

TESTIMONY PRESENTED TO THE COMMERCE COMMITTEE

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Testimony Supporting House Bill No. 1001

AN ACT CREATING THE FIRST FIVE PROGRAM

Senator LeBeau, Representative Berger and distinguished members of the Commerce Committee, thank you for the opportunity to offer testimony on Senate Bill No. 1001, An Act Creating the First Five Program.

As you well know, Connecticut has a poor history of job creation. Employment in our state today is virtually unchanged from the levels that existed in the state in the late 1980s. During the most recent recession, our state lost 103,000 jobs and thus far has gained relatively few positions back. Governor Malloy wanted to take aggressive steps to turn-around this poor record of job creation with a robust program of incentives right from the start of his Administration, primarily by creating a "land-rush" level of excitement to be made available to the first five business entities that commit to our state. Under his proposed program, the commissioner of the Department of Economic and Community Development (DECD), with the written consent of the Governor, will be authorized to augment and combine existing incentive and tax credit programs to attract business development projects that commit to creating:

- Not fewer than 200 new jobs within two years, or
- Making a minimum investment of not less than \$25 million that results in the creation of not fewer than 200 new jobs within five years.

If those conditions are met, the commissioner will be given discretion to override statutory limitations on the levels of direct financial assistance or tax credit program requirements for the first five. In order to fast-track job creation, the first five entities will be exempt from certain statutory requirements that can also delay the delivery of incentive packages.

The bill also would raise the dollar caps on certain tax credits so the state is not constrained in offering a full array of incentives. This includes:

- Raising the cap on the total credits that can be granted under the Urban and Industrial Site Reinvestment Tax Credit Program from \$500 million to \$750 million;
- Raising the annual cap on the Job Creation Tax Credit Program from \$11 million to \$20 million.