

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 13-2—sSB 801**

*Commerce Committee*

*Finance, Revenue and Bonding Committee*

**AN ACT MAKING MANUFACTURING ASSISTANCE ACT FUNDS  
AVAILABLE FOR THE SMALL BUSINESS EXPRESS PROGRAM**

**SUMMARY:** This act authorizes an additional \$60 million in general obligation bonds for the Small Business Express Program (Express), increasing its total bond authorization to \$160 million. It does this by tapping portions of the bonds previously authorized for different purposes under the Manufacturing Assistance Act program (MAA). It specifically (1) reallocates to Express the \$40 million authorized in FY 13 for small business development under MAA and (2) requires \$20 million of the bonds authorized for general MAA purposes to be deposited in Express' account. The Department of Economic and Community Development, which administers the Express program, provides loans from this account.

EFFECTIVE DATE: Upon passage

**BACKGROUND**

*MAA and Express*

MAA and Express differ in several ways. Enacted in 1990, MAA provides grants, loans, loan guarantees, credit extensions, and other types of financing to small and large businesses, nonprofit corporations, municipalities, and regional planning organizations for a range of projects, including developing facilities, acquiring new machines and equipment, diversifying local and regional economies, and supporting research and development.

The amount of funds available for these projects depends on their location. Generally, projects located in the 17 municipalities with enterprise zones qualify for funding for up to 90% of project costs, while those located in other municipalities qualify for funding covering up to 50% of the costs. Funding levels are higher when municipalities collaborate on a project.

Created in 2011, Express provides matching grants and deferrable or forgivable loans under a streamlined application process to Connecticut-based businesses with fewer than 100 employees and that meet other criteria. Grant and loan amounts range from \$10,000 to \$300,000. Eligible businesses can use the funds to acquire machinery and equipment, construct facilities or make leasehold improvements, cover moving expenses, or meet working capital needs (CGS § 32-7g).

OLR Tracking: JR:LH:PF:RO