



Senate

General Assembly

File No. 24

February Session, 2012

Senate Bill No. 75

Senate, March 13, 2012

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING A "CONNECTICUT-MADE" MARKETING CAMPAIGN.

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

1 Section 1. (NEW) (*Effective October 1, 2012*) The Commissioner of
2 Economic and Community Development shall establish and
3 administer a program to promote the marketing of products produced
4 in Connecticut for the purpose of encouraging the development of
5 manufacturing and production in the state. The commissioner may,
6 within available appropriations, provide a grant-in-aid to any person,
7 firm, partnership or corporation engaged in the promotion and
8 marketing of such products, provided the words "CONNECTICUT-
9 MADE" or "CT-Made" are clearly incorporated in such promotional
10 and marketing activities. The commissioner shall (1) provide for the
11 design, plan and implementation of a multiyear, state-wide marketing
12 and advertising campaign, including, but not limited to, television and
13 radio advertisements, promoting the availability of, and advantages of
14 purchasing, Connecticut-made products, (2) establish and

15 continuously update a web site connected with such advertising
16 campaign that includes, but is not limited to, a comprehensive listing
17 of Connecticut manufacturers, Connecticut-made products, and
18 Connecticut retailers selling Connecticut-made products, (3) direct
19 Connecticut manufacturers and producers of Connecticut-made
20 products in need of assistance to the appropriate economic
21 development entity or state agency, and (4) conduct efforts to promote
22 interaction and business relationships between Connecticut
23 manufacturers and producers of Connecticut-made products and
24 retailers, marketers, chambers of commerce, regional tourism districts
25 and other potential institutional purchasers of Connecticut-made
26 products, including, but not limited to, (A) linking Connecticut
27 manufacturers and producers of Connecticut-made products with
28 potential purchasers through a separate feature of the web site
29 established pursuant to this section, and (B) organizing state-wide or
30 regional events promoting Connecticut manufacturers and producers
31 of Connecticut-made products, where such manufacturers, producers
32 and institutional purchasers are invited to participate. The
33 commissioner shall use his best efforts to solicit cooperation and
34 participation from Connecticut manufacturers, producers of
35 Connecticut-made products, retailers, marketers, chambers of
36 commerce and regional tourism districts in such advertising, Internet-
37 related and event planning efforts, including, but not limited to,
38 soliciting private sector matching funds. The commissioner shall
39 administer this program within available appropriations. The
40 commissioner shall report annually to the joint standing committee of
41 the General Assembly having cognizance of matters relating to
42 commerce on issues with respect to efforts undertaken pursuant to the
43 requirements of this section, including, but not limited to, the amount
44 of private matching funds received and expended by the department.
45 The commissioner may adopt, in accordance with chapter 54 of the
46 general statutes, such regulations as he deems necessary to carry out
47 the purposes of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2012</i>	New section

CE *Joint Favorable*

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.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Department of Economic & Community Development	GF - Potential Cost	Approximately 217,500	Approximately 290,000
State Comptroller - Fringe Benefits ¹	GF - Potential Cost	Approximately 17,532	Approximately 23,376

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Department of Economic and Community Development (DECD) to administer a “Connecticut-Made” (or “CT-Made”) program within available appropriations. If the bill were to be implemented the cost to DECD would be up to \$235,000 in FY 13 and \$313,400 annually thereafter.

Assuming the CT-Made program would mirror the “Connecticut Grown” program, the annual cost to the Department would be \$110,000 for operation costs and grants and one staff to administer with a salary of \$80,000 plus \$23,376 in fringes.

Additionally, the cost to produce a statewide marketing campaign is estimated to be approximately \$100,000 annually, depending on the

¹ The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated non-pension fringe benefit cost associated with personnel changes is 29.22% of payroll in FY 13 and FY 14. In addition, there could be an impact in liability to the state’s applicable pension funds which would be recognized in the state's annual required pension contribution as of FY 14.

scope of the campaign.²

This cost may potentially be offset by the following funding sources/issues:

1. The bill allows DECD to solicit private funds for use in the administration of the program.
2. Additionally, the bill provides the Commissioner of DECD with discretion over the issuance of grants to people and organizations agreeing to use the term "CT-Made."

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

²The Department currently conducts marketing initiatives that are funded through the Statewide Marketing account. The FY 12 appropriation to the statewide marketing account is \$15.0 million. This funding is projected to be fully expended by the end of the fiscal year.

OLR Bill Analysis**SB 75*****AN ACT CONCERNING A "CONNECTICUT-MADE" MARKETING CAMPAIGN*****SUMMARY:**

This bill requires the Department of Economic and Community Development (DECD) commissioner to encourage the development of the state's manufacturing and production sectors by establishing and administering a program that promotes the marketing of Connecticut-made products.

The program must provide a marketing plan and website; help manufacturers access state economic development programs; and foster relationships between them and retailers, business associations, and other specified groups. The commissioner must engage these groups in running the program, including soliciting matching funds. She may provide grants to individuals and private organizations that market Connecticut-made products.

The commissioner must administer the program, including the grants, within available appropriations, and submit annual reports to the Commerce Committee on the program's activities. She may also adopt implementing regulations.

EFFECTIVE DATE: October 1, 2012

PROGRAM COMPONENTS

The bill specifies the components the commissioner must include in the program. She must:

1. provide for the design, planning, and implementation of a multiyear, state-wide marketing and advertising plan that

includes television and radio advertisements showcasing Connecticut-made products and the advantages they offer;

2. establish and continuously update an associated website that lists Connecticut manufacturers, the products they make, and the retailers that sell them;
3. help Connecticut manufacturers and producers needing assistance access the appropriate economic development organizations; and
4. foster contacts and relationships between businesses making or producing Connecticut products and retailers, marketers, chambers of commerce, regional tourism districts, and other potential institutional customers (i.e., program stakeholders).

The last component includes providing a feature on the website linking Connecticut manufacturers and producers with potential buyers and staging statewide or regional promotional events where these groups can participate.

In addition to these required components, the bill allows the commissioner to make grants to individuals and businesses that promote and market Connecticut-made products. Grant recipients must clearly incorporate the phrases, "CONNECTICUT-MADE" or "CT-Made" in their promotional and marketing activities.

BUSINESS PARTICIPATION

The bill requires the commissioner to engage the program's stakeholders in its activities. She must make her best efforts to solicit their cooperation and participation in advertising Connecticut products, developing the website, and planning events, including soliciting private funds to match state funds.

ANNUAL REPORTS

The bill requires the commissioner to submit annual status reports to the Commerce Committee but does not specify a reporting deadline.

The report must describe the program's activities and the amount of private matching funds DECD received and spent.

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 16 Nay 0 (03/01/2012)