



General Assembly

January Session, 2021

Committee Bill No. 3

LCO No. 4873



Referred to Committee on COMMERCE

Introduced by:
(CE)

***AN ACT CONCERNING DIVERSE ECONOMIC OPPORTUNITY,
WORKER PROTECTIONS AND SMALL BUSINESS REVITALIZATION.***

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

1 Section 1. Section 12-217aaa of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2021, and*
3 *applicable to income years beginning January 1, 2021*):

4 (a) As used in this section, (1) "accumulated credits" means the
5 amount of credits allowed, in accordance with the provisions of section
6 12-217n, that have not been taken through an applicant's last income
7 year completed prior to the date of an application submitted as
8 provided in subsection (b) of this section, [and] (2) "commissioner"
9 means the Commissioner of Economic and Community Development,
10 and (3) "human capital investment" means the amount paid or incurred
11 by a corporation on (A) job training which occurs in this state for
12 persons who are employed in this state; (B) work education programs
13 in this state, including, but not limited to, programs in public high
14 schools and work education-diversified occupations programs in this
15 state; (C) worker training and education for persons who are employed
16 in this state provided by institutions of higher education in this state;

17 (D) donations or capital contributions to institutions of higher education
18 in this state for improvements or advancements of technology,
19 including physical plant improvements; (E) planning, site preparation,
20 construction, renovation or acquisition of facilities in this state for the
21 purpose of establishing a child care center, as described in section 19a-
22 77, in this state to be used primarily by the children of employees who
23 are employed in this state; (F) subsidies to employees who are employed
24 in this state for child care to be provided in this state; and (G)
25 contributions made to the Individual Development Account Reserve
26 Fund, as defined in section 31-51ww.

27 (b) The commissioner shall establish and administer a program to
28 allow businesses in the state to utilize accumulated credits against the
29 tax imposed under this chapter and chapter 219 in exchange for (1)
30 capital projects, planned or underway, in the state that propose to [(1)]
31 (A) expand the scale or scope of such business, [(2)] (B) increase
32 employment at such business, or [(3)] (C) generate a substantial return
33 to the state economy, or (2) human capital investment. A business
34 seeking to utilize accumulated credits under this section shall submit to
35 the commissioner, on forms provided by the commissioner, an
36 application that shall include, but not be limited to: (A) A detailed plan
37 outlining the capital project or human capital investment, (B) the term
38 of such project or investment, (C) the estimated costs of such project or
39 investment, and (D) the amount of accumulated credits the business
40 proposes it be allowed to utilize under this section. The commissioner
41 shall perform an econometric analysis of each application and shall only
42 approve an application if he or she determines that such project or
43 investment will generate revenues for the state that exceed the amount
44 of the accumulated credits proposed to be utilized. The amount of such
45 accumulated credits shall be subject to confirmation, in accordance with
46 the provisions of this title, by the Commissioner of Revenue Services in
47 consultation with the commissioner.

48 (c) The commissioner shall determine, in consultation with the
49 Commissioner of Revenue Services and the Secretary of the Office of

50 Policy and Management, when such accumulated credits may be
51 utilized by the business, provided the commissioner shall not approve
52 the utilization of the accumulated credits until the capital project or
53 human capital investment under subsection (b) of this section generates
54 revenues for the state that exceed the amount of the accumulated credits
55 proposed to be utilized.

56 (d) The total amount of accumulated credits used under this section,
57 at full value, and the investments made under section 12-217bbb shall
58 not exceed fifty million dollars in the aggregate.

59 (e) The commissioner may adopt regulations, in accordance with the
60 provisions of chapter 54, to implement the provisions of this section.

61 (f) Not later than February 1, 2019, and annually thereafter, the
62 commissioner shall include in the annual report required under section
63 32-1m: (1) Information on the number of applications received and the
64 number of applications approved under this section; (2) the status of the
65 capital projects or human capital investments associated with such
66 approved applications; (3) the amount of accumulated credits that are
67 proposed to be utilized under this section; and (4) (A) the amount and
68 type of state revenue generated in connection with each such capital
69 project or human capital investment to date, and (B) the projected
70 amount and type of such revenue for the five succeeding fiscal years
71 after completion of such capital project or human capital investment.

72 Sec. 2. Section 10a-223 of the general statutes is repealed and the
73 following is substituted in lieu thereof (*Effective October 1, 2021*):

74 In this chapter, the following words and terms shall have the
75 following meanings unless the context indicates another or different
76 meaning or intent:

77 (1) "Authority" means the Connecticut Higher Education
78 Supplemental Loan Authority constituted as a subsidiary of the
79 Connecticut Health and Educational Facilities Authority as provided in

80 section 10a-179a;

81 (2) "Authorized officer" means an employee of the Connecticut
82 Health and Educational Facilities Authority or of the authority who is
83 authorized by the board of directors of the authority to execute and
84 deliver documents and papers and to act in the name of and on behalf
85 of the authority;

86 (3) "Authority loans" means education loans by the authority, or loans
87 by the authority from the proceeds of bonds for the purpose of funding
88 education loans;

89 (4) "Board" means the board of directors of the authority;

90 (5) "Bonds" or "revenue bonds" means revenue bonds or notes of the
91 authority issued under the provisions of this chapter, including revenue
92 refunding bonds or notes;

93 (6) "Bond resolution" means the resolution or resolutions of the
94 authority and the trust agreement, if any, authorizing the issuance of
95 and providing for the terms and conditions applicable to bonds;

96 (7) "Borrower" means (A) an individual who has an outstanding loan
97 from the authority, (B) an individual who attends a Connecticut
98 institution for higher education or currently resides in the state, and has
99 received or agreed to pay an education loan, or (C) any parent who has
100 received or agreed to pay an education loan on behalf of an individual
101 who attends a Connecticut institution for higher education or currently
102 resides in the state;

103 (8) "Connecticut Health and Educational Facilities Authority" means
104 the quasi-public authority established pursuant to section 10a-179;

105 (9) "Connecticut institution for higher education" means an
106 institution for higher education within the state;

107 (10) "Default insurance" means insurance insuring education loans,

108 authority loans or bonds against default;

109 (11) "Default reserve fund" means a fund established pursuant to a
110 bond resolution for the purpose of securing education loans, authority
111 loans or bonds;

112 (12) "Education loan" means a loan which is made (A) to a student in
113 or from the state or a parent of such student to finance attendance at an
114 institution for higher education or enrollment in a certificate program
115 that will lead to the acquisition of job-related skills and workforce
116 credentials in the manufacturing, engineering, information technology,
117 biotechnology or STEM industries, or (B) to a borrower to refinance one
118 or more eligible loans;

119 (13) "Loan funding deposit" means moneys or other property
120 deposited by a Connecticut institution for higher education with the
121 authority, a guarantor or a trustee for the purpose of (A) providing
122 security for bonds, (B) funding a default reserve fund, (C) acquiring
123 default insurance, or (D) defraying costs of the authority, such moneys
124 or properties to be in such amounts as deemed necessary by the
125 authority or guarantor as a condition for such institution's participation
126 in the authority's programs;

127 (14) "Institution for higher education" means a degree-granting
128 educational institution within the United States authorized by
129 applicable law to provide a program of education beyond the high
130 school level and (A) described in Section 501(c)(3) of the Internal
131 Revenue Code of 1986, or any subsequent corresponding internal
132 revenue code of the United States, as from time to time amended, and
133 exempt from taxation under Section 501(a) of said code with respect to
134 a trade or business carried on by such institution which is not an
135 unrelated trade or business, determined by applying Section 513(a) of
136 said code to such organization or a foundation established for its benefit,
137 or (B) exempt from taxation under said code as a governmental unit;

138 (15) "Participating institution for higher education" means a

139 Connecticut institution for higher education which, pursuant to the
140 provisions of this chapter, undertakes the financing directly or
141 indirectly of education loans as provided in this chapter;

142 (16) "Parent" means any parent, legal guardian or sponsor of a
143 student at an institution for higher education;

144 (17) "Education loan series portfolio" means all education loans made
145 by the authority or by or on behalf of a specific participating institution
146 for higher education which are funded from the proceeds of a related
147 specific bond issue of the authority;

148 (18) "Education assistance program" means a program to assist in
149 financing the costs of education through education loans or education
150 grants, or both;

151 (19) "Education grant" means a grant, scholarship, fellowship or other
152 nonrepayable assistance awarded by the authority to a student currently
153 residing in the state to finance the attendance of the student at a
154 Connecticut institution for higher education or enrollment in a
155 certificate program that will lead to the acquisition of job-related skills
156 and workforce credentials in the manufacturing, engineering,
157 information technology, biotechnology or STEM industries, or a grant,
158 scholarship, fellowship or other nonrepayable assistance awarded by or
159 on behalf of a Connecticut institution for higher education from the
160 proceeds of funds provided by the authority to a student from the state
161 to finance the student's attendance at such institution; and

162 (20) "Eligible loan" means any loan that is in repayment that was (A)
163 made by the authority, or (B) made to a borrower by any other private
164 or governmental lender to finance attendance at an institution for higher
165 education or enrollment in a certificate program that will lead to the
166 acquisition of job-related skills and workforce credentials in the
167 manufacturing, engineering, information technology, biotechnology or
168 STEM industries.

169 Sec. 3. (NEW) (*Effective October 1, 2020*) (a) As used in this section:

170 (1) "Dislocated worker" means an individual who:

171 (A) (i) Has been terminated or laid off, or has received a notice of
172 termination or layoff, from employment; (ii) is eligible for or has
173 exhausted entitlement to unemployment compensation, (iii) has been
174 employed for a duration sufficient to demonstrate, to the appropriate
175 entity at a one-stop center referred to in Section 134(c) of the federal
176 Workforce Innovation and Opportunity Act of 2014, P.L. 113-128, as
177 amended from time to time, attachment to the workforce, but is not
178 eligible for unemployment compensation due to insufficient earnings or
179 having performed services for an employer that were not covered under
180 chapter 567 of the general statutes; or (iv) is unlikely to return to a
181 previous industry or occupation;

182 (B) (i) Has been terminated or laid off, or has received a notice of
183 termination or layoff, from employment as a result of any permanent
184 closure of, or any substantial layoff at, a plant, facility or enterprise; (ii)
185 is employed at a facility at which the employer has made a general
186 announcement that such facility will close within one hundred eighty
187 days; or (iii) for purposes of eligibility to receive services, other than
188 training services described in subdivision (14) of subsection (b) of
189 section 31-11p of the general statutes, as amended by this act, intensive
190 services described in subdivision (13) of subsection (b) of said section,
191 or supportive services, is employed at a facility at which the employer
192 has made a general announcement that such facility will close;

193 (C) Was self-employed, including employment as a farmer, rancher
194 or fisherman, but is unemployed as a result of general economic
195 conditions in the community in which the individual resides or because
196 of natural disasters; or

197 (D) Is a displaced homemaker;

198 (2) "Displaced homemaker" means an individual who has been

199 providing unpaid services to family members in the home and who (A)
200 has been dependent on the income of another family member, but is no
201 longer supported by that income; and (B) is unemployed or
202 underemployed and is experiencing difficulty in obtaining or
203 upgrading employment;

204 (3) "Economic development financial assistance" means any grant,
205 loan or loan guarantee, or combination thereof, or any tax credits
206 approved pursuant to chapter 578 of the general statutes, provided to a
207 business for the purpose of economic development;

208 (4) "Low-income individual" means an individual whose family
209 income is less than three hundred per cent of the federal poverty level
210 for the prior calendar year;

211 (5) "Minority" means an individual whose race is defined as other
212 than white, or whose ethnicity is defined as Hispanic or Latino by the
213 federal Office of Management and Budget for use by the Bureau of
214 Census of the United States Department of Commerce;

215 (6) "Nontraditional employment" means occupations or fields of
216 work for which individuals from one gender comprise less than twenty-
217 five per cent of the individuals employed in each such occupation or
218 field of work; and

219 (7) "Veteran" means any person who is a member of, was honorably
220 discharged from or released under honorable conditions from active
221 service in the armed forces, as defined in section 27-103 of the general
222 statutes.

223 (b) The Commissioner of Economic and Community Development
224 shall give priority to applicants for economic development financial
225 assistance who demonstrate a willingness, as determined by the
226 commissioner, to make jobs available to unemployed individuals, low-
227 income individuals, dislocated workers, individuals training for
228 nontraditional employment, veterans, minorities, women and

229 individuals with disabilities to the extent consistent with any state or
230 regional economic development strategy.

231 Sec. 4. (*Effective from passage*) (a) There is established a task force to
232 study the impact of the COVID-19 pandemic on the recruitment and
233 retention of employees in the tourism and restaurant industries. Such
234 study shall include, but need not be limited to, an examination of (1)
235 federal and state economic programs used by businesses in such
236 industries during the COVID-19 pandemic, (2) the effectiveness of such
237 programs in helping such industries retain employees during the
238 COVID-19 pandemic, and (3) any obstacles to such industries reaching
239 the employment levels that existed prior to the COVID-19 pandemic.
240 For the purposes of this section, "COVID-19" means the respiratory
241 disease designated by the World Health Organization on February 11,
242 2020, as coronavirus 2019, and any related mutation thereof recognized
243 by said organization as a communicable respiratory disease.

244 (b) The task force shall consist of the following members:

245 (1) Two appointed by the speaker of the House of Representatives;

246 (2) Two appointed by the president pro tempore of the Senate;

247 (3) One appointed by the majority leader of the House of
248 Representatives;

249 (4) One appointed by the majority leader of the Senate;

250 (5) One appointed by the minority leader of the House of
251 Representatives;

252 (6) One appointed by the minority leader of the Senate;

253 (7) The Commissioner of Economic and Community Development,
254 or the commissioner's designee; and

255 (8) Two persons appointed by the Governor.

256 (c) Any member of the task force appointed under subdivision (1),
257 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
258 of the General Assembly.

259 (d) All initial appointments to the task force shall be made not later
260 than thirty days after the effective date of this section. Any vacancy shall
261 be filled by the appointing authority.

262 (e) The speaker of the House of Representatives and the president pro
263 tempore of the Senate shall select the chairpersons of the task force from
264 among the members of the task force. Such chairpersons shall schedule
265 the first meeting of the task force, which shall be held not later than sixty
266 days after the effective date of this section.

267 (f) The administrative staff of the joint standing committee of the
268 General Assembly having cognizance of matters relating to commerce
269 shall serve as administrative staff of the task force.

270 (g) Not later than January 1, 2022, the task force shall submit a report
271 on its findings and recommendations to the joint standing committee of
272 the General Assembly having cognizance of matters relating to
273 commerce, in accordance with the provisions of section 11-4a of the
274 general statutes. The task force shall terminate on the date that it
275 submits such report or January 1, 2022, whichever is later.

276 Sec. 5. (NEW) (*Effective from passage*) The Department of Economic
277 and Community Development, in consultation with the Governor's
278 chief manufacturing officer and the State Board of Education, shall
279 develop and implement a plan to advertise certification programs, job
280 training programs and entry-level manufacturing jobs to graduates of
281 the state's high schools and adult education programs who do not join
282 the armed forces or enroll in an institution of higher education after
283 graduation. Not later than January 1, 2022, and annually thereafter, the
284 Commissioner of Economic and Community Development shall report,
285 in accordance with the provisions of section 11-4a of the general statutes,
286 to the joint standing committees of the General Assembly having

287 cognizance of matters relating to commerce and education, regarding
288 such plan and its implementation.

289 Sec. 6. (*Effective from passage*) The Department of Economic and
290 Community Development, in consultation with the Connecticut
291 Sentencing Commission, shall evaluate the effectiveness of provisional
292 pardons and certificates of rehabilitation issued pursuant to section 54-
293 130e of the general statutes and certificates of rehabilitation issued
294 pursuant to section 54-108f of the general statutes, at promoting the
295 reintegration of ex-offenders into the state's workforce. Not later than
296 January 1, 2022, the Commissioner of Economic and Community
297 Development shall report, in accordance with the provisions of section
298 11-4a of the general statutes, to the joint standing committees of the
299 General Assembly having cognizance of matters relating to commerce
300 and the judiciary, on the effectiveness of such provisional pardons and
301 certificates of rehabilitation at promoting such reintegration. Such
302 report shall include any recommendations for amendments to the
303 general statutes governing such provisional pardons and certificates of
304 rehabilitation in order to promote such reintegration.

305 Sec. 7. (NEW) (*Effective from passage*) The Department of Economic
306 and Community Development, in consultation with the Department of
307 Veterans Affairs and the Governor's chief manufacturing officer, shall
308 develop and implement a plan to identify and communicate with
309 veterans for the purpose of connecting such veterans with employment
310 opportunities in the state. Not later than January 1, 2022, and annually
311 thereafter, the Commissioner of Economic and Community
312 Development shall report, in accordance with the provisions of section
313 11-4a of the general statutes, to the joint standing committees of the
314 General Assembly having cognizance of matters relating to commerce
315 and veterans' and military affairs, regarding such plan and its
316 implementation.

317 Sec. 8. (NEW) (*Effective from passage*) Connecticut Innovations,
318 Incorporated, in consultation with the Department of Economic and

319 Community Development, CTNext and the Connecticut Center for
320 Advanced Technology, Inc., shall develop and implement a plan to
321 increase the total of funds provided to state businesses pursuant to the
322 small business innovation research program, as defined in section 32-
323 344 of the general statutes, and the small business technology transfer
324 program, as defined in section 32-344 of the general statutes. Not later
325 than January 1, 2022, and annually thereafter, the Commissioner of
326 Economic and Community Development shall report, in accordance
327 with the provisions of section 11-4a of the general statutes, to the joint
328 standing committees of the General Assembly having cognizance of
329 matters relating to commerce and veterans' and military affairs,
330 regarding such plan and its implementation.

331 Sec. 9. (*Effective from passage*) The Department of Economic and
332 Community Development, in consultation with the Department of
333 Correction, shall conduct a study relating to the federal Prison Industry
334 Enhancement Certification Program. Such study shall include, but need
335 not be limited to, an analysis of the state's participation in said program
336 and an analysis of other states' participation in said program. Not later
337 than January 1, 2022, the Commissioner of Economic and Community
338 Development shall submit a report on the results of such study to the
339 joint standing committees of the General Assembly having cognizance
340 of matters relating to commerce and the judiciary, in accordance with
341 the provisions of section 11-4a of the general statutes. Such report shall
342 include any recommendations for the state's further participation in the
343 federal Prison Industry Enhancement Certification Program.

344 Sec. 10. (*Effective from passage*) The Commissioner of Economic and
345 Community Development shall conduct a study relating to the state's
346 opportunity zone financial incentives. Such study shall include, but
347 need not be limited to, (1) an analysis of (A) the financial incentives used
348 by the state to support opportunity zone investment, (B) the specific
349 economic development projects that such incentives have supported
350 and an accounting of such financial incentives paid to date, and (C) the
351 types of businesses that have used such incentives; and (2) the

352 compilation of a list of opportunity zones in the state with the highest
353 unemployment and poverty rates and the lowest median family income.
354 Not later than January 1, 2021, the commissioner shall submit a report
355 on the results of such study to the joint standing committee of the
356 General Assembly having cognizance of matters relating to commerce,
357 in accordance with the provisions of section 11-4a of the general statutes.
358 Such report shall include a plan to incentivize investment in the
359 opportunity zones listed pursuant to subdivision (2) of this section and
360 any legislative proposals necessary to implement such plan.

361 Sec. 11. (NEW) (*Effective October 1, 2021*) (a) As used in this section,
362 "small business" means a corporation, limited liability company,
363 partnership, sole proprietorship or individual operating a business for
364 profit, which has operations in this state and employs twenty or fewer
365 full-time employees, including employees employed in any subsidiary
366 or affiliated corporation.

367 (b) Not later than January 1, 2022, the Department of Economic and
368 Community Development shall establish a small business micro-loan
369 assistance program to assist small businesses in securing micro-loans
370 from lending institutions.

371 (c) As part of the program, the department shall (1) establish a
372 registry of lending institutions in the state that provide micro-loans to
373 small businesses, (2) solicit lending institutions for inclusion in such
374 registry, (3) advertise the program on the department's Internet web
375 site, (4) establish a method by which small businesses may contact the
376 department for assistance with securing a micro-loan from a lending
377 institution, (5) provide assistance to small businesses seeking a micro-
378 loan, including, but not limited to, identifying potential lending
379 institutions and assisting with the completion of any loan application.

380 (d) Not later than January 1, 2022, and annually thereafter, the
381 Commissioner of Economic and Community Development shall submit
382 a report to the joint standing committee of the General Assembly having
383 cognizance of matters relating to commerce, in accordance with the

384 provisions of section 11-4a of the general statutes, which details the
 385 number of lending institutions included on the registry described in
 386 subdivision (1) of subsection (c) of this section, the number of small
 387 businesses who have contacted the department for assistance in
 388 securing a micro-loan, and the number of small businesses who have
 389 received a micro-loan from a lending institution after receiving
 390 assistance from the department.

391 Sec. 12. (*Effective from passage*) The Commissioner of Economic and
 392 Community Development shall conduct a study relating to the Federal
 393 Bonding Program administered by the United States Department of
 394 Labor. Such study shall analyze the effectiveness of such program. Not
 395 later than January 1, 2021, the commissioner shall submit a report on the
 396 results of such study and any recommendations regarding the
 397 establishment of complementary state incentives to supplement the
 398 Federal Bonding Program to the joint standing committee of the General
 399 Assembly having cognizance of matters relating to commerce, in
 400 accordance with the provisions of section 11-4a of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021, and applicable to income years beginning January 1, 2021</i>	12-217aaa
Sec. 2	<i>October 1, 2021</i>	10a-223
Sec. 3	<i>October 1, 2020</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>October 1, 2021</i>	New section
Sec. 12	<i>from passage</i>	New section

Statement of Purpose:

To grow the economy by supporting diverse economic opportunities, worker protections and small business revitalization.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. LOONEY, 11th Dist.; SEN. DUFF, 25th Dist.
SEN. MCCRORY, 2nd Dist.; SEN. ANWAR, 3rd Dist.
SEN. CASSANO, 4th Dist.; SEN. SLAP, 5th Dist.
SEN. LESSER, 9th Dist.; SEN. WINFIELD, 10th Dist.
SEN. DAUGHERTY ABRAMS, 13th Dist.; SEN. CABRERA, 17th
Dist.
SEN. MOORE, 22nd Dist.; SEN. KUSHNER, 24th Dist.
SEN. HASKELL, 26th Dist.; SEN. FLEXER, 29th Dist.
SEN. KASSER, 36th Dist.; SEN. BRADLEY, 23rd Dist.
REP. CONLEY, 40th Dist.; REP. PALM, 36th Dist.
REP. FELIPE, 130th Dist.; REP. SIMMS, 140th Dist.

S.B. 3