
OLR Bill Analysis

sSB 1094

AN ACT AUTHORIZING BONDS OF THE STATE FOR CTNEXT AND THE INNOVATION PLACE PROGRAM.

SUMMARY

This bill authorizes \$64 million in bonds over a four-year period, from FY 23 to FY 26, to recapitalize CTNext’s innovation place program (see BACKGROUND), as shown in Table 1. The bonds are subject to standard statutory bond issuance procedures and repayment requirements.

Under the bill, bond proceeds may generally be used for new and existing innovation places, except that the bill earmarks \$10 million for deposit into the CTNext Fund in FY 24 to cover general operating expenses.

Table 1: CT Next Bond Authorizations

<i>FY</i>	<i>Amount (\$)</i>
23	13,500,000
24	23,500,000
25	13,500,000
26	13,500,000

The bill also reestablishes and makes permanent the requirement that the CTNext board report annually to the Commerce and Finance, Revenue and Bonding committees on the innovation place program’s operation, effectiveness, and grant distribution. This requirement previously expired on September 30, 2020.

Lastly, the bill makes a technical change (§ 2).

EFFECTIVE DATE: July 1, 2022, except that the change to CTNext’s annual reporting requirement takes effect July 1, 2021.

BACKGROUND

CTNext

CTNext is a subsidiary of Connecticut Innovations, Inc. Its major purpose is to assist entrepreneurs and startup and growth-stage businesses by, among other things, (1) building entrepreneur communities, (2) serving as a catalyst to protect and enhance the state's innovation ecosystem, (3) connecting entrepreneurs and growth-stage businesses to government and private resources, (4) facilitating mentoring for entrepreneurs and young business ventures, and (5) facilitating innovation and entrepreneurship at higher education institutions (CGS § 32-39f).

Innovation Place Program

By law, CTNext must administer an innovation place program to, among other things, (1) foster innovation and entrepreneurship in compact, mixed-use geographic areas with startups, growth-stage businesses, anchor institutions, and access to public transit; (2) encourage the leveraging of private investment in these areas; and (3) connect entrepreneurs facing similar opportunities and challenges with other entrepreneurs and public and private resources (CGS § 32-39k).

The law allows (1) entities such as corporations, municipalities, and higher education institutions to apply for the designation of an innovation place and (2) CTNext to provide planning grants to entities preparing applications and implementation grants for projects and initiatives in designated innovation places, among other things (CGS §§ 32-39l & -39m). The four cities or regions currently designated as innovation places are (1) Harford and East Hartford, (2) New Haven, (3) Stamford, and (4) Southeastern Connecticut, anchored by New London and Groton.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 47 Nay 0 (04/22/2021)

