



General Assembly

February Session, 2006

Raised Bill No. 486

LCO No. 2623

02623_____CE_

Referred to Committee on Commerce

Introduced by:

(CE)

AN ACT EXPANDING CONNECTICUT BUSINESS INCUBATORS.

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

1 Section 1. (NEW) (*Effective July 1, 2006*) (a) The Commissioner of
2 Economic and Community Development, in conjunction with the
3 Connecticut Business Incubator Network and Innovation Network,
4 shall establish a program to fund qualifying business incubators. The
5 commissioner and the executive directors of the state's six incubator
6 programs shall use the funds as follows:

7 (1) To market business incubators across the state;

8 (2) To reduce business expenses for incubators and their tenants;

9 (3) To conduct feasibility analysis for new incubators; and

10 (4) To provide grants to support incubator expansion or
11 development where feasible.

12 (b) Applications for financial assistance pursuant to subsection (a) of
13 this section shall include a plan for expenditures. Fund recipients shall
14 provide regular progress reports. The commissioner shall adopt

15 regulations, in accordance with the provisions of chapter 54 of the
16 general statutes, to establish application guidelines, as well as
17 predetermined levels of funding.

18 Sec. 2. (NEW) (*Effective July 1, 2006*) (a) The Commissioner of
19 Economic and Community Development shall establish a loan and
20 grant program to provide financial assistance in the form of working
21 capital to business incubators. To qualify for funding, applicants shall:

22 (1) Be a Connecticut-based business;

23 (2) Have fewer than fifteen employees;

24 (3) Be an early stage company; and

25 (4) Have no venture investments, although angel investment, state
26 or federal grants and other private sources of funding are acceptable.

27 (b) The commissioner shall use the funds to negotiate an interest in
28 the incubator company. The commissioner may provide grants or
29 deferred loans with forgiveness features under certain, prespecified
30 conditions. Said loans or grants shall be not more than one hundred
31 thousand dollars per year.

32 (c) The commissioner shall adopt regulations, in accordance with
33 the provisions of chapter 54 of the general statutes, to establish
34 application guidelines for the programs established by this section.

35 Sec. 3. (*Effective July 1, 2006*) (a) The sum of two million dollars is
36 appropriated to the Department of Economic and Community
37 Development, from the General Fund, for the fiscal year ending June
38 30, 2007, for promoting business incubation and economic
39 development pursuant to section 1 of this act.

40 (b) The sum of three million dollars is appropriated to the
41 Department of Economic and Community Development, from the
42 General Fund, for the fiscal year ending June 30, 2007, for promoting

43 business incubation and economic development pursuant to section 2
44 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2006</i>	New section
Sec. 2	<i>July 1, 2006</i>	New section
Sec. 3	<i>July 1, 2006</i>	New section

Statement of Purpose:

To build new incubation capacity through increased program offerings and reduced operating expenses.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]