Substitute House Bill No. 5028

Public Act No. 10-55

AN ACT CONCERNING THE DEVELOPMENT OF THE CREATIVE ECONOMY.

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

Section 1. (*Effective from passage*) (a) For purposes of this section:

(1) "Creative economy" (A) includes the cultural goods and services produced and distributed by artists, cultural nonprofit organizations, and creative individuals and businesses that impact the economy by generating jobs and revenue and improving the quality of life, and (B) consists of a creative cluster, a creative workforce and a creative community;

(2) "Creative cluster" means a grouping of creative, cultural and innovative individuals or enterprises that directly or indirectly produce or provide cultural ideas, works or services;

(3) "Creative workforce" means individuals who are trained in specific cultural and artistic skills and drive the success of leading industries that include, but are not limited to, arts and culture; and

(4) "Creative community" means a geographic area with a concentration of creative workers, creative businesses and cultural organizations.

(b) There is established a task force to study the creative economy in this state. The task force shall (1) perform an economic analysis of the cultural industries and cultural workforce in this state; (2) examine the economic force of the cultural sector in this state; (3) analyze methods by which to brand this state as a leader in the creative economy; (4) attempt to foster and demonstrate the cultural sector and its ability to attract economic activity to this state; (5) develop education and career paths for creative industries; and (6) explore methods by which to expand the creative workforce and creative economy in order to create more jobs in this state.

(c) The task force shall consist of the following members:

(1) One appointed by the speaker of the House of Representatives;

(2) One appointed by the president pro tempore of the Senate;

(3) One appointed by the majority leader of the House of Representatives;

(4) One appointed by the majority leader of the Senate;

(5) One appointed by the minority leader of the House of Representatives;

(6) One appointed by the minority leader of the Senate;

(7) The Commissioner of Economic and Community Development, or the commissioner's designee;

(8) The Commissioner of Higher Education, or the commissioner's designee;

(9) The executive director of the Connecticut Commission on Culture and Tourism, or the executive director's designee;

(10) An administrator or faculty member from the arts department of The University of Connecticut, who shall be appointed by the Commissioner of Higher Education;

(11) An administrator or faculty member from the arts department of the Connecticut State University System, who shall be appointed by the Commissioner of Higher Education;

(12) An administrator or faculty member from the arts department of one of the regional community-technical colleges, who shall be appointed by the Commissioner of Higher Education;

(13) An administrator or faculty member from the arts department of three of the nonprofit independent institutions of higher education in this state, who shall be appointed by the Commissioner of Higher Education;

(14) Five representatives of the regional arts councils in this state that are identified as regional arts councils by the Connecticut Commission on Culture and Tourism, who shall be designated by such regional arts councils;

(15) A representative of the Office of Workforce Competitiveness, who shall be appointed by the Governor; and

(16) A designee of the Labor Commissioner who has experience in labor market information.

(d) All appointments to the task force shall be made no later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.

(e) One chairperson of the task force shall be the Commissioner of Economic and Community Development. The speaker of the House of Representatives and the president pro tempore of the Senate shall

select the second chairperson of the task force from among the members of the task force. Such chairpersons shall schedule the first meeting of the task force, which shall be held no later than sixty days after the effective date of this section.

(f) The administrative staff of the Department of Economic and Community Development and the Office of Workforce Competitiveness shall serve as administrative staff of the task force by means of a reallocation of funding from other agency accounts or programs. The Department of Economic and Community Development, by reallocating funding from other agency accounts or programs, shall be the lead agency for purposes of conducting the study described in subsection (b) of this section.

(g) Not later than February 1, 2011, and annually thereafter, for five years, the task force shall submit a report on its findings and recommendations to the joint standing committees of the General Assembly having cognizance of matters relating to higher education and employment advancement and commerce, in accordance with the provisions of section 11-4a of the general statutes. The task force shall terminate on the date that it submits such report or February 1, 2016, whichever is later.

Sec. 2. Section 32-4e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

(a) As used in sections 32-4f to 32-4h, inclusive, "economic cluster" means a grouping of industries linked together through customer, supplier or other relationships.

(b) As used in sections 32-1m, as amended by this act, and 32-1o, as amended by this act, "creative cluster" means a grouping of creative, cultural and innovative individuals or enterprises that directly or indirectly produce or provide cultural ideas, works or services.

Sec. 3. Subsection (a) of section 32-1m of the 2010 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

(a) Not later than February 1, 2006, and annually thereafter, the Commissioner of Economic and Community Development shall submit a report to the Governor and the General Assembly, in accordance with the provisions of section 11-4a. Not later than thirty days after submission of the report to the Governor and the General Assembly, said commissioner shall post the report on the Department of Economic and Community Development's web site. Said report shall include, but not be limited to, the following information with regard to the activities of the Department of Economic and Community Development during the preceding state fiscal year:

(1) A brief description and assessment of the state's economy during such year, utilizing the most recent and reasonably available data, and including:

(A) Connecticut employment by industry;

(B) Connecticut and national average unemployment;

(C) Connecticut gross state product, by industry;

(D) Connecticut productivity, by industry, compared to the national average;

(E) Connecticut manufacturing activity;

(F) Identification of economic and competitive conditions affecting Connecticut's industry sectors, problems resulting from these conditions and state efforts to address the problems;

(G) A brief summary of Connecticut's competitiveness as a place for business, which shall include, but not be limited to, an evaluation of (i)

how the programs and policies of state government affect the state economy and state business environment, (ii) the ability of the state to retain and attract businesses, (iii) the steps taken by other states to improve the competitiveness of such states as places for business, and (iv) programs and policies the state could implement to improve the competitiveness of the state in order to encourage economic growth; and

(H) Any other economic information that the commissioner deems appropriate.

(2) A statement of the department's economic and community development objectives, measures of program success and standards for granting financial and nonfinancial assistance under programs administered by the department.

(3) An analysis of the economic development portfolio of the department, including:

(A) A list of the names, addresses and locations of all recipients of the department's assistance;

(B) The following information concerning each recipient of such assistance: (i) Business activities, (ii) standard industrial classification codes or North American industrial classification codes, (iii) number of full-time jobs and part-time jobs at the time of application, (iv) number of actual full-time jobs and actual part-time jobs during the preceding state fiscal year, (v) whether the recipient is a minority or woman-owned business, (vi) a summary of the terms and conditions for the assistance, including the type and amount of state financial assistance, job creation or retention requirements and anticipated wage rates, (vii) the amount of investments from private and other nonstate sources that have been leveraged by the assistance, (viii) the extent to which employees of the recipient participate in health benefit plans offered

by such recipient, (ix) the extent to which the recipient offers unique economic, social, cultural or aesthetic attributes to the municipality in which the recipient is located or to the state, and (x) the amount of state investment;

(C) A portfolio analysis, including (i) an analysis of the wages paid by recipients of financial assistance, (ii) the average portfolio wage, median portfolio wage, highest and lowest portfolio wage, (iii) portfolio wage data by industry, and (iv) portfolio wage data by municipality;

(D) An investment analysis, including (i) total portfolio value, (ii) total investment by industry, (iii) portfolio dollar per job average, (iv) portfolio leverage ratio, and (v) percentage of financial assistance which was provided to high performance work organizations in the preceding state fiscal year; and

(E) An analysis of the estimated economic effects of the department's economic development investments on the state's economy, including (i) contribution to gross state product for the total economic development portfolio and for any investment activity occurring in the preceding state fiscal year, (ii) direct and indirect employment created by the investments for the total portfolio and for any investment activity occurring in the preceding state fiscal year, (iii) productivity of recipients of financial assistance as a result of the department's investment occurring in the preceding state fiscal year, (iv) directly or indirectly increased property values in the municipalities in which the recipients of assistance are located, and (v) personal income.

(4) An analysis of the community development portfolio of the department, including:

(A) A list of the names, addresses and locations of all recipients of

the department's assistance;

(B) The following information concerning each recipient of such assistance: (i) Amount of state investment, (ii) a summary of the terms and conditions for the department's assistance, including the type and amount of state financial assistance, and (iii) the amount of investments from private and other nonstate sources that have been leveraged by such assistance;

(C) An investment analysis, including (i) total active portfolio value, (ii) total investments made in the preceding state fiscal year, (iii) total portfolio by municipality, (iv) total investments made in the preceding state fiscal year categorized by municipality, (v) total portfolio leverage ratio, and (vi) leverage ratio of the total investments made in the preceding state fiscal year; and

(D) An analysis of the estimated economic effects of the department's economic development investments on the state's economy, including (i) contribution to gross state product for the total portfolio and for any investment activity occurring in the preceding state fiscal year, (ii) direct and indirect employment created by the investments for the total portfolio and for any investment activity occurring in the preceding state fiscal year, (iii) productivity of recipients of financial assistance as a result of the department's investment occurring in the preceding state fiscal year, (iv) directly or indirectly increased property values in the municipalities in which the recipients are located, and (v) personal income.

(5) A summary of the department's economic and community development marketing efforts in the preceding state fiscal year, a summary of the department's business recruitment strategies and activities in such year, and a summary of the department's efforts to assist small businesses and minority business enterprises in such year.

(6) A summary of the department's international trade efforts in the preceding state fiscal year, and, to the extent possible, a summary of foreign direct investment that occurred in the state in such year.

(7) Identification of existing economic and creative clusters, as defined in section 32-4e, as amended by this act, the formation of new economic and creative clusters, the measures taken by the commissioner during the preceding state fiscal year to encourage the growth of economic and creative clusters and the amount of bond funds expended by the department during the previous fiscal year on each economic and creative cluster.

(8) (A) A summary of the department's brownfield-related efforts and activities within the Office of Brownfield Remediation and Development established pursuant to subsections (a) to (f), inclusive, of section 32-9cc in the preceding state fiscal year, except for activity under the Special Contaminated Property Remediation and Insurance Fund program. Such efforts shall include, but not be limited to, (i) total portfolio investment in brownfield remediation projects, (ii) total investment in brownfield remediation projects in the preceding state fiscal year, (iii) total number of brownfield remediation projects, (iv) total number of brownfield remediation projects in the preceding state fiscal year, (v) total of reclaimed and remediated acreage, (vi) total of reclaimed and remediated acreage in the preceding state fiscal year, (vii) leverage ratio for the total portfolio investment in brownfield remediation projects, and (viii) leverage ratio for the total portfolio investment in brownfield remediation projects in the preceding state fiscal year. Such summary shall include a list of such brownfield remediation projects and, for each such project, the name of the developer and the location by street address and municipality and a tracking of all funds administered through or by said office;

(B) A summary of the department's efforts with regard to the Special Contaminated Property Remediation and Insurance Fund,

including, but not limited to, (i) the number of applications received in the preceding state fiscal year, (ii) the number and amounts of loans made in such year, (iii) the names of the applicants for such loans, (iv) the average time period between submission of application and the decision to grant or deny the loan, (v) a list of the applications approved and the applications denied and the reasons for such denials, and (vi) for each project, the location by street address and municipality; and

(C) A summary of the department's efforts with regard to the dry cleaning grant program, established pursuant to section 12-263m, including, but not limited to, (i) information as to the number of applications received, (ii) the number and amounts of grants made since the inception of the program, (iii) the names of the applicants, (iv) the time period between submission of application and the decision to grant or deny the loan, (v) which applications were approved and which applications were denied and the reasons for any denials, and (vi) a recommendation as to whether the surcharge and grant program established pursuant to section 12-263m should continue.

(9) The following information concerning enterprise zones designated under section 32-70:

(A) A statement of the current goals for enterprise zones;

(B) A statement of the current performance standards to measure the progress of municipalities that have enterprise zones in attaining the goals for such zones;

(C) A report from each municipality that has an enterprise zone, which evaluates the progress of the municipality in meeting the performance standards established under section 32-70a; and

(D) An assessment of the performance of each enterprise zone based

on information collected under subparagraph (C) of this subdivision.

(10) With regard to the grant program designated pursuant to sections 32-324a to 32-324e, inclusive, an assessment of program performance.

(11) With regard to the fuel diversification program designated pursuant to section 32-324g, an assessment of program performance.

(12) With regard to the department's housing-development-related functions and activities:

(A) A brief description and assessment of the state's housing market during the preceding state fiscal year, utilizing the most recent and reasonably available data, and including, but not limited to, (i) a brief description of the significant characteristics of such market, including supply, demand and condition and cost of housing, and (ii) any other information that the commissioner deems appropriate;

(B) A comprehensive assessment of current and future needs for rental assistance under section 8-119kk for housing projects for the elderly and disabled, in consultation with the Connecticut Housing Finance Authority;

(C) An analysis of the progress of the public and private sectors toward meeting housing needs in the state, using building permit data from the United States Census Bureau and demolition data from Connecticut municipalities;

(D) A list of municipalities that meet the affordable housing criteria set forth in subsection (k) of section 8-30g, pursuant to regulations that the Commissioner of Economic and Community Development shall adopt pursuant to the provisions of chapter 54. For the purpose of determining the percentage required by subsection (k) of said section 8-30g, the commissioner shall use as the denominator the number of

dwelling units in the municipality, as reported in the most recent United States decennial census; and

(E) A statement of the department's housing development objectives, measures of program success and standards for granting financial and nonfinancial assistance under programs administered by said commissioner.

(13) A presentation of the state-funded housing development portfolio of the department, including:

(A) A list of the names, addresses and locations of all recipients of such assistance; and

(B) For each such recipient, (i) a summary of the terms and conditions for the assistance, including the type and amount of state financial assistance, (ii) the amount of investments from private and other nonstate sources that have been leveraged by the assistance, (iii) the number of new units to be created and the number of units to be preserved at the time of the application, and (iv) the number of actual new units created and number of units preserved.

(14) An analysis of the state-funded housing development portfolio of the department, including:

(A) An investment analysis, including the (i) total active portfolio value, (ii) total investment made in the preceding state fiscal year, (iii) portfolio dollar per new unit created, (iv) estimated dollars per new unit created for projects receiving an assistance award in the preceding state fiscal year, (v) portfolio dollars per unit preserved, (vi) estimated dollar per unit preserved for projects receiving an assistance award in the preceding state fiscal year, (vii) portfolio leverage ratio, and (viii) leverage ratio for housing development investments made in the preceding state fiscal year; and

(B) A production and preservation analysis, including (i) the total number of units created, itemized by municipality, for the total portfolio and projects receiving an assistance award in the preceding state fiscal year, (ii) the total number of elderly units created for the total portfolio and for projects receiving an assistance award in the preceding state fiscal year, (iii) the total number of family units created for the total portfolio and for projects receiving an assistance award in the preceding state fiscal year, (iv) the total number of units preserved, itemized by municipality, for the total portfolio and projects receiving an assistance award in the preceding state fiscal year, (v) the total number of elderly units preserved for the total portfolio and for projects receiving an assistance award in the preceding state fiscal year, (vi) the total number of family units preserved for the total portfolio and for projects receiving an assistance award in the preceding state fiscal year, (vii) an analysis by income group of households served by the department's housing construction, substantial rehabilitation, purchase and rental assistance programs, for each housing development, if applicable, and for each program, including number of households served under each program by race and data for all households, and (viii) a summary of the department's efforts in promoting fair housing choice and racial and economic integration, including data on the racial composition of the occupants and persons on the waiting list of each housing project that is assisted under any housing program established by the general statutes or a special act or that is supervised by the department, provided no information shall be required to be disclosed by any occupant or person on a waiting list for the preparation of such summary. As used in this subparagraph, "elderly units" means dwelling units for which occupancy is restricted by age, and "family units" means dwelling units for which occupancy is not restricted by age.

(15) An economic impact analysis of the department's housing development efforts and activities, including, but not limited to:

(A) The contribution of such efforts and activities to the gross state product;

(B) The direct and indirect employment created by the investments for the total housing development portfolio and for any investment activity for such portfolio occurring in the preceding state fiscal year; and

(C) Personal income in the state.

(16) With regard to the Housing Trust Fund and Housing Trust Fund program, as those terms are defined in section 8-336m:

(A) Activities for the prior fiscal year of the Housing Trust Fund and the Housing Trust Fund program; and

(B) The efforts of the department to obtain private support for the Housing Trust Fund and the Housing Trust Fund program.

(17) With regard to the department's energy conservation loan program:

(A) The number of loans or deferred loans made during the preceding fiscal year under each component of such program and the total amount of the loans or deferred loans made during such fiscal year under each such component;

(B) A description of each step of the loan or deferred loan application and review process;

(C) The location of each loan or deferred loan application intake site for such program;

(D) The average time period for the processing of loan or deferred loan applications during such fiscal year; and

(E) The total administrative expenses of such program for such fiscal year.

(18) An assessment of the performance of the Connecticut qualified biodiesel producer incentive account grant program established pursuant to sections 32-324a to 32-324e, inclusive.

(19) An assessment of the performance of the fuel diversification grant program established pursuant to section 32-324g.

(20) A summary of the total social and economic impact of the department's efforts and activities in the areas of economic, community and housing development, and an assessment of the department's performance in terms of meeting its stated goals and objectives.

Sec. 4. Subsection (c) of section 32-1o of the 2010 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

(c) The strategic plan required under this section shall include, but not be limited to, the following:

(1) A review and evaluation of the economy of the state. Such review and evaluation shall include, but not be limited to, a sectoral analysis, housing market and housing affordability analysis, labor market and labor quality analysis, demographic analysis and include historic trend analysis and projections;

(2) A review and analysis of factors, issues and forces that impact or impede economic development and responsible growth in Connecticut and its constituent regions. Such factors, issues or forces shall include, but not be limited to, transportation, including, but not limited to, commuter transit, rail and barge freight, technology transfer, brownfield remediation and development, health care delivery and

costs, early education, primary education, secondary and postsecondary education systems and student performance, business regulation, labor force quality and sustainability, social services costs and delivery systems, affordable and workforce housing cost and availability, land use policy, emergency preparedness, taxation, availability of capital and energy costs and supply;

(3) Identification and analysis of economic and creative clusters, as defined in section 32-4e, as amended by this act, that are growing or declining within the state;

(4) An analysis of targeted industry sectors in the state that (A) identifies those industry sectors that are of current or future importance to the growth of the state's economy and to its global competitive position, (B) identifies what those industry sectors need for continued growth, and (C) identifies, those industry sectors current and potential impediments to growth;

(5) A review and evaluation of the economic development structure in the state, including, but not limited to, (A) a review and analysis of the past and current economic, community and housing development structures, budgets and policies, efforts and responsibilities of its constituent parts in Connecticut; and (B) an analysis of the performance of the current economic, community and housing development structure, and its individual constituent parts, in meeting its statutory obligations, responsibilities and mandates and their impact on economic development and responsible growth in Connecticut;

(6) Establishment and articulation of a vision for Connecticut that identifies where the state should be in five, ten, fifteen and twenty years;

(7) Establishment of clear and measurable goals and objectives for

the state and regions, to meet the short and long-term goals established under this section and provide clear steps and strategies to achieve said goals and objectives, including, but not limited to, the following: (A) The promotion of economic development and opportunity, (B) the fostering of effective transportation access and choice including the use of airports and ports for economic development, (C) enhancement and protection of the environment, (D) maximization of the effective development and use of the workforce consistent with applicable state or local workforce investment strategy, (E) promotion of the use of technology in economic development, including access to high-speed telecommunications, and (F) the balance of resources through sound management of physical development;

(8) Prioritization of goals and objectives established under this section;

(9) Establishment of relevant measures that clearly identify and quantify (A) whether a goal and objective is being met at the state, regional, local and private sector level, and (B) cause and effect relationships, and provides a clear and replicable measurement methodology;

(10) Recommendations on how the state can best achieve goals under the strategic plan and provide cost estimates for implementation of the plan and the projected return on investment for those areas;

(11) A review and evaluation of the operation and efficacy of the urban jobs program established pursuant to sections 32-9i to 32-9*l*, inclusive, enterprise zones established pursuant to section 32-70, railroad depot zones established pursuant to section 32-75a, qualified manufacturing plants designated pursuant to section 32-75c, entertainment districts established pursuant to section 32-76 and enterprise corridor zones established pursuant to section 32-80. The review and evaluation of enterprise zones shall include an analysis of

enterprise zones that have been expanded to include an area in a contiguous municipality or in which there are base or plant closures; and

(12) Any other responsible growth information that the commissioner deems appropriate.

Sec. 5. Subsection (a) of section 4-124z of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

(a) The Office of Workforce Competitiveness, the Labor Commissioner, the Commissioners of Economic and Community Development, Education and Social Services, the Secretary of the Office of Policy and Management and the Chancellor of the regional community-technical colleges, in consultation with the superintendent of the vocational-technical school system and one member of industry representing each of the economic <u>and creative</u> clusters identified by the Commissioner of Economic and Community Development pursuant to section 32-1m<u>, as amended by this act,</u> shall (1) review, evaluate and, as necessary, recommend improvements for certification and degree programs offered by the vocational-technical school system and the community-technical college system to ensure that such programs meet the employment needs of business and industry, and (2) develop strategies to strengthen the linkage between skill standards for education and training and the employment needs of business and industry.

Vetoed May 27, 2010