



Senate

General Assembly

File No. 472

February Session, 2016

Substitute Senate Bill No. 303

Senate, April 5, 2016

The Committee on Commerce reported through SEN. HARTLEY, J. of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING AN ENTREPRENEUR LEARNER'S PERMIT PROGRAM.

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

1 Section 1. (*Effective July 1, 2016*) (a) There is established an
2 Entrepreneur Learner's Permit pilot program that shall be
3 administered by Connecticut Innovations, Incorporated during the
4 fiscal years ending June 30, 2017, and June 30, 2018. The purpose of the
5 program shall be to encourage and assist first-time entrepreneurs in
6 starting new information services, biotechnology and green technology
7 businesses by providing reimbursements to such entrepreneurs for any
8 state filing, permitting or licensing fees associated with the formation
9 of such a business in the state. For purposes of this section, "the
10 corporation" means Connecticut Innovations, Incorporated.

11 (b) Applicants for participation in the Entrepreneur Learner's Permit
12 pilot program shall apply to the corporation, in a form and manner
13 prescribed by the corporation, prior to the formation of the business
14 for which the entrepreneur seeks reimbursement of such fees. The

15 corporation shall establish criteria for the review and approval of
 16 applications, provided it (1) shall give priority to female and minority
 17 applicants, and (2) shall not approve any application by a person who
 18 will not be a first-time business owner. Reimbursements under this
 19 section shall be provided in the manner determined by the
 20 corporation.

21 (c) The aggregate amount of all reimbursements provided by the
 22 corporation pursuant to this section shall not exceed five hundred
 23 thousand dollars in either of the fiscal year ending June 30, 2017, or
 24 June 30, 2018.

25 (d) On or before February 1, 2018, the corporation shall conduct a
 26 review of the cumulative effectiveness of the Entrepreneur Learner's
 27 Permit pilot program. Such review shall include, but not be limited to,
 28 the number and type of Connecticut businesses that were formed in
 29 connection with the pilot program, the current status of each business
 30 formed in connection with the pilot program, the number of
 31 employees employed by each such business, the economic impact to
 32 the state from the pilot program, the satisfaction of participants in the
 33 pilot program and a recommendation as to whether the program
 34 should be continued beyond June 30, 2018. Such review shall be
 35 submitted to the joint standing committee of the General Assembly
 36 having cognizance of matters relating to commerce, in accordance with
 37 the provisions of section 11-4a of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2016	New section

CE *Joint Favorable Subst.*

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 \$
CT Innovations Inc. (quasi-public)	CI Funds - Cost	Up to \$500,000	Up to \$500,000

Note: GF=General Fund; CI=Connecticut Innovations

Municipal Impact: None

Explanation

The bill results in a cost of up to \$500,000 to Connecticut Innovations (CI), a quasi-public state agency, in FY 17 and FY 18 by establishing an Entrepreneur Learner's Permit pilot program.

Under the program, CI will provide reimbursement of various state filing, permitting, or licensing fees to first-time business start-ups selected by CI to participate in the program in the following industries: information services, biotechnology, and green technology. The bill limits the reimbursements to (1) \$500,000 in fee reimbursement and (2) to FY 17 and FY 18 only.

As a quasi-public state agency, CI's funding sources includes returns on investment and loans, as well as General Obligation bonds from the state, the purpose of which is to recapitalize CI's programs from time to time. As of April 3rd, the current unallocated bond balance available to CI for recapitalization purposes is \$85 million.

Administration

The bill requires Connecticut Innovations (CI) to administer the pilot program. It is anticipated that CI can administer this pilot

program without additional resources. The bill limits the number of eligible businesses to the industries listed above, which limits the number of applications to process. Additionally CI's mission is to provide assistance and support to start-up and growing companies, so the agency currently interacts with the types of businesses that are eligible for the program.

The Out Years

Under the bill the program is limited to FY 17 and FY 18. There is no fiscal impact in FY 19 and thereafter.

OLR Bill Analysis**sSB 303*****AN ACT CONCERNING AN ENTREPRENEUR LEARNER'S PERMIT PROGRAM.*****SUMMARY:**

The bill establishes an Entrepreneur Learner's Permit pilot program to encourage and assist first-time entrepreneurs in certain business sectors by reimbursing them for state fees associated with forming a business.

The bill requires Connecticut Innovations, Inc. (CI) to administer the program during FY 17 and FY 18 and caps the total amount of reimbursements provided under the program at \$500,000 for each year. Entrepreneurs interested in participating in the program must apply to CI before forming the business, and CI must approve applications according to criteria it establishes.

The bill also requires CI to evaluate the program's effectiveness and report to the Commerce Committee by February 1, 2018.

EFFECTIVE DATE: July 1, 2016

ENTREPRENEUR LEARNER'S PERMIT

Under the bill, first-time entrepreneurs wishing to start new information technology, biotechnology, and green technology businesses are eligible for reimbursement under the program. Entrepreneurs must apply to CI, in the form and manner it determines, before starting the business for which they want to be reimbursed. Approved applicants receive reimbursement, in a manner determined by CI, for any state filing, permitting, or licensing fees associated with forming their business in Connecticut

The bill requires CI to establish criteria for application review and

approval. CI must (1) give priority to female and minority applicants and (2) not approve any applicant who is not a first-time business owner.

Program Evaluation

By February 1, 2018, the bill requires CI to conduct a review of the program’s effectiveness and submit it to the Commerce Committee. In the review, CI must recommend whether the program should continue after FY 18. The review must also include the following information:

1. number and type of businesses formed in connection with the program and the current status of each one,
2. number of employees employed by these businesses,
3. program’s economic impact on the state, and
4. program participants’ satisfaction.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/17/2016)