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## **OLR Bill Analysis**

**sSB 1020 (File 222, as amended by Senate "A")\***

### ***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 resources, 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 four municipalities to be eligible for the pilot program, including one distressed municipality. The DECD commissioner may allow a corporation that represents less than four municipalities to participate in the program at his discretion.

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 proposed program's potential impact 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.

\*Senate Amendment "A" (1) reduces, from five to four, the number of municipalities a regional economic development corporation must represent to be eligible for the program; (2) reduces, from two to one, the number of these municipalities that must be distressed; (3) allows the DECD commissioner to let a corporation that represents less than four municipalities participate; and (4) specifies that the program must be established using available resources, rather than available appropriations.

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)