AN ACT ESTABLISHING CERTAIN INCENTIVES TO GROW THE BIOSCIENCE INDUSTRY IN THE STATE.

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

Section 1. Subdivision (1) of subsection (a) of section 12-219 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019, and applicable to income and taxable years commencing on or after January 1, 2019):

(a) (1) Each company subject to the provisions of this part shall pay for the privilege of carrying on or doing business within the state, the larger of the tax, if any, imposed by section 12-214 and the tax calculated under this subsection, except that any company with less than five hundred thousand dollars of net income in an income year shall be exempt from the tax under this section. The tax calculated under this section shall be a tax of three and one-tenth mills per dollar for each income year of the amount derived (A) by adding (i) the average value of the issued and outstanding capital stock, including treasury stock at par or face value, fractional shares, scrip certificates convertible into shares of stock and amounts received on subscriptions...
to capital stock, computed on the balances at the beginning and end of
the taxable year or period, the average value of surplus and undivided
profit computed on the balances at the beginning and end of the
taxable year or period, and (ii) the average value of all surplus reserves
computed on the balances at the beginning and end of the taxable year
or period, (B) by subtracting from the sum so calculated (i) the average
value of any deficit carried on the balance sheet computed on the
balances at the beginning and end of the taxable year or period, and (ii)
the average value of any holdings of stock of private corporations
including treasury stock shown on the balance sheet computed on the
balances at the beginning and end of the taxable year or period, and
(C) by apportioning the remainder so derived between this and other
states under the provisions of section 12-219a, provided in no event
shall the tax so calculated exceed one million dollars or be less than
two hundred fifty dollars.

Sec. 2. Subparagraph (D) of subdivision (3) of subsection (a) of
section 12-217zz of the general statutes is repealed and the following is
substituted in lieu thereof (Effective July 1, 2019, and applicable to income
and taxable years commencing on or after January 1, 2019):

(D) For income years commencing on or after January 1, 2019, the
aggregate amount of tax credits and excess credits allowable shall [not
exceed seventy] equal one hundred per cent of the amount of tax due
from such taxpayer under this chapter with respect to any such income
year of the taxpayer prior to the application of such credit or credits;

Sec. 3. Section 32-345 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective October 1, 2020):

(a) The Department of Economic and Community Development
[may] shall establish a Connecticut development, research and
economic assistance matching grant program [, within available
appropriations and,] for the purposes of providing financial aid, as
defined in subdivision (4) of section 32-34, to assist: (1) Connecticut
small businesses in conducting marketing-related activities to facilitate
commercialization of research projects funded under the small
business innovation research program or the small business
technology transfer program; (2) business-led consortia or Connecticut
businesses in connection with their participation in a federal
technology support program; and (3) micro businesses, in conducting
development and research. The department may enter into an
agreement, pursuant to chapter 55a, with a person, firm, corporation or
other entity to operate such program.

(b) Applications shall be submitted in the manner prescribed by the
department. Each such application shall include the following: (1) The
location of the principal place of business of the applicant; (2) an
explanation of the intended use of the funding being applied for, the
potential market for the end product of the project and the marketing
strategy; and (3) such other information that the department deems
necessary. Information contained in any such application submitted to
the department under this section which is of a proprietary nature
shall be exempt from the provisions of subsection (a) of section 1-210.

(c) In determining whether an applicant shall be selected for
funding pursuant to this section, the department, or the operator, if
any, selected pursuant to subsection (a) of this section, shall consider,
but such consideration need not be limited to, the following factors: (1)
The description of the small business innovation research project, the
small business technology transfer project or the federally-supported
technology project and the potential commercial applicability of such
project; (2) evidence of satisfactory participation in the applicable small
business innovation research program, the small business technology
transfer program or the federal technology support program; (3) the
potential impact of such research project on the workforce in the
region where such small business is located; (4) the size of the potential
market, strength of the marketing strategy, and ability of the applicant
to execute the strategy and successfully commercialize the end
product; and (5) the resources and record of success of the company
relative to development and commercialization. Within the availability
of funds, the department may provide financial aid to eligible
applicants, provided no business may receive more than fifty thousand
dollars for any single small business innovation research project or
small business technology transfer project. The department may
require a business to repay such assistance or pay a multiple of the
assistance to the department. All such repayments and payments shall
be deposited in the Connecticut technology partnership assistance
program revolving account established under section 32-346.

(d) The department may establish a development, research and
economic assistance matching financial aid program for micro
businesses that have received federal funds for Phase II proposals
under the small business innovation research program and the small
business technology transfer program. Any micro business receiving
financial aid under this subsection shall use such financial aid for the
same purpose such micro business was awarded said federal funds.
The department may enter into an agreement, pursuant to chapter 55a,
with a person, firm, corporation or other entity to operate such a
program.

Sec. 4. Subsection (b) of section 32-235 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2019):

(b) The proceeds of the sale of said bonds, to the extent of the
amount stated in subsection (a) of this section, shall be used by the
Department of Economic and Community Development (1) for the
purposes of sections 32-220 to 32-234, inclusive, including economic
cluster-related programs and activities, and for the Connecticut job
training finance demonstration program pursuant to sections 32-23uu
and 32-23vv, provided (A) three million dollars shall be used by said
department solely for the purposes of section 32-23uu and not more
than five million two hundred fifty thousand dollars of the amount
stated in said subsection (a) may be used by said department for the
purposes of section 31-3u, (B) not less than one million dollars shall be
used for an educational technology grant to the deployment center
program and the nonprofit business consortium deployment center
approved pursuant to section 32-41l, (C) not less than two million dollars shall be used by said department for the establishment of a pilot program to make grants to businesses in designated areas of the state for construction, renovation or improvement of small manufacturing facilities, provided such grants are matched by the business, a municipality or another financing entity. The Commissioner of Economic and Community Development shall designate areas of the state where manufacturing is a substantial part of the local economy and shall make grants under such pilot program which are likely to produce a significant economic development benefit for the designated area, (D) five million dollars may be used by said department for the manufacturing competitiveness grants program, (E) one million dollars shall be used by said department for the purpose of a grant to the Connecticut Center for Advanced Technology, for the purposes of subdivision (5) of subsection (a) of section 32-7f, (F) fifty million dollars shall be used by said department for the purpose of grants to the United States Department of the Navy, the United States Department of Defense or eligible applicants for projects related to the enhancement of infrastructure for long-term, ongoing naval operations at the United States Naval Submarine Base-New London, located in Groton, which will increase the military value of said base. Such projects shall not be subject to the provisions of sections 4a-60 and 4a-60a, (G) two million dollars shall be used by said department for the purpose of a grant to the Connecticut Center for Advanced Technology, Inc., for manufacturing initiatives, including aerospace and defense, and (H) four million dollars shall be used by said department for the purpose of a grant to companies adversely impacted by the construction at the Quinnipiac Bridge, where such grant may be used to offset the increase in costs of commercial overland transportation of goods or materials brought to the port of New Haven by ship or vessel, (2) for the purposes of the small business assistance program established pursuant to section 32-9yy, provided fifteen million dollars shall be deposited in the small business assistance account established pursuant to said section 32-9yy, (3) to deposit twenty million dollars in the small business express
assistance account established pursuant to section 32-7h, (4) to deposit
four million nine hundred thousand dollars per year in each of the
fiscal years ending June 30, 2017, to June 30, 2019, inclusive, and June
30, 2021, and nine million nine hundred thousand dollars in the fiscal
year ending June 30, 2020, in the CTNext Fund established pursuant to
section 32-39i, which shall be used by CTNext to provide grants-in-aid
to designated innovation places, as defined in section 32-39j, planning
grants-in-aid pursuant to section 32-39l, and grants-in-aid for projects
that network innovation places pursuant to subsection (b) of section
32-39m, provided not more than three million dollars be used for
grants-in-aid for such projects, and further provided any portion of
any such deposit that remains unexpended in a fiscal year subsequent
to the date of such deposit may be used by CTNext for any purpose
described in subsection (e) of section 32-39i, (5) to deposit two million
dollars per year in each of the fiscal years ending June 30, 2019, to June
30, 2021, inclusive, in the CTNext Fund established pursuant to section
32-39i, which shall be used by CTNext for the purpose of providing
higher education entrepreneurship grants-in-aid pursuant to section
32-39g, provided any portion of any such deposit that remains
unexpended in a fiscal year subsequent to the date of such deposit may
be used by CTNext for any purpose described in subsection (e) of
section 32-39i, (6) for the purpose of funding the costs of the
Technology Talent Advisory Committee established pursuant to
section 32-7p, provided two million dollars per year in each of the
fiscal years ending June 30, 2017, to June 30, 2021, inclusive, shall be
used for such purpose, (7) to provide (A) a grant-in-aid to the
Connecticut Supplier Connection in an amount equal to two hundred
fifty thousand dollars in each of the fiscal years ending June 30, 2017,
to June 30, 2021, inclusive, and (B) a grant-in-aid to the Connecticut
Procurement Technical Assistance Program in an amount equal to
three hundred thousand dollars in each of the fiscal years ending June
30, 2017, to June 30, 2021, inclusive, (8) to deposit four hundred fifty
thousand dollars per year, in each of the fiscal years ending June 30,
2017, to June 30, 2021, inclusive, in the CTNext Fund established
pursuant to section 32-39i, which shall be used by CTNext to provide
growth grants-in-aid pursuant to section 32-39g, provided any portion
of any such deposit that remains unexpended in a fiscal year
subsequent to the date of such deposit may be used by CTNext for any
purpose described in subsection (e) of section 32-39i, (9) to transfer
fifty million dollars to the Labor Department which shall be used by
said department for the purpose of funding work force pipeline
programs selected pursuant to section 31-11rr, (10) to transfer twenty
million dollars to Connecticut Innovations, Incorporated, provided ten
million dollars shall be used by Connecticut Innovations, Incorporated
for the purpose of the proof of concept fund established pursuant to
subsection (b) of section 32-39x and ten million dollars shall be used by
Connecticut Innovations, Incorporated for the purpose of the venture
capital fund program established pursuant to section 32-41oo, (11) for
the purpose of the Connecticut development, research and economic
assistance matching grant program, established pursuant to section 32-
345, as amended by this act, provided not less than two million five
hundred thousand dollars per year in each of the fiscal years ending
June 30, 2020, to June 30, 2021, inclusive, shall be used for such
purpose. Not later than thirty days prior to any use of unexpended
funds under subdivision (4), (5) or (8) of this subsection, the CTNext
board of directors shall provide notice of and the reason for such use to
the joint standing committees of the General Assembly having
cognizance of matters relating to commerce and finance, revenue and
bonding.

Sec. 5. (NEW) (Effective July 1, 2019) Not later than February 1, 2020,
Connecticut Innovations, Incorporated shall, in consultation with a
bioscience trade group, contract with an advertising agency to create a
marketing plan, social media campaign and dedicated Internet web
site to promote Connecticut as a bioscience hub. Not later than January
1, 2021, Connecticut Innovations, Incorporated shall submit a report on
the results of such marketing plan, social media campaign and
dedicated Internet web site to the joint standing committee of the
General Assembly having cognizance of matters relating to commerce,
in accordance with the provisions of section 11-4a of the general
Sec. 6. Section 32-41dd of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) (1) The State Bond Commission shall authorize the issuance of bonds of the state, in accordance with the provisions of section 3-20, in principal amounts not exceeding in the aggregate two hundred four million dollars for the Connecticut Bioscience Innovation Fund established pursuant to section 32-41cc. The amount authorized for the issuance and sale of such bonds in each of the following fiscal years shall not exceed the following corresponding amount for each such fiscal year, provided, to the extent the advisory committee does not provide for the use of all or a portion of such amount in any such fiscal year, such amount not provided for shall be carried forward and added to the authorized amount for the next succeeding fiscal year, and provided further, the costs of issuance and capitalized interest, if any, may be added to the capped amount in each fiscal year, and each of the authorized amounts shall be effective on July first of the fiscal year indicated as follows:

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<th>Fiscal Year Ending</th>
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(2) For each fiscal year ending June 30, 2018, June 30, 2019, and June 30, 2020, not less than three million dollars of the amount for each such fiscal year authorized in accordance with subdivision (1) of this subsection shall be made available as a grant-in-aid to the Yale Connecticut Precision Medicine Initiative.

(3) For the fiscal year ending June 30, 2020, not less than one million dollars of the amount for such fiscal year authorized in accordance with subdivision (1) of this subsection shall be made available to Connecticut Innovations, Incorporated for the purpose of contracting with an advertising agency to create a marketing plan, social media campaign and dedicated Internet web site to promote Connecticut as a bioscience hub, in accordance with section 5 of this act.

(b) The State Bond Commission shall approve a memorandum of understanding between the administrator and the state, acting by and through the Secretary of the Office of Policy and Management and the Treasurer, providing for the issuance of said bonds for the purposes of the Connecticut Bioscience Innovation Fund, including provisions regarding the extent to which federal, private or other moneys then available or thereafter to be made available for costs should be added to the proceeds of the bonds authorized pursuant to this section for such project or program. The memorandum of understanding shall be deemed to satisfy the provisions of section 3-20 and the exercise of any right or power granted thereby that is not inconsistent with the provisions of this section.

(c) All provisions of section 3-20, or the exercise of any right or power granted thereby, that are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section.
notes in anticipation of the money to be derived from the sale of any
such bonds so authorized may be issued in accordance with said
section, and from time to time renewed. All bonds issued pursuant to
this section shall be general obligations of the state and the full faith
and credit of the state of Connecticut are pledged for the payment of
the principal of and interest on said bonds as the same become due,
and accordingly and as part of the contract of the state with the holders
of said bonds, appropriation of all amounts necessary for punctual
payment of such principal and interest is hereby made, and the
Treasurer shall pay such principal and interest as the same become
due.

(d) Subject to the amount of limitations of the capping provisions in
subsection (a) of this section, the principal amount of the bonds
authorized under this section shall be deemed to be an appropriation
and allocation of such amount, and such approval of such request shall
be deemed the allotment by the Governor of such capital outlays
within the meaning of section 4-85.

Sec. 7. (NEW) (Effective from passage) (a) There shall be, within
available appropriations, a biotechnology ambassador appointed by
the Commissioner of Economic and Community Development.

(b) The biotechnology ambassador shall have (1) at least ten years of
experience in the biotechnology industry, (2) a background in financial
management, and (3) familiarity with current state and federal
programs concerning biotechnology assistance.

(c) The biotechnology ambassador shall: (1) Act as a liaison to the
state's biotechnology companies and startups, (2) host regular forums
for biotechnology companies to share their opinions and needs with
the biotechnology ambassador, (3) evaluate targeted financial
incentives for growing biotechnology companies, (4) prioritize
investments in areas of the state with the highest concentration of
biotechnology companies, (5) explore opportunities for capturing
adjacencies to Yale's new genomics and precision medicine effort, (6)
partner with academic, medical and private-sector stakeholders to create a biotechnology-specific incubator with wet lab space for early-stage biotechnology companies, (7) work with Connecticut Innovations, Incorporated to attract private venture capital to the state's biotechnology companies, and (8) expand mentorship capabilities and outreach to potential biotechnology entrepreneurs.

This act shall take effect as follows and shall amend the following sections:

| Section 1 | July 1, 2019, and applicable to income and taxable years commencing on or after January 1, 2019 | 12-219(a)(1) |
| Sec. 2 | July 1, 2019, and applicable to income and taxable years commencing on or after January 1, 2019 | 12-217zz(a)(3)(D) |
| Sec. 3 | October 1, 2020 | 32-345 |
| Sec. 4 | July 1, 2019 | 32-235(b) |
| Sec. 5 | July 1, 2019 | New section |
| Sec. 6 | July 1, 2019 | 32-41dd |
| Sec. 7 | from passage | New section |

**Statement of Purpose:**
To (1) eliminate the capital base tax for companies with less than five hundred thousand dollars of net income in an income year; (2) eliminate the cap on the aggregate amount of tax credits and excess tax credits allowable to businesses subject to the corporation business tax; (3) require the Commissioner of Economic and Community Development to implement the development, research and economic assistance matching grant program; (4) require Connecticut Innovations, Incorporated to contract with an advertising agency to develop a marketing plan, social media campaign, and Internet website to promote the state as a bioscience hub; and (5) establish the position of biotechnology ambassador within the Department of Economic and Community Development.

[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.]