



# Senate

General Assembly

**File No. 25**

February Session, 2012

Substitute Senate Bill No. 226

*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 substitute bill ought to pass.

***AN ACT CONCERNING ECONOMIC DEVELOPMENT ENTITIES AND THE EB-5 IMMIGRANT INVESTOR PROGRAM.***

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

1 Section 1. (NEW) (*Effective July 1, 2012*) On or before July 1, 2015, an  
2 entity designated as a regional center pursuant to Section 203(b)(5) of  
3 the Immigration and Nationality Act, 8 USC 1153(b)(5), shall be  
4 eligible, at the discretion of the Commissioner of Economic and  
5 Community Development, board of directors of the Connecticut  
6 Development Authority, or board of directors of Connecticut  
7 Innovations, Incorporated, as the case may be, for any financial  
8 assistance or grant program administered by the Department of  
9 Economic and Community Development, Connecticut Development  
10 Authority and Connecticut Innovations, Incorporated.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2012</i>	New section
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**CE**      *Joint Favorable Subst.*

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:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 13 \$</b>	<b>FY 14 \$</b>
Department of Economic & Community Development	Various - See Below	Potential Cost	Potential Cost
Department of Revenue Services	GF - Revenue Loss	Potential	Potential

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The bill allows the state's economic development agencies to provide financial assistance from any of their programs to entities designated as "regional centers" under the federal Immigrant Investor Pilot Program. The eligibility period for regional centers is between July 1, 2012 and July 1, 2015.

There is a potential cost/revenue loss if the agencies provide financial assistance from programs that the regional center(s) would otherwise be ineligible to receive. However, the actual impact is uncertain because the level of funding to any particular designated regional center is at the discretion of the leading authorities of the economic development agencies. It is anticipated that the agencies would provide assistance only from programs which are relevant and appropriate to the particular regional center.

The financial assistance available through the state's economic development agencies include, but are not limited to, loans, grants, investment capital, and tax credits.

## **Background**

A regional center is a public or private entity that coordinates foreign investment within a region for the purpose of promoting economic growth and increasing the region's productivity. Currently there are no such regional centers designated in Connecticut.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future until such time that the financial assistance package(s) issued, if any, expire.

**OLR Bill Analysis****sSB 226*****AN ACT CONCERNING ECONOMIC DEVELOPMENT ENTITIES  
AND THE EB-5 IMMIGRANT INVESTOR PROGRAM*****SUMMARY:**

This bill makes “regional centers” approved under the federal Immigrant Investor Pilot Program (P.L. 102-395) eligible for funds under any state economic development program. The pilot program is part of a large program that grants conditional permanent-resident status to immigrants who invest in U.S. businesses that create new full-time jobs. The centers, which can be public or private entities, identify investment opportunities, offer them to immigrant investors, and ensure compliance with federal law.

The bill gives the Department of Economic and Community Development commissioner or the governing boards of directors of the Connecticut Development Authority and Connecticut Innovations, Inc. discretion in awarding this state assistance. (By law, the commissioner chairs both boards.) Under the bill, regional centers qualify for state assistance from July 1, 2012 until July 1, 2015. The authorization for the pilot program expires September 30, 2012. Currently, no centers have been formed in Connecticut.

EFFECTIVE DATE: July 1, 2012

**BACKGROUND*****Regional Centers***

Regional centers are public or private organizations formed to create jobs, promote economic growth, help a region’s businesses operate more productively, and increase capital investments. They address these goals by helping immigrant investors identify investment opportunities. Immigrants investing in a U.S. business

qualify for conditional permanent-resident status, but the job creation criteria vary depending on whether an immigrant invests directly in a business or through a regional center.

Immigrants making direct investments must invest at least \$1 million in a business and participate daily in its management. The business must also create at least 10 new full-time jobs. The job creation criterion is less stringent for investments made through a center. An investment must still create at least 10 new jobs, but the jobs can be in the business receiving the investment or other businesses that benefit from it (i.e., indirect jobs).

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute

Yea 13 Nay 3 (03/01/2012)