



Senate

General Assembly

File No. 381

February Session, 2014

Substitute Senate Bill No. 304

Senate, April 7, 2014

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

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

1 Section 1. Section 32-462 of the general statutes is amended by
2 adding subsections (d) to (f), inclusive, as follows (*Effective October 1,*
3 *2014*):

4 (NEW) (d) Any recipient of a notification of approval for financial
5 assistance from the Department of Economic and Community
6 Development in an amount greater than or equal to that in subsection
7 (b) or (c) of this section, as applicable, shall, not later than thirty days
8 after the date of such notification, provide said department with a
9 letter of intent to take reasonable steps to contract with Connecticut
10 businesses for any construction-related portion of a facility
11 construction or expansion project funded in whole or in part by such
12 assistance. Such letter shall include a list of proposed steps such
13 recipient intends to take to contract with Connecticut businesses.

14 (NEW) (e) Not more than twelve months after beginning the
 15 construction-related portion of any such project, any recipient of
 16 financial assistance that submits a letter pursuant to subsection (d) of
 17 this section shall file a report with the Labor Department and the
 18 Department of Economic and Community Development that shall
 19 include: (1) The names of businesses contracted by such recipient to
 20 perform the construction-related portion of such project; (2) the
 21 number of Connecticut residents employed on the construction-related
 22 portion of such project; (3) the number of and total combined wages
 23 and benefits paid to full-time employees to be utilized in the
 24 construction-related portion of such project; and (4) any other
 25 information required on a form prescribed by the Labor Department
 26 and the Department of Economic and Community Development.

27 (NEW) (f) Not later than February first, annually, the Department of
 28 Economic and Community Development, in consultation with the
 29 Labor Department, shall submit, in accordance with the provisions of
 30 section 11-4a, a report to the Governor and the joint standing
 31 committees of the General Assembly having cognizance of matters
 32 relating to commerce and labor. Such report shall summarize the
 33 reports filed in the preceding calendar year pursuant to subsection (e)
 34 of this section, and shall include, but not be limited to: (1) A list of the
 35 businesses included in any report filed pursuant to subsection (e) of
 36 this section; (2) the number of Connecticut residents employed on each
 37 such project, and in the aggregate; (3) the total combined wages and
 38 benefits paid to full-time employees utilized in the construction-related
 39 portion of each such project and in the aggregate; and (4) any other
 40 information required pursuant to subsection (e) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2014	32-462

Statement of Legislative Commissioners:

In subsection (d) of section 32-462, the phrase "proposed steps such recipient shall take" was changed to "proposed steps such recipient intends to take" for consistency with the language in said subsection.

CE *Joint Favorable Subst. -LCO*

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:** None**Municipal Impact:** None**Explanation**

The bill, which requires the Department of Economic and Community Development (DECD) and the Labor Department (DOL) to submit a report summarizing construction related data from certain businesses receiving state assistance, has no fiscal impact.

Under the bill, an applicant receiving more than \$20 million in state financial assistance for a biotechnology project or an applicant receiving more than \$10 million for other types of projects must provide the information required in the report to DECD and DOL. Neither agency therefore needs additional staff or resources to complete the report.

The Out Years**State Impact:** None**Municipal Impact:** None

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)