



House of Representatives

General Assembly

File No. 442

February Session, 2024

Substitute House Bill No. 5299

House of Representatives, April 11, 2024

The Committee on Commerce reported through REP. MESKERS of the 150th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

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

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

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2 is repealed and the following is substituted in lieu thereof (*Effective from*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

4 (a) As used in this section:

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

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

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

13 (4) "Full-time equivalent" or "FTE" means the number of employees
14 employed at a qualified business, calculated in accordance with
15 subsection (d) of this section;

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

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

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

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

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

42 the implementation of this definition;

43 (10) "New FTEs created" means the number of new FTEs that the
44 qualified business is employing at a point-in-time at the end of the
45 relevant time period;

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

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

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

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

60 (15) "Qualified FTE" means an FTE who is paid qualified wages of (A)
61 at least eighty-five per cent of the median household income for the
62 location where the FTE position is primarily located, scaled in
63 proportion to the FTE fraction, or [thirty-seven thousand five hundred
64 dollars] the product of one hundred twenty per cent of the minimum
65 fair wage, as defined in section 31-58, on the date a qualified business
66 submits an application to the commissioner for a rebate pursuant to
67 subsection (c) of this section multiplied by two thousand hours, scaled
68 in proportion to the FTE fraction, whichever is greater, or (B) at least one
69 hundred per cent of the median household income for the municipality
70 with the lowest median household income of all municipalities that are
71 contiguous to the municipality where the FTE position is primarily
72 located, scaled in proportion to the FTE fraction, or one hundred per

73 cent of the state-wide median household income, scaled in proportion
74 to the FTE fraction, whichever is greater;

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

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

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

103 (b) There is established a JobsCT tax rebate program under which
104 qualified businesses that create jobs in this state, in accordance with the
105 provisions of this section, may be allowed a tax rebate, which shall be

106 treated as a credit against the tax imposed under chapter 208 or 228z or
107 as an offset of the tax imposed under chapter 207.

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

120 (2) Upon receipt of an application, the commissioner shall determine
121 (A) whether the qualified business making the application will be
122 reasonably able to meet the FTE hiring targets and other metrics as
123 presented in such application, (B) whether such qualified business's
124 proposed job growth would provide a net benefit to economic
125 development and employment opportunities in the state, and (C)
126 whether such qualified business's proposed job growth will exceed the
127 number of jobs at the business that existed prior to [January 1, 2020] the
128 two-year period occurring immediately prior to the date a qualified
129 business submits an application to the commissioner for a rebate
130 pursuant to this subsection. The commissioner may require the
131 applicant to submit additional information to evaluate an application.
132 Each qualified business making an application shall satisfy the
133 requirements of this subdivision, as determined by the commissioner,
134 to be eligible for the JobsCT tax rebate program, except that if the
135 commissioner determines that the applicant is not reasonably able to
136 satisfy the targets and metrics under subparagraph (A) of this
137 subdivision, the commissioner may substitute another requirement or
138 metric similar in intent to the requirement or metric such applicant was
139 determined to not be able to reasonably satisfy.

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

147 (4) The commissioner may approve an application in whole or in part
148 by a qualified business that creates new discretionary FTEs or may
149 approve such an application with amendments if a majority of such new
150 discretionary FTEs are individuals who (A) because of a disability, are
151 receiving or have received services from the Department of Aging and
152 Disability Services; (B) are receiving employment services from the
153 Department of Mental Health and Addiction Services or participating in
154 employment opportunities and day services, as defined in section 17a-
155 226, operated or funded by the Department of Developmental Services;
156 (C) have been unemployed for at least six of the preceding twelve
157 months; (D) have been convicted of a misdemeanor or felony; (E) are
158 veterans, as defined in section 27-103; (F) have not earned any
159 postsecondary credential and are not currently enrolled in a
160 postsecondary institution or program; or (G) are currently enrolled in a
161 workforce training program fully or substantially paid for by the
162 employer that results in such individual earning a postsecondary
163 credential.

164 (5) The commissioner may combine approval of an application with
165 the exercise of any of the commissioner's other powers, including, but
166 not limited to, the provision of other financial assistance.

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

171 (7) The commissioner shall issue a rebate allocation notice stating the
172 maximum amount of each rebate available to an approved qualified

173 business for the rebate period and the specific terms that such business
174 shall meet to qualify for each rebate. Such notice shall certify to the
175 approved qualified business that the rebates may be claimed by such
176 business if it meets the specific terms set forth in the notice. Such terms
177 shall include the required wage, as determined by the commissioner,
178 such business shall pay new discretionary FTEs to qualify for the tax
179 rebates provided in subsection (f) of this section.

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

190 (e) (1) In each calendar year of the rebate period, a qualified business
191 approved by the commissioner pursuant to subdivision (3) of subsection
192 (c) of this section that employs at least twenty-five new FTEs in this state
193 or, if at least one of the new FTEs is an individual with intellectual
194 disability, fifteen new FTEs in this state by December thirty-first of the
195 calendar year that is two calendar years prior to the calendar year in
196 which the rebate is being claimed shall be allowed a rebate equal to the
197 greater of the following amounts:

198 (A) The sum of:

199 (i) The lesser of (I) the new FTEs created in an opportunity zone or
200 distressed municipality on December thirty-first of the calendar year
201 that is two calendar years prior to the calendar year in which the rebate
202 is being claimed, or (II) the new FTEs maintained in an opportunity zone
203 or distressed municipality in the previous calendar year, [(III) the new
204 FTEs created by a qualified business employing at least one new FTE
205 who is an individual with intellectual disability, or (IV) the new FTEs

206 maintained by a qualified business employing at least one new FTE who
207 is an individual with intellectual disability,] multiplied by fifty per cent
208 of the income tax that would be paid on the average wage of the new
209 FTEs, as determined by the applicable marginal rate set forth in chapter
210 229 for an unmarried individual based solely on such wages; and

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

219 (B) The greater of:

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

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

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

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

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

252 (f) (1) In each calendar year of the rebate period, a qualified business
253 approved by the commissioner pursuant to subdivision (4) of subsection
254 (c) of this section that employs at least twenty-five new discretionary
255 FTEs in this state by December thirty-first of the calendar year that is
256 two calendar years prior to the calendar year in which the rebate is being
257 claimed shall be allowed a rebate equal to the sum of the amount
258 calculated pursuant to subdivision (1) of subsection (e) of this section
259 and the greater of the following:

260 (A) The sum of:

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

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

279 (B) The greater of:

280 (i) Seven hundred fifty dollars multiplied by the lesser of the new
281 discretionary FTEs (I) created by December thirty-first of the calendar
282 year that is two calendar years prior to the calendar year in which the
283 rebate is being claimed, or (II) maintained in the calendar year
284 immediately prior to the calendar year in which the rebate is being
285 claimed; or

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

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

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

302 rebate is being claimed.

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

310 (2) Notwithstanding the provisions of subdivision (4) of subsection
311 (c) of this section, the commissioner may not approve an application in
312 whole or in part if the full amount of rebates that such applicant may be
313 paid pursuant to subsection (f) of this section would result in the
314 aggregate amount of rebates issued pursuant to subsection (f) of this
315 section exceeding fifteen million dollars in any fiscal year.

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

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

329 (i) Not later than January thirty-first of each year during the rebate
330 period, each approved qualified business shall provide information to
331 the commissioner regarding the number of new FTEs or new
332 discretionary FTEs created or maintained during the prior calendar year
333 and the qualified wages of such new employees. Any information

334 provided under this subsection shall be subject to audit by the
335 Department of Economic and Community Development.

336 (j) Not later than March fifteenth of each year during the rebate
337 period, the Department of Economic and Community Development
338 shall issue the approved qualified business a rebate voucher that sets
339 forth the amount of the rebate, as calculated pursuant to subsections (e)
340 and (f) of this section, and the taxable year against which such rebate
341 may be claimed. The approved qualified business shall claim such
342 rebate as a credit against the taxes due under chapter 208 or 228z or as
343 an offset of the tax imposed under chapter 207. The commissioner shall
344 annually provide to the Commissioner of Revenue Services a report
345 detailing all rebate vouchers that have been issued under this section.

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

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

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

362 (a) As used in this section:

363 (1) "Administrative costs" means the costs paid or incurred by the
364 administrator of the Community Investment Fund 2030 Board

365 established under subsection (b) of this section, including, but not
366 limited to, allocated staff costs and other out-of-pocket costs attributable
367 to the administration and operation of the board;

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

370 (3) "Eligible project" means:

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

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

390 (B) Such project [or grant-in-aid] furthers consistent and systematic
391 fair, just and impartial treatment of all individuals, including
392 individuals who belong to underserved and marginalized communities
393 that have been denied such treatment, such as Black, Latino and
394 indigenous and Native American persons; Asian Americans and Pacific
395 Islanders and other persons of color; members of religious minorities;
396 lesbian, gay, bisexual, transgender and queer persons and other persons

397 comprising the LGBTQ+ community; persons who live in rural areas;
398 and persons otherwise adversely affected by persistent poverty or
399 inequality; and

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

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

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

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

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

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

419 (E) Two appointed by the Governor; and

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

425 (2) All initial appointments shall be made not later than sixty days

426 after June 30, 2021. The terms of the members appointed by the
427 Governor shall be coterminous with the term of the Governor or until
428 their successors are appointed, whichever is later. Any vacancy in
429 appointments shall be filled by the appointing authority. Any vacancy
430 occurring other than by expiration of term shall be filled for the balance
431 of the unexpired term.

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

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

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

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

450 (7) The board shall have the following powers and duties: (A)
451 [Review] To review eligible projects to be recommended to the
452 Governor under subsection (c) of this section for approval; (B) to
453 establish bylaws to govern its procedures; (C) to review and provide
454 comments to the Department of Economic and Community
455 Development on projects funded through the state's Economic Action
456 Plan as provided under section 32-4p; and (D) to perform such other acts
457 as may be necessary and appropriate to carry out its duties described in

458 this section.

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

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

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

479 (3) (A) The board shall give priority to eligible projects (i) that are
480 proposed by a municipality that (I) has implemented local hiring
481 preferences pursuant to section 7-112, or (II) has or will leverage
482 municipal, private, philanthropic or federal funds for such project, and
483 (ii) that have a project labor agreement or employ or will employ ex-
484 offenders or individuals with physical, intellectual or developmental
485 disabilities. The board shall give additional priority to an application
486 submitted by a municipality that includes a letter of support for the
487 proposed eligible project from a member or members of the General
488 Assembly in whose district the eligible project is or will be located.

489 (B) In evaluating applications for an eligible project described in

490 subparagraph (A)(ii) of subdivision (3) of subsection (a) of this section,
491 the board shall (i) [evaluate the risk of default on the repayment of a
492 proposed loan or financing, (ii)] consider the impact of the eligible
493 project on job creation or retention in the municipality, [(iii)] (ii) consider
494 the impact of the eligible project on blighted properties in the
495 municipality, and [(iv)] (iii) consider the overall impact of the eligible
496 project on the community. [The board shall not recommend any
497 proposed loan or financing under subparagraph (A)(ii) of subdivision
498 (3) of subsection (a) of this section for which the interest rate varies from
499 the prevailing market rate.]

500 (4) (A) Whenever the board deems it necessary or desirable, the
501 chairpersons of the board shall submit to the Governor a list of the
502 board's recommendations of eligible projects to be funded from bond
503 proceeds under subsection (d) of this section. The board may
504 recommend state funding for eligible projects, provided the total cost of
505 such recommendations shall not exceed one hundred seventy-five
506 million dollars in any fiscal year. Such list shall include, at a minimum
507 [:

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

515 (ii) For each eligible project described in subparagraph (A)(ii) of
516 subdivision (3) of subsection (a) of this section, a description of and
517 specific terms for any proposed loans, financing or start-up funds to be
518 provided from such grant-in-aid, the types of small businesses located
519 or to be located in the municipality that may be eligible for such loan,
520 financing or start-up funds, the amount of the grant-in-aid sought and
521 the applicable fiscal year to which such disbursement will be attributed.]

522 (B) The Governor shall review the eligible projects on the list and may

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

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

540 (6) Not later than August 31, 2023, the board shall submit a report, in
541 accordance with the provisions of section 11-4a, to the General
542 Assembly, the Black and Puerto Rican caucus of the General Assembly,
543 the Auditors of Public Accounts and the Governor, for the preceding
544 fiscal year, that includes (A) a list of the eligible projects recommended
545 by the board and approved by the Governor pursuant to this section, (B)
546 the total amount of funds provided for such eligible projects, (C) for
547 each such eligible project, a description of the project and the amounts
548 and terms of the funds provided, (D) the status of the project and any
549 balance remaining of the allocated funds, and (E) any other information
550 the board deems relevant or necessary. The board shall submit such
551 report annually for each fiscal year in which the funds specified in
552 subparagraph (A) of subdivision (3) of this subsection are disbursed for
553 eligible projects.

554 (7) The Auditors of Public Accounts shall audit, on a biennial basis,
555 all eligible projects funded under this section and shall report their

556 findings to the Governor, the Secretary of the Office of Policy and
557 Management and the General Assembly.

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

T1	Fiscal Year Ending June 30,	Amount
T2	2023	\$175,000,000
T3	2024	175,000,000
T4	2025	175,000,000
T5	2026	175,000,000
T6	2027	175,000,000
T7	Total	\$875,000,000

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

576 (e) (1) Upon the agreement of the Governor and the Community
577 Investment Fund 2030 Board, and subsequent to the adoption of a
578 resolution by the General Assembly affirming the reauthorization of the
579 board and the program provided for under this section, the State Bond

580 Commission may authorize the issuance of bonds of the state, in
 581 accordance with the provisions of section 3-20, in principal amounts not
 582 exceeding in the aggregate one billion two hundred fifty million dollars.
 583 The amount authorized for the issuance and sale of such bonds in each
 584 of the following fiscal years shall not exceed the following
 585 corresponding amount for each such fiscal year, except that, to the
 586 extent the State Bond Commission does not provide for the use of all or
 587 a portion of such amount in any such fiscal year, such amount not
 588 provided for shall be carried forward and added to the authorized
 589 amount for the next succeeding fiscal year, and provided further, the
 590 costs of issuance and capitalized interest, if any, may be added to the
 591 capped amount in each fiscal year, and each of the authorized amounts
 592 shall be effective on July first of the fiscal year indicated as follows:

T8	Fiscal Year Ending June 30,	Amount
T9	2028	\$250,000,000
T10	2029	250,000,000
T11	2030	250,000,000
T12	2031	250,000,000
T13	2032	250,000,000
T14	Total	\$1,250,000,000

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

597 (f) All provisions of section 3-20, or the exercise of any right or power
 598 granted thereby, that are not inconsistent with the provisions of this
 599 section are hereby adopted and shall apply to all bonds authorized by
 600 the State Bond Commission pursuant to this section. Temporary notes
 601 in anticipation of the money to be derived from the sale of any such
 602 bonds so authorized may be issued in accordance with said section, and
 603 from time to time renewed. All bonds issued pursuant to this section
 604 shall be general obligations of the state and the full faith and credit of

605 the state of Connecticut are pledged for the payment of the principal of
606 and interest on said bonds as the same become due, and accordingly
607 and as part of the contract of the state with the holders of said bonds,
608 appropriation of all amounts necessary for punctual payment of such
609 principal and interest is hereby made, and the Treasurer shall pay such
610 principal and interest as the same become due.

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

614 (d) Any economic development project eligible for assistance under
615 this section may include but not be limited to: (1) The construction or
616 rehabilitation of commercial, industrial and mixed use structures; and
617 (2) the construction, reconstruction or repair of roads, accessways and
618 other site improvements. The state, acting by and in the discretion of the
619 Commissioner of Economic and Community Development, may enter
620 into a contract for state financial assistance for any eligible economic or
621 community development project in the form of a grant-in-aid. Any
622 grant-in-aid shall be in an amount not in excess of the cost of the project
623 for which the grant is made as determined and approved by the
624 Commissioner of Economic and Community Development. Before
625 entering into a grant-in-aid contract the Commissioner of Economic and
626 Community Development shall have approved an application
627 submitted on forms provided by the commissioner [No project shall be
628 undertaken until the Commissioner of Economic and Community
629 Development approves the plans, specifications and estimated costs.
630 The commissioner may adopt such regulations, in accordance with
631 chapter 54, as are necessary for the implementation of this section] and
632 with such information the commissioner deems necessary to evaluate
633 such application. The commissioner shall establish the terms and
634 conditions of any grant-in-aid contract for any economic development
635 project under this section and may make any stipulation in connection
636 with such contract.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	32-7t
Sec. 2	<i>from passage</i>	32-285a
Sec. 3	<i>from passage</i>	4-66c(d)

Statement of Legislative Commissioners:

In Section 1(c)(2), "meet" was changed to "satisfy" for internal consistency.

CE *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill makes a number of changes that do not result in any fiscal impact to the state or municipalities.

Section 1, which makes several clarifying and substantive changes affecting the JobsCT tax rebate program, does not result in any fiscal impact. It does not alter the aggregate \$40 million cap on the amount of credits allowed annually, and current projections (January 16, 2024, Consensus Revenue) assume full credit utilization each fiscal year.

Section 2, which eliminates grants-in-aid to create small business revolving loan programs as an eligible project under the Community Investment Fund (CIF), does not result in any fiscal impact. To date, the CIF Board has approved one award for a small business revolving loan program but has not yet completed the final contract for that award. Due to the administrative burden involving the review of applications for these types of projects, it is unlikely that the CIF Board would approve any additional loan programs in future CIF rounds.¹

Section 3, which modifies the process for funding projects through the Urban Act bond program, does not result in any fiscal impact. The provision is clarifying in nature and conforms the process to past

¹ [March 5, 2024 Testimony](#) of Commissioner O'Keefe, Department of Economic and Community Development.

practice.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5299*****AN ACT CONCERNING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT'S RECOMMENDATIONS FOR REVISIONS TO THE JOBSCT PROGRAM AND THE COMMERCE STATUTES.*****SUMMARY**

This bill makes several changes affecting the JobsCT tax rebate program, including the following:

1. establishes a two-year lookback period for calculating a business's number of new full-time equivalents (FTEs), rather than a lookback to January 1, 2020, as current law requires;
2. adds new options for determining the wage requirements a business must meet to receive a rebate;
3. allows the Department of Economic and Community Development (DECD) commissioner to substitute another requirement or metric similar in intent to a requirement or metric that he determines the applicant cannot reasonably meet; and
4. changes how rebates are calculated for businesses employing at least one new FTE who is a person with intellectual disability.

The bill also delays, from January 1, 2024, to January 1, 2025, the requirement for DECD to post on its website specified information about JobsCT (e.g., information about rebates for employing people with intellectual disability).

Separately, the bill eliminates Community Investment Fund 2030 (CIF) funding for grants that are proposed by municipalities,

community development corporations, or nonprofit corporations. Under current law, these entities must use the grants to give certain loans to small businesses.

The bill also eliminates the (1) prohibition on Urban Act economic development projects being undertaken before the DECD commissioner approves plans, specifications, and estimated costs and (2) requirement that DECD adopt regulations as needed to implement the Urban Act provisions. (The department adopted regulations in 1984 but has not amended them since then.) It instead requires the commissioner to establish the terms and conditions of any grant-in-aid contract for an Urban Act economic development project and allows him to make any stipulation in connection with the contract (§ 3).

The bill also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage

§ 1 — JOBS CT

The JobsCT tax rebate program allows companies in specified industries (e.g., manufacturing and bioscience) to earn rebates against the corporation business, pass-through entity (PE), and insurance premiums taxes for reaching certain job creation targets. Under existing law, a business's rebate is based on (1) the number of new FTEs created or maintained, (2) their average wage, and (3) the state income tax that a single filer would pay on this average wage. Generally, it equals 25% of the average state income tax that these employees would pay, multiplied by the number of employees.

FTE Definition

By law, new FTEs are those that did not exist in the state when the business applied to the DECD commissioner for acceptance into the program. Under current law, the definition excludes, among other things, FTEs hired to replace FTEs that existed in the state after January 1, 2020.

The bill eliminates this exclusion and instead excludes FTEs hired to replace those that existed in the state in the two-year period immediately before the date the business submits its rebate application.

Wage Requirements

Under current law, to qualify as a new FTE, an employee must be paid wages sourced to the state (i.e., qualified wages) of at least 85% of the median household income for the location where the position is primarily based or \$37,500, whichever is greater.

The bill replaces this requirement with two alternatives:

1. the greater of (a) 85% of median household income for the FTE's primary location or (b) 120% of the state minimum wage on the date the business applies to DECD for a rebate, multiplied by 2,000 hours (e.g., \$37,656 in 2024), or
2. the greater of (a) at least 100% of the median household income for the municipality with the lowest median household income of all municipalities contiguous to the position's primary location or (b) 100% of statewide median household income.

Alternative Metrics

The law requires the DECD commissioner, when reviewing a business's JobsCT application, to determine whether the (1) business can reasonably meet the hiring targets and other metrics stated in the application and (2) proposed job growth would (a) provide a net benefit to economic development and employment opportunities in the state and (b) exceed a baseline number of jobs. (The bill changes this baseline from the number that existed before January 1, 2020, to the number that existed before the two-year period prior to the business's program application.)

Under current law, the business must meet each of these requirements to be eligible for the rebate program. The bill allows the DECD commissioner, when he determines that a business cannot

reasonably meet metrics and FTE hiring targets in its program application, to substitute another requirement or metric similar in intent to the requirement or metric the applicant could not reasonably meet.

People With Intellectual Disability

The bill changes the rebate calculation for companies employing at least one new FTE who is a person with intellectual disability. Under current law, if the business creates and maintains at least 15 new FTEs and at least one of these FTEs is a person with intellectual disability, the business qualifies for a 50% rebate for new FTEs (rather than the program's standard 25% rate), based on the state income tax that would be paid by the new FTEs.

The bill eliminates this provision and instead allows businesses meeting the above criteria to claim an additional rebate for each person with intellectual disability (i.e., DECD would calculate the business's overall rebate amount for new FTEs and then add an additional rebate based on each new FTE with intellectual disability). Under the bill, the additional rebate equals 25% of the calendar year wages paid to each of these people. The bill also allows these additional rebates to exceed the program's rebate cap of \$5,000 per new FTE.

§ 2 — COMMUNITY INVESTMENT FUND 2030

By law, the CIF is a five-year bonding program running through FY 27 to fund "eligible projects" in certain municipalities (i.e., those designated as public investment communities or alliance districts). Eligible projects may be proposed by a municipality, community development corporation, or nonprofit corporation and must further consistent and systematic fair, just, and impartial treatment of all individuals

Under current law, CIF may fund, as an eligible project, grants for (1) a revolving loan program, microloans, or gap financing to small businesses located within an eligible municipality or (2) start-up funds to establish a small business there. The bill eliminates CIF awards for this purpose.

The bill also makes technical and conforming changes (e.g., repealing language about the conditions proposed loans must meet). The law, unchanged by the bill, also allows CIF awards for projects that promote economic or community development in eligible municipalities.

BACKGROUND

Related Bill

sSB 456, reported favorably by the Finance, Revenue and Bonding Committee, requires that projects identified in 10-year plans to reduce concentrated poverty in specified Census tracts be given priority for CIF awards.

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 24 Nay 0 (03/26/2024)