
OLR Bill Analysis

sHB 5269 (as amended by House "A")*

AN ACT CONCERNING REPORTING REQUIREMENTS AND ENFORCING JOB CREATION COMMITMENTS ON CERTAIN STATE-SPONSORED PROJECTS

SUMMARY:

This bill imposes new accountability requirements on certain economic development projects and programs. It requires businesses committing to create at least 200 new jobs under the "First Five Plus" Program to commit to maintain them for at least one year after creating the 200th job. The program provides substantial financial assistance to businesses committing to create (1) at least 200 jobs within 24 months after receiving assistance or (2) at least that number of jobs and invest at least \$25 million within five years after receiving the assistance.

The program is administered by the Department of Economic and Community Development (DECD). The bill requires, rather than allows, the DECD commissioner to take any steps she deems necessary to ensure that a business receiving First Five Plus assistance meets the job creation and, if applicable, the investment goals.

Lastly, the bill requires the commissioner to report on the status and economic impact of all projects and programs receiving \$10 million or more in DECD funding. She must do so by (1) submitting monthly reports on these projects to the governor and legislature, starting October 1, 2012, and (2) including a separate section on these projects in her annual report to the legislature.

*House Amendment "A" specifies that (1) a business must commit to maintaining at least 200 jobs for at least one year after creating the 200th job and (2) the enforcement requirement applies to the business' commitment to create or maintain new jobs or invest a specified amount as a condition for First Five Plus assistance. It also makes a technical change

EFFECTIVE DATE: Upon passage

NEW REPORTING REQUIREMENTS

Monthly Report

The bill requires the DECD commissioner to report monthly and annually on projects and programs that received \$10 million or more in DECD funding. The monthly reports must track each project or program that received \$10 million or more during the current fiscal year. At a minimum, the report must indicate:

1. DECD's original investment,
2. additional funds DECD provided,
3. the status of any project- or program-related construction, and
4. the number of jobs the project or program expects to create.

The monthly reports go to the governor and the legislature, starting October 1, 2012.

Annual Report

The bill also requires DECD's February 1 annual report to the legislature to include a section on projects and programs that received \$10 million or more in funding during the previous 10 fiscal years. For each project or program meeting the \$10 million criterion, the report must indicate:

1. DECD's original investment;
2. the projected return on that investment;
3. the projected number of jobs the investment is expected to create;
4. the project's or program's status; and
5. the project's or program's economic impact, including the tax revenue it generates and other economic development resulting from the investment.

BACKGROUND

Related Bill

sSB 1 (File 400) authorizes a “First Five Plus” preference for proposed business projects that will relocate overseas jobs to Connecticut and reserves \$20 million from an existing FY 13 bond authorization for such businesses.

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 18 Nay 0 (03/15/2012)