



# House of Representatives

General Assembly

**File No. 281**

February Session, 2016

House Bill No. 5426

*House of Representatives, March 30, 2016*

The Committee on Commerce reported through REP. PERONE of the 137th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT MANDATING THE CREATION OF THE CONNECTICUT-MADE DESIGNATION.***

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

1 Section 1. Section 32-6m of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2016*):

3 The Commissioner of Economic and Community Development shall  
4 [, within available appropriations,] establish and administer a program  
5 to promote the marketing of products produced in Connecticut for the  
6 purpose of encouraging the development of manufacturing and  
7 production in the state. The commissioner may, within available  
8 appropriations, provide a grant-in-aid to any person, firm, partnership  
9 or corporation engaged in the promotion and marketing of such  
10 products, provided the words "CONNECTICUT-MADE" or "CT-  
11 Made" are clearly incorporated in such promotional and marketing  
12 activities. The commissioner shall (1) provide for the design, plan and  
13 implementation of a multiyear, state-wide marketing and advertising  
14 campaign, including, but not limited to, television and radio

15 advertisements, promoting the availability of, and advantages of  
16 purchasing, Connecticut-made products, (2) establish and  
17 continuously update a web site connected with such advertising  
18 campaign that includes, but is not limited to, a comprehensive listing  
19 of Connecticut manufacturers, Connecticut-made products and  
20 Connecticut retailers selling Connecticut-made products, (3) direct  
21 Connecticut manufacturers and producers of Connecticut-made  
22 products in need of assistance to the appropriate economic  
23 development entity or state agency, and (4) conduct efforts to promote  
24 interaction and business relationships between Connecticut  
25 manufacturers and producers of Connecticut-made products and  
26 retailers, marketers, chambers of commerce, regional tourism districts  
27 and other potential institutional purchasers of Connecticut-made  
28 products, including, but not limited to, (A) linking Connecticut  
29 manufacturers and producers of Connecticut-made products with  
30 potential purchasers through a separate feature of the web site  
31 established pursuant to this section, and (B) organizing state-wide or  
32 regional events promoting Connecticut manufacturers and producers  
33 of Connecticut-made products, where such manufacturers, producers  
34 and institutional purchasers are invited to participate. The  
35 commissioner shall use his or her best efforts to solicit cooperation and  
36 participation from Connecticut manufacturers, producers of  
37 Connecticut-made products, retailers, marketers, chambers of  
38 commerce and regional tourism districts in such advertising, Internet-  
39 related and event planning efforts, including, but not limited to,  
40 soliciting private sector matching funds. [The commissioner shall  
41 administer this program within available appropriations.] On or before  
42 January 1, 2013, and annually thereafter, the commissioner shall report  
43 to the joint standing committee of the General Assembly having  
44 cognizance of matters relating to commerce on issues with respect to  
45 efforts undertaken pursuant to the requirements of this section,  
46 including, but not limited to, the amount of private matching funds  
47 received and expended by the department. The commissioner may  
48 adopt such regulations, in accordance with chapter 54, as he or she  
49 deems necessary to carry out the purposes of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	32-6m

**CE**      *Joint Favorable*

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:**

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Department of Economic & Community Development	GF - Cost	467,090	622,786
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	21,804	29,071

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill results in an annualized cost of \$651,857 to the state to administer a "Connecticut-Made" (or "CT-Made") program.

The Department of Economic and Community Development (DECD) would require up to \$500,000 annually for the development of a statewide-marketing and advertising campaign. The bill requires the marketing campaign to include television and radio advertisements showcasing Connecticut-made products. While DECD does receive a state appropriation for state-wide marketing purposes, the agency currently does not have a marketing campaign similar to the initiative in this bill.<sup>2</sup>

Additionally, the bill would require (1) one full time staff at an annualized cost of \$101,857 (\$72,786 salary plus \$29,071 fringe benefits)

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 39.94% of payroll in FY 17 and FY 18.

<sup>2</sup> The FY 16 appropriation for the "Statewide Marketing" account under DECD is \$8.5 million. This includes the reduction to the account from PA 15-1 of the December Special Session.

to administer the program and (2) up to \$50,000 for miscellaneous costs associated with the program, including the development and maintenance of a website and the coordination of events with manufacturers, producers, and institutional purchasers. It is anticipated that the staff would be charged with monitoring the website, coordinating business relationships between manufacturers and producers of CT-Made products, and organizing regional events, as required under the bill.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****HB 5426*****AN ACT MANDATING THE CREATION OF THE CONNECTICUT-MADE DESIGNATION.*****SUMMARY:**

Current law requires the Department of Economic and Community Development (DECD) commissioner, within available resources, to establish and administer a program to promote Connecticut-made products. The bill eliminates the “within available appropriations” restriction with regard to the program’s establishment and administration. Under existing law and the bill, however, the restriction applies to any grants the commissioner provides to people or businesses promoting or marketing Connecticut-made products.

By law, the commissioner must do the following, among other things:

1. create and implement a multiyear, statewide marketing and advertising plan that includes television and radio advertisements showcasing Connecticut-made products;
2. create and maintain an associated website that lists Connecticut manufacturers, the products they make, and the retailers that sell them;
3. help Connecticut manufacturers and producers needing assistance access appropriate economic development organizations; and
4. provide a feature on the DECD website linking Connecticut manufacturers and producers with potential buyers and staging statewide or regional promotional events in which these groups can participate.

EFFECTIVE DATE: October 1, 2016

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable

Yea 20 Nay 0 (03/15/2016)