



# Senate

General Assembly

**File No. 840**

January Session, 2009

Substitute Senate Bill No. 579

*Senate, April 30, 2009*

The Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT PROVIDING FUNDS FOR THE SMALL BUSINESS INCUBATOR PROGRAM.***

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

1 Section 1. Section 32-356 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2010*):

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

5 (b) The Commissioner of Economic and Community Development  
6 shall establish the small business incubator program to provide grants  
7 to [entities operating incubator facilities, as defined in section 32-34.  
8 The Department of Economic and Community Development may  
9 enter into an agreement, pursuant to chapter 55a, with a person, firm,  
10 corporation or other entity to operate such program. The department,  
11 or a program operator selected pursuant to this subsection,] the  
12 Connecticut Center for Advanced Technology to operate an incubator  
13 facility. The center shall, subject to the availability of funds, operate a

14 technology-based small business incubator program. In accordance  
15 with the written guidelines developed by the department, the  
16 [department or program operator, if any,] center may provide grants  
17 to assist small businesses operating within the incubator [facilities]  
18 facility established by the center. Grants made pursuant to this section  
19 shall be used by such entities to provide operating funds and related  
20 services, including business plan preparation, assistance in acquiring  
21 financing and management counseling to such small businesses.

22 [(c) An entity shall submit an application for a grant pursuant to this  
23 section in the manner prescribed by the Commissioner of Economic  
24 and Community Development.]

25 [(d)] (c) There is established an account to be known as the small  
26 business incubator account, which shall be a separate, nonlapsing  
27 account within the General Fund. The commissioner may use funds  
28 from the account to provide administrative expenses and grants  
29 pursuant to this section.

30 [(e)] (d) (1) There is established a Small Business Incubator Advisory  
31 Board. Said board shall consist of: (A) The Commissioner of Economic  
32 and Community Development; (B) the president of the Connecticut  
33 Development Authority and the executive director of Connecticut  
34 Innovations, Incorporated, as ex-officio nonvoting members, or their  
35 designees; (C) one member to be appointed by the Governor; (D) two  
36 members with experience in the field of technology transfer and  
37 commercialization, to be appointed by the speaker of the House of  
38 Representatives; (E) two members with experience in new product and  
39 market development, to be appointed by the president pro tempore of  
40 the Senate; (F) one member to be appointed by the majority leader of  
41 the Senate; (G) one member to be appointed by the majority leader of  
42 the House of Representatives; (H) one member with experience in seed  
43 and early stage capital investment, to be appointed by the minority  
44 leader of the House of Representatives; and (I) one member with  
45 experience in seed and early stage capital investment, to be appointed  
46 by the minority leader of the Senate. All initial appointments to said



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The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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### **OFA Fiscal Note**

**State Impact:** See Below

**Municipal Impact:** None

### **Explanation**

The bill makes the Connecticut Center for Advanced Technology (CCAT) the sole recipient of a grant from the Department of Economic and Community Development (DECD) to operate an incubator facility. DECD currently contracts with CCAT as the sole recipient to administer the small business incubator program, but does have the authority to contract with other entities. To the extent that another entity becomes more financially attractive in the future, the state could forgo savings or expanded services.

The bill also limits the businesses eligible to receive grants from CCAT to those operating within the incubator facility established by CCAT. CCAT currently has two facilities in which small business incubators are located. According to DECD, 17 of 22 grant recipients were not located at CCAT facilities in FY 08. These facilities received approximately \$657,000 and would no longer be eligible to do so.

It should be noted that sHB 6365, the budget bill as favorably reported by the Appropriations Committee, includes funding in the amount of \$500,000 for the Small Business Incubator program in FY 10 and FY 11.

*Sources: Connecticut Center for Advanced Technology  
Department of Economic & Community Development*

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**OLR Bill Analysis****sSB 579*****AN ACT PROVIDING FUNDS FOR THE SMALL BUSINESS  
INCUBATOR PROGRAM.*****SUMMARY:**

The law requires the Department of Economic and Community Development (DECD) to establish a grant program for entities operating small business incubator facilities, which provide research and other services to assist small technology-based companies. Under current law, DECD may contract with another person or entity to operate the program. This bill expressly requires DECD to provide the grants to the Connecticut Center for Advanced Technology (CCAT) to operate an incubator facility and eliminates DECD's authority to contract with another person or entity to operate the program.

The bill requires CCAT, instead of DECD or a program operator, to provide grants to assist small businesses operating within its incubator facility. The grants continue to be (1) subject to the availability of funds; (2) in accordance with DECD guidelines; and (3) for operating funds and related services, including business plan preparation, financing assistance, and management counseling. The bill eliminates the requirement that entities apply for the grants as the DECD commissioner prescribes.

EFFECTIVE DATE: July 1, 2010

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute Change of Reference

Yea 19 Nay 1 (03/10/2009)

Appropriations Committee

Joint Favorable Substitute

Yea 40 Nay 13 (04/15/2009)