
OLR Bill Analysis

sSB 1020

AN ACT ESTABLISHING A REGIONAL ECONOMIC DEVELOPMENT PILOT PROGRAM.

SUMMARY

This bill requires the Department of Economic and Community Development (DECD) to establish, within available appropriations, a pilot program to provide matching grants to regional economic development corporations implementing economic development programs in distressed municipalities (see BACKGROUND). Corporations must represent at least five municipalities to be eligible for the pilot program, including two distressed municipalities.

The bill allows the DECD commissioner to award up to \$10 million in total grants to participating corporations but no more than \$5 million for any single grant. The department (1) may enter into a personal service agreement with an outside person, firm, corporation, or other entity to operate the program and (2) cannot accept new program applications after June 30, 2026.

Under the bill, regional economic development corporations seeking to participate in the program must apply in the manner DECD prescribes. At a minimum, applications must include the following:

1. the location of the applicant's principal place of business,
2. a description of the economic development program for which the matching grant will be used,
3. the amount and source of funding the applicant wants DECD to match, and
4. any other information the department deems necessary.

The bill requires DECD, or an outside operator, to consider at least

the following factors when evaluating applications:

1. the applicant's description of the proposed economic development program;
2. the applicant's resources and record of implementing economic development programs in its region; and
3. the potential impact of the proposed program on the workforce in the applicant's region

The bill requires program participants to report annually to DECD beginning no later than two years after receiving funding. The report must (1) describe the progress of the corporation's department-funded economic development program and (2) include any additional information the DECD commissioner deems necessary. Beginning January 15, 2022, the commissioner must report annually to the Commerce Committee on the pilot program's operation and effectiveness.

EFFECTIVE DATE: July 1, 2021

BACKGROUND

Distressed Municipalities

By law, the DECD commissioner must annually designate distressed municipalities based on a combination of economic, education, demographic, and housing criteria. In 2020, he designated the following 25 municipalities as distressed:

| | | |
|---------------|-------------|------------|
| Ansonia | Meriden | Sprague |
| Bridgeport | Montville | Stratford |
| Bristol | New Britain | Torrington |
| Chaplin | New Haven | Voluntown |
| Derby | New London | Waterbury |
| East Hartford | Norwich | West Haven |
| East Haven | Preston | Winchester |
| Griswold | Putnam | Windham |
| Hartford | | |

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 19 Nay 4 (03/16/2021)