



Senate

General Assembly

File No. 116

February Session, 2002

Substitute Senate Bill No. 332

Senate, March 25, 2002

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

AN ACT CONCERNING INTERNATIONAL TRADE.

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

1 Section 1. Section 32-501 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2002*):

3 (a) The commissioner shall have jurisdiction over the coordination
4 of trade development activities in the state. The commissioner shall
5 initiate, conduct and coordinate the implementation of Department of
6 Economic and Community Development programs to promote and
7 assist Connecticut businesses with international trade. The
8 commissioner shall be responsible for planning, developing and
9 administering such programs and may adopt regulations in
10 accordance with the provisions of chapter 54 to carry out the purposes
11 of sections 32-500 to 32-512, inclusive.

12 (b) The commissioner may give priority in such programs to
13 promoting and assisting Connecticut businesses with regard to trade

14 with African countries with whom the United States has diplomatic
15 relations. Not later than January 1, 1998, the commissioner may submit
16 a report to the joint standing committee of the General Assembly
17 having cognizance of matters relating to the Department of Economic
18 and Community Development, concerning his progress in
19 implementing the provisions of this subsection.

20 (c) The Commissioner of Economic and Community Development
21 shall annually hold a conference for the purpose of recognizing the
22 contributions of international trade to economic growth and
23 development in the state. Special recognition may be given to foreign-
24 owned businesses from a particular country or to a group of
25 businesses from different countries but in the same economic cluster.
26 The commissioner shall invite to each conference representatives of
27 foreign-owned businesses operating in the state, business leaders from
28 each economic cluster, the members of the joint standing committee of
29 the General Assembly having cognizance of matters relating to
30 commerce, other government officials and higher education faculty
31 who work in, support or study international trade.

32 Sec. 2. (NEW) (*Effective from passage*) The Lieutenant Governor and
33 the chairpersons and ranking members of the joint standing committee
34 of the General Assembly having cognizance of matters relating to
35 commerce shall serve as liaison to foreign-owned businesses located in
36 the state or that may locate in the state.

37 Sec. 3. Section 32-9tt of the general statutes is repealed and the
38 following is substituted in lieu thereof (*Effective July 1, 2002*):

39 (a) As used in this section: (1) "Eligible applicant" means (A) a group
40 of businesses or the organization representing such group, (B) an
41 individual business, or (C) a group of municipalities working together
42 to develop or increase foreign markets for local products or services;
43 and (2) "cost sharing or matching grant moneys" means all
44 contributions, including cash and third party in-kind donations that
45 are approved by the commissioner.

46 [(a)] (b) The Commissioner of Economic and Community
 47 Development may provide cost sharing or matching grant moneys,
 48 with funds available through bond authorization pursuant to section
 49 32-235, as amended, to assist and promote economic clusters
 50 representing businesses that are new to exporting or organizations
 51 representing such businesses or to assist municipalities working
 52 together to develop or increase foreign markets for local products or
 53 services. The provisions of section 32-5a shall not apply to grants
 54 under this section. [For purposes of this section, "cost sharing or
 55 matching grant moneys" means all contributions, including cash and
 56 third party in-kind donations that are approved by the commissioner.]

57 [(b)] (c) Such cost sharing or matching grant moneys shall be
 58 available to [a group of businesses or the organization representing
 59 such group] eligible applicants, for the following purposes: (1)
 60 Recruiting and organizing of member businesses for the purpose of
 61 collaborating on ways in which the member business may export their
 62 products and services to other countries; (2) researching and
 63 identifying the foreign markets where there is a demand for their
 64 products and services; (3) designating agents for the purpose of
 65 accessing the services of federal, state, local, private and nonprivate
 66 export service providers; and (4) identifying and contracting with
 67 foreign representatives in the identified markets to promote and sell
 68 the products and services of the member businesses. No grant shall
 69 exceed five thousand dollars in any fiscal year.

70 [(c)] A group receiving grants]

71 (d) Grant recipients shall provide the commissioner with
 72 information concerning goals, methodology, budget and program
 73 results. Such information shall be provided in a form and manner
 74 prescribed by the commissioner.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>from passage</i>

Sec. 3	July 1, 2002
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CE *Joint Favorable Subst.*

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:

OFA Fiscal Note

State Impact:

Fund-Type	Agency Affected
GF - Cost	Department of Economic and Community Development; Lt. Governor's Office; Legislative Management
GO Bond Funds - Cost	Department of Economic and Community Development

Note: GF=General Fund

Municipal Impact:

Effect	Municipalities
Potential Minimal Revenue Gain	All Municipalities

Explanation

Establishment of an annual conference on international trade (that must include specific invitees) by the the Commissioner of Economic and Community Development, is estimated to increase costs to the Department by \$10,000 - \$25,000 per year starting in FY 03.

The bill also appoints the Lieutenant Governor and the chairpersons and ranking members of the Commerce Committee to serve as liaisons for foreign-owned businesses in the state. The bill does not specify the responsibilities for the liaisons, however, if international travel is required, significant additional costs to the Office of the Lieutenant Governor and legislative Management may result. If the responsibilities for the liaison does not require international travel, the Office of the Lieutenant Governor can fulfill the additional responsibilities within the current budgetary resources of the agency. If the responsibilities for the legislators appointed to serve as liaisons

does not require international travel, the Joint Committee on Legislative Management will incur a minimal cost. A total cost of less than \$5,000 may result from mileage reimbursement to legislators in traveling to and from meetings. Legislators are currently reimbursed 34 1/2 cents per mile. Considering that legislators may be traveling to and from the capitol on other legislative business, any additional cost due to an increased number of reimbursed trips could be handled within the anticipated budgetary resources of the department.

In addition, the bill expands the potential recipients that can cost share or receive matching grants to include municipalities that work together to develop or increase foreign markets for local products and services and individual businesses. The bill limits the grants to a recipient to \$5,000 in any one fiscal year. Based on an average grant of \$1,000 and 50-100 recipients, the cost per year starting in FY 03 is estimated to be \$50,000-\$100,000. The program is funded by the Manufacturer's Assistance Act (MAA) GO bond funds. As of the February bond commission meeting, the unallocated balance is 68.2 million dollars. The expanded use of MAA funds could divert dollars or increase the need for additional future GO bond authorizations.

OLR Bill Analysis

sSB 332

AN ACT CONCERNING INTERNATIONAL TRADE**SUMMARY:**

This bill requires the commissioner of the Economic And Community Development Department (DECD) to hold an annual conference to emphasize the contributions of international trade to economic growth and development in Connecticut. He may give special recognition to a foreign-owned business or a group of similar foreign-owned businesses from different countries in the same economic cluster. He must invite to each conference representatives of foreign-owned businesses operating in Connecticut, business leaders from each economic cluster, Commerce Committee members, and other government officials and higher education faculty involved with aspects of international trade.

Current law allows the DECD commissioner to award a group of businesses, or the organization representing such a group, cost sharing or matching grants to assist and promote economic clusters representing businesses new to exporting or organizations representing such businesses. The bill expands the entities and criteria eligible for such grant money from the commissioner by including (1) municipalities that work together to develop or increase foreign markets for local products and services and (2) individual businesses.

The bill limits the amount of each cost sharing and matching grant to \$5,000 in any fiscal year. Current law does not specify a grant amount.

The grant money a business receives under the bill is not subject to a law requiring (1) repayment of grants for relocating out of state and (2) that a business moving to a new in-state location offer jobs at the new facility to current employees.

The bill designates the lieutenant governor and chairpersons and ranking members of the Commerce Committee to serve as liaisons for foreign-owned businesses already located or that may locate in the state.

EFFECTIVE DATE: July 1, 2002 for the annual conference, grant amount, and exemption from repayment penalty; and upon passage for the lieutenant governor and Commerce Committee to act as liaisons for in-state foreign businesses.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 25 Nay 0