time, to authorize the issuance of bonds of the state in one or more
4 series and in principal amounts not exceeding in the aggregate one
5 million dollars.

6 (b) The proceeds of the sale of said bonds, to the extent of the
7 amount stated in subsection (a) of this section, shall be used by the
8 Department of Economic and Community Development for the
9 purpose of funding the "E-Commerce Matching Grant Program Fund"
10 established pursuant to sections 2 to 5, inclusive, of this act.

11 (c) All provisions of section 3-20 of the general statutes, or the
12 exercise of any right or power granted thereby, which are not
13 inconsistent with the provisions of this section are hereby adopted and
14 shall apply to all bonds authorized by the State Bond Commission
15 pursuant to this section, and temporary notes in anticipation of the
16 money to be derived from the sale of any such bonds so authorized
17 may be issued in accordance with said section 3-20 and from time to
18 time renewed. Such bonds shall mature at such time or times not
19 exceeding twenty years from their respective dates as may be provided
20 in or pursuant to the resolution or resolutions of the State Bond

21 Commission authorizing such bonds. None of said bonds shall be
22 authorized except upon a finding by the State Bond Commission that
23 there has been filed with it a request for such authorization which is
24 signed by or on behalf of the Secretary of the Office of Policy and
25 Management and states such terms and conditions as said commission,
26 in its discretion, may require. Said bonds issued pursuant to this
27 section shall be general obligations of the state and the full faith and
28 credit of the state of Connecticut are pledged for the payment of the
29 principal of and interest on said bonds as the same become due, and
30 accordingly and as part of the contract of the state with the holders of
31 said bonds, appropriation of all amounts necessary for punctual
32 payment of such principal and interest is hereby made, and the State
33 Treasurer shall pay such principal and interest as the same become
34 due.

35 Sec. 2. (NEW) For purposes of this section and sections 3 to 5,
36 inclusive, of this act:

37 (1) "E-commerce consortium" means a coalition or other group of
38 entities, related by contractual or other arrangements, that (A) includes
39 at least one state higher education facility and one or more Connecticut
40 businesses and may include other businesses and nonprofit or public
41 institutions, and (B) is led by such facility for the purpose of e-
42 commerce and information technology development or
43 commercialization;

44 (2) "E-commerce incubator" means an entity organized as a
45 nonprofit organization for the purpose of providing research, offering
46 capped rent, providing access to venture capital resources, partnering
47 with academic research or business school faculty and offering shared
48 office facilities and other services to assist small e-commerce and
49 information technology-based companies develop and grow; and

50 (3) "Contribution" means cash, negotiable securities or other gifts of
51 similar liquidity.

52 Sec. 3. (NEW) There is created an "E-Commerce Matching Grant

53 Program Fund" within the Department of Economic and Community
54 Development. The proceeds of any bonds issued for the purposes of
55 sections 2 to 5, inclusive, of this act, shall be deposited in said fund.
56 The State Treasurer shall invest the proceeds of the fund and the
57 investment earnings shall be credited to and become part of the fund.
58 Annually, on or before September first, the Treasurer shall notify the
59 department of the total amount of investment earnings of the fund for
60 the prior fiscal year and such amount shall be available to the
61 department for payments pursuant to sections 4 and 5 of this act. Any
62 balance remaining in the fund at the end of each fiscal year shall be
63 carried forward in the fund for the succeeding fiscal year.

64 Sec. 4. (NEW) (a) To be eligible for a matching grant for a fiscal year
65 pursuant to this section and section 5 of this act, an e-commerce
66 consortium or e-commerce incubator shall have received total donor
67 contributions for the fiscal year for which such amount is calculated of
68 not less than twenty-five thousand dollars.

69 (b) For the portion of total donor contributions for the fiscal year
70 which is equal to twenty-five thousand dollars or more but does not
71 exceed the total donor contributions for the prior fiscal year, there shall
72 be a match of twenty-five per cent of such amount, provided no match
73 pursuant to this subsection shall exceed two hundred fifty thousand
74 dollars.

75 (c) For the portion of total donor contributions for the fiscal year
76 which exceeds the total donor contributions for the prior fiscal year,
77 there shall be a match of one hundred per cent of such amount,
78 provided no match pursuant to this subsection shall exceed one
79 million dollars.

80 (d) If in any fiscal year the total amount of matching grants to be
81 paid pursuant to the provisions of this section and section 5 of this act,
82 exceed the investment earnings of the E-Commerce Matching Grant
83 Program Fund which are available for payments to e-commerce
84 consortia and e-commerce incubators, pursuant to section 3 of this act,

85 all such matching grants shall be reduced on a pro rata basis.

86 Sec. 5. (NEW) Annually, on or before December fifteenth, an e-
87 commerce consortium or e-commerce incubator may apply to the
88 Department of Economic and Community Development for a state
89 matching grant, provided said consortium or incubator includes in its
90 application a copy of the Internal Revenue Service return of
91 organization exempt from income tax form, or any replacement form
92 adopted by the Internal Revenue Service, showing the total amount of
93 contributions received from donors for the two most recently
94 completed fiscal years. On or before the January fifteenth next
95 following, the department shall certify to the Treasurer an amount
96 equal to the total matching grants as calculated pursuant to section 4 of
97 this act. Thereafter, the Treasurer shall make available such amount to
98 the department and the department shall, on or before April fifteenth,
99 pay to each e-commerce consortium or e-commerce incubator a grant
100 as calculated pursuant to section 4 of this act.

101 Sec. 6. This act shall take effect July 1, 2001, and be applicable to
102 taxable years commencing on and after January 1, 2000.

Statement of Legislative Commissioners:

In sections 2 to 5, inclusive, "(NEW)" was added.

CE Committee Vote: Yea 25 Nay 0 JFS