



Substitute House Bill No. 5299

Public Act No. 24-149

AN ACT CONCERNING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT'S RECOMMENDATIONS FOR REVISIONS TO THE JOBSCT PROGRAM AND THE COMMERCE AND RELATED STATUTES.

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

Section 1. Section 32-7t of the 2024 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) As used in this section:

(1) "Commissioner" means the Commissioner of Economic and Community Development;

(2) "Discretionary FTE" means an FTE that is paid qualified wages and does not meet the threshold wage requirements to be a qualified FTE but is approved by the commissioner pursuant to subdivision (4) of subsection (c) of this section;

(3) "Distressed municipality" has the same meaning as provided in section 32-9p;

(4) "Full-time equivalent" or "FTE" means the number of employees employed at a qualified business, calculated in accordance with

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subsection (d) of this section;

(5) "Full-time job" means a job in which an employee is required to work at least thirty-five or more hours per week. "Full-time job" does not include a temporary or seasonal job;

(6) "Intellectual disability" has the same meaning as provided in section 1-1g;

(7) "Median household income" means the median annual household income for residents in a municipality as calculated from the U.S. Census Bureau's five-year American Community Survey or another data source, at the sole discretion of the commissioner;

(8) "New employee" means a person or persons hired by the qualified business to fill a full-time equivalent position. A new employee does not include a person who was employed in this state by a related person with respect to the qualified business within twelve months prior to a qualified business's application to the commissioner for a rebate allocation notice for a job creation rebate pursuant to subsection (c) of this section;

(9) "New FTEs" means the number of FTEs that (A) did not exist in this state at the time of a qualified business's application to the commissioner for a rebate allocation notice for a job creation rebate pursuant to subsection (c) of this section, (B) are not the result of FTEs acquired due to a merger or acquisition, (C) are filled by a new employee, (D) are qualified FTEs, and (E) are not FTEs hired to replace FTEs that existed in the state [after January 1, 2020] within the two-year period occurring immediately prior to the date a qualified business submits an application to the commissioner for a rebate pursuant to subsection (c) of this section. The commissioner may issue guidance on the implementation of this definition;

(10) "New FTEs created" means the number of new FTEs that the

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qualified business is employing at a point-in-time at the end of the relevant time period;

(11) "New FTEs maintained" means the total number of new FTEs employed throughout a relevant time period;

(12) "Opportunity zone" means a population census tract that is a low-income community that is designated as a "qualified opportunity zone" pursuant to the Tax Cuts and Jobs Act of 2017, P.L. 115-97, as amended from time to time;

(13) "Part-time job" means a job in which an employee is required to work less than thirty-five hours per week. "Part-time job" does not include a temporary or seasonal job;

(14) "Qualified business" means a person that is (A) engaged in business in an industry related to finance, insurance, manufacturing, clean energy, bioscience, technology, digital media or any similar industry, as determined by the sole discretion of the commissioner, and (B) subject to taxation under chapter 207, 208 or 228z;

(15) "Qualified FTE" means an FTE who is paid qualified wages [of in an amount that is not less than at least one of the following amounts: (A) [at] At least eighty-five per cent of the median household income for the location where the FTE position is primarily located, scaled in proportion to the FTE fraction, or [thirty-seven thousand five hundred dollars] the product of one hundred twenty per cent of the minimum fair wage, as defined in section 31-58, on the date a qualified business submits an application to the commissioner for a rebate pursuant to subsection (c) of this section multiplied by two thousand hours, scaled in proportion to the FTE fraction, whichever is greater, or (B) at least one hundred per cent of the median household income for the municipality with the lowest median household income of all municipalities that are contiguous to the municipality where the FTE position is primarily

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located, scaled in proportion to the FTE fraction, or one hundred per cent of the state-wide median household income, scaled in proportion to the FTE fraction, whichever is greater;

(16) "Qualified wages" means wages sourced to this state pursuant to section 12-705;

(17) "Rebate period" means the calendar years in which a tax rebate provided for in this section is to be paid pursuant to a rebate allocation notice issued pursuant to subsection (c) of this section; and

(18) "Related person" means (A) a corporation, limited liability company, partnership, association or trust controlled by the qualified business, (B) an individual, corporation, limited liability company, partnership, association or trust that is in control of the qualified business, (C) a corporation, limited liability company, partnership, association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of the qualified business, or (D) a member of the same controlled group as the qualified business. For the purposes of this subdivision, "control" means (i) ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of a corporation entitled to vote, (ii) ownership, directly or indirectly, of fifty per cent or more of the capital or profits interest in a partnership, limited liability company or association, or (iii) ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of a trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership, of a limited liability company or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, other than paragraph (3) of said section.

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(b) There is established a JobsCT tax rebate program under which qualified businesses that create jobs in this state, in accordance with the provisions of this section, may be allowed a tax rebate, which shall be treated as a credit against the tax imposed under chapter 208 or 228z or as an offset of the tax imposed under chapter 207.

(c) (1) To be eligible to claim a rebate under this section, a qualified business shall apply to the commissioner in accordance with the provisions of this subsection. The application shall be on a form prescribed by the commissioner and may require information, including, but not limited to, the number of new FTEs to be created by the qualified business, the number of current FTEs employed by the qualified business, feasibility studies or business plans for the increased number of FTEs, projected state and local revenue that may reasonably derive as a result of the increased number of FTEs and any other information necessary to determine whether there will be net benefits to the economy of the municipality or municipalities in which the qualified business is primarily located and the state.

(2) Upon receipt of an application, the commissioner shall determine (A) whether the qualified business making the application will be reasonably able to meet the FTE hiring targets and other metrics as presented in such application, (B) whether such qualified business's proposed job growth would provide a net benefit to economic development and employment opportunities in the state, and (C) whether such qualified business's proposed job growth will exceed the number of jobs at the business that existed prior to [January 1, 2020] the two-year period occurring immediately prior to the date a qualified business submits an application to the commissioner for a rebate pursuant to this subsection. The commissioner may require the applicant to submit additional information to evaluate an application. Each qualified business making an application shall satisfy the requirements of this subdivision, as determined by the commissioner,

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to be eligible for the JobsCT tax rebate program, except that if the commissioner determines that the applicant is not reasonably able to satisfy the targets and metrics under subparagraph (A) of this subdivision, the commissioner may substitute another requirement or metric similar in intent to the requirement or metric such applicant was determined to not be able to reasonably satisfy.

(3) The commissioner, upon consideration of an application and any additional information, may approve an application in whole or in part or may approve an application with amendments. If the commissioner disapproves an application, the commissioner shall identify the defects in such application and explain the specific reasons for the disapproval. The commissioner shall render a decision on an application not later than ninety days after the date of its receipt by the commissioner.

(4) The commissioner may approve an application in whole or in part by a qualified business that creates new discretionary FTEs or may approve such an application with amendments if a majority of such new discretionary FTEs are individuals who (A) because of a disability, are receiving or have received services from the Department of Aging and Disability Services; (B) are receiving employment services from the Department of Mental Health and Addiction Services or participating in employment opportunities and day services, as defined in section 17a-226, operated or funded by the Department of Developmental Services; (C) have been unemployed for at least six of the preceding twelve months; (D) have been convicted of a misdemeanor or felony; (E) are veterans, as defined in section 27-103; (F) have not earned any postsecondary credential and are not currently enrolled in a postsecondary institution or program; or (G) are currently enrolled in a workforce training program fully or substantially paid for by the employer that results in such individual earning a postsecondary credential.

(5) The commissioner may combine approval of an application with

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the exercise of any of the commissioner's other powers, including, but not limited to, the provision of other financial assistance.

(6) By submitting an application, a qualified business consents to the Department of Economic and Community Development's access of data compiled by other state agencies, including, but not limited to, the Labor Department, for the purposes of audit and enforcement.

(7) The commissioner shall issue a rebate allocation notice stating the maximum amount of each rebate available to an approved qualified business for the rebate period and the specific terms that such business shall meet to qualify for each rebate. Such notice shall certify to the approved qualified business that the rebates may be claimed by such business if it meets the specific terms set forth in the notice. Such terms shall include the required wage, as determined by the commissioner, such business shall pay new discretionary FTEs to qualify for the tax rebates provided in subsection (f) of this section.

(d) For the purposes of this section, the FTE of a full-time job or part-time job is based on the hours worked or expected to be worked by an employee in a calendar year. A job in which an employee worked or is expected to work one thousand seven hundred fifty hours or more in a calendar year equals one FTE. A job in which an employee worked or is expected to work less than one thousand seven hundred fifty hours equals a fraction of one FTE, where the fraction is the number of hours worked in a calendar year divided by one thousand seven hundred fifty. The commissioner shall have the discretion to adjust the calculation of FTE.

(e) (1) In each calendar year of the rebate period, a qualified business approved by the commissioner pursuant to subdivision (3) of subsection (c) of this section that employs at least twenty-five new FTEs in this state or, if at least one of the new FTEs is an individual with intellectual disability, fifteen new FTEs in this state by December thirty-first of the

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calendar year that is two calendar years prior to the calendar year in which the rebate is being claimed shall be allowed a rebate equal to the greater of the following amounts:

(A) The sum of:

(i) The lesser of (I) the new FTEs created in an opportunity zone or distressed municipality on December thirty-first of the calendar year that is two calendar years prior to the calendar year in which the rebate is being claimed, or (II) the new FTEs maintained in an opportunity zone or distressed municipality in the previous calendar year, [(III) the new FTEs created by a qualified business employing at least one new FTE who is an individual with intellectual disability, or (IV) the new FTEs maintained by a qualified business employing at least one new FTE who is an individual with intellectual disability,] multiplied by fifty per cent of the income tax that would be paid on the average wage of the new FTEs, as determined by the applicable marginal rate set forth in chapter 229 for an unmarried individual based solely on such wages; and

(ii) The lesser of (I) the new FTEs created on December thirty-first of the calendar year that is two calendar years prior to the calendar year in which the rebate is being claimed, or (II) the new FTEs maintained in a location other than an opportunity zone or distressed municipality in the previous calendar year, multiplied by twenty-five per cent of the income tax that would be paid on the average wage of the new FTEs, as determined by the applicable marginal rate set forth in chapter 229 for an unmarried individual based solely on such wages; or

(B) The greater of:

(i) One thousand dollars multiplied by the lesser of (I) the new FTEs created by December thirty-first of the calendar year that is two calendar years prior to the calendar year in which the rebate is being claimed, or (II) the new FTEs maintained in the calendar year immediately prior to

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the calendar year in which the rebate is being claimed; or

(ii) For tax credits earned, claimed or payable prior to January 1, 2024, two thousand dollars multiplied by the lesser of (I) the new FTEs created by December 31, 2022, or (II) the new FTEs maintained in the calendar year immediately prior to the calendar year in which the rebate is being claimed.

(2) [In] Except as provided in subdivision (4) of this subsection, in no event shall the rebate under this subsection exceed in any calendar year of the rebate period five thousand dollars multiplied by the lesser of (A) the new FTEs created by December thirty-first of the calendar year that is two calendar years prior to the calendar year in which the rebate is being claimed, or (B) the new FTEs maintained in the calendar year immediately prior to the calendar year in which the rebate is being claimed.

(3) In no event shall an approved qualified business receive a rebate under this subsection in any calendar year of the rebate period if such business has not maintained, in the calendar year immediately prior to the calendar year in which the rebate is being claimed, at least (A) twenty-five new FTEs, or (B) fifteen new FTEs, if at least one of the new FTEs is an individual with intellectual disability.

(4) An approved qualified business that, by December thirty-first of the calendar year immediately prior to the calendar year in which the rebate is being claimed, employs at least fifteen new FTEs where at least one of the new FTEs is an individual with intellectual disability shall be allowed an additional rebate equal to twenty-five per cent of the wages paid to each such individual during the calendar year in which the rebate is being claimed. The rebate allowed under this subdivision shall be added to any other rebate allowed under this subsection.

(f) (1) In each calendar year of the rebate period, a qualified business

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approved by the commissioner pursuant to subdivision (4) of subsection (c) of this section that employs at least twenty-five new discretionary FTEs in this state by December thirty-first of the calendar year that is two calendar years prior to the calendar year in which the rebate is being claimed shall be allowed a rebate equal to the sum of the amount calculated pursuant to subdivision (1) of subsection (e) of this section and the greater of the following:

(A) The sum of:

(i) The lesser of the new discretionary FTEs (I) created in an opportunity zone or distressed municipality on December thirty-first of the calendar year that is two calendar years prior to the calendar year in which the rebate is being claimed, or (II) maintained in an opportunity zone or distressed municipality in the previous calendar year, multiplied by fifty per cent of the income tax that would be paid on the average wage of the new discretionary FTEs, as determined by the applicable marginal rate set forth in chapter 229 for an unmarried individual based solely on such wages; and

(ii) The lesser of the new discretionary FTEs (I) created on December thirty-first of the calendar year that is two calendar years prior to the calendar year in which the rebate is being claimed, or (II) maintained in a location other than an opportunity zone or distressed municipality in the previous calendar year, multiplied by twenty-five per cent of the income tax that would be paid on the average wage of the new discretionary FTEs, as determined by the applicable marginal rate set forth in chapter 229 for an unmarried individual based solely on such wages; or

(B) The greater of:

(i) Seven hundred fifty dollars multiplied by the lesser of the new discretionary FTEs (I) created by December thirty-first of the calendar

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year that is two calendar years prior to the calendar year in which the rebate is being claimed, or (II) maintained in the calendar year immediately prior to the calendar year in which the rebate is being claimed; or

(ii) For tax credits earned, claimed or payable prior to January 1, 2024, one thousand five hundred dollars multiplied by the lesser of (I) the new FTEs created by December 31, 2022, or (II) the new FTEs maintained in the calendar year immediately prior to the calendar year in which the rebate is being claimed.

(2) In no event shall the rebate under this [section] subsection exceed in any calendar year of the rebate period five thousand dollars multiplied by the lesser of the new discretionary FTEs (A) created by December thirty-first of the calendar year that is two calendar years prior to the calendar year in which the rebate is being claimed, or (B) maintained in the calendar year immediately prior to the calendar year in which the rebate is being claimed.

(3) In no event shall an approved qualified business receive a rebate under this subsection in any calendar year of the rebate period if such business has not maintained at least twenty-five new discretionary FTEs in the calendar year immediately prior to the calendar year in which the rebate is being claimed.

(g) (1) Notwithstanding the provisions of subdivisions (3) and (4) of subsection (c) of this section, the commissioner may not approve an application in whole or in part if the full amount of rebates that such applicant may be paid pursuant to subsection (e) or (f) of this section would result in the aggregate amount of rebates issued to all approved qualified businesses under this section exceeding forty million dollars in any fiscal year.

(2) Notwithstanding the provisions of subdivision (4) of subsection

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(c) of this section, the commissioner may not approve an application in whole or in part if the full amount of rebates that such applicant may be paid pursuant to subsection (f) of this section would result in the aggregate amount of rebates issued pursuant to subsection (f) of this section exceeding fifteen million dollars in any fiscal year.

(h) (1) A rebate under this section may be granted to an approved qualified business for not more than seven successive calendar years. A rebate shall not be granted until at least twenty-four months after the commissioner's approval of a qualified business's application.

(2) An approved qualified business that has fewer than twenty-five new FTEs or, if at least one of the new FTEs is an individual with intellectual disability, fewer than fifteen new FTEs, created in each of two consecutive calendar years or, if such business is approved by the commissioner pursuant to subdivision (4) of subsection (c) of this section, fewer than twenty-five new discretionary FTEs in each of two consecutive calendar years shall forfeit all remaining rebate allocations, unless the commissioner recognizes mitigating circumstances of a regional or national nature, including, but not limited to, a recession.

(i) Not later than January thirty-first of each year during the rebate period, each approved qualified business shall provide information to the commissioner regarding the number of new FTEs or new discretionary FTEs created or maintained during the prior calendar year and the qualified wages of such new employees. Any information provided under this subsection shall be subject to audit by the Department of Economic and Community Development.

(j) Not later than March fifteenth of each year during the rebate period, the Department of Economic and Community Development shall issue the approved qualified business a rebate voucher that sets forth the amount of the rebate, as calculated pursuant to subsections (e) and (f) of this section, and the taxable year against which such rebate

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may be claimed. The approved qualified business shall claim such rebate as a credit against the taxes due under chapter 208 or 228z or as an offset of the tax imposed under chapter 207. The commissioner shall annually provide to the Commissioner of Revenue Services a report detailing all rebate vouchers that have been issued under this section.

(k) Beginning on January 1, 2023, and annually thereafter, the commissioner, in consultation with the office of the State Comptroller and the Auditors of Public Accounts, shall submit a report to the Office of Policy and Management on the expenses of the JobsCT tax rebate program and the number of FTEs and discretionary FTEs created and maintained.

(l) Not later than January 1, [2024] 2025, the commissioner shall post, on the Department of Economic and Community Development's Internet web site, information on the JobsCT tax rebate program established under this section, including, but not limited to, information concerning tax rebates available for qualified businesses that, in accordance with the provisions of this section, employ individuals with intellectual disability in this state.

Sec. 2. Section 32-285a of the 2024 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) As used in this section:

(1) "Administrative costs" means the costs paid or incurred by the administrator of the Community Investment Fund 2030 Board established under subsection (b) of this section, including, but not limited to, allocated staff costs and other out-of-pocket costs attributable to the administration and operation of the board;

(2) "Administrator" means the Commissioner of Economic and Community Development, or the commissioner's designee;

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(3) "Eligible project" means:

(A) [(i)] A project proposed by a municipality, community development corporation or nonprofit organization, for the purpose of promoting economic or community development in the municipality or a municipality served by such corporation or organization, such as brownfield remediation, affordable housing, establishment of or improvements to water and sewer infrastructure to support smaller scale economic development, pedestrian safety and traffic calming improvements, establishment of or improvements to energy resiliency or clean energy projects and land acquisition, [and] capital projects to construct, rehabilitate or renovate [buildings and structures] public facilities such as libraries and senior centers and to facilitate or [improve] enhance home rehabilitation programs; and [facilities such as libraries and senior centers; or

(ii) A grant-in-aid proposed by a municipality, community development corporation or nonprofit organization for the purpose of providing (I) a revolving loan program, microloans or gap financing, to small businesses located within such municipality or a municipality served by such corporation or organization, or (II) start-up funds to establish a small business in any such municipality; and]

(B) Such project [or grant-in-aid] furthers consistent and systematic fair, just and impartial treatment of all individuals, including individuals who belong to underserved and marginalized communities that have been denied such treatment, such as Black, Latino and indigenous and Native American persons; Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender and queer persons and other persons comprising the LGBTQ+ community; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality; and

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(4) "Municipality" means a municipality designated as a public investment community pursuant to section 7-545 or as an alliance district pursuant to section 10-262u.

(b) (1) There is established a Community Investment Fund 2030 Board, which shall be within the Department of Economic and Community Development. The board shall consist of the following members:

(A) The speaker of the House of Representatives and the president pro tempore of the Senate;

(B) The majority leader of the House of Representatives, the majority leader of the Senate, the minority leader of the House of Representatives and the minority leader of the Senate;

(C) One appointed by the speaker of the House of Representatives and one appointed by the president pro tempore of the Senate, each of whom shall be a member of the Black and Puerto Rican Caucus of the General Assembly;

(D) The two chairpersons of the general bonding subcommittee of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding;

(E) Two appointed by the Governor; and

(F) The Secretary of the Office of Policy and Management, the Attorney General, the Treasurer, the Comptroller, the Secretary of the State and the Commissioners of Economic and Community Development, Administrative Services, Social Services and Housing, or their designees.

(2) All initial appointments shall be made not later than sixty days after June 30, 2021. The terms of the members appointed by the

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Governor shall be coterminous with the term of the Governor or until their successors are appointed, whichever is later. Any vacancy in appointments shall be filled by the appointing authority. Any vacancy occurring other than by expiration of term shall be filled for the balance of the unexpired term.

(3) Notwithstanding any provision of the general statutes, it shall not constitute a conflict of interest for a trustee, director, partner, officer, stockholder, proprietor, counsel or employee of any person to serve as a member of the board, provided such trustee, director, partner, officer, stockholder, proprietor, counsel or employee abstains and absents himself or herself from any deliberation, action and vote by the board in specific respect to such person. The members appointed by the Governor shall be deemed public officials and shall adhere to the code of ethics for public officials set forth in chapter 10.

(4) The speaker of the House of Representatives and the president pro tempore of the Senate shall serve as the chairpersons of the board and shall schedule the first meeting of the board, which shall be held not later than January 1, 2022. The board shall meet at least quarterly.

(5) Eleven members of the board shall constitute a quorum for the transaction of any business.

(6) The members of the board shall serve without compensation, but shall, within the limits of available funds, be reimbursed for expenses necessarily incurred in the performance of their duties.

(7) The board shall have the following powers and duties: (A) [Review] To review eligible projects to be recommended to the Governor under subsection (c) of this section for approval; (B) to establish bylaws to govern its procedures; (C) to review and provide comments to the Department of Economic and Community Development on projects funded through the state's Economic Action

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Plan as provided under section 32-4p; and (D) to perform such other acts as may be necessary and appropriate to carry out its duties described in this section.

(8) The administrator shall hire such employee or employees as may be necessary to assist the board to carry out its duties described in this section.

(c) (1) The Community Investment Fund 2030 Board shall establish an application and review process with guidelines and terms for funds provided from the bond proceeds under subsection (d) of this section for eligible projects. Such funds shall be used for costs related to an eligible project recommended by the board and approved by the Governor pursuant to this subsection but shall not be used to pay or to reimburse the administrator for administrative costs under this section. The Department of Economic and Community Development shall pay for administrative costs within available appropriations.

(2) The chairpersons of the board shall notify the chief elected official of each municipality when the application and review process has been established and shall publicize the availability of any funds available under this section. Each such official or any community development corporation or nonprofit organization may submit an application to the board requesting funds for an eligible project. The board shall meet to consider applications submitted and determine which, if any, the board will recommend to the Governor for approval.

(3) (A) The board shall give priority to eligible projects (i) that are proposed by a municipality that (I) has implemented local hiring preferences pursuant to section 7-112, or (II) has or will leverage municipal, private, philanthropic or federal funds for such project, and (ii) that have a project labor agreement or employ or will employ ex-offenders or individuals with physical, intellectual or developmental disabilities. The board shall give additional priority to an application

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submitted by a municipality that includes a letter of support for the proposed eligible project from a member or members of the General Assembly in whose district the eligible project is or will be located.

(B) In evaluating applications for an eligible project described in subparagraph (A)(ii) of subdivision (3) of subsection (a) of this section, the board shall (i) [evaluate the risk of default on the repayment of a proposed loan or financing, (ii)] consider the impact of the eligible project on job creation or retention in the municipality, [(iii)] (ii) consider the impact of the eligible project on blighted properties in the municipality, and [(iv)] (iii) consider the overall impact of the eligible project on the community. [The board shall not recommend any proposed loan or financing under subparagraph (A)(ii) of subdivision (3) of subsection (a) of this section for which the interest rate varies from the prevailing market rate.]

(4) (A) Whenever the board deems it necessary or desirable, the chairpersons of the board shall submit to the Governor a list of the board's recommendations of eligible projects to be funded from bond proceeds under subsection (d) of this section. The board may recommend state funding for eligible projects, provided the total cost of such recommendations shall not exceed one hundred seventy-five million dollars in any fiscal year. Such list shall include, at a minimum [:

(i) For] for each eligible project described in subparagraph [(A)(i)] (A) of subdivision (3) of subsection (a) of this section, a description of such project, the municipality in which such project is located, the amount of funds sought for such project, any cost estimates for such project, any schematics or plans for such project, the total estimated project costs and the applicable fiscal year to which such disbursement will be attributed, [; and

(ii) For each eligible project described in subparagraph (A)(ii) of

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subdivision (3) of subsection (a) of this section, a description of and specific terms for any proposed loans, financing or start-up funds to be provided from such grant-in-aid, the types of small businesses located or to be located in the municipality that may be eligible for such loan, financing or start-up funds, the amount of the grant-in-aid sought and the applicable fiscal year to which such disbursement will be attributed.]

(B) The Governor shall review the eligible projects on the list and may recommend changes to any eligible project on the list. The Governor shall determine the most appropriate method of funding for each eligible project and shall provide to the members of the board, in writing, such determination for each eligible project on the list and the reasons therefor. The board may reconsider at a future meeting any eligible project for which the Governor recommends a change. Each eligible project for which the Governor recommends the allocation of bond funds shall be considered at a State Bond Commission meeting not later than two months after the date such eligible project was submitted to the Governor pursuant to subparagraph (A) of this subdivision.

(5) Funds for an eligible project approved under this section may be administered on behalf of the board by a state agency, as determined by the Secretary of the Office of Policy and Management, provided a memorandum of understanding between the administrator of the Community Investment Fund 2030 Board and the state, acting by and through the Secretary of the Office of Policy and Management, has been entered into with respect to such funds and project.

(6) Not later than August 31, 2023, the board shall submit a report, in accordance with the provisions of section 11-4a, to the General Assembly, the Black and Puerto Rican caucus of the General Assembly, the Auditors of Public Accounts and the Governor, for the preceding fiscal year, that includes (A) a list of the eligible projects recommended by the board and approved by the Governor pursuant to this section, (B) the total amount of funds provided for such eligible projects, (C) for

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each such eligible project, a description of the project and the amounts and terms of the funds provided, (D) the status of the project and any balance remaining of the allocated funds, and (E) any other information the board deems relevant or necessary. The board shall submit such report annually for each fiscal year in which the funds specified in subparagraph (A) of subdivision (3) of this subsection are disbursed for eligible projects.

(7) The Auditors of Public Accounts shall audit, on a biennial basis, all eligible projects funded under this section and shall report their findings to the Governor, the Secretary of the Office of Policy and Management and the General Assembly.

(d) (1) The State Bond Commission may authorize the issuance of bonds of the state, in accordance with the provisions of section 3-20, in principal amounts not exceeding in the aggregate eight hundred seventy-five million dollars. The amount authorized for the issuance and sale of such bonds in each of the following fiscal years shall not exceed the following corresponding amount for each such fiscal year, except that, to the extent the State Bond Commission does not provide for the use of all or a portion of such amount in any such fiscal year, such amount not provided for shall be carried forward and added to the authorized amount for the next succeeding fiscal year, and provided further, the costs of issuance and capitalized interest, if any, may be added to the capped amount in each fiscal year, and each of the authorized amounts shall be effective on July first of the fiscal year indicated as follows:

| Fiscal Year Ending June 30, | Amount |
|-----------------------------|---------------|
| 2023 | \$175,000,000 |
| 2024 | 175,000,000 |
| 2025 | 175,000,000 |
| 2026 | 175,000,000 |

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| | |
|-------|---------------|
| 2027 | 175,000,000 |
| Total | \$875,000,000 |

(2) The proceeds of the sale of bonds set forth in this subsection shall be used for the purpose of funding eligible projects for which the Governor has determined under subsection (c) of this section that bond funding is appropriate and that no other bond authorization is available.

(e) (1) Upon the agreement of the Governor and the Community Investment Fund 2030 Board, and subsequent to the adoption of a resolution by the General Assembly affirming the reauthorization of the board and the program provided for under this section, the State Bond Commission may authorize the issuance of bonds of the state, in accordance with the provisions of section 3-20, in principal amounts not exceeding in the aggregate one billion two hundred fifty million dollars. The amount authorized for the issuance and sale of such bonds in each of the following fiscal years shall not exceed the following corresponding amount for each such fiscal year, except that, to the extent the State Bond Commission does not provide for the use of all or a portion of such amount in any such fiscal year, such amount not provided for shall be carried forward and added to the authorized amount for the next succeeding fiscal year, and provided further, the costs of issuance and capitalized interest, if any, may be added to the capped amount in each fiscal year, and each of the authorized amounts shall be effective on July first of the fiscal year indicated as follows:

| Fiscal Year Ending June 30, | Amount |
|-----------------------------|---------------|
| 2028 | \$250,000,000 |
| 2029 | 250,000,000 |
| 2030 | 250,000,000 |
| 2031 | 250,000,000 |
| 2032 | 250,000,000 |

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Total \$1,250,000,000

(2) The proceeds of the sale of bonds set forth in this subsection shall be used for the purpose of funding eligible projects for which the Governor has determined under subsection (c) of this section that bond funding is appropriate and that no other bond authorization is available.

(f) All provisions of section 3-20, or the exercise of any right or power granted thereby, that are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section. Temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section, and from time to time renewed. All bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

Sec. 3. Subsection (d) of section 4-66c of the 2024 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) Any economic development project eligible for assistance under this section may include but not be limited to: (1) The construction or rehabilitation of commercial, industrial and mixed use structures; and (2) the construction, reconstruction or repair of roads, accessways and other site improvements. The state, acting by and in the discretion of the Commissioner of Economic and Community Development, may enter into a contract for state financial assistance for any eligible economic or

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community development project in the form of a grant-in-aid. Any grant-in-aid shall be in an amount not in excess of the cost of the project for which the grant is made as determined and approved by the Commissioner of Economic and Community Development. Before entering into a grant-in-aid contract the Commissioner of Economic and Community Development shall have approved an application submitted on forms provided by the commissioner [. No project shall be undertaken until the Commissioner of Economic and Community Development approves the plans, specifications and estimated costs. The commissioner may adopt such regulations, in accordance with chapter 54, as are necessary for the implementation of this section] and with such information the commissioner deems necessary to evaluate such application. The commissioner shall establish the terms and conditions of any grant-in-aid contract for any economic development project under this section and may make any stipulation in connection with such contract.

Sec. 4. Section 32-1b of the 2024 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(a) There is established a Department of Economic and Community Development. The department head shall be the Commissioner of Economic and Community Development, who shall be appointed by the Governor in accordance with the provisions of sections 4-5 to 4-8, inclusive, with the powers and duties prescribed in said sections 4-5 to 4-8, inclusive.

(b) Said department shall constitute a successor department to the Department of Economic Development in accordance with the provisions of sections 4-38d, 4-38e and 4-39.

[(c) Whenever the term "Commissioner of Economic Development" is used or referred to in the general statutes, the term "Commissioner of

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Economic and Community Development" shall be substituted in lieu thereof. Whenever the term "Department of Economic Development" is used or referred to in the general statutes, the term "Department of Economic and Community Development" shall be substituted in lieu thereof.

(d) If the term "Commissioner of Housing" or "Commissioner of Economic Development" is used or referred to in any public or special act of 1995 or 1996, or in any section of the general statutes which is amended in 1995 or 1996, it shall be deemed to mean or refer to the "Commissioner of Economic and Community Development".

(e) If the term "Department of Housing" or "Department of Economic Development" is used or referred to in any public or special act of 1995 or 1996, or in any section of the general statutes which is amended in 1995 or 1996, it shall be deemed to mean or refer to the "Department of Economic and Community Development".]

(c) Said department shall constitute a successor to CTNext in accordance with the provisions of subsections (a) to (d), inclusive, and subsection (f) of section 4-38d and sections 4-38e and 4-39.

(d) Wherever the term "CTNext", other than the term "CTNext Fund", is used in any public or special act of 2024, the term "Department of Economic and Community Development" shall be substituted in lieu thereof.

(e) The Legislative Commissioners' Office shall, in codifying the provisions of this section, make such technical, grammatical and punctuation changes as are necessary to carry out the purposes of this section.

Sec. 5. Section 32-39f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

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(a) [Connecticut Innovations, Incorporated shall establish a subsidiary, to be known as CTNext.] As used in this section and sections 32-39g, as amended by this act, 32-39i, as amended by this act, 32-39k to 32-39o, inclusive, as amended by this act, 32-39t, as amended by this act, 32-39x, as amended by this act, and 32-39y, unless the context otherwise requires:

(1) "Anchor institution" means an entity having a significant and stable presence in the community, including, but not limited to, an institution of higher education, hospital, major corporation, research institution, business incubator or business accelerator;

(2) "Commissioner" means the Commissioner of Economic and Community Development;

(3) "Department" means the Department of Economic and Community Development;

(4) "Designated innovation place" means an area designated as an innovation place pursuant to section 32-39m, as amended by this act;

(5) "Entity" means a corporation, association, partnership, limited liability company, benefit corporation, nonprofit organization, municipality, institution of higher education or any other similar entity;

(6) "Growth stage business" means a business (A) that has been incorporated for ten years or less, (B) that has raised private capital, and (C) whose annual gross revenue has increased by twenty per cent for each of the three preceding income years of such business;

(7) "Innovation entity" means an entity whose application for innovation place designation is approved by the commissioner pursuant to section 32-39m, as amended by this act;

(8) "Innovation place" has the same meaning as described in section

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32-39k, as amended by this act;

(9) "Master plan" means the plan submitted to the commissioner pursuant to subsection (c) of section 32-39l, as amended by this act;

(10) "Municipality" means any town, city, consolidated town and city or consolidated town and borough;

(11) "New Haven Line" means the rail passenger service operated between New Haven and intermediate points and Grand Central Station, including the Danbury, Waterbury and New Canaan branch lines;

(12) "Public transit" means the New Haven Line, Shore Line East, the New Haven-Hartford-Springfield rail line and the New Britain to Hartford busway and any planned expansion of such busway; and

(13) "Shore Line East" means the rail service operating between New Haven and New London.

(b) The department may use any funds available in the CTNext Fund established under section 32-39i, as amended by this act, for the following purposes:

(1) [The primary purpose of CTNext shall be to] To foster and oversee the growth and continuous improvement of a state-wide entrepreneurial ecosystem and infrastructure that is supportive of Connecticut innovators and entrepreneurs and to initiate changes to practices that the [CTNext board of directors] commissioner deems to be outdated to improve such ecosystem and infrastructure;

[to] (2) To maintain an active and conspicuous presence at all nodes of such ecosystem and infrastructure and continuously increase connections between such nodes; [and]

[to] (3) To regularly reassess the health of such ecosystem and

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infrastructure, identify [its] their changing needs, adopt initiatives or adapt existing initiatives to meet such needs and regularly inform the General Assembly of such needs by proposing recommended legislation deemed necessary or desirable by the [CTNext board of directors.] commissioner;

[(2) The further purposes of CTNext shall be to] (4) To support the growth of start-up and growth stage businesses;

[to] (5) To promote entrepreneur community-building;

[to] (6) To connect start-up and growth stage business entrepreneurs with other start-up and growth stage business entrepreneurs and with state, federal and private resources;

[to] (7) To facilitate the establishment of innovation places and incubator facilities and the development, growth and evolution of innovation places and incubator facilities individually and in mutually supportive connections to other innovation places and incubator facilities;

[to] (8) To facilitate mentorship for start-up and growth stage business entrepreneurs;

[to] (9) To provide technical training and resources to start-up and growth stage businesses and entrepreneurs;

[to] (10) To facilitate innovation and entrepreneurship at institutions of higher education; and

[to] (11) To identify areas in which current practices and policies at such institutions of higher education are not realizing their full potential.

[(3) CTNext shall do all things necessary and proper to carry out the purposes set forth in subdivisions (1) and (2) of this subsection.

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(4) CTNext shall not be an employer, as defined in section 5-270. Connecticut Innovations, Incorporated shall establish CTNext pursuant to the provisions of section 32-11e, except that at least half of the members of the CTNext board of directors shall not be required to be members of the board of directors of Connecticut Innovations, Incorporated or their designees or officers or employees of the corporation. No further action is required for the establishment of the subsidiary, except the adoption of a resolution for the subsidiary. CTNext shall constitute a successor authority to Connecticut Innovations, Incorporated in accordance with the provisions of sections 4-38d, 4-38e and 4-39, for the purposes of the powers in subdivisions (22), (28) and (40) of section 32-39 transferred from Connecticut Innovations, Incorporated to CTNext pursuant to section 32-39.

(b) CTNext shall be overseen by a board of directors, which shall be known as the CTNext board of directors or the CTNext board. The CTNext board of directors shall consist of twelve members, at least half of whom shall be serial entrepreneurs representing a diverse range of growth sectors of the Connecticut economy. By education or experience, such members shall be qualified in one or more of the following: Start-up business development, growth stage business development, investment, innovation place development, urban planning and technology commercialization in higher education. The CTNext board shall consist of the following members: (1) One appointed by the Governor for an initial term of two years; (2) one appointed by the speaker of the House of Representatives for an initial term of two years; (3) one appointed by the president pro tempore of the Senate for an initial term of two years; (4) one appointed by the majority leader of the House of Representatives for an initial term of one year; (5) one appointed by the majority leader of the Senate for an initial term of one year; (6) one appointed by the minority leader of the House of Representatives for an initial term of one year; (7) one appointed by the minority leader of the Senate for an initial term of one year; (8) two

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jointly appointed by the chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding for an initial term of two years; and (9) the executive director of Connecticut Innovations, Incorporated, the Commissioner of Economic and Community Development and the Chief Workforce Officer, each of whom shall serve ex officio. Thereafter, all members shall be appointed by the original appointing authority for two-year terms. Any member of the board shall be eligible for reappointment. Any vacancy occurring other than by expiration of term shall be filled in the same manner as the original appointment for the balance of the unexpired term. The appointing authority for any member may remove such member for misfeasance, malfeasance, wilful neglect of duty or failure to attend three consecutive board meetings. For the purposes of this section, "serial entrepreneur" means an entrepreneur having brought one or more start-up businesses to venture capital funding by an institutional investor and "growth stage business" means a business (A) that has been incorporated for ten years or less, (B) that has raised private capital, and (C) whose annual gross revenue has increased by twenty per cent for each of the three previous income years of such business.

(c) All initial appointments to the board of directors shall be made not later than September 1, 2016. The chief executive officer of Connecticut Innovations, Incorporated shall be the chairperson of the board until January 1, 2019. On and after January 1, 2019, the chairperson of the board shall be a member of the CTNext board of directors elected by said board to serve for two-year terms. The chief executive officer of Connecticut Innovations, Incorporated shall remain a member of said board. The CTNext board shall meet at least quarterly, and at such other times as the chairperson deems necessary.

(d) Members of the CTNext board of directors may not designate a representative to perform in their absence their respective duties under

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this section or section 32-39g.

(e) The chairperson shall, with the approval of the members of the CTNext board of directors, appoint an executive director of CTNext who shall be an employee of CTNext and paid a salary prescribed by the members. The executive director shall supervise the administrative affairs and technical activities of CTNext in accordance with the directives of the board.

(f) Each member of the CTNext board of directors shall serve without compensation but shall be entitled to reimbursement for such member's actual and necessary expenses incurred in the performance of such member's official duties.

(g) Members may engage in private employment, or in a profession or business, subject to any applicable laws, rules and regulations of the state regarding official ethics or conflict of interest.

(h) A majority of the directors of the CTNext board then seated shall constitute a quorum for the transaction of any business or the exercise of any power of CTNext. For the transaction of any business or the exercise of any power of the authority, and except as otherwise provided in this section or section 32-39g, the CTNext board may act by a majority of the members present at any meeting at which a quorum is in attendance.

(i) CTNext shall continue as long as it has obligations outstanding and until its existence is terminated by law, provided no such termination shall affect any outstanding contractual obligation of CTNext and the state shall succeed to the obligations of CTNext under any contract. Upon the termination of the existence of CTNext, all its rights and properties shall pass to and be vested in Connecticut Innovations, Incorporated.

(j) Notwithstanding any provision of the general statutes, it shall not

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constitute a conflict of interest for a trustee, director, partner or officer of any person, firm or corporation, or any individual having a financial interest in a person, firm or corporation, to serve as a member of the CTNext board of directors, provided such trustee, director, partner, officer or individual shall abstain from deliberation, action or vote by the board in specific respect to such person, firm or corporation. All members shall be deemed public officials and shall otherwise adhere to the code of ethics for public officials set forth in chapter 10, except that no member shall be required to file a statement of financial interest as described in section 1-83.]

Sec. 6. Section 32-39g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

[(a)] For the purposes enumerated in subsection [(a)] (b) of section 32-39f, as amended by this act, [CTNext is authorized and empowered to] the commissioner may:

[(1) (A) Employ such assistants, agents and other employees as may be necessary or desirable who shall not be employees, as defined in subsection (b) of section 5-270; (B) establish all necessary or appropriate personnel practices and policies, including personnel practices and policies relating to hiring, promotion, compensation, retirement and collective bargaining, which need not be in accordance with chapter 68 but may be in accordance with the personnel practices and policies of Connecticut Innovations, Incorporated; and (C) engage consultants, attorneys and appraisers as may be necessary or desirable to carry out its purposes in accordance with this section;

(2) Receive and accept grants or contributions from any source of money, property, labor or other things of value, to be held, used and applied to carry out the purposes of this section subject to such conditions upon which such grants and contributions may be made, including, but not limited to, grants or contributions from any

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department, agency or instrumentality of the United States or this state for any purpose consistent with this section;]

[(3)] (1) Make and enter into all contracts and agreements necessary or incidental to the performance of [its] the commissioner's duties and the execution of [its] the commissioner's powers under this section, including contracts and agreements for such professional services as [CTNext] the commissioner deems necessary, including, but not limited to, financial consultant and technical specialists;

[(4)] Procure insurance against any liability or loss in connection with its property and other assets, in such amounts and from such insurers as it deems desirable, and procure insurance for employees;]

[(5)] (2) Account for and audit funds of [CTNext] the department and funds of any recipients of funds from [CTNext] the department;

[(6)] (3) Establish advisory committees [to assist in accomplishing its] to provide counsel and advice on the discharge of the commissioner's duties under this section; [, which may include one or more members of the CTNext board of directors and persons other than members;]

[(7)] (4) Serve as a resource to start-up and growth stage business entrepreneurs in this state by (A) providing counseling and technical assistance in the areas of entrepreneurial business planning and management, financing and marketing for start-up and growth stage businesses; and (B) conducting business workshops, seminars and conferences with local partners, including, but not limited to, in-state public and independent institutions of higher education, municipal governments, regional economic development districts, private industry, chambers of commerce, small business development organizations and economic development organizations;

[(8)] (5) Facilitate partnerships between innovative start-up and growth stage businesses, research institutions and venture capitalists or

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financial institutions;

[(9)] (6) Increase the quantity and availability of capital for start-up and growth stage businesses and entrepreneurs including, but not limited to, angel investors and venture capitalists;

[(10)] (7) Promote technology-based development in the state;

[(11)] (8) Encourage and promote the establishment of and, within available resources, provide financial aid to advanced technology centers;

[(12)] (9) Maintain an inventory of data and information concerning state and federal programs that are related to the purposes of this section and serve as a clearinghouse and referral service for such data and information;

[(13)] (10) Promote and encourage and, within available resources, provide financial aid for the establishment, maintenance and operation of incubator facilities and innovation places;

[(14)] (11) Promote and encourage the coordination of public and private resources and activities within the state in order to assist technology-based business entrepreneurs and business enterprises;

[(15)] (12) Promote science, engineering, mathematics and other disciplines that are essential to the development and application of technology;

[(16)] (13) Coordinate [its] the department's efforts with existing business outreach centers, as described in section 32-9qq;

[(17)] (14) Provide financial aid to persons developing smart buildings, as defined in section 32-23d, incubator facilities or other information technology intensive office and laboratory space;

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[(18)] (15) Coordinate the development and implementation of strategies regarding technology-based talent and innovation among state and quasi-public agencies, including the creation and administration of the Connecticut Small Business Innovation Research Office to act as a centralized clearinghouse and provide technical assistance to applicants in developing small business innovation research programs in conformity with the federal program established pursuant to the Small Business Research and Development Enhancement Act of 1992, P.L. 102-564, as amended from time to time, and other proposals;

[(19)] (16) Encourage the retention of younger generation start-up entrepreneurs in the state;

[(20)] (17) Promote entrepreneurship among students, faculty and alumni of institutions of higher education;

[(21)] (18) Make planning grants to entities seeking to apply for innovation place designation pursuant to section 32-39l, as amended by this act, provided each such entity demonstrates that its proposed innovation place meets the purposes set forth in section 32-39k, as amended by this act;

[(22)] (19) Encourage and promote the establishment of business accelerators; [including, but not limited to, a satellite of a major national business accelerator;]

[(23)] (20) Make higher education entrepreneurship grants-in-aid recommended by the Higher Education Entrepreneurship Advisory Committee pursuant to section 32-39t, as amended by this act;

[(24)] Develop and operate a state-wide service hub to deliver entrepreneurial support services to facilitate the implementation of any recommendations included in a report by the grant recipient under section 32-39q;]

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[(25)] (21) Implement the provisions of section 32-39x, as amended by this act; [and]

[(26)] Do all acts and things necessary or convenient to carry out the purposes of this section and the powers expressly granted by this section.

(b) CTNext shall:

(1) Develop a plan to facilitate stronger relationships between Connecticut businesses and institutions of higher education in order to support entrepreneurial research and entrepreneurial talent development;

(2) Create an informational Internet web site that (A) lists services, programs or events offered to entrepreneurs; (B) serves as an online community for entrepreneurs; (C) lists current research projects related to entrepreneurship and innovation being conducted by professors at institutions of higher education; (D) provides information concerning innovation and entrepreneurial programming available at institutions of higher education, including, but not limited to, engineering, computer science and bioscience; and (E) connects businesses seeking to buy Connecticut made products for their business inputs;

(3) Publicize such informational Internet web site and any workshops, seminars and conferences facilitated by CTNext;

(4) Advise the Governor, the General Assembly, the Commissioner of Economic and Community Development, the president of The University of Connecticut and the president of the Connecticut State Colleges and Universities on matters relating to science, engineering and technology that may have an impact on state policies, programs, employers and residents, and on job creation and retention;]

[(5)] (22) Designate innovation places pursuant to sections [32-39j] 32-

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39k to 32-39m, inclusive, as amended by this act;

[(6) Annually develop, update and implement a strategic state-wide innovation and entrepreneurship marketing plan for the promotion of Connecticut as an innovation and entrepreneurship hub. The executive director shall report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to commerce and finance, revenue and bonding, on or before February 1, 2017, and annually thereafter, concerning the content of such plan;]

[(7)] (23) Establish a program to provide growth grants-in-aid to businesses in this state for the purposes of facilitating the growth of start-up businesses that have transitioned to growth stage businesses. [CTNext] The department shall establish an application process for such grants-in-aid and shall prioritize such grants-in-aid for uses most likely to facilitate the growth of such businesses, including, but not limited to, sales assistance, marketing, strategy, organizational development, technology assistance, bid assistance, beta testing of products for new purchasers and prototype development. Such grants-in-aid shall not exceed twenty-five thousand dollars per applicant and shall be conditioned upon a one-third match from the applicant; and

(24) Do all acts and things necessary or convenient to carry out the purposes of this section and the powers expressly granted by this section.

[(8) Connect entrepreneurs in innovation places designated pursuant to section 32-39m with existing municipal and state resources to assist such entrepreneurs with regulatory compliance; and

(9) Adopt a comprehensive program evaluation and measurement process to ensure that CTNext's programs are administered appropriately and efficiently, comply with statutory requirements, are

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cost effective and are achieving the purposes set forth in section 32-39f.]

Sec. 7. Section 32-39i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(a) For the purposes of this section, "administrator" means Connecticut Innovations, Incorporated in its capacity as administrator of the CTNext Fund established pursuant to this section.

(b) There is established a CTNext Fund, to be held, administered, invested and disbursed by the administrator. The fund shall contain any moneys required or permitted by law to be deposited in the fund, returns on loans or investments, recoveries of grants-in-aid made from the fund and [any] moneys received from any public or private contributions, gifts, grants, donations, bequests or devises to the fund. Any balance remaining in the fund shall be carried forward in the fund for the fiscal year next succeeding.

(c) Any return on investment attributable to the investment of the fund by the administrator shall be deposited and held for the use and benefit of the fund. Moneys in or received for the fund may be deposited with and invested by any institution as may be designated by the administrator at its sole discretion and paid as the administrator shall direct. The administrator may make payments from deposit and investment accounts for use in accordance with the provisions of this section.

(d) The CTNext Fund shall not be deemed an account within the General Fund and shall be used exclusively for the purposes provided in this section.

(e) The CTNext Fund [shall] may be used (1) to provide grants-in-aid to innovation entities, as defined in section [32-39j] 32-39f, as amended by this act, pursuant to section 32-39m, as amended by this act, (2) to provide planning grants-in-aid to entities pursuant to section 32-39l, as

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amended by this act, (3) to initiate projects or provide grants-in-aid to projects that network innovation places pursuant to section 32-39m, as amended by this act, (4) for the purposes enumerated in sections 32-39f, as amended by this act, and 32-39g, as amended by this act, (5) for providing higher education entrepreneurship grants-in-aid pursuant to section 32-39g, as amended by this act, (6) to provide growth grants-in-aid pursuant to section 32-39g, as amended by this act, (7) [to provide a grant-in-aid for a program evaluation pursuant to section 32-39q, (8) to provide grants-in-aid to start-up businesses pursuant to section 32-39u, and (9)] to terminate the operations and activities of CTNext, (8) to pay to employees of CTNext any reasonable and appropriate severance compensation that was approved by the former CTNext board of directors prior to July 1, 2024, and (9) for any other purposes expressly provided by law.

(f) All expenditures from the CTNext Fund shall be approved by the [CTNext board of directors] commissioner. Any such approval shall be specific to an individual expenditure to be made or for budgeted expenditures with such variations as the [CTNext board of directors] commissioner may authorize at the time of such budget approval.

(g) Connecticut Innovations, Incorporated shall provide any necessary staff, office space, office systems and administrative support for the administration of the CTNext Fund in accordance with this section. In acting as administrator of the fund, the administrator shall have and may exercise all of the powers of Connecticut Innovations, Incorporated set forth in section 32-39, as amended by this act, provided expenditures from the fund shall be approved by the [CTNext board of directors] commissioner pursuant to subsection (f) of this section.

[(h) Beginning January 1, 2017, the administrator shall prepare for each fiscal year a plan of operations and an operating and capital budget for the CTNext Fund. Not later than ninety days prior to the start of the fiscal year, the administrator shall submit the plan and budget to the

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CTNext board of directors for its review and approval.

(i) Not later than April 15, 2017, and annually thereafter, the administrator shall provide a report of the activities of the CTNext Fund to the CTNext board of directors for its review and approval. Upon its approval of such report, the CTNext board of directors shall provide such report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to commerce and finance, revenue and bonding. Such report shall contain available information on the status and progress of the operations and funding of the CTNext Fund and the types, amounts and recipients of grants awarded.]

Sec. 8. Section 32-39k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

[There is established] The commissioner may establish an innovation place program within [CTNext. The] the department. If such program is established, the purpose of such program [is] shall be to (1) foster innovation and entrepreneurship by facilitating the designation and establishment of innovation places consisting of one or more compact geographic areas within the same municipality having entrepreneurial and innovation potential where (A) existing anchor institutions, institutions, companies and recreational spaces are in close proximity to start-up and growth stage businesses, (B) public transit is accessible, (C) a significant portion of the underlying zoning allows for mixed-use development, including, but not limited to, housing, office and retail, and (D) foot traffic is facilitated; (2) identify, designate and fund the initial costs associated with development of an innovation place; (3) encourage collaboration among institutions of higher education, medical institutions, hospitals, existing companies, start-up and growth stage businesses, researchers and investors; (4) encourage the leveraging of private investment in designated innovation places; and (5) connect entrepreneurs who are facing similar opportunities and

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challenges with other entrepreneurs and with private and public resources.

Sec. 9. Section 32-39l of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(a) Connecticut Innovations, Incorporated [shall] may post on its Internet web site an application form, prescribed by Connecticut Innovations, Incorporated, for planning grants-in-aid awarded pursuant to subsection (b) of this section. [Such] If posted, such application form shall state that applications for planning grants-in-aid shall be submitted to the [CTNext board] commissioner.

(b) Any entity may submit an application for a planning grant-in-aid to the [CTNext board] commissioner. In addition to the initial round of applications, the [CTNext board] commissioner may accept such applications for consideration, on a schedule and in accordance with deadlines prescribed by the [board] commissioner, until the total amount authorized under this subsection has been awarded. The [CTNext board] commissioner may extend the deadline for a planning grant-in-aid for up to sixty days. The [CTNext board] commissioner may award planning grants-in-aid to applicants in an amount up to fifty thousand dollars per applicant. Such planning grants-in-aid shall be proportionate to the anticipated grant-in-aid described in section 32-39m, as amended by this act. The total of all planning grants-in-aid awarded to applicants in the aggregate shall not exceed five hundred thousand dollars. A planning grant-in-aid awarded pursuant to this section shall be used by an entity for the preparation of an application for innovation place designation.

(c) Any entity may submit an application for innovation place designation to the [CTNext board] commissioner. In addition to the initial round of applications, the [CTNext board] commissioner may accept such applications for consideration, on a schedule and in

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accordance with deadlines prescribed by the [board] commissioner. Such applications shall be submitted on a form prescribed by the [board] commissioner and shall contain sufficient information to establish that the proposed innovation place is suitable for the purposes set forth in section 32-39k, as amended by this act.

(1) Such application shall include: (A) Information concerning the proposed geographical boundaries of the proposed innovation place, including, but not limited to, a map indicating the boundaries of the geographic areas within the municipality that make up the proposed innovation place; (B) information concerning at least two anchor institutions located within the geographical boundaries of the proposed innovation place and how such anchor institutions have agreed to participate in the development of and activities within the proposed innovation place; (C) a summary of existing and proposed transportation-related infrastructure within and around the geographical areas within the municipality that make up the proposed innovation place; (D) a summary of existing and proposed businesses, recreational facilities, public parks and any other public or private gathering spaces located within the geographical areas within the municipality that make up the proposed innovation place; (E) information concerning the walkability of the geographical areas within the municipality that make up the proposed innovation place; (F) a master plan for the development of the proposed innovation place, including a plan for connecting the geographic areas within the municipality that make up the proposed innovation place to public transit via rail or bus, a plan for leveraging private investment and a proposed budget and timeline for use of any moneys granted by the [CTNext board] commissioner. Such budget shall indicate priority for the expenditure of grant funds in the event that moneys granted are insufficient to cover the costs of the entire proposed budget; (G) a list of municipal and state legislative action that may be required for the execution of such master plan; (H) a letter of support from the chief

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elected official of the municipality where the innovation place is proposed that shall include a statement that the legislative body of such municipality has, by majority vote, indicated its support for the proposed innovation place and for any municipal legislative action recommended in the master plan, provided a chief elected official may only submit a letter of support for one proposed innovation place located within the municipality; (I) letters of support from private investors; (J) information concerning consistency with the state plan of conservation and development adopted pursuant to chapter 297; and (K) information concerning the capability of the applicant and other entities partnering with the applicant to implement and administer the master plan and how such partners will be involved in the implementation of such plan.

(2) A master plan may include, but need not be limited to, (A) plans for: (i) Attracting and directing support to start-up and growth stage businesses; (ii) development, in collaboration with private partners, of a business incubator, coworking space, business accelerator or public meeting space; (iii) events and community building; (iv) marketing and outreach; (v) open space improvement; (vi) housing development; (vii) improvement of technology infrastructure, including, but not limited to, broadband improvement; (viii) bicycle paths; and (ix) attracting anchor institutions, and (B) community letters of support from persons or entities other than the applicant.

(d) The [CTNext board shall] commissioner may screen all applications submitted to [it] the commissioner pursuant to subsection (c) of this section and [shall] may select therefrom a limited number of finalist applicants. The [CTNext board] commissioner shall hold at least one public hearing on each application submitted by a finalist applicant. Such hearing shall be held in the municipality where the proposed innovation place is to be located and shall consist of a presentation by the applicant finalist on its proposal and a public comment period. The

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[CTNext board] commissioner shall conduct a site walk of the geographic areas within the municipality that make up the proposed innovation place submitted by an applicant finalist. The [chairperson of the CTNext board] commissioner shall give appropriate notice of such hearing. The notice shall (1) state the time and place of the hearing to be held not fewer than ten days after the date of such notice, and (2) be posted in a conspicuous place in or near the office of the town clerk for the municipality where the proposed innovation place is to be located and posted on the Internet web site of such municipality, if available. Applicants may submit revised applications to the [CTNext board] commissioner based on public comments received at such hearing.

Sec. 10. Section 32-39m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(a) Through the innovation place program [established pursuant to] described in section 32-39k, as amended by this act, the [CTNext board shall] commissioner may:

(1) Review and evaluate applications for innovation place designation submitted by entities pursuant to section 32-39l, as amended by this act.

(2) (A) Approve applications for innovation place designation and designate such approved applications as an innovation place. Such approval may include modifications to an application, agreed to by the applicant, as a condition for approval thereof. If no such application meets the purposes set forth in section 32-39k, as amended by this act, or the criteria set forth in this subdivision, the [board] commissioner shall not approve any application for innovation place designation. Preference shall be given to applicants having (i) diverse partners, including, but not limited to, anchor institutions, (ii) partnerships with entities located within the proposed innovation place, and (iii) substantial private funding for expenses associated with the

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development of the proposed innovation place in relation to the amount of grant moneys requested.

(B) Award grants-in-aid to innovation entities, within available funds, for the allowable grant expenses set forth in an agreement described in this subparagraph. Prior to awarding any such grant-in-aid, the [CTNext board] commissioner shall (i) enter into an agreement with any such innovation entity concerning allowable grant expenses and the submission of an annual financial audit of grant expenditures to the [CTNext board] commissioner until all grant moneys have been expended by the innovation entity, provided any such audit shall be prepared by an independent auditor; (ii) confirm that a significant portion of the underlying zoning of the proposed innovation place allows for mixed-use development, including, but not limited to, housing, office and retail; and (iii) confirm that no portion of a grant-in-aid awarded to an innovation entity be given to an entity that is not part of the master plan for the innovation place. If the [CTNext board] commissioner finds that any such grant-in-aid awarded is being used for purposes that are not in conformity with the expenses allowed pursuant to this section, the [CTNext board] commissioner may require repayment of such grant-in-aid.

(C) No application may be designated as an innovation place by the [CTNext board] commissioner unless such application (i) is consistent with the purposes set forth in section 32-39k, as amended by this act, (ii) is for a proposed innovation place where a significant portion of such proposed innovation place is located in an existing or proposed mixed-use zoning district, (iii) was prepared in collaboration with the local chamber of commerce or other industry association and the municipal economic development department, or similar municipal authority, of the municipality in which the proposed innovation place is located, and (iv) is approved by majority vote of the legislative body of the municipality in which the proposed innovation place is to be located.

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(D) In determining whether to approve an application for innovation place designation, the [CTNext board] commissioner shall consider, but such consideration shall not be limited to: (i) Whether the entities partnering together to implement and administer the proposed master plan are of the quality to, and have demonstrated the commitment to, implement and administer the master plan in a manner sufficient to achieve the purposes set forth in section 32-39k, as amended by this act; (ii) whether the geography of the proposed innovation place is sufficiently compact to achieve the purposes set forth in section 32-39k, as amended by this act; (iii) whether the master plan is sufficient to achieve the purposes set forth in section 32-39k, as amended by this act, and whether such plan includes (I) sufficient measures to ensure walkability of the geographic areas within the municipality that make up the proposed innovation place; (II) sufficient measures to enhance regular interpersonal interactions among residents, workers and visitors of the proposed innovation place; (III) adequate and accessible public transportation; and (IV) existing or proposed restaurants, affordable housing options, retail spaces and public spaces, indoor or outdoor, that provide adequate opportunity for interpersonal interaction; (iv) the extent to which the master plan leverages private investment; (v) self-sustainability of the innovation place after moneys granted by the [CTNext board] commissioner are fully expended; (vi) whether the underlying zoning of the proposed innovation place provides for, or will be amended to provide for, reduced minimum floor area for residential dwelling units; and (vii) any other criteria the [CTNext board] commissioner determines is relevant for evaluating whether the proposed innovation place, if granted innovation place designation, will achieve the purposes set forth in section 32-39k, as amended by this act.

(E) The [CTNext board] commissioner shall report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to

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commerce and finance, revenue and bonding on or before September thirtieth annually, regarding the grants-in-aid distributed pursuant to this section and concerning the operation and effectiveness of the innovation place program.

(3) Publicize and post on [its] the department's Internet web site the deadline for applications for innovation place designation pursuant to section 32-39l, as amended by this act.

(b) Through the innovation place program [established pursuant to] described in section 32-39k, as amended by this act, the [CTNext board] commissioner may initiate projects or provide grants-in-aid to entities for projects that network innovation places designated as such pursuant to subsection (a) of this section with one another.

Sec. 11. Section 32-39o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

The Commissioner of Economic and Community Development may forgive a portion of any state assistance received by a technology-based business and owed to the state if such business participates in a mentorship network established by [CTNext] the department. The commissioner shall develop a formula to calculate such state assistance forgiveness based on the hours of mentorship provided by any such business.

Sec. 12. Section 32-39t of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(a) [There shall be] The commissioner may establish a Higher Education Entrepreneurship Advisory Committee within [CTNext. Such] the department. If established, such committee shall consist of members appointed by the [CTNext board of directors] commissioner, including, but not limited to: (1) An equal number of representatives of public and private institutions of higher education; (2) one

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baccalaureate student representative; (3) one graduate student representative; (4) one high school student who shall be a nonvoting member; and (5) three serial entrepreneurs having experience as an entrepreneur in residence at an institution of higher education. Such members shall be subject to term limits prescribed by the [CTNext board. All initial appointments to the committee pursuant to this subsection shall be made not later than June 1, 2017] commissioner. Each member appointed by the commissioner shall hold office until a successor is appointed. For the purposes of this section, "serial entrepreneur" means an entrepreneur having brought one or more start-up businesses to venture capital funding by an institutional investor.

(b) [The executive director of CTNext shall call the first meeting of the advisory committee not later than June 15, 2017.] The advisory group shall select chairpersons of the advisory group during [such] its initial meeting. The advisory committee shall meet not less than quarterly [thereafter] after its initial meeting and at such other times as the chairperson deems necessary.

(c) No member of the advisory committee shall receive compensation for such member's service, except that each member shall be entitled to reimbursement for actual and necessary expenses incurred during the performance of such member's official duties.

(d) A majority of members of the advisory committee shall constitute a quorum for the transaction of any business or the exercise of any power of the advisory committee. The advisory committee may act by a majority of the members present at any meeting at which a quorum is in attendance, for the transaction of any business or the exercise of any power of the advisory committee, except as otherwise provided in this section.

(e) Every member of the advisory committee shall be deemed a member of an advisory board for purposes of chapter 10.

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(f) Any institution of higher education, or partnership of one or more institutions of higher education, may submit an application for a higher education entrepreneurship grant-in-aid to the advisory committee, on a form prescribed by the advisory committee.

(g) The advisory committee [shall] may review applications for grants-in-aid submitted to it pursuant to this section. The advisory committee may recommend approval of any such application to the [CTNext board of directors if it determines that the application is consistent with and in furtherance of the master plan for entrepreneurship at public and private institutions of higher education developed pursuant to section 32-39s. The] commissioner. For any such application reviewed by the advisory committee, the advisory committee shall give priority for grants-in-aid to applications (1) including collaborative initiatives between institutions of higher education, and (2) supporting individual institutions of higher education to develop alumni mentor networks, entrepreneurs-in-residence programs, university proof of concept funds and student business start-up accelerators, when such individual institutions demonstrate that such networks, programs, funds and accelerators are not feasible for operation across multiple institutions of higher education.

Sec. 13. Section 32-39x of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(a) The [executive director of CTNext] commissioner may establish and operate an Entrepreneurs-in-Residence program that may replace and incorporate any similar program run by [CTNext] the department prior to July 1, 2018. Such program may identify highly experienced entrepreneurs who have been involved in the successful creation of innovation-based start-up companies and early-state venture deals and retain their services to match them with entrepreneurs and companies in the [CTNext] department's network to provide advice and assistance.

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Such retention may be on a paid or volunteer basis, as agreed to by the entrepreneur-in-residence and the [CTNext board of directors] commissioner, except that an employee of [CTNext] the department who serves as an entrepreneur-in-residence shall serve on a voluntary basis.

(b) The [executive director of CTNext] commissioner may establish jointly with the chief executive officer of Connecticut Innovations, Incorporated a proof of concept fund to make investments or provide grants of up to one hundred thousand dollars to support commercialization activities that are relevant to key industries in the state. Preference may be given to (A) such activities that are based on research conducted at institutions of higher education in the state, (B) making investments in companies involved in such research or commercialization efforts, or (C) both. Such investments or grants shall be awarded on a competitive basis and any applicant for an investment or a grant under this subdivision shall demonstrate, in a form and manner prescribed by the executive director in consultation with the chief executive officer, such applicant's intent to commercialize aspects of such research. A grant under this subdivision may be awarded directly to the applicant or to a company involved in such research or commercialization efforts.

Sec. 14. Subsection (h) of section 32-35 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(h) The corporation shall provide funding for the operation of the Connecticut Small Business Innovation Research Office in accordance with subdivision [(18)] (15) of subsection (a) of section 32-39g, as amended by this act.

Sec. 15. Subdivision (4) of section 32-39 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1,*

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2024):

(4) To invest in, acquire, lease, purchase, own, manage, hold and dispose of real property and lease, convey or deal in or enter into agreements with respect to such property on any terms necessary or incidental to the carrying out of these purposes; provided, however, (A) all such acquisitions of real property for the corporation's own use with amounts appropriated by the state to the corporation or with the proceeds of bonds supported by the full faith and credit of the state shall be subject to the approval of the Secretary of the Office of Policy and Management and the provisions of section 4b-23, and (B) upon termination of a lease executed on or before, May 1, 2016, for its main office, the corporation shall consider relocating such main office to a designated innovation place, as defined in section [32-39j] 32-39f, as amended by this act, and establishing a satellite office in one or more designated innovation places;

Sec. 16. Subdivisions (22) to (45), inclusive, of section 32-39 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

[(22) To maintain an inventory of data and information concerning state and federal programs which are related to the purposes of this chapter and to serve as a clearinghouse and referral service for such data and information, provided such power shall be transferred to CTNext on September 1, 2016;]

[(23)] (22) To conduct and encourage research and studies relating to technological development;

[(24)] (23) To provide technical or other assistance and, within available resources, to provide financial aid to the Connecticut Academy of Science and Engineering, Incorporated, in order to further the purposes of this chapter;

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[(25)] (24) To recommend a science and technology agenda for the state that will promote the formation of public and private partnerships for the purpose of stimulating research, new business formation and growth and job creation;

[(26)] (25) To encourage and provide technical assistance and, within available resources, to provide financial aid to existing manufacturers and other businesses in the process of adopting innovative technology and new state-of-the-art processes and techniques;

[(27)] (26) To recommend state goals for technological development and to establish policies and strategies for developing and assisting technology-based companies and for attracting such companies to the state;

[(28)] To promote and encourage and, within available resources, to provide financial aid for the establishment, maintenance and operation of incubator facilities, provided such power shall be transferred to CTNext on September 1, 2016;]

[(29)] (27) To promote and encourage the coordination of public and private resources and activities within the state in order to assist technology-based entrepreneurs and business enterprises;

[(30)] (28) To provide services to industry that will stimulate and advance the adoption and utilization of technology and achieve improvements in the quality of products and services;

[(31)] (29) To promote science, engineering, mathematics and other disciplines that are essential to the development and application of technology;

[(32)] (30) To coordinate its efforts with existing business outreach centers, as described in section 32-9qq;

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[(33)] (31) To do all acts and things necessary and convenient to carry out the purposes of this chapter;

[(34)] (32) To accept from the department: (A) Financial assistance, (B) revenues or the right to receive revenues with respect to any program under the supervision of the department, and (C) loan assets or equity interests in connection with any program under the supervision of the department; to make advances to and reimburse the department for any expenses incurred or to be incurred by it in the delivery of such assistance, revenues, rights, assets, or interests; to enter into agreements for the delivery of services by the corporation, in consultation with the department and the Connecticut Housing Finance Authority, to third parties, which agreements may include provisions for payment by the department to the corporation for the delivery of such services; and to enter into agreements with the department or with the Connecticut Housing Finance Authority for the sharing of assistants, agents and other consultants, professionals and employees, and facilities and other real and personal property used in the conduct of the corporation's affairs;

[(35)] (33) To transfer to the department: (A) Financial assistance, (B) revenues or the right to receive revenues with respect to any program under the supervision of the corporation, and (C) loan assets or equity interests in connection with any program under the supervision of the corporation, provided the transfer of such financial assistance, revenues, rights, assets or interests is determined by the corporation to be practicable, within the constraints and not inconsistent with the fiduciary obligations of the corporation imposed upon or established upon the corporation by any provision of the general statutes, the corporation's bond resolutions or any other agreement or contract of the corporation and to have no adverse effect on the tax-exempt status of any bonds of the state;

[(36)] (34) With respect to any capital initiative, to create, with one or

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more persons, one or more affiliates and to provide, directly or indirectly, for the contribution of capital to any such affiliate, each such affiliate being expressly authorized to exercise on such affiliate's own behalf all powers which the corporation may exercise under this section, in addition to such other powers provided to it by law;

[(37)] (35) To provide financial aid to enable biotechnology, bioscience and other technology companies to lease, acquire, construct, maintain, repair, replace or otherwise obtain and maintain production, testing, research, development, manufacturing, laboratory and related and other facilities, improvements and equipment;

[(38)] (36) To provide financial aid to persons developing smart buildings, as defined in section 32-23d, incubator facilities or other information technology intensive office and laboratory space;

[(39)] (37) To provide financial aid to persons developing or constructing the basic buildings, facilities or installations needed for the functioning of the media and motion picture industry in this state;

[(40)] To coordinate the development and implementation of strategies regarding technology-based talent and innovation among state and quasi-public agencies, including the creation and administration of the Connecticut Small Business Innovation Research Office to act as a centralized clearinghouse and provide technical assistance to applicants in developing small business innovation research programs in conformity with the federal program established pursuant to the Small Business Research and Development Enhancement Act of 1992, P.L. 102-564, as amended, and other proposals, provided such power shall be transferred to CTNext on September 1, 2016;]

[(41)] (38) To invest in private equity investment funds, or funds of funds, and enter into related agreements of limited partnership or other

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contractual arrangements related to such funds. Any such fund may be organized and managed, and may invest in businesses, located within or outside the state, provided the characteristics, investment objectives and criteria for such fund shall be consistent with policies adopted by the corporation's board of directors, which shall include requirements that the fund manager have or establish an office in the state and that the fund manager agrees to make diligent and good faith efforts to source deals and make fund investments such that an amount at least equal to the amount invested in such fund by the corporation and not otherwise returned, net of customary fees, expenses and closing costs borne ratably by fund investors, is invested by or through such fund in a manner that supports (A) the growth of business operations of companies in the technology, bioscience or precision manufacturing sectors in the state, or (B) the relocation of companies in such sectors to the state;

[(42)] (39) To invest up to five million dollars in a venture capital funding round of an out-of-state business that has raised private capital, has been incorporated for ten years or less and whose annual gross revenue has increased by twenty per cent for each of the three previous income years of such business, provided (A) any such investment is contingent upon the business relocating its operations to the state, (B) no investment shall exceed fifty per cent of the total amount raised by the business in such venture capital funding round, and (C) the total amount of investments pursuant to this section shall not exceed ten million dollars;

[(43)] (40) To establish a program to solicit private investment from state residents that Connecticut Innovations, Incorporated will invest in a private investment fund or funds of funds pursuant to subdivision [(41)] (38) of this section or subsections (e) and (g) of section 32-41cc on behalf of such residents, provided any such private investment shall be invested by Connecticut Innovations, Incorporated in venture capital

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firms having offices located in the state;

[(44)] (41) To create financial incentives to induce (A) out-of-state businesses that have raised private capital, have been incorporated for ten years or less and whose annual gross revenue has increased by twenty per cent for each of the three previous income years of such business, to relocate to Connecticut, provided the corporation has made an equity investment in such business and (B) out-of-state venture capital firms to relocate to Connecticut, provided the corporation is investing funds in such firm as a limited partner; and

[(45)] (42) To provide financial aid, including in the form of equity investments, to cannabis establishments, as defined in section 21a-420.

Sec. 17. Subsection (b) of section 32-235 of the 2024 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of Economic and Community Development (1) for the purposes of sections 32-220 to 32-234, inclusive, including economic cluster-related programs and activities, and for the Connecticut job training finance demonstration program pursuant to sections 32-23uu and 32-23vv, provided (A) three million dollars shall be used by said department solely for the purposes of section 32-23uu, (B) not less than one million dollars shall be used for an educational technology grant to the deployment center program and the nonprofit business consortium deployment center approved pursuant to section 32-41l, (C) not less than two million dollars shall be used by said department for the establishment of a pilot program to make grants to businesses in designated areas of the state for construction, renovation or improvement of small manufacturing facilities, provided such grants are matched by the business, a municipality or another financing entity.

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The Commissioner of Economic and Community Development shall designate areas of the state where manufacturing is a substantial part of the local economy and shall make grants under such pilot program which are likely to produce a significant economic development benefit for the designated area, (D) five million dollars may be used by said department for the manufacturing competitiveness grants program, (E) one million dollars shall be used by said department for the purpose of a grant to the Connecticut Center for Advanced Technology, for the purposes of subdivision (5) of subsection (a) of section 32-7f, (F) fifty million dollars shall be used by said department for the purpose of grants to the United States Department of the Navy, the United States Department of Defense or eligible applicants for projects related to the enhancement of infrastructure for long-term, on-going naval operations at the United States Naval Submarine Base-New London, located in Groton, which will increase the military value of said base. Such projects shall not be subject to the provisions of sections 4a-60 and 4a-60a, (G) two million dollars shall be used by said department for the purpose of a grant to the Connecticut Center for Advanced Technology, Inc., for manufacturing initiatives, including aerospace and defense, and (H) four million dollars shall be used by said department for the purpose of a grant to companies adversely impacted by the construction at the Quinnipiac Bridge, where such grant may be used to offset the increase in costs of commercial overland transportation of goods or materials brought to the port of New Haven by ship or vessel, (2) for the purposes of the small business assistance program established pursuant to section 32-9yy, provided fifteen million dollars shall be deposited in the small business assistance account established pursuant to said section 32-9yy, (3) to deposit twenty million dollars in the small business express assistance account established pursuant to section 32-7h, (4) to deposit four million nine hundred thousand dollars per year in each of the fiscal years ending June 30, 2017, to June 30, 2019, inclusive, and June 30, 2021, and nine million nine hundred thousand dollars in the fiscal year ending June 30, 2020, in the CTNext Fund established pursuant to section 32-

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39i, as amended by this act, which shall be used by [CTNext] the Department of Economic and Community Development to provide grants-in-aid to designated innovation places, as defined in section [32-39j] 32-39f, as amended by this act, planning grants-in-aid pursuant to section 32-39l, as amended by this act, and grants-in-aid for projects that network innovation places pursuant to subsection (b) of section 32-39m, as amended by this act, provided not more than three million dollars be used for grants-in-aid for such projects, and further provided any portion of any such deposit that remains unexpended in a fiscal year subsequent to the date of such deposit may be used by [CTNext] the Department of Economic and Community Development for any purpose described in subsection (e) of section 32-39i, as amended by this act, (5) to deposit two million dollars per year in each of the fiscal years ending June 30, 2019, to June 30, 2021, inclusive, in the CTNext Fund established pursuant to section 32-39i, as amended by this act, which shall be used by [CTNext] the Department of Economic and Community Development for the purpose of providing higher education entrepreneurship grants-in-aid pursuant to section 32-39g, as amended by this act, provided any portion of any such deposit that remains unexpended in a fiscal year subsequent to the date of such deposit may be used by [CTNext] the Department of Economic and Community Development for any purpose described in subsection (e) of section 32-39i, as amended by this act, (6) for the purpose of funding the costs of the Technology Talent Advisory Committee established pursuant to section 32-7p, provided not more than ten million dollars may be used on or after July 1, 2023, for such purpose, (7) to provide (A) a grant-in-aid to the Connecticut Supplier Connection in an amount equal to two hundred fifty thousand dollars in each of the fiscal years ending June 30, 2017, to June 30, 2021, inclusive, and (B) a grant-in-aid to the Connecticut Procurement Technical Assistance Program in an amount equal to three hundred thousand dollars in each of the fiscal years ending June 30, 2017, to June 30, 2021, inclusive, (8) to deposit four hundred fifty thousand dollars per year, in each of the fiscal years

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ending June 30, 2017, to June 30, 2021, inclusive, in the CTNext Fund established pursuant to section 32-39i, as amended by this act, which shall be used by [CTNext] the Department of Economic and Community Development to provide growth grants-in-aid pursuant to section 32-39g, as amended by this act, provided any portion of any such deposit that remains unexpended in a fiscal year subsequent to the date of such deposit may be used by [CTNext] the Department of Economic and Community Development for any purpose described in subsection (e) of section 32-39i, as amended by this act, (9) to transfer fifty million dollars to the Labor Department which shall be used by said department for the purpose of funding workforce pipeline programs selected pursuant to section 31-11rr, provided, notwithstanding the provisions of section 31-11rr, (A) not less than five million dollars shall be provided to the workforce development board in Bridgeport serving the southwest region, for purposes of such program, and the board shall distribute such money in proportion to population and need, and (B) not less than five million dollars shall be provided to the workforce development board in Hartford serving the north central region, for purposes of such program, (10) to transfer twenty million dollars to Connecticut Innovations, Incorporated, provided ten million dollars shall be used by Connecticut Innovations, Incorporated for the purpose of the proof of concept fund established pursuant to subsection (b) of section 32-39x, as amended by this act, and ten million dollars shall be used by Connecticut Innovations, Incorporated for the purpose of the venture capital fund program established pursuant to section 32-41oo, (11) to provide a grant to The University of Connecticut of eight million dollars for the establishment, development and operation of a center for sustainable aviation pursuant to subsection (a) of section 10a-110o. [Not later than thirty days prior to any use of unexpended funds under subdivision (4), (5) or (8) of this subsection, the CTNext board of directors shall provide notice of and the reason for such use to the joint standing committees of the General Assembly having cognizance of matters relating to commerce and finance, revenue and bonding.]

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Sec. 18. Section 32-357 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

Connecticut Innovations, Incorporated, in consultation with the Department of Economic and Community Development [, CTNext] and the Connecticut Center for Advanced Technology, Inc., shall develop and implement a plan to increase the total of funds provided to state businesses pursuant to the small business innovation research program, as defined in section 32-344, and the small business technology transfer program, as defined in section 32-344. Not later than January 1, 2022, and annually thereafter, the Commissioner of Economic and Community Development shall report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to commerce and veterans' and military affairs, regarding such plan and its implementation.

Sec. 19. Subsection (h) of section 10a-11b of the 2024 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(h) The commission may review its goals and plans and determine how best to align its work with the work of the [Higher Education Innovation and Entrepreneurship Working Group and the] Higher Education Entrepreneurship Advisory Committee, established pursuant to [sections 32-39s and] section 32-39t, as amended by this act.

Sec. 20. Subsection (i) of section 12-391 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2024*):

(i) The tax calculated pursuant to the provisions of this section shall be reduced in an amount equal to half of the amount invested by a decedent in a private investment fund or fund of funds pursuant to

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subdivision [(43)] (40) of section 32-39, as amended by this act, provided (1) any such reduction shall not exceed five million dollars for any such decedent, (2) any such amount invested by the decedent shall have been invested in such fund or fund of funds for ten years or more, and (3) the aggregate amount of all taxes reduced under this subsection shall not exceed thirty million dollars.

Sec. 21. Sections 32-39h, 32-39j, 32-39q to 32-39s, inclusive, and 32-39u to 32-39w, inclusive, are repealed. (*Effective July 1, 2024*)

Approved June 6, 2024