



General Assembly

Amendment

February Session, 2024

LCO No. 5889



Offered by:

REP. MESKERS, 150th Dist.
SEN. HARTLEY, 15th Dist.
REP. HARRISON, 69th Dist.
SEN. MARTIN, 31st Dist.

To: Subst. House Bill No. 5299

File No. 442

Cal. No. 286

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

1 In line 60, bracket "of" and after the closing bracket insert "in an
2 amount that is not less than at least one of the following amounts:" and
3 after "(A)" insert "At"

4 In line 61, bracket "at"

5 After the last section, add the following and renumber sections and
6 internal references accordingly:

7 "Sec. 501. Section 32-1b of the 2024 supplement to the general statutes
8 is repealed and the following is substituted in lieu thereof (*Effective July*
9 *1, 2024*):

10 (a) There is established a Department of Economic and Community
11 Development. The department head shall be the Commissioner of
12 Economic and Community Development, who shall be appointed by the
13 Governor in accordance with the provisions of sections 4-5 to 4-8,
14 inclusive, with the powers and duties prescribed in said sections 4-5 to
15 4-8, inclusive.

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

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

22 [(c) Whenever the term "Commissioner of Economic Development" is
23 used or referred to in the general statutes, the term "Commissioner of
24 Economic and Community Development" shall be substituted in lieu
25 thereof. Whenever the term "Department of Economic Development" is
26 used or referred to in the general statutes, the term "Department of
27 Economic and Community Development" shall be substituted in lieu
28 thereof.

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

34 (e) If the term "Department of Housing" or "Department of Economic
35 Development" is used or referred to in any public or special act of 1995
36 or 1996, or in any section of the general statutes which is amended in
37 1995 or 1996, it shall be deemed to mean or refer to the "Department of
38 Economic and Community Development".]

39 (d) Wherever the term "CTNext", other than the term "CTNext Fund",
40 is used in any public or special act of 2024, the term "Department of

41 Economic and Community Development" shall be substituted in lieu
42 thereof.

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

47 Sec. 502. Section 32-39f of the general statutes is repealed and the
48 following is substituted in lieu thereof (*Effective July 1, 2024*):

49 (a) [Connecticut Innovations, Incorporated shall establish a
50 subsidiary, to be known as CTNext.] As used in this section and sections
51 32-39g, as amended by this act, 32-39i, as amended by this act, 32-39k to
52 32-39o, inclusive, as amended by this act, 32-39t, as amended by this act,
53 32-39x, as amended by this act, and 32-39y, unless the context otherwise
54 requires:

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

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

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

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

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

68 (6) "Growth stage business" means a business (A) that has been
69 incorporated for ten years or less, (B) that has raised private capital, and

70 (C) whose annual gross revenue has increased by twenty per cent for
71 each of the three preceding income years of such business;

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

75 (8) "Innovation place" has the same meaning as described in section
76 32-39k, as amended by this act;

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

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

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

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

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

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

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

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

102 [to] (3) To regularly reassess the health of such ecosystem and
103 infrastructure, identify [its] their changing needs, adopt initiatives or
104 adapt existing initiatives to meet such needs and regularly inform the
105 General Assembly of such needs by proposing recommended
106 legislation deemed necessary or desirable by the [CTNext board of
107 directors.] commissioner;

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

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

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

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

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

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

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

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

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

130 (4) CTNext shall not be an employer, as defined in section 5-270.
131 Connecticut Innovations, Incorporated shall establish CTNext pursuant
132 to the provisions of section 32-11e, except that at least half of the
133 members of the CTNext board of directors shall not be required to be
134 members of the board of directors of Connecticut Innovations,
135 Incorporated or their designees or officers or employees of the
136 corporation. No further action is required for the establishment of the
137 subsidiary, except the adoption of a resolution for the subsidiary.
138 CTNext shall constitute a successor authority to Connecticut
139 Innovations, Incorporated in accordance with the provisions of sections
140 4-38d, 4-38e and 4-39, for the purposes of the powers in subdivisions
141 (22), (28) and (40) of section 32-39 transferred from Connecticut
142 Innovations, Incorporated to CTNext pursuant to section 32-39.

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

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

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

191 (d) Members of the CTNext board of directors may not designate a
192 representative to perform in their absence their respective duties under
193 this section or section 32-39g.

194 (e) The chairperson shall, with the approval of the members of the

195 CTNext board of directors, appoint an executive director of CTNext
196 who shall be an employee of CTNext and paid a salary prescribed by
197 the members. The executive director shall supervise the administrative
198 affairs and technical activities of CTNext in accordance with the
199 directives of the board.

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

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

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

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

221 (j) Notwithstanding any provision of the general statutes, it shall not
222 constitute a conflict of interest for a trustee, director, partner or officer
223 of any person, firm or corporation, or any individual having a financial
224 interest in a person, firm or corporation, to serve as a member of the
225 CTNext board of directors, provided such trustee, director, partner,
226 officer or individual shall abstain from deliberation, action or vote by

227 the board in specific respect to such person, firm or corporation. All
228 members shall be deemed public officials and shall otherwise adhere to
229 the code of ethics for public officials set forth in chapter 10, except that
230 no member shall be required to file a statement of financial interest as
231 described in section 1-83.]

232 Sec. 503. Section 32-39g of the general statutes is repealed and the
233 following is substituted in lieu thereof (*Effective July 1, 2024*):

234 [(a)] For the purposes enumerated in subsection [(a)] (b) of section 32-
235 39f, as amended by this act, [CTNext is authorized and empowered to]
236 the commissioner may:

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

247 (2) Receive and accept grants or contributions from any source of
248 money, property, labor or other things of value, to be held, used and
249 applied to carry out the purposes of this section subject to such
250 conditions upon which such grants and contributions may be made,
251 including, but not limited to, grants or contributions from any
252 department, agency or instrumentality of the United States or this state
253 for any purpose consistent with this section;]

254 [(3)] (1) Make and enter into all contracts and agreements necessary
255 or incidental to the performance of [its] the commissioner's duties and
256 the execution of [its] the commissioner's powers under this section,
257 including contracts and agreements for such professional services as
258 [CTNext] the commissioner deems necessary, including, but not limited

259 to, financial consultant and technical specialists;

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

263 [(5) (2) Account for and audit funds of [CTNext] the department and
264 funds of any recipients of funds from [CTNext] the department;

265 [(6) (3) Establish advisory committees [to assist in accomplishing its]
266 to provide counsel and advice on the discharge of the commissioner's
267 duties under this section;], which may include one or more members of
268 the CTNext board of directors and persons other than members;]

269 [(7) (4) Serve as a resource to start-up and growth stage business
270 entrepreneurs in this state by (A) providing counseling and technical
271 assistance in the areas of entrepreneurial business planning and
272 management, financing and marketing for start-up and growth stage
273 businesses; and (B) conducting business workshops, seminars and
274 conferences with local partners, including, but not limited to, in-state
275 public and independent institutions of higher education, municipal
276 governments, regional economic development districts, private
277 industry, chambers of commerce, small business development
278 organizations and economic development organizations;

279 [(8) (5) Facilitate partnerships between innovative start-up and
280 growth stage businesses, research institutions and venture capitalists or
281 financial institutions;

282 [(9) (6) Increase the quantity and availability of capital for start-up
283 and growth stage businesses and entrepreneurs including, but not
284 limited to, angel investors and venture capitalists;

285 [(10) (7) Promote technology-based development in the state;

286 [(11) (8) Encourage and promote the establishment of and, within
287 available resources, provide financial aid to advanced technology
288 centers;

289 [(12)] (9) Maintain an inventory of data and information concerning
290 state and federal programs that are related to the purposes of this
291 section and serve as a clearinghouse and referral service for such data
292 and information;

293 [(13)] (10) Promote and encourage and, within available resources,
294 provide financial aid for the establishment, maintenance and operation
295 of incubator facilities and innovation places;

296 [(14)] (11) Promote and encourage the coordination of public and
297 private resources and activities within the state in order to assist
298 technology-based business entrepreneurs and business enterprises;

299 [(15)] (12) Promote science, engineering, mathematics and other
300 disciplines that are essential to the development and application of
301 technology;

302 [(16)] (13) Coordinate [its] the department's efforts with existing
303 business outreach centers, as described in section 32-9qq;

304 [(17)] (14) Provide financial aid to persons developing smart
305 buildings, as defined in section 32-23d, incubator facilities or other
306 information technology intensive office and laboratory space;

307 [(18)] (15) Coordinate the development and implementation of
308 strategies regarding technology-based talent and innovation among
309 state and quasi-public agencies, including the creation and
310 administration of the Connecticut Small Business Innovation Research
311 Office to act as a centralized clearinghouse and provide technical
312 assistance to applicants in developing small business innovation
313 research programs in conformity with the federal program established
314 pursuant to the Small Business Research and Development
315 Enhancement Act of 1992, P.L. 102-564, as amended from time to time,
316 and other proposals;

317 [(19)] (16) Encourage the retention of younger generation start-up
318 entrepreneurs in the state;

319 ~~[(20)]~~ ~~(17)~~ Promote entrepreneurship among students, faculty and
320 alumni of institutions of higher education;

321 ~~[(21)]~~ ~~(18)~~ Make planning grants to entities seeking to apply for
322 innovation place designation pursuant to section 32-39l, as amended by
323 this act, provided each such entity demonstrates that its proposed
324 innovation place meets the purposes set forth in section 32-39k, as
325 amended by this act;

326 ~~[(22)]~~ ~~(19)~~ Encourage and promote the establishment of business
327 accelerators; ~~[, including, but not limited to, a satellite of a major national~~
328 ~~business accelerator;]~~

329 ~~[(23)]~~ ~~(20)~~ Make higher education entrepreneurship grants-in-aid
330 recommended by the Higher Education Entrepreneurship Advisory
331 Committee pursuant to section 32-39t, as amended by this act;

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

336 ~~[(25)]~~ ~~(21)~~ Implement the provisions of section 32-39x, as amended by
337 this act; [and]

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

341 (b) CTNext shall:

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

346 (2) Create an informational Internet web site that (A) lists services,
347 programs or events offered to entrepreneurs; (B) serves as an online

348 community for entrepreneurs; (C) lists current research projects related
349 to entrepreneurship and innovation being conducted by professors at
350 institutions of higher education; (D) provides information concerning
351 innovation and entrepreneurial programming available at institutions
352 of higher education, including, but not limited to, engineering,
353 computer science and bioscience; and (E) connects businesses seeking to
354 buy Connecticut made products for their business inputs;

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

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

363 [(5)] (22) Designate innovation places pursuant to sections [32-39j] 32-
364 39k to 32-39m, inclusive, as amended by this act;

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

373 [(7)] (23) Establish a program to provide growth grants-in-aid to
374 businesses in this state for the purposes of facilitating the growth of
375 start-up businesses that have transitioned to growth stage businesses.
376 [CTNext] The department shall establish an application process for such
377 grants-in-aid and shall prioritize such grants-in-aid for uses most likely
378 to facilitate the growth of such businesses, including, but not limited to,
379 sales assistance, marketing, strategy, organizational development,

380 technology assistance, bid assistance, beta testing of products for new
381 purchasers and prototype development. Such grants-in-aid shall not
382 exceed twenty-five thousand dollars per applicant and shall be
383 conditioned upon a one-third match from the applicant; and

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

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

390 (9) Adopt a comprehensive program evaluation and measurement
391 process to ensure that CTNext's programs are administered
392 appropriately and efficiently, comply with statutory requirements, are
393 cost effective and are achieving the purposes set forth in section 32-39f.]

394 Sec. 504. Section 32-39i of the general statutes is repealed and the
395 following is substituted in lieu thereof (*Effective July 1, 2024*):

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

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

407 (c) Any return on investment attributable to the investment of the
408 fund by the administrator shall be deposited and held for the use and
409 benefit of the fund. Moneys in or received for the fund may be deposited

410 with and invested by any institution as may be designated by the
411 administrator at its sole discretion and paid as the administrator shall
412 direct. The administrator may make payments from deposit and
413 investment accounts for use in accordance with the provisions of this
414 section.

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

418 (e) The CTNext Fund [shall] may be used (1) to provide grants-in-aid
419 to innovation entities, as defined in section [32-39j] 32-39f, as amended
420 by this act, pursuant to section 32-39m, as amended by this act, (2) to
421 provide planning grants-in-aid to entities pursuant to section 32-39l, as
422 amended by this act, (3) to initiate projects or provide grants-in-aid to
423 projects that network innovation places pursuant to section 32-39m, as
424 amended by this act, (4) for the purposes enumerated in sections 32-39f,
425 as amended by this act, and 32-39g, as amended by this act, (5) for
426 providing higher education entrepreneurship grants-in-aid pursuant to
427 section 32-39g, as amended by this act, (6) to provide growth grants-in-
428 aid pursuant to section 32-39g, as amended by this act, (7) [to provide a
429 grant-in-aid for a program evaluation pursuant to section 32-39q, (8) to
430 provide grants-in-aid to start-up businesses pursuant to section 32-39u,
431 and (9)] to terminate the operations and activities of CTNext, (8) to pay
432 to employees of CTNext any reasonable and appropriate severance
433 compensation that was approved by the former CTNext board of
434 directors prior to July 1, 2024, and (9) for any other purposes expressly
435 provided by law.

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

441 (g) Connecticut Innovations, Incorporated shall provide any

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

449 [(h) Beginning January 1, 2017, the administrator shall prepare for
450 each fiscal year a plan of operations and an operating and capital budget
451 for the CTNext Fund. Not later than ninety days prior to the start of the
452 fiscal year, the administrator shall submit the plan and budget to the
453 CTNext board of directors for its review and approval.

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

464 Sec. 505. Section 32-39k of the general statutes is repealed and the
465 following is substituted in lieu thereof (*Effective July 1, 2024*):

466 [There is established] The commissioner may establish an innovation
467 place program within [CTNext. The] the department. If such program is
468 established, the purpose of such program [is] shall be to (1) foster
469 innovation and entrepreneurship by facilitating the designation and
470 establishment of innovation places consisting of one or more compact
471 geographic areas within the same municipality having entrepreneurial
472 and innovation potential where (A) existing anchor institutions,
473 institutions, companies and recreational spaces are in close proximity to

474 start-up and growth stage businesses, (B) public transit is accessible, (C)
475 a significant portion of the underlying zoning allows for mixed-use
476 development, including, but not limited to, housing, office and retail,
477 and (D) foot traffic is facilitated; (2) identify, designate and fund the
478 initial costs associated with development of an innovation place; (3)
479 encourage collaboration among institutions of higher education,
480 medical institutions, hospitals, existing companies, start-up and growth
481 stage businesses, researchers and investors; (4) encourage the
482 leveraging of private investment in designated innovation places; and
483 (5) connect entrepreneurs who are facing similar opportunities and
484 challenges with other entrepreneurs and with private and public
485 resources.

486 Sec. 506. Section 32-39l of the general statutes is repealed and the
487 following is substituted in lieu thereof (*Effective July 1, 2024*):

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

494 (b) Any entity may submit an application for a planning grant-in-aid
495 to the [CTNext board] commissioner. In addition to the initial round of
496 applications, the [CTNext board] commissioner may accept such
497 applications for consideration, on a schedule and in accordance with
498 deadlines prescribed by the [board] commissioner, until the total
499 amount authorized under this subsection has been awarded. The
500 [CTNext board] commissioner may extend the deadline for a planning
501 grant-in-aid for up to sixty days. The [CTNext board] commissioner
502 may award planning grants-in-aid to applicants in an amount up to fifty
503 thousand dollars per applicant. Such planning grants-in-aid shall be
504 proportionate to the anticipated grant-in-aid described in section 32-
505 39m, as amended by this act. The total of all planning grants-in-aid
506 awarded to applicants in the aggregate shall not exceed five hundred

507 thousand dollars. A planning grant-in-aid awarded pursuant to this
508 section shall be used by an entity for the preparation of an application
509 for innovation place designation.

510 (c) Any entity may submit an application for innovation place
511 designation to the [CTNext board] commissioner. In addition to the
512 initial round of applications, the [CTNext board] commissioner may
513 accept such applications for consideration, on a schedule and in
514 accordance with deadlines prescribed by the [board] commissioner.
515 Such applications shall be submitted on a form prescribed by the [board]
516 commissioner and shall contain sufficient information to establish that
517 the proposed innovation place is suitable for the purposes set forth in
518 section 32-39k, as amended by this act.

519 (1) Such application shall include: (A) Information concerning the
520 proposed geographical boundaries of the proposed innovation place,
521 including, but not limited to, a map indicating the boundaries of the
522 geographic areas within the municipality that make up the proposed
523 innovation place; (B) information concerning at least two anchor
524 institutions located within the geographical boundaries of the proposed
525 innovation place and how such anchor institutions have agreed to
526 participate in the development of and activities within the proposed
527 innovation place; (C) a summary of existing and proposed
528 transportation-related infrastructure within and around the
529 geographical areas within the municipality that make up the proposed
530 innovation place; (D) a summary of existing and proposed businesses,
531 recreational facilities, public parks and any other public or private
532 gathering spaces located within the geographical areas within the
533 municipality that make up the proposed innovation place; (E)
534 information concerning the walkability of the geographical areas within
535 the municipality that make up the proposed innovation place; (F) a
536 master plan for the development of the proposed innovation place,
537 including a plan for connecting the geographic areas within the
538 municipality that make up the proposed innovation place to public
539 transit via rail or bus, a plan for leveraging private investment and a
540 proposed budget and timeline for use of any moneys granted by the

541 [CTNext board] commissioner. Such budget shall indicate priority for
542 the expenditure of grant funds in the event that moneys granted are
543 insufficient to cover the costs of the entire proposed budget; (G) a list of
544 municipal and state legislative action that may be required for the
545 execution of such master plan; (H) a letter of support from the chief
546 elected official of the municipality where the innovation place is
547 proposed that shall include a statement that the legislative body of such
548 municipality has, by majority vote, indicated its support for the
549 proposed innovation place and for any municipal legislative action
550 recommended in the master plan, provided a chief elected official may
551 only submit a letter of support for one proposed innovation place
552 located within the municipality; (I) letters of support from private
553 investors; (J) information concerning consistency with the state plan of
554 conservation and development adopted pursuant to chapter 297; and
555 (K) information concerning the capability of the applicant and other
556 entities partnering with the applicant to implement and administer the
557 master plan and how such partners will be involved in the
558 implementation of such plan.

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

569 (d) The [CTNext board shall] commissioner may screen all
570 applications submitted to [it] the commissioner pursuant to subsection
571 (c) of this section and [shall] may select therefrom a limited number of
572 finalist applicants. The [CTNext board] commissioner shall hold at least
573 one public hearing on each application submitted by a finalist applicant.
574 Such hearing shall be held in the municipality where the proposed

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

588 Sec. 507. Section 32-39m of the general statutes is repealed and the
589 following is substituted in lieu thereof (*Effective July 1, 2024*):

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

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

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

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

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

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

638 (D) In determining whether to approve an application for innovation
639 place designation, the [CTNext board] commissioner shall consider, but

640 such consideration shall not be limited to: (i) Whether the entities
641 partnering together to implement and administer the proposed master
642 plan are of the quality to, and have demonstrated the commitment to,
643 implement and administer the master plan in a manner sufficient to
644 achieve the purposes set forth in section 32-39k, as amended by this act;
645 (ii) whether the geography of the proposed innovation place is
646 sufficiently compact to achieve the purposes set forth in section 32-39k,
647 as amended by this act; (iii) whether the master plan is sufficient to
648 achieve the purposes set forth in section 32-39k, as amended by this act,
649 and whether such plan includes (I) sufficient measures to ensure
650 walkability of the geographic areas within the municipality that make
651 up the proposed innovation place; (II) sufficient measures to enhance
652 regular interpersonal interactions among residents, workers and
653 visitors of the proposed innovation place; (III) adequate and accessible
654 public transportation; and (IV) existing or proposed restaurants,
655 affordable housing options, retail spaces and public spaces, indoor or
656 outdoor, that provide adequate opportunity for interpersonal
657 interaction; (iv) the extent to which the master plan leverages private
658 investment; (v) self-sustainability of the innovation place after moneys
659 granted by the [CTNext board] commissioner are fully expended; (vi)
660 whether the underlying zoning of the proposed innovation place
661 provides for, or will be amended to provide for, reduced minimum floor
662 area for residential dwelling units; and (vii) any other criteria the
663 [CTNext board] commissioner determines is relevant for evaluating
664 whether the proposed innovation place, if granted innovation place
665 designation, will achieve the purposes set forth in section 32-39k, as
666 amended by this act.

667 (E) The [CTNext board] commissioner shall report, in accordance
668 with the provisions of section 11-4a, to the joint standing committees of
669 the General Assembly having cognizance of matters relating to
670 commerce and finance, revenue and bonding on or before September
671 thirtieth annually, regarding the grants-in-aid distributed pursuant to
672 this section and concerning the operation and effectiveness of the
673 innovation place program.

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

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

682 Sec. 508. Section 32-39o of the general statutes is repealed and the
683 following is substituted in lieu thereof (*Effective July 1, 2024*):

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

691 Sec. 509. Section 32-39t of the general statutes is repealed and the
692 following is substituted in lieu thereof (*Effective July 1, 2024*):

693 (a) [There shall be] The commissioner may establish a Higher
694 Education Entrepreneurship Advisory Committee within [CTNext.
695 Such] the department. If established, such committee shall consist of
696 members appointed by the [CTNext board of directors] commissioner,
697 including, but not limited to: (1) An equal number of representatives of
698 public and private institutions of higher education; (2) one
699 baccalaureate student representative; (3) one graduate student
700 representative; (4) one high school student who shall be a nonvoting
701 member; and (5) three serial entrepreneurs having experience as an
702 entrepreneur in residence at an institution of higher education. Such
703 members shall be subject to term limits prescribed by the [CTNext
704 board. All initial appointments to the committee pursuant to this
705 subsection shall be made not later than June 1, 2017] commissioner. Each

706 member appointed by the commissioner shall hold office until a
707 successor is appointed. For the purposes of this section, "serial
708 entrepreneur" means an entrepreneur having brought one or more start-
709 up businesses to venture capital funding by an institutional investor.

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

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

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

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

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

733 (g) The advisory committee [shall] may review applications for
734 grants-in-aid submitted to it pursuant to this section. The advisory
735 committee may recommend approval of any such application to the
736 [CTNext board of directors if it determines that the application is

737 consistent with and in furtherance of the master plan for
738 entrepreneurship at public and private institutions of higher education
739 developed pursuant to section 32-39s. The] commissioner. For any such
740 application reviewed by the advisory committee, the advisory
741 committee shall give priority for grants-in-aid to applications (1)
742 including collaborative initiatives between institutions of higher
743 education, and (2) supporting individual institutions of higher
744 education to develop alumni mentor networks, entrepreneurs-in-
745 residence programs, university proof of concept funds and student
746 business start-up accelerators, when such individual institutions
747 demonstrate that such networks, programs, funds and accelerators are
748 not feasible for operation across multiple institutions of higher
749 education.

750 Sec. 510. Section 32-39x of the general statutes is repealed and the
751 following is substituted in lieu thereof (*Effective July 1, 2024*):

752 (a) The [executive director of CTNext] commissioner may establish
753 and operate an Entrepreneurs-in-Residence program that may replace
754 and incorporate any similar program run by [CTNext] the department
755 prior to July 1, 2018. Such program may identify highly experienced
756 entrepreneurs who have been involved in the successful creation of
757 innovation-based start-up companies and early-state venture deals and
758 retain their services to match them with entrepreneurs and companies
759 in the [CTNext] department's network to provide advice and assistance.
760 Such retention may be on a paid or volunteer basis, as agreed to by the
761 entrepreneur-in-residence and the [CTNext board of directors]
762 commissioner, except that an employee of [CTNext] the department
763 who serves as an entrepreneur-in-residence shall serve on a voluntary
764 basis.

765 (b) The [executive director of CTNext] commissioner may establish
766 jointly with the chief executive officer of Connecticut Innovations,
767 Incorporated a proof of concept fund to make investments or provide
768 grants of up to one hundred thousand dollars to support
769 commercialization activities that are relevant to key industries in the

770 state. Preference may be given to (A) such activities that are based on
771 research conducted at institutions of higher education in the state, (B)
772 making investments in companies involved in such research or
773 commercialization efforts, or (C) both. Such investments or grants shall
774 be awarded on a competitive basis and any applicant for an investment
775 or a grant under this subdivision shall demonstrate, in a form and
776 manner prescribed by the executive director in consultation with the
777 chief executive officer, such applicant's intent to commercialize aspects
778 of such research. A grant under this subdivision may be awarded
779 directly to the applicant or to a company involved in such research or
780 commercialization efforts.

781 Sec. 511. Subsection (h) of section 32-35 of the general statutes is
782 repealed and the following is substituted in lieu thereof (*Effective July 1,*
783 *2024*):

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

788 Sec. 512. Subdivision (4) of section 32-39 of the general statutes is
789 repealed and the following is substituted in lieu thereof (*Effective July 1,*
790 *2024*):

791 (4) To invest in, acquire, lease, purchase, own, manage, hold and
792 dispose of real property and lease, convey or deal in or enter into
793 agreements with respect to such property on any terms necessary or
794 incidental to the carrying out of these purposes; provided, however, (A)
795 all such acquisitions of real property for the corporation's own use with
796 amounts appropriated by the state to the corporation or with the
797 proceeds of bonds supported by the full faith and credit of the state shall
798 be subject to the approval of the Secretary of the Office of Policy and
799 Management and the provisions of section 4b-23, and (B) upon
800 termination of a lease executed on or before, May 1, 2016, for its main
801 office, the corporation shall consider relocating such main office to a

802 designated innovation place, as defined in section [32-39j] 32-39f, as
803 amended by this act, and establishing a satellite office in one or more
804 designated innovation places;

805 Sec. 513. Subdivisions (22) to (45), inclusive, of section 32-39 of the
806 general statutes are repealed and the following is substituted in lieu
807 thereof (*Effective July 1, 2024*):

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

813 [(23)] (22) To conduct and encourage research and studies relating to
814 technological development;

815 [(24)] (23) To provide technical or other assistance and, within
816 available resources, to provide financial aid to the Connecticut
817 Academy of Science and Engineering, Incorporated, in order to further
818 the purposes of this chapter;

819 [(25)] (24) To recommend a science and technology agenda for the
820 state that will promote the formation of public and private partnerships
821 for the purpose of stimulating research, new business formation and
822 growth and job creation;

823 [(26)] (25) To encourage and provide technical assistance and, within
824 available resources, to provide financial aid to existing manufacturers
825 and other businesses in the process of adopting innovative technology
826 and new state-of-the-art processes and techniques;

827 [(27)] (26) To recommend state goals for technological development
828 and to establish policies and strategies for developing and assisting
829 technology-based companies and for attracting such companies to the
830 state;

831 [(28) To promote and encourage and, within available resources, to

832 provide financial aid for the establishment, maintenance and operation
833 of incubator facilities, provided such power shall be transferred to
834 CTNext on September 1, 2016;]

835 [(29)] (27) To promote and encourage the coordination of public and
836 private resources and activities within the state in order to assist
837 technology-based entrepreneurs and business enterprises;

838 [(30)] (28) To provide services to industry that will stimulate and
839 advance the adoption and utilization of technology and achieve
840 improvements in the quality of products and services;

841 [(31)] (29) To promote science, engineering, mathematics and other
842 disciplines that are essential to the development and application of
843 technology;

844 [(32)] (30) To coordinate its efforts with existing business outreach
845 centers, as described in section 32-9qq;

846 [(33)] (31) To do all acts and things necessary and convenient to carry
847 out the purposes of this chapter;

848 [(34)] (32) To accept from the department: (A) Financial assistance, (B)
849 revenues or the right to receive revenues with respect to any program
850 under the supervision of the department, and (C) loan assets or equity
851 interests in connection with any program under the supervision of the
852 department; to make advances to and reimburse the department for any
853 expenses incurred or to be incurred by it in the delivery of such
854 assistance, revenues, rights, assets, or interests; to enter into agreements
855 for the delivery of services by the corporation, in consultation with the
856 department and the Connecticut Housing Finance Authority, to third
857 parties, which agreements may include provisions for payment by the
858 department to the corporation for the delivery of such services; and to
859 enter into agreements with the department or with the Connecticut
860 Housing Finance Authority for the sharing of assistants, agents and
861 other consultants, professionals and employees, and facilities and other
862 real and personal property used in the conduct of the corporation's

863 affairs;

864 [(35)] (33) To transfer to the department: (A) Financial assistance, (B)
865 revenues or the right to receive revenues with respect to any program
866 under the supervision of the corporation, and (C) loan assets or equity
867 interests in connection with any program under the supervision of the
868 corporation, provided the transfer of such financial assistance, revenues,
869 rights, assets or interests is determined by the corporation to be
870 practicable, within the constraints and not inconsistent with the
871 fiduciary obligations of the corporation imposed upon or established
872 upon the corporation by any provision of the general statutes, the
873 corporation's bond resolutions or any other agreement or contract of the
874 corporation and to have no adverse effect on the tax-exempt status of
875 any bonds of the state;

876 [(36)] (34) With respect to any capital initiative, to create, with one or
877 more persons, one or more affiliates and to provide, directly or
878 indirectly, for the contribution of capital to any such affiliate, each such
879 affiliate being expressly authorized to exercise on such affiliate's own
880 behalf all powers which the corporation may exercise under this section,
881 in addition to such other powers provided to it by law;

882 [(37)] (35) To provide financial aid to enable biotechnology,
883 bioscience and other technology companies to lease, acquire, construct,
884 maintain, repair, replace or otherwise obtain and maintain production,
885 testing, research, development, manufacturing, laboratory and related
886 and other facilities, improvements and equipment;

887 [(38)] (36) To provide financial aid to persons developing smart
888 buildings, as defined in section 32-23d, incubator facilities or other
889 information technology intensive office and laboratory space;

890 [(39)] (37) To provide financial aid to persons developing or
891 constructing the basic buildings, facilities or installations needed for the
892 functioning of the media and motion picture industry in this state;

893 [(40)] To coordinate the development and implementation of

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

904 [(41)] (38) To invest in private equity investment funds, or funds of
905 funds, and enter into related agreements of limited partnership or other
906 contractual arrangements related to such funds. Any such fund may be
907 organized and managed, and may invest in businesses, located within
908 or outside the state, provided the characteristics, investment objectives
909 and criteria for such fund shall be consistent with policies adopted by
910 the corporation's board of directors, which shall include requirements
911 that the fund manager have or establish an office in the state and that
912 the fund manager agrees to make diligent and good faith efforts to
913 source deals and make fund investments such that an amount at least
914 equal to the amount invested in such fund by the corporation and not
915 otherwise returned, net of customary fees, expenses and closing costs
916 borne ratably by fund investors, is invested by or through such fund in
917 a manner that supports (A) the growth of business operations of
918 companies in the technology, bioscience or precision manufacturing
919 sectors in the state, or (B) the relocation of companies in such sectors to
920 the state;

921 [(42)] (39) To invest up to five million dollars in a venture capital
922 funding round of an out-of-state business that has raised private capital,
923 has been incorporated for ten years or less and whose annual gross
924 revenue has increased by twenty per cent for each of the three previous
925 income years of such business, provided (A) any such investment is
926 contingent upon the business relocating its operations to the state, (B)
927 no investment shall exceed fifty per cent of the total amount raised by

928 the business in such venture capital funding round, and (C) the total
929 amount of investments pursuant to this section shall not exceed ten
930 million dollars;

931 ~~[(43)]~~ (40) To establish a program to solicit private investment from
932 state residents that Connecticut Innovations, Incorporated will invest in
933 a private investment fund or funds of funds pursuant to subdivision
934 ~~[(41)]~~ (38) of this section or subsections (e) and (g) of section 32-41cc on
935 behalf of such residents, provided any such private investment shall be
936 invested by Connecticut Innovations, Incorporated in venture capital
937 firms having offices located in the state;

938 ~~[(44)]~~ (41) To create financial incentives to induce (A) out-of-state
939 businesses that have raised private capital, have been incorporated for
940 ten years or less and whose annual gross revenue has increased by
941 twenty per cent for each of the three previous income years of such
942 business, to relocate to Connecticut, provided the corporation has made
943 an equity investment in such business and (B) out-of-state venture
944 capital firms to relocate to Connecticut, provided the corporation is
945 investing funds in such firm as a limited partner; and

946 ~~[(45)]~~ (42) To provide financial aid, including in the form of equity
947 investments, to cannabis establishments, as defined in section 21a-420.

948 Sec. 514. Subsection (b) of section 32-235 of the 2024 supplement to
949 the general statutes is repealed and the following is substituted in lieu
950 thereof (*Effective July 1, 2024*):

951 (b) The proceeds of the sale of said bonds, to the extent of the amount
952 stated in subsection (a) of this section, shall be used by the Department
953 of Economic and Community Development (1) for the purposes of
954 sections 32-220 to 32-234, inclusive, including economic cluster-related
955 programs and activities, and for the Connecticut job training finance
956 demonstration program pursuant to sections 32-23uu and 32-23vv,
957 provided (A) three million dollars shall be used by said department
958 solely for the purposes of section 32-23uu, (B) not less than one million
959 dollars shall be used for an educational technology grant to the

960 deployment center program and the nonprofit business consortium
961 deployment center approved pursuant to section 32-41l, (C) not less
962 than two million dollars shall be used by said department for the
963 establishment of a pilot program to make grants to businesses in
964 designated areas of the state for construction, renovation or
965 improvement of small manufacturing facilities, provided such grants
966 are matched by the business, a municipality or another financing entity.
967 The Commissioner of Economic and Community Development shall
968 designate areas of the state where manufacturing is a substantial part of
969 the local economy and shall make grants under such pilot program
970 which are likely to produce a significant economic development benefit
971 for the designated area, (D) five million dollars may be used by said
972 department for the manufacturing competitiveness grants program, (E)
973 one million dollars shall be used by said department for the purpose of
974 a grant to the Connecticut Center for Advanced Technology, for the
975 purposes of subdivision (5) of subsection (a) of section 32-7f, (F) fifty
976 million dollars shall be used by said department for the purpose of
977 grants to the United States Department of the Navy, the United States
978 Department of Defense or eligible applicants for projects related to the
979 enhancement of infrastructure for long-term, on-going naval operations
980 at the United States Naval Submarine Base-New London, located in
981 Groton, which will increase the military value of said base. Such projects
982 shall not be subject to the provisions of sections 4a-60 and 4a-60a, (G)
983 two million dollars shall be used by said department for the purpose of
984 a grant to the Connecticut Center for Advanced Technology, Inc., for
985 manufacturing initiatives, including aerospace and defense, and (H)
986 four million dollars shall be used by said department for the purpose of
987 a grant to companies adversely impacted by the construction at the
988 Quinnipiac Bridge, where such grant may be used to offset the increase
989 in costs of commercial overland transportation of goods or materials
990 brought to the port of New Haven by ship or vessel, (2) for the purposes
991 of the small business assistance program established pursuant to section
992 32-9yy, provided fifteen million dollars shall be deposited in the small
993 business assistance account established pursuant to said section 32-9yy,
994 (3) to deposit twenty million dollars in the small business express

995 assistance account established pursuant to section 32-7h, (4) to deposit
996 four million nine hundred thousand dollars per year in each of the fiscal
997 years ending June 30, 2017, to June 30, 2019, inclusive, and June 30, 2021,
998 and nine million nine hundred thousand dollars in the fiscal year ending
999 June 30, 2020, in the CTNext Fund established pursuant to section 32-
1000 39i, as amended by this act, which shall be used by [CTNext] the
1001 Department of Economic and Community Development to provide
1002 grants-in-aid to designated innovation places, as defined in section [32-
1003 39j] 32-39f, as amended by this act, planning grants-in-aid pursuant to
1004 section 32-39l, as amended by this act, and grants-in-aid for projects that
1005 network innovation places pursuant to subsection (b) of section 32-39m,
1006 as amended by this act, provided not more than three million dollars be
1007 used for grants-in-aid for such projects, and further provided any
1008 portion of any such deposit that remains unexpended in a fiscal year
1009 subsequent to the date of such deposit may be used by [CTNext] the
1010 Department of Economic and Community Development for any
1011 purpose described in subsection (e) of section 32-39i, as amended by this
1012 act, (5) to deposit two million dollars per year in each of the fiscal years
1013 ending June 30, 2019, to June 30, 2021, inclusive, in the CTNext Fund
1014 established pursuant to section 32-39i, as amended by this act, which
1015 shall be used by [CTNext] the Department of Economic and Community
1016 Development for the purpose of providing higher education
1017 entrepreneurship grants-in-aid pursuant to section 32-39g, as amended
1018 by this act, provided any portion of any such deposit that remains
1019 unexpended in a fiscal year subsequent to the date of such deposit may
1020 be used by [CTNext] the Department of Economic and Community
1021 Development for any purpose described in subsection (e) of section 32-
1022 39i, as amended by this act, (6) for the purpose of funding the costs of
1023 the Technology Talent Advisory Committee established pursuant to
1024 section 32-7p, provided not more than ten million dollars may be used
1025 on or after July 1, 2023, for such purpose, (7) to provide (A) a grant-in-
1026 aid to the Connecticut Supplier Connection in an amount equal to two
1027 hundred fifty thousand dollars in each of the fiscal years ending June
1028 30, 2017, to June 30, 2021, inclusive, and (B) a grant-in-aid to the
1029 Connecticut Procurement Technical Assistance Program in an amount

1030 equal to three hundred thousand dollars in each of the fiscal years
1031 ending June 30, 2017, to June 30, 2021, inclusive, (8) to deposit four
1032 hundred fifty thousand dollars per year, in each of the fiscal years
1033 ending June 30, 2017, to June 30, 2021, inclusive, in the CTNext Fund
1034 established pursuant to section 32-39i, as amended by this act, which
1035 shall be used by [CTNext] the Department of Economic and Community
1036 Development to provide growth grants-in-aid pursuant to section 32-
1037 39g, as amended by this act, provided any portion of any such deposit
1038 that remains unexpended in a fiscal year subsequent to the date of such
1039 deposit may be used by [CTNext] the Department of Economic and
1040 Community Development for any purpose described in subsection (e)
1041 of section 32-39i, as amended by this act, (9) to transfer fifty million
1042 dollars to the Labor Department which shall be used by said department
1043 for the purpose of funding workforce pipeline programs selected
1044 pursuant to section 31-11rr, provided, notwithstanding the provisions
1045 of section 31-11rr, (A) not less than five million dollars shall be provided
1046 to the workforce development board in Bridgeport serving the
1047 southwest region, for purposes of such program, and the board shall
1048 distribute such money in proportion to population and need, and (B)
1049 not less than five million dollars shall be provided to the workforce
1050 development board in Hartford serving the north central region, for
1051 purposes of such program, (10) to transfer twenty million dollars to
1052 Connecticut Innovations, Incorporated, provided ten million dollars
1053 shall be used by Connecticut Innovations, Incorporated for the purpose
1054 of the proof of concept fund established pursuant to subsection (b) of
1055 section 32-39x, as amended by this act, and ten million dollars shall be
1056 used by Connecticut Innovations, Incorporated for the purpose of the
1057 venture capital fund program established pursuant to section 32-41oo,
1058 (11) to provide a grant to The University of Connecticut of eight million
1059 dollars for the establishment, development and operation of a center for
1060 sustainable aviation pursuant to subsection (a) of section 10a-110o. [Not
1061 later than thirty days prior to any use of unexpended funds under
1062 subdivision (4), (5) or (8) of this subsection, the CTNext board of
1063 directors shall provide notice of and the reason for such use to the joint
1064 standing committees of the General Assembly having cognizance of

1065 matters relating to commerce and finance, revenue and bonding.]

1066 Sec. 515. Section 32-357 of the general statutes is repealed and the
1067 following is substituted in lieu thereof (*Effective July 1, 2024*):

1068 Connecticut Innovations, Incorporated, in consultation with the
1069 Department of Economic and Community Development [, CTNext] and
1070 the Connecticut Center for Advanced Technology, Inc., shall develop
1071 and implement a plan to increase the total of funds provided to state
1072 businesses pursuant to the small business innovation research program,
1073 as defined in section 32-344, and the small business technology transfer
1074 program, as defined in section 32-344. Not later than January 1, 2022,
1075 and annually thereafter, the Commissioner of Economic and
1076 Community Development shall report, in accordance with the
1077 provisions of section 11-4a, to the joint standing committees of the
1078 General Assembly having cognizance of matters relating to commerce
1079 and veterans' and military affairs, regarding such plan and its
1080 implementation.

1081 Sec. 516. Subsection (h) of section 10a-11b of the 2024 supplement to
1082 the general statutes is repealed and the following is substituted in lieu
1083 thereof (*Effective July 1, 2024*):

1084 (h) The commission may review its goals and plans and determine
1085 how best to align its work with the work of the [Higher Education
1086 Innovation and Entrepreneurship Working Group and the] Higher
1087 Education Entrepreneurship Advisory Committee, established
1088 pursuant to [sections 32-39s and] section 32-39t, as amended by this act.

1089 Sec. 517. Subsection (i) of section 12-391 of the general statutes is
1090 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1091 *2024*):

1092 (i) The tax calculated pursuant to the provisions of this section shall
1093 be reduced in an amount equal to half of the amount invested by a
1094 decedent in a private investment fund or fund of funds pursuant to
1095 subdivision [(43)] (40) of section 32-39, as amended by this act, provided

1096 (1) any such reduction shall not exceed five million dollars for any such
 1097 decedent, (2) any such amount invested by the decedent shall have been
 1098 invested in such fund or fund of funds for ten years or more, and (3) the
 1099 aggregate amount of all taxes reduced under this subsection shall not
 1100 exceed thirty million dollars.

1101 Sec. 518. Sections 32-39h, 32-39j, 32-39q to 32-39s, inclusive, and 32-
 1102 39u to 32-39w, inclusive, are repealed. (Effective July 1, 2024)"

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	July 1, 2024	32-1b
Sec. 502	July 1, 2024	32-39f
Sec. 503	July 1, 2024	32-39g
Sec. 504	July 1, 2024	32-39i
Sec. 505	July 1, 2024	32-39k
Sec. 506	July 1, 2024	32-39l
Sec. 507	July 1, 2024	32-39m
Sec. 508	July 1, 2024	32-39o
Sec. 509	July 1, 2024	32-39t
Sec. 510	July 1, 2024	32-39x
Sec. 511	July 1, 2024	32-35(h)
Sec. 512	July 1, 2024	32-39(4)
Sec. 513	July 1, 2024	32-39(22) to (45)
Sec. 514	July 1, 2024	32-235(b)
Sec. 515	July 1, 2024	32-357
Sec. 516	July 1, 2024	10a-11b(h)
Sec. 517	July 1, 2024	12-391(i)
Sec. 518	July 1, 2024	Repealer section