
OLR Bill Analysis

sSB 304

AN ACT MAXIMIZING JOBS FOR STATE WORKERS BY REQUIRING LOCAL CONSTRUCTION HIRING REPORTS BY RECIPIENTS OF ECONOMIC DEVELOPMENT FUNDS.

SUMMARY:

This bill requires businesses receiving Department of Economic and Community Development (DECD) funding exceeding specified amounts to state their intent to use Connecticut businesses during a project's physical development phase. A business must comply with this requirement if it receives more than (1) \$20 million over two years for a biotechnology project or (2) \$10 million over two years for any other type of project. It satisfies the requirement by submitting a letter to DECD stating its intent to use Connecticut businesses within 30 days after receiving DECD approval for the funding.

The bill also requires the business to report to the state, within 12 months after starting the project's physical development, on the businesses and employees it used during that phase and the extent to which they hired Connecticut contractors and construction workers. DECD, in consultation with the Labor Department, must summarize this data and submit it annually by February 1, to the governor and Commerce and Labor committees.

EFFECTIVE DATE: October 1, 2014

ECONOMIC DEVELOPMENT PROJECTS

The requirement for business to comply with the bill's procedure depends on the type of project it proposes for DECD funding and the amount of financial assistance DECD approves for the project. Financial assistance includes bond-funded grants, loans, and loan guarantees; contracts of insurance; investments; or any combination of these.

The business must comply with the procedure if it proposes a biotechnology or other type of project and DECD approves more than \$20 million or \$10 million, respectively, over two years for the project. These thresholds are the same as those the statutes set for economic development projects requiring General Assembly approval (CGS § 32-462).

LETTER OF INTENT

If a project meets the bill's criteria, the business must submit a letter to DECD stating its intent to use Connecticut businesses for that part of the project involving a facility's construction or expansion (i.e., development phase). The business must submit the letter within 30 days after receiving DECD's notification of approval for financial assistance. The letter must include the steps the business will take to contract with Connecticut businesses.

CONSTRUCTION HIRING REPORT

Within 12 months after a project's development phase begins, the business must report to DECD and the Labor Department:

1. the names of the businesses under contract to perform the development phase,
2. the number of Connecticut residents employed during that phase,
3. the number of full-time employees who worked on the development phase and the total combined wages and benefits paid to them, and
4. any other information the departments require.

ANNUAL REPORT

DECD, in consultation with the Labor Department, must submit annually, by February 1, a report to the governor and Commerce and Labor committees summarizing the information contained in the construction hiring reports for the previous calendar year. At a minimum, the report must:

1. list the businesses included in the construction hiring reports,
2. indicate the number of Connecticut residents employed in each project's development phase and the total number employed in the development phase for all projects,
3. indicate the total combined wages and benefits paid to the full-time employees employed in each project's development phase and in total, and
4. provide any other information the departments require.

DECD must include this report in its comprehensive annual report to the legislature.

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 12 Nay 5 (03/20/2014)