

Commerce Committee JOINT FAVORABLE REPORT

Bill No.: HB-6467

Title: AN ACT CONCERNING THE SMALL BUSINESS EXPRESS PROGRAM.

Vote Date: 3/22/2021

Vote Action: Joint Favorable Substitute

PH Date: 2/23/2021

File No.: 303

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SPONSORS OF BILL:

Commerce Committee

REASONS FOR BILL:

HB 6467 implements extensions to the Small Business Express program (EXP) to support small businesses, distressed municipalities, and opportunity zones in Connecticut.

RESPONSE FROM ADMINISTRATION/AGENCY:

David Lehman, Commissioner of the Department of Economic and Community Development (DECD), wants to extend the Small Business Express program. Significant impacts from this new program will include utilizing private-sector expertise, developing new partnerships with the private sector, lowering costs to support the EXP program, increasing leverage, targeting investment toward market gaps, and maintaining flexibility for times of crisis. His overall objective is to collaborate with the CT lending community to stimulate greater capital access for businesses to grow with emphasis on minority, women, veteran, and disabled-owned businesses.

NATURE AND SOURCES OF SUPPORT:

Nancy Cowser, Executive Director of the Southeastern Connecticut Enterprise Region, supports the extension of the Small Business Express program. After receiving funding from this program, numerous businesses in her district were able to create additional jobs, acquire assets, and expand business operations. The extensions to this program are needed today for economic recovery from the pandemic.

The Connecticut Bankers Association wants to partner with the Department of Economic and Community Development and Connecticut Innovations to support the Small Business

Express Program. Connecticut's banks contain 1,000 branches and can reach a large number of small businesses that are interested in receiving financing from this program. The program would allow DECD to utilize future funding to create a smaller reliance on general fund appropriations. It would also add credit enhancements that would permit banks to lend to smaller businesses in a regulatorily compliant manner. The Connecticut Bankers Association hopes DECD increases its partnership with Connecticut banks and use this effort to increase financing for businesses across the state with emphasis on small and minority-owned businesses.

Peter Denious, President and CEO of AdvanceCT, supports the extension of the Small Business Express program. He notes that small business credit is now more widely available, and credit decisions are primarily made by the private sector. The Small Business Express program would enable the state to work with financial institutions in order to provide more capital to disadvantaged business owners.

Ashley Zane, Government Affairs Associate for the Connecticut Business and Industry Association (CBIA), supports the extension of the Small Business Express program. She asserts that partnering with the private sector and community banks expands lending capacity and acquires capital for higher risk businesses. CBIA supports the increase in the maximum loan amount for the minority business revolving loan fund by \$150,000 regarding the impact on these businesses from the pandemic. She also notes that these businesses have struggled to acquire capital before the pandemic. CBIA hopes DECD closely monitors this program so business and community needs are met, particularly small manufacturers who heavily relied on the Manufacturing Assistance Act, Small Business Express, and Manufacturing Innovation Fund.

NATURE AND SOURCES OF OPPOSITION:

None Expressed.

Reported by: Jade Hardrick, Intern

Date: 4/2/21