



# Senate

General Assembly

**File No. 35**

February Session, 2012

Substitute Senate Bill No. 221

*Senate, March 19, 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 substitute bill ought to pass.

***AN ACT CONCERNING CERTAIN ECONOMIC INCENTIVES FOR RELOCATING JOBS THAT ARE OUTSIDE OF THE UNITED STATES TO THE STATE.***

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

1 Section 1. Subsection (a) of section 32-41 of the 2012 supplement to  
2 the general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective from passage*):

4 (a) (1) The Department of Economic and Community Development  
5 shall establish a first five plus program to encourage business  
6 expansion and job creation. As part of said program, the department  
7 may provide substantial financial assistance to up to ten eligible  
8 business development projects in the fiscal year ending June 30, 2012,  
9 and up to five eligible business development projects in the fiscal year  
10 ending June 30, 2013.

11 (2) A business development project eligible for financial assistance  
12 under the first five plus program shall commit, in the manner

13 prescribed by the Commissioner of Economic and Community  
14 Development, to (A) create not less than two hundred new jobs within  
15 twenty-four months from the date such application is approved; or (B)  
16 invest not less than twenty-five million dollars and create not less than  
17 two hundred new jobs within five years from the date such application  
18 is approved.

19 (3) The Commissioner of Economic and Community Development  
20 may give preference to a business development project that (A)  
21 involves the relocation of an out-of-state or international manufacturer  
22 or corporate headquarters, (B) involves the relocation of jobs that are  
23 outside of the United States to the state, or [(B)] (C) is a redevelopment  
24 project if the commissioner believes such redevelopment project will  
25 create jobs sooner than the schedule set forth in subdivision (2) of this  
26 subsection.

27 (4) The Commissioner of Economic and Community Development  
28 may, in awarding financial assistance to an eligible business  
29 development project, work with the Connecticut Development  
30 Authority and Connecticut Innovations, Incorporated, to secure  
31 financing for such project.

32 (5) The Commissioner of Economic and Community Development  
33 shall certify to the Governor for his or her approval that a business  
34 development project applicant has satisfied all the eligibility criteria in  
35 the program. Financial assistance awarded through the first five plus  
36 program shall be with the written consent of the Governor.

37 Sec. 2. Subsection (a) of section 32-235 of the 2012 supplement to the  
38 general statutes is repealed and the following is substituted in lieu  
39 thereof (*Effective from passage*):

40 (a) For the purposes described in subsection (b) of this section, the  
41 State Bond Commission shall have the power, from time to time to  
42 authorize the issuance of bonds of the state in one or more series and  
43 in principal amounts not exceeding in the aggregate one billion fifteen  
44 million three hundred thousand dollars, provided one hundred forty

45 million dollars of said authorization shall be effective July 1, 2011, and  
 46 twenty million dollars of said authorization shall be made available for  
 47 small business development. Two hundred eighty million dollars of  
 48 said authorization shall be effective July 1, 2012, and forty million  
 49 dollars of said authorization shall be made available for small business  
 50 development and twenty million dollars of said authorization shall be  
 51 made available for businesses that commit to relocating one hundred  
 52 or more jobs that are outside of the United States to the state. Any  
 53 amount of said authorizations that are required to be made available  
 54 for small business development or businesses that commit to  
 55 relocating one hundred or more jobs that are outside of the United  
 56 States to the state but are not exhausted for such purpose by the first  
 57 day of the fiscal year subsequent to the fiscal year in which such  
 58 amount was made available shall be used for the purposes described  
 59 in subsection (b) of this section. For purposes of this subsection, a  
 60 "small business" is one employing not more than fifty employees.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	32-41(a)
Sec. 2	<i>from passage</i>	32-235(a)

**Statement of Legislative Commissioners:**

In section 2, changed "any business that commits" to "businesses that commit" for clarity and to reflect the intent of the committee.

**CE**      *Joint Favorable Subst.-LCO*

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:** None**Municipal Impact:** None**Explanation**

The bill has no fiscal impact by allowing the Commissioner of Economic and Community Development to give preference under the "First Five Plus" program to business projects that plan to relocate jobs from other countries to Connecticut.

The changes to the bond provisions for the Manufacturing Assistance Act (MAA) program have no fiscal impact because they do not authorize additional General Obligation (GO) bonds for the program.

**The Out Years****State Impact:** None**Municipal Impact:** None

**OLR BILL ANALYSIS****sSB 221*****AN ACT CONCERNING CERTAIN ECONOMIC INCENTIVES FOR RELOCATING JOBS THAT ARE OUTSIDE OF THE UNITED STATES TO THE STATE*****SUMMARY:**

This bill allows the economic and community development commissioner to give a preference under the “First Five Plus” program to businesses proposing projects that will relocate overseas jobs to Connecticut. Under the program, the commissioner can provide loans, tax incentives, and other forms of economic development assistance to businesses committing to create jobs and invest capital within the law’s timeframes.

By law, a business, including one relocating overseas jobs to Connecticut, qualifies for First Five assistance if it commits to:

1. create at least 200 jobs within 24 months after the commissioner approves the assistance or
2. invest at least \$25 million and create at least 200 new jobs within five years after the commissioner approved the assistance.

Under current law, the commissioner can give a preference to a:

1. manufacturer from another state or country relocating to Connecticut,
2. business relocating a corporate headquarters here, or
3. business “redevelopment project” that she believes can meet the program’s job creation and investment criteria sooner.

The bill extends the commissioner’s authority to give preferences to

businesses relocating overseas jobs here.

The bill also reserves \$20 million from an existing FY 13 \$280 million economic development bond authorization for businesses that propose to relocate at least 100 overseas jobs to Connecticut. Any balance remaining in this \$20 million reservation after FY 13 must be used to fund economic development projects.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable

Yea 16 Nay 0 (03/01/2012)