



General Assembly

**Amendment**

January Session, 2007

LCO No. 8529

**\*SB0141808529SD0\***

Offered by:

SEN. LEBEAU, 3<sup>rd</sup> Dist.

REP. BERGER, 73<sup>rd</sup> Dist.

To: Subst. Senate Bill No. **1418**

File No. 355

Cal. No. 296

(As Amended)

**"AN ACT CONCERNING THE FINANCING OF PROJECTS BY PRIVATE ENTITIES."**

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1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Section 32-725 of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective from passage*):

5 (a) There is established an Office of the Business Advocate. The  
6 Governor, with the approval of the General Assembly, shall appoint a  
7 person with knowledge of the characteristics and needs of businesses  
8 and the resources provided by state, federal, quasi-governmental and  
9 other organizations that are available to businesses. Such person shall  
10 be qualified by training and experience to perform the duties of the  
11 office as set forth in this section. The person appointed the Business  
12 Advocate shall serve for a term of four years and may be reappointed

13 or shall continue to hold office until such person's successor is  
14 appointed and qualified, or until removed as provided in section 16-5.

15 (b) The Office of the Business Advocate shall be in the [Office of  
16 Policy and Management] Department of Economic and Community  
17 Development for administrative purposes only.

18 (c) The Business Advocate may, within available funds, appoint  
19 such staff as may be deemed necessary. The duties of the staff may  
20 include the duties and powers of the Business Advocate if performed  
21 under the direction of the Business Advocate.

22 (d) The General Assembly may annually appropriate such sums as  
23 necessary for the payment of the salaries of the staff and for the  
24 payment of office expenses and other actual expenses incurred by the  
25 Business Advocate in the performance of [such] said advocate's duties.

26 (e) [The] On or before January 1, 2008, and annually thereafter, the  
27 Business Advocate shall [annually] submit to the Governor and the  
28 chairpersons of the joint standing committees of the General Assembly  
29 having cognizance of matters relating to commerce and finance,  
30 revenue and bonding, in accordance with the provisions of section 11-  
31 4a, a detailed report analyzing the work of the Office of the Business  
32 Advocate, including a list of businesses and the services provided to  
33 them by such office.

34 (f) The Business Advocate shall (1) serve as an information  
35 clearinghouse for various public and private programs available to  
36 assist businesses, and (2) identify specific micro businesses, as defined  
37 in section 32-344, whose growth and success could benefit from state  
38 or private assistance and contact such small businesses in order to (A)  
39 identify their needs, (B) provide information about public and private  
40 programs for meeting such needs, including, but not limited to,  
41 technical assistance, job training and financial assistance, and (C)  
42 arrange for the provision of such assistance to such businesses.

43 Sec. 2. Section 32-345 of the general statutes is repealed and the

44 following is substituted in lieu thereof (*Effective from passage*):

45 (a) The [corporation shall] Department of Economic and  
46 Community Development may establish a Connecticut development  
47 research and economic assistance matching grant program, within  
48 available appropriations and, for the purposes of providing financial  
49 aid, as defined in subdivision (4) of section 32-34, to assist: (1)  
50 Connecticut small businesses in conducting marketing-related  
51 activities to facilitate commercialization of research projects funded  
52 under the small business innovation research program or the small  
53 business technology transfer program; (2) business-led consortia or  
54 Connecticut businesses in connection with their participation in a  
55 federal technology support program; and (3) micro businesses, in  
56 conducting development and research. The department may enter into  
57 an agreement, pursuant to chapter 55a, with a person, firm,  
58 corporation or other entity to operate such program.

59 (b) Applications shall be submitted [to the corporation at such times  
60 and on such forms as the corporation may prescribe] in the manner  
61 prescribed by the department. Each such application shall include the  
62 following: (1) The location of the principal place of business of the  
63 applicant; (2) an explanation of the intended use of the funding being  
64 applied for, the potential market for the end product of the project and  
65 the marketing strategy; and (3) such other information that the  
66 [corporation] department deems necessary. Information contained in  
67 any such application submitted to the [corporation] department under  
68 this section which is of a proprietary nature shall be exempt from the  
69 provisions of subsection (a) of section 1-210.

70 (c) In determining whether an applicant shall be selected for  
71 funding pursuant to this section, the [corporation] department, or the  
72 operator, if any, selected pursuant to subsection (a) of this section,  
73 shall consider, but such consideration need not be limited to, the  
74 following factors: (1) The description of the small business innovation  
75 research project, the small business technology transfer project or the  
76 federally-supported technology project and the potential commercial

77 applicability of such project; (2) evidence of satisfactory participation  
78 in the applicable small business innovation research program, the  
79 small business technology transfer program or the federal technology  
80 support program; (3) the potential impact of such research project on  
81 the workforce in the region where such small business is located; (4)  
82 the size of the potential market, strength of the marketing strategy, and  
83 ability of the applicant to execute the strategy and successfully  
84 commercialize the end product; and (5) the resources and record of  
85 success of the company relative to development and  
86 commercialization. Within the availability of funds, the [corporation]  
87 department may provide financial aid to eligible applicants provided  
88 no business may receive more than fifty thousand dollars for any  
89 single small business innovation research project or small business  
90 technology transfer project. [The corporation may require a business to  
91 repay such assistance or pay a multiple of the assistance to the  
92 corporation. All such repayments and payments shall be deposited in  
93 the Connecticut technology partnership assistance program revolving  
94 account established under section 32-346.]

95 (d) The [corporation shall] department may establish a  
96 development, research and economic assistance matching financial aid  
97 program for micro businesses that have received federal funds for  
98 Phase II proposals under the small business innovation research  
99 program and the small business technology transfer program. Any  
100 micro business receiving financial aid under this subsection shall use  
101 such financial aid for the same purpose such micro business was  
102 awarded said federal funds. The department may enter into an  
103 agreement, pursuant to chapter 55a, with a person, firm, corporation or  
104 other entity to operate such a program.

105 (e) [The corporation shall adopt written procedures, in accordance  
106 with the provisions of section 1-121 to carry out the provisions of this  
107 section.] On or before January 15, 2008, and annually thereafter, the  
108 Commissioner of Economic and Community Development shall, in  
109 consultation with the program operator, if any, submit a report on the  
110 status of the development research and economic assistance matching

111 grant program to the chairpersons of the joint standing committee of  
112 the General Assembly having cognizance of matters relating to the  
113 Department of Economic and Community Development. Such report  
114 shall include, but need not be limited to, a description of the projects  
115 supported and the type of financial aid provided.

116 Sec. 3. Section 32-346 of the general statutes is repealed and the  
117 following is substituted in lieu thereof (*Effective from passage*):

118 The corporation shall establish a "Connecticut technology  
119 partnership assistance program revolving account". Any and all  
120 references in any general statutes, procedure or legal document to the  
121 "phase III assistance program revolving account" shall, on and after  
122 July 1, 1995, be deemed to refer to the "Connecticut technology  
123 partnership assistance program revolving account". The account shall  
124 be used for the purpose of providing [financial assistance under  
125 section 32-345 and] financial aid under section 32-41u.

126 Sec. 4. Section 32-356 of the general statutes is repealed and the  
127 following is substituted in lieu thereof (*Effective from passage*):

128 (a) For purposes of this section, "incubator facilities" shall have the  
129 same meaning as incubator facilities in section 32-34.

130 (b) [The Commissioner of Economic and Community Development  
131 shall establish the small business incubator program to provide grants  
132 to entities operating incubator facilities, as defined in section 32-34.  
133 Such grants] The Department of Economic and Community  
134 Development may enter into an agreement, pursuant to chapter 55a,  
135 with a person, firm, corporation or other entity to operate such  
136 program. The department, or a program operator selected pursuant to  
137 this subsection, shall, subject to the availability of funds, operate a  
138 technology-based small business incubator program. In accordance  
139 with the written guidelines developed by such department, the  
140 department or program operator, if any, may provide grants to assist  
141 small businesses operating within incubator facilities. Grants made  
142 pursuant to this section shall be used by such entities to provide

143 operating funds and related services, including business plan  
144 preparation, assistance in acquiring financing and management  
145 counseling.

146 (c) An entity shall submit an application for a grant pursuant to this  
147 section [to the commissioner, at such time and in such manner as the  
148 commissioner shall prescribe in regulations adopted pursuant to  
149 subsection (d) of this section] in the manner prescribed by the  
150 Commissioner of Economic and Community Development.

151 [(d) The commissioner shall adopt regulations, in accordance with  
152 the provisions of chapter 54, to implement the small business incubator  
153 program established pursuant to this section. Such regulations shall  
154 include (1) a description of entities eligible for grants under such  
155 program, (2) a description of allowable expenditures for such grants,  
156 (3) definitions of small businesses eligible for support pursuant to such  
157 program, (4) directions regarding the form and content of the  
158 application to be submitted by entities seeking grants, (5) schedules for  
159 the awarding of grants, (6) standards indicating the bases upon which  
160 grants shall be awarded, including (A) priorities, if any, for small  
161 business incubator programs that provide certain support services, (B)  
162 criteria relating to the background, experience and services offered by  
163 the entity seeking a grant, and (C) any limitations on the amount of  
164 grant any one entity may receive in one funding cycle, and (7) such  
165 other provisions that the commissioner may find necessary for the  
166 implementation of such program.]

167 [(e)] (d) There is established an account to be known as the small  
168 business incubator account, which shall be a separate, nonlapsing  
169 account within the General Fund. [The account shall contain all  
170 moneys required by law to be deposited in the account and shall be  
171 held separate and apart from all other money, funds and accounts.  
172 Investment earnings from any moneys in the account shall be credited  
173 to the account and shall become part of the assets of the account. Any  
174 balance remaining in the account at the end of any fiscal year shall not  
175 lapse and shall be available for use for the fiscal year next succeeding.]

176 The commissioner may use funds from the account to provide  
177 administrative expenses and grants pursuant to this section.

178 (e) (1) There is established a Small Business Incubator Advisory  
179 Board. Said board shall consist of: (A) The Commissioner of Economic  
180 and Community Development; (B) the president of the Connecticut  
181 Development Authority, and the executive director of Connecticut  
182 Innovations, Incorporated, as ex officio non-voting members, or their  
183 designees; (C) one member to be appointed by the Governor; (D) two  
184 members with experience in the field of technology transfer and  
185 commercialization, to be appointed by the speaker of the House of  
186 Representatives; (E) two members with experience in new product and  
187 market development, to be appointed by the president pro tempore of  
188 the Senate; (F) one member with experience in seed and early stage  
189 capital investment, to be appointed by the minority leader of the  
190 House of Representatives; (G) one member with experience in seed  
191 and early stage capital investment, to be appointed by the minority  
192 leader of the Senate; and (H) two members to be appointed by the  
193 chairpersons of the joint standing committee of the General Assembly  
194 having cognizance of matters relating to economic development. All  
195 appointments to said board shall be made not later than September 1,  
196 2007.

197 (2) The Commissioner of Economic and Community Development  
198 shall schedule the first meeting of said board not later than October 15,  
199 2007. Thereafter, the board shall meet at least once annually to evaluate  
200 and recommend changes to the guidelines adopted pursuant to this  
201 section.

202 Sec. 5. Subsection (c) of section 4-168a of the general statutes is  
203 repealed and the following is substituted in lieu thereof (*Effective from*  
204 *passage*):

205 (c) Prior to the adoption of any proposed regulation that may have  
206 an adverse impact on small businesses, each agency shall notify the  
207 Department of Economic and Community Development and the Office

208 of the Business Advocate of its intent to adopt the proposed regulation.  
209 [The Department of Economic and Community Development] Said  
210 department and office shall advise and assist agencies in complying  
211 with the provisions of this section.

212 Sec. 6. Section 32-47a of the general statutes is repealed and the  
213 following is substituted in lieu thereof (*Effective from passage*):

214 Not later than January first in each year, Connecticut Innovations,  
215 Incorporated shall submit a business plan containing a summary of its  
216 projected operations for the year to the joint standing committees of  
217 the General Assembly having cognizance of matters relating to the  
218 Department of Economic and Community Development,  
219 appropriations and capital bonding. Not later than November first,  
220 annually, the corporation shall submit a report to the Commissioner of  
221 Economic and Community Development, the Auditors of Public  
222 Accounts and said joint standing committees, which shall include the  
223 following information with respect to new and outstanding financial  
224 assistance provided by the corporation during the twelve-month  
225 period ending on June thirtieth next preceding the date of the report  
226 for each financial assistance program administered by the corporation:  
227 (1) A list of the names, addresses and locations of all recipients of such  
228 assistance, (2) for each such recipient: (A) The business activities, (B)  
229 the Standard Industrial Classification Manual codes, (C) the gross  
230 revenues during the recipient's most recent fiscal year, if the recipient  
231 is an organization that makes such information public in the normal  
232 course of business, except that the gross revenue information will be  
233 provided for a business separately, using a system in which no  
234 company is listed by name but each is given a separate identity in a  
235 manner consistent with the provisions of subsection (c) of section 32-  
236 40, (D) the number of employees at the time of application, (E) whether  
237 the recipient is a minority or woman-owned business, (F) a summary  
238 of the terms and conditions for the assistance, including the type and  
239 amount of state financial assistance, job creation or retention  
240 requirements, and anticipated wage rates, and (G) the amount of  
241 investments from private and other nonstate sources that have been

242 leveraged by the assistance, (3) the economic benefit criteria used in  
 243 determining which applications have been approved or disapproved,  
 244 and (4) for each recipient of assistance on or after July 1, 1991, a  
 245 comparison between the number of jobs to be created, the number of  
 246 jobs to be retained and the average wage rates for each such category  
 247 of jobs, as projected in the recipient's application, versus the actual  
 248 number of jobs created, the actual number of jobs retained and the  
 249 average wage rates for each such category. The report shall also  
 250 indicate the actual number of full-time jobs and the actual number of  
 251 part-time jobs in each such category and the benefit levels for each  
 252 such subcategory. The chairpersons of the joint standing committees of  
 253 the General Assembly having cognizance of matters relating to finance,  
 254 revenue and bonding and commerce, and the Governor may examine,  
 255 in confidence, the detailed data, including the specific revenue data for  
 256 each identifiable business, submitted pursuant to subdivisions (1) and  
 257 (2) of this section. The November first report shall include a summary  
 258 of the activities of the corporation, including all activities to assist  
 259 small businesses and minority business enterprises, as defined in  
 260 section 4a-60g, a complete operating and financial statement and  
 261 recommendations for legislation to promote the purposes of the  
 262 corporation. The corporation shall furnish such additional information  
 263 upon the written request of any such committee at such times as the  
 264 committee may request."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	32-725
Sec. 2	<i>from passage</i>	32-345
Sec. 3	<i>from passage</i>	32-346
Sec. 4	<i>from passage</i>	32-356
Sec. 5	<i>from passage</i>	4-168a(c)
Sec. 6	<i>from passage</i>	32-47a