



General Assembly

Substitute Bill No. 100

January Session, 2005

* _____SB00100CE_APP032105_____*

AN ACT ESTABLISHING A SMALL BUSINESS PROGRAMS CLEARINGHOUSE IN THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT AND ESTABLISHING A PILOT MICROLOAN PROGRAM FOR MICROENTERPRISES.

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

1 Section 1. (NEW) (*Effective July 1, 2005*) There is established a Small
2 Business Programs Clearinghouse within the Department of Economic
3 and Community Development. The employees of such clearinghouse
4 shall (1) identify small businesses that could benefit from assistance
5 provided by the clearinghouse, and (2) make field visits to such small
6 businesses to (A) identify the needs of such businesses, (B) provide
7 information to the businesses on available assistance for meeting such
8 needs, including, but not limited to, technical assistance, job training
9 and financial assistance, and (C) arrange for the provision of such
10 assistance to the businesses.

11 Sec. 2. Subsections (a) and (b) of section 32-235 of the general
12 statutes are repealed and the following is substituted in lieu thereof
13 (*Effective July 1, 2005*):

14 (a) For the purposes described in subsection (b) of this section, the
15 State Bond Commission shall have the power, from time to time to
16 authorize the issuance of bonds of the state in one or more series and
17 in principal amounts not exceeding in the aggregate four hundred

18 ninety-five million [three] eight hundred thousand dollars.

19 (b) The proceeds of the sale of said bonds, to the extent of the
20 amount stated in subsection (a) of this section, shall be used by the
21 Department of Economic and Community Development for the
22 purposes of sections 32-220 to 32-234, inclusive, including economic
23 cluster-related programs and activities, and for the Connecticut job
24 training finance demonstration program pursuant to sections 32-23uu
25 and 32-23vv provided, (1) three million dollars shall be used by said
26 department solely for the purposes of section 32-23uu and not more
27 than five million two hundred fifty thousand dollars of the amount
28 stated in said subsection (a) may be used by said department for the
29 purposes of section 31-3u, (2) not less than one million dollars shall be
30 used for an educational technology grant to the deployment center
31 program and the nonprofit business consortium deployment center
32 approved pursuant to section 32-41l, (3) not less than two million
33 dollars shall be used by said department for the establishment of a
34 pilot program to make grants to businesses in designated areas of the
35 state for construction, renovation or improvement of small
36 manufacturing facilities provided such grants are matched by the
37 business, a municipality or another financing entity. The commissioner
38 shall designate areas of the state where manufacturing is a substantial
39 part of the local economy and shall make grants under such pilot
40 program which are likely to produce a significant economic
41 development benefit for the designated area, [and] (4) five million
42 dollars may be used by said department for the manufacturing
43 competitiveness grants program, and (5) five hundred thousand
44 dollars of the amount stated in subsection (a) of this section shall be
45 used by said department for the purpose of a grant or grants to the
46 Community Economic Development Fund in accordance with the
47 provisions of sections 3 to 7, inclusive, of this act.

48 Sec. 3. (NEW) (*Effective October 1, 2005*) As used in sections 3 to 7,
49 inclusive, of this act and section 32-235 of the general statutes, as
50 amended by this act:

51 (1) "Community Economic Development Fund" means the entity
52 established pursuant to subsection (b) of section 8-240k of the general
53 statutes to accomplish the community economic development
54 program.

55 (2) "Microenterprise" means any business, new or existing, with ten
56 or fewer employees and annual gross revenues of less than five
57 hundred thousand dollars, including home-based and owner-operated
58 businesses.

59 (3) "Microloan generation organization" means any community-
60 based nonprofit organization that is capable of providing the services
61 enumerated in section 5 of this act.

62 (4) "Program" means the microloan program for microenterprises.

63 Sec. 4. (NEW) (*Effective October 1, 2005*) There is established a pilot
64 microloan program for microenterprises under which the
65 Commissioner of Economic and Community Development shall make
66 a grant or grants to the Community Economic Development Fund.
67 Said fund shall use said grants to provide grants, not to exceed twenty-
68 five thousand dollars, to microloan generating organizations in
69 accordance with section 5 of this act.

70 Sec. 5. (NEW) (*Effective October 1, 2005*) Grants made by the
71 Community Economic Development Fund to microloan generating
72 organizations shall be used to:

73 (1) Identify appropriate microloan applicants state-wide;

74 (2) Evaluate the need for a prospective microloan applicant's
75 business in the community in which the microenterprise is or would be
76 located;

77 (3) Evaluate community support for a prospective microloan
78 applicant's business in the community in which the microenterprise is
79 or would be located;

80 (4) Work in conjunction with other community-based nonprofit
81 organizations, state and federal agencies and with the Community
82 Economic Development Fund to assist prospective microloan
83 applicants in preparing and finalizing business plans;

84 (5) Assist prospective microloan applicants in identifying and
85 accessing other appropriate business resources, including those
86 providing business management training;

87 (6) Track client data, level of service and outcome of services
88 provided; and

89 (7) Submit regular reports to the Community Economic
90 Development Fund based on the grant agreement with the microloan
91 generating organization.

92 Sec. 6. (NEW) (*Effective October 1, 2005*) The Community Economic
93 Development Fund shall consider the following criteria in making a
94 grant to a microloan generating organization:

95 (1) Sources and sufficiency of operating funds for the microloan
96 generating organization;

97 (2) The ability of the microloan generating organization to provide
98 the services required under section 5 of this act; and

99 (3) The proven ability of the microloan generating organization to
100 identify and prepare successful applicants to economic assistance
101 programs similar to the program established in section 4 of this act.

102 Sec. 7. (*Effective October 1, 2005*) Not later than June 30, 2006, the
103 Community Economic Development Fund shall submit a report, in
104 accordance with section 11-4a of the general statutes, on the status and
105 results of sections 3 to 6, inclusive, of this act to the joint standing
106 committee of the General Assembly having cognizance of matters
107 relating to economic development.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005</i>	New section
Sec. 2	<i>July 1, 2005</i>	32-235(a) and (b)
Sec. 3	<i>October 1, 2005</i>	New section
Sec. 4	<i>October 1, 2005</i>	New section
Sec. 5	<i>October 1, 2005</i>	New section
Sec. 6	<i>October 1, 2005</i>	New section
Sec. 7	<i>October 1, 2005</i>	New section

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Joint Favorable Subst. C/R

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