



Senate

General Assembly

File No. 222

January Session, 2021

Substitute Senate Bill No. 1020

Senate, March 30, 2021

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

AN ACT ESTABLISHING A REGIONAL ECONOMIC DEVELOPMENT PILOT PROGRAM.

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

1 Section 1. (NEW) (*Effective July 1, 2021*) (a) The Department of
2 Economic and Community Development shall establish, within
3 available appropriations, a regional economic development matching
4 grant pilot program for the purpose of providing matching funds to
5 regional economic development corporations for the implementation of
6 economic development programs in distressed municipalities. Such
7 pilot program shall be available to any regional development
8 corporation representing not less than five municipalities, two of which
9 shall be distressed municipalities, as defined in section 32-9p of the
10 general statutes. The department may enter into an agreement, pursuant
11 to chapter 55a of the general statutes, with a person, firm, corporation
12 or other entity to operate such program.

13 (b) Applications for participation in such pilot program shall be
14 submitted in a manner prescribed by the department. Each application

15 shall include, but need not be limited to, the following: (1) The location
16 of the principal place of business of the applicant; (2) an explanation of
17 the economic development program for which the matching grant is
18 being applied; (3) the amount and source of funding for such program
19 the applicant seeks to have matched; and (4) such other information the
20 department deems necessary. The department shall not accept new
21 applications for the regional economic development matching grant
22 pilot program after June 30, 2026.

23 (c) In determining whether an applicant shall be selected for a
24 matching grant pursuant to this section, the department, or the operator,
25 if any, selected pursuant to subsection (a) of this section, shall consider,
26 but need not be limited to, the following factors: (1) The description of
27 the economic development program proposed by the applicant; (2) the
28 resources and record of success of the applicant relative to economic
29 development programs implemented by the applicant in the applicant's
30 region; and (3) the potential impact of the proposed economic
31 development program on the workforce in the region where the
32 applicant is located. The department may provide, within available
33 funds, matching grants to eligible applicants for the funding of
34 economic development programs proposed in such applications.

35 (d) The Commissioner of Economic and Community Development
36 may award matching grants to regional economic development
37 corporations participating in the pilot program not exceeding in the
38 aggregate ten million dollars. The amount of any matching grant issued
39 pursuant to this section shall not exceed five million dollars.

40 (e) Not later than two years after the receipt of any financial aid
41 pursuant to this section, and annually thereafter, each regional
42 economic development corporation participating in the pilot program
43 shall submit a report to the Department of Economic and Community
44 Development detailing the progress of the economic development
45 program proposed in such corporation's application and containing any
46 additional information deemed necessary by the Commissioner of
47 Economic and Community Development.

48 (f) Not later than January 15, 2022, and annually thereafter, the
 49 Commissioner of Economic and Community Development shall submit
 50 a report, in accordance with the provisions of section 11-4a of the general
 51 statutes, containing an evaluation of the operation and effectiveness of
 52 the pilot program to the joint standing committee of the General
 53 Assembly having cognizance of matters relating to commerce.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2021	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 22 \$	FY 23 \$
Department of Economic & Community Development	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Commissioner of the Department of Economic and Community Development to establish a regional economic development matching grant pilot program limited to \$10 million in total, with any single matching grant limited to \$5 million.

The Out Years

The impact of the bill is limited to the aggregate total. Once that limit is reached, there would be no impact in the out years.

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
Hartford

Putnam

Windham

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 19 Nay 4 (03/16/2021)