

TESTIMONY
BEFORE THE
COMMERCE COMMITTEE
LEGISLATIVE OFFICE BUILDING
March 13, 2014

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business & Industry Association (CBIA). CBIA represents approximately 10,000 businesses throughout Connecticut and the vast majority of these are small companies employing less than 50 people.

CBIA has significant concerns with **SB 304 An Act Maximizing Jobs for State Workers by Requiring Local Construction Hiring Reports by Recipients of Economic Development Funds.**

The additional reporting requirements included in this bill are of particular concern to Connecticut's employers because of the existing time consuming and burdensome reporting framework they already face. It is our understanding that this measure is not a request from the state especially taking into consideration the Governor's recent Executive Order No. 38 to Increase Transparency on Economic Development Incentives (attached) – that already requires disclosure. This bill will only make existing paperwork obligations even more cumbersome for Connecticut's employers.

Thank you for the opportunity to offer CBIA's comments.



STATE OF CONNECTICUT

CONNECTICUT
SECRETARY OF THE STATE
CAPITOL OFFICE

BY HIS EXCELLENCY

2013 DEC -3 P 12:07

DANNEL P. MALLOY

EXECUTIVE ORDER NO. 38

WHEREAS, Connecticut must compete aggressively for economic opportunities for every resident, using all tools available to attract and retain jobs, including the use of economic assistance and tax credits;

WHEREAS, the Department of Economic and Community Development (DECD) has partnered with hundreds of businesses, large and small, to retain or create jobs for Connecticut's citizens;

WHEREAS, Connecticut's citizens have a right to know how their state government has worked to promote economic development and to have such information readily accessible;

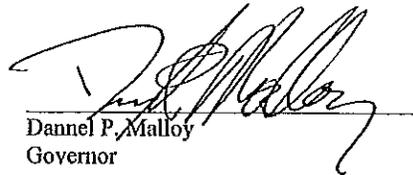
WHEREAS, making such information available will reinforce my Administration's efforts to make state government more responsive, effective and transparent, through ongoing projects such as the Electronic Regulations (E-Regs) project and regulatory streamlining;

NOW THEREFORE, I, Dannel P. Malloy, Governor of the State of Connecticut, by virtue of the power and authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. On or before March 31, 2014, the Commissioner of Economic and Community Development, in collaboration with the Commissioner of Revenue Services and the Department of Administrative Services' Bureau of Enterprise Systems and Technology, shall establish and maintain a searchable electronic database or databases on the DECD website containing information regarding certain economic assistance and tax credits that were utilized for the purpose of recruitment or retention of businesses.
2. With regard to economic assistance and tax credits, the databases shall contain the following information, to the extent allowed under state or federal law:
 - a. The name and principal location of the recipient of the economic assistance, excluding release of information relating to an officer or employee's place of residence;
 - b. The nature or type of economic assistance, whether grant, loan, tax credit, or other;
 - c. The amount or value of the economic assistance given or tax credits approved or otherwise authorized by DECD;
 - d. The statutory authority pursuant to which such assistance was made available;
 - e. Any job-creation or job-retention agreements upon which the economic assistance depends;
 - f. The number of persons employed by the recipient at the time the economic assistance was awarded, if applicable and available;
 - g. If the economic assistance or tax credits have been awarded on the basis of a commitment to create or retain jobs, the number of jobs created or retained, if available and applicable, as of the most recent filing with DECD; and
 - h. A statement as to whether the recipient was in compliance with the job-creation or job-retention commitments as of the most recent filing with DECD.

3. On or before February 28, 2014, and annually thereafter, the Commissioner of Revenue Services shall provide the Commissioner of Economic and Community Development with a report, based on information available to the Department of Revenue Services, indicating the aggregate amount of each tax credit that was claimed and applied toward a tax liability reported on a return filed with the Commissioner during the preceding fiscal year and, to the extent applicable, the aggregate amount of each type of such tax credit that was carried forward. To the extent permissible under state and federal law and without directly or indirectly disclosing confidential tax information as prohibited by CGS Sec. 12-15, the Commissioner of Revenue Services shall provide additional information as may be requested by the Commissioner of Economic and Community Development concerning the size, type, and location of businesses claiming tax credits. The Commissioner of Economic and Community Development shall make such information available on the DECD website.
4. On or before March 31, 2014, the Commissioner of Economic and Community Development shall post on the DECD website the result of DECD's most recent analysis of the economic impact and employment impact of each tax credit program, as required under Conn. Gen. Stat. Sec. 32-1r.
5. For the purposes of this Executive Order, the following definitions shall apply:
 - a. "Economic assistance" means state authorized grants, loans, and loan guarantecs.
 - b. "Tax credits" means the tax credits established under sections 12-217j, 12-217n, 12-217t, 12-217w, 12-217jj, 12-217kk, 12-217ll, 12-217pp and 32-9t of the general statutes.
 - c. The datasets required to be established pursuant to this order shall include data on economic assistance for the preceding five fiscal years and tax credit data for the preceding five tax years.

Dated at Hartford, Connecticut, this 3rd Day of December, 2013.


Dannel P. Malloy
Governor

By His Excellency's Order


Denise Merrill
Secretary of the State

