

Commerce Committee JOINT FAVORABLE REPORT

Bill No.: HB-5124
AN ACT CONCERNING REVISIONS TO CERTAIN ECONOMIC AND
Title: COMMUNITY DEVELOPMENT-RELATED STATUTES.
Vote Date: 3/17/2022
Vote Action: Joint Favorable
PH Date: 2/22/2022
File No.:

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SPONSORS OF BILL:

Commerce Committee

REASONS FOR BILL:

HB 5124 makes various revisions to certain economic and community development-related statutes. This bill allows the Commissioner of Economic and Community Development with the Secretary of the Office of Policy and Management to use bond funds, funding received from the American Rescue Plan Act of 2021 to carry out the state's Economic Action Plan. It also allows the Department of Economic and Community Development (DECD) to create an Innovation Corridor program. DECD will also be able to charge owners seeking a tax credit an application fee.

RESPONSE FROM ADMINISTRATION/AGENCY:

Alexandra Daum & Paul O. Robertson, Deputy Commissioners, Department of Economic and Community Development (DECD):

The Deputy Commissioners voiced support for HB 5124, as it contains various technical corrections to DECD' statutes that will reduce ambiguity and allow the agency to implement state programs as intended. He also points out that the changes in section 2 does not require any additional resources because DECD's Economic Action Plan already funded those programs. Section 3 "would allow for broader use of the application fees received under the tax credit for rehabilitation of certified historic structures program" beyond just funding the administration of the program. It would also allow "for future programming that aligns with the State Historic Preservation Office's statewide preservation plan."

NATURE AND SOURCES OF SUPPORT:

Francis Pickering, Executive Director, Western Connecticut Council of Governments:

Mr. Pickering voiced support for HB 5124, but asks that section 2. Paragraph b and c (lines 24-32 & 33-48 of Pg. 2) be amended to direct DECD to consider applications in “Census tracts meeting U.S. Economic Development administration distress criteria” and “Areas of Persistent Poverty and Historically Disadvantaged Communities, as defined by the 2021 Consolidated Appropriations Act and the U.S. Office of Management and Budget’s interim Guidance for the Justice40 Initiative.” Mr. Pickering expresses concerns about the distressed municipality formula having “not been statically tested” and having “statistical defects such as multicollinearity and a lack of standardization.” He is worried this will deprioritize the wrong communities.

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Ron Deb

Date: 3/30/2022