



# House of Representatives

General Assembly

**File No. 27**

January Session, 2003

Substitute House Bill No. 6396

*House of Representatives, March 17, 2003*

The Committee on Commerce reported through REP. GRAZIANI of the 57th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING OBSOLETE DEFENSE DIVERSIFICATION REPORTS.**

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

1 Section 1. Section 32-1h of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2003*):

3 Not later than November first, annually, the Commissioner of  
4 Economic and Community Development shall submit a report to the  
5 Auditors of Public Accounts and the joint standing committees of the  
6 General Assembly having cognizance of matters relating to the  
7 Department of Economic and Community Development,  
8 appropriations and capital bonding, which shall include the following  
9 information with respect to new and outstanding financial assistance  
10 provided by the commissioner for each financial assistance program  
11 the commissioner administers: (1) A list of the names, addresses and  
12 locations of all recipients of such assistance, (2) for each such recipient:  
13 (A) The business activities, (B) the standard industrial classification

14 manual codes, (C) the gross revenues during the recipient's most  
 15 recent fiscal year, (D) the number of employees at the time of  
 16 application, (E) whether the recipient is a minority or woman-owned  
 17 business, (F) a summary of the terms and conditions for the assistance,  
 18 including the type and amount of state financial assistance, job  
 19 creation or retention requirements, and anticipated wage rates, and (G)  
 20 the amount of investments from private and other nonstate sources  
 21 that have been leveraged by the assistance, (3) the economic benefit  
 22 criteria used in determining which applications have been approved or  
 23 disapproved, and (4) for each recipient of assistance on or after July 1,  
 24 1991, a comparison between the number of jobs to be created, the  
 25 number of jobs to be retained and the average wage rates for each such  
 26 category of jobs, as projected in the recipient's application, versus the  
 27 actual number of jobs created, the actual number of jobs retained and  
 28 the average wage rates for each such category. The report shall also  
 29 indicate the actual number of full-time jobs and the actual number of  
 30 part-time jobs in each such category and the benefit levels for each  
 31 such subcategory. The report shall include a summary of the activities  
 32 of the department, including all activities to assist small businesses and  
 33 minority business enterprises, as defined in section 4a-60g, and  
 34 recommendations for legislation to promote the purposes of the  
 35 department. [, a list of all federal programs of financial assistance for  
 36 defense conversion projects and other projects consistent with a  
 37 defense conversion strategy and a list of all applications for such  
 38 financial assistance filed by the Secretary of the Office of Policy and  
 39 Management in consultation with the Commissioner of Economic and  
 40 Community Development, during the preceding state fiscal year,  
 41 including the status of each such application.]

This act shall take effect as follows:	
Section 1	October 1, 2003

**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:

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill eliminates the reporting requirement concerning federal defense diversification programs from the Department of Economic and Community Development's (DECD) annual report. This change will minimally reduce the administrative workload of the DECD, but no reduction in actual expenditures is anticipated.

**OLR Bill Analysis**

sHB-6396

***AN ACT CONCERNING OBSOLETE DEFENSE DIVERSIFICATION REPORTS*****SUMMARY:**

This bill eliminates a requirement that the Department of Economic and Community Development (DECD) report information on federal programs designed to help defense firms develop nonmilitary products and services, commonly referred to as defense conversion. DECD must include this information in its annual report to the auditors and several legislative committees on the businesses and organizations it financed during the year.

Current law requires DECD to list each federal defense conversion program and any other federal program that funds projects that promote defense conversion. It also requires DECD to list each application the Office of Policy and Management made during the preceding state fiscal year for funds under these programs and indicate whether they have been approved.

EFFECTIVE DATE: October 1, 2003

**BACKGROUND*****Federal Defense Conversion Programs***

The federal government runs several programs designed to help communities deal with the economic and social consequences of military base and plant closings. The Defense Department provides grants to states, regions, and municipalities for this purpose and grants to colleges and universities to develop commercial applications for military technologies. The Economic Development Administration also provides planning grants to states to redevelop economically distressed regions.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute  
Yea 20 Nay 0