



General Assembly

January Session, 2015

Governor's Bill No. 6827

LCO No. 3979



Referred to Committee on COMMERCE

Introduced by:

REP. SHARKEY, 88th Dist.
REP. ARESIMOWICZ, 30th Dist.
SEN. LOONEY, 11th Dist.
SEN. DUFF, 25th Dist.

***AN ACT CONCERNING THE SMALL BUSINESS EXPRESS PROGRAM
AND UNDERSERVED COMMUNITIES.***

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

1 Section 1. Section 32-7g of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2015*):

3 (a) There is established within the Department of Economic and
4 Community Development the Small Business Express program. Said
5 program shall provide small businesses with various forms of financial
6 assistance, using a streamlined application process to expedite the
7 delivery of such assistance. The Commissioner of Economic and
8 Community Development, at his or her discretion, may partner with
9 the lenders in the Connecticut Credit Consortium, established
10 pursuant to section 32-9yy, in order to fulfill the requirements of this
11 section. A small business eligible for assistance through said program

12 shall [, as of June 15, 2012,] (1) employ [, on at least fifty per cent of its
13 working days during the preceding twelve months,] not more than one
14 hundred employees, (2) have operations in Connecticut, [(3) have been
15 registered to conduct business for not less than twelve months, and (4)]
16 and (3) be in good standing with the payment of all state and local
17 taxes and with all state agencies.

18 (b) The Small Business Express program shall consist of various
19 components, including (1) a revolving loan fund, as described in
20 subsection (d) of this section, to support small business growth, (2) a
21 job creation incentive component, as described in subsection (e) of this
22 section, to support hiring, and (3) a matching grant component, as
23 described in subsection (f) of this section, to provide capital to small
24 businesses that can match the state grant amount. Said program may
25 include a loan fund, established in collaboration with private sector
26 lenders doing business in Connecticut, as described in subsection (g) of
27 this section, to provide small businesses in the state with access to
28 capital. The Commissioner of Economic and Community Development
29 shall work with eligible small business applicants to provide a package
30 of assistance using the financial assistance provided by the Small
31 Business Express program and may refer small business applicants to
32 the Subsidized Training and Employment program established
33 pursuant to section 31-3pp and any other appropriate state program.
34 Notwithstanding the provisions of section 32-5a regarding relocation
35 limits, the department may require, as a condition of receiving
36 financial assistance pursuant to this section, that a small business
37 receiving such assistance shall not relocate, as defined in [said] section
38 32-5a, for five years after receiving such assistance or during the term
39 of the loan, whichever is longer. All other conditions and penalties
40 imposed pursuant to [said] section 32-5a shall continue to apply to
41 such small business.

42 (c) The commissioner shall establish a streamlined application
43 process for the Small Business Express program. The small business
44 applicant may receive assistance pursuant to said program not later

45 than thirty days after submitting a completed application to the
46 department. Any small business meeting the eligibility criteria in
47 subsection (a) of this section may apply to said program. The
48 commissioner shall give priority for available funding to small
49 businesses creating jobs and may give priority for available funding to
50 (1) economic base industries, as defined in subsection (d) of section 32-
51 222, including, but not limited to, those in the fields of precision
52 manufacturing, business services, green and sustainable technology,
53 bioscience and information technology, and (2) businesses attempting
54 to export their products or services to foreign markets.

55 (d) (1) There is established as part of the Small Business Express
56 program a revolving loan fund to provide loans to eligible small
57 businesses. Such loans shall be used for acquisition or purchase of
58 machinery and equipment, construction or leasehold improvements,
59 relocation expenses, working capital or other business-related
60 expenses, as authorized by the commissioner.

61 (2) Loans from the revolving loan fund may be in amounts from
62 [ten] one thousand dollars to a maximum of one hundred thousand
63 dollars, shall carry a maximum repayment rate of four per cent and
64 shall be for a term of not more than ten years. The department shall
65 review and approve loan terms, conditions and collateral requirements
66 in a manner that prioritizes job growth and retention.

67 (3) Any eligible small business meeting the eligibility criteria in
68 subsection (a) of this section may apply for assistance from the
69 revolving loan fund, but the commissioner shall give priority to
70 applicants that, as part of their business plan, are creating new jobs
71 that will be maintained for not less than twelve consecutive months.

72 (e) (1) There is established as part of the Small Business Express
73 program a job creation incentive component to provide loans for job
74 creation to small businesses meeting the eligibility criteria in
75 subsection (a) of this section, with the option of loan forgiveness based

76 on the maintenance of an increased number of jobs for not less than
77 twelve consecutive months. Such loans may be used for training,
78 marketing, working capital or other expenses, as approved by the
79 commissioner, that support job creation.

80 (2) Loans under the job creation incentive component may be in
81 amounts from [ten] one thousand dollars to a maximum of three
82 hundred thousand dollars, shall carry a maximum repayment rate of
83 four per cent and shall be for a term of not more than ten years.
84 Payments on such loans may be deferred, and all or part of such loan
85 may be forgiven, based upon the commissioner's assessment of the
86 small business's attainment of job creation goals. The department shall
87 review and approve loan terms, conditions and collateral requirements
88 in a manner that prioritizes job creation.

89 (f) (1) There is established as part of the Small Business Express
90 program a matching grant component to provide grants for capital to
91 small businesses meeting the eligibility criteria in subsection (a) of this
92 section. Such small businesses shall match any state funds awarded
93 under this program. Grant funds may be used for ongoing or new
94 training, working capital, acquisition or purchase of machinery and
95 equipment, construction or leasehold improvements, relocation within
96 the state or other business-related expenses authorized by the
97 commissioner.

98 (2) Matching grants provided under the matching grant component
99 may be in amounts from [ten] one thousand dollars to a maximum of
100 one hundred thousand dollars. The commissioner shall prioritize
101 applicants for matching grants based upon the likelihood that such
102 grants will assist applicants in maintaining job growth.

103 (3) The commissioner may waive the matching requirement for
104 grants under this subsection for working capital to small businesses
105 located within distressed municipalities, as defined in section 32-9p.

106 (g) The commissioner, in collaboration with private sector lenders

107 doing business in Connecticut, may establish, as part of the Small
108 Business Express program, a loan fund to provide small businesses in
109 the state with access to capital. Such capital shall be used for
110 acquisition or purchase of machinery and equipment, construction or
111 leasehold improvements, relocation expenses, working capital or other
112 business-related expenses, as authorized by the commissioner. Such
113 loan fund shall be administered by the Department of Economic and
114 Community Development. The commissioner may allocate not more
115 than ten per cent of available funding under the Small Business
116 Express program to such loan fund.

117 (h) The commissioner, in consultation with community leaders, may
118 identify populations underserved by the Small Business Express
119 program in municipalities that have a population of more than seventy
120 thousand. Notwithstanding subsection (c) of this section, the
121 commissioner may give priority for available funding to businesses
122 owned by populations identified pursuant to this subsection. The
123 commissioner shall include in the report described in subsection (i) of
124 this section a summary of such identification efforts and any assistance
125 granted to such businesses, provided such identification occurs.

126 [(g)] (i) Not later than June 30, 2012, and every six months
127 thereafter, the commissioner shall provide a report, in accordance with
128 the provisions of section 11-4a, to the joint standing committees of the
129 General Assembly having cognizance of matters relating to finance,
130 revenue and bonding, appropriations, commerce and labor. Such
131 report shall include available data on (1) the number of small
132 businesses that applied to the Small Business Express program, (2) the
133 number of small businesses that received assistance under said
134 program and the general categories of such businesses, (3) the amounts
135 and types of assistance provided, (4) the total number of jobs on the
136 date of application and the number proposed to be created or retained,
137 and (5) the most recent employment figures of the small businesses
138 receiving assistance. The contents of such report shall also be included
139 in the department's annual report.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2015	32-7g

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]