



General Assembly

January Session, 2019

Raised Bill No. 7080

LCO No. 3723



Referred to Committee on COMMERCE

Introduced by:
(CE)

***AN ACT CONCERNING CERTAIN REPORTING REQUIREMENTS OF
THE DEPARTMENT OF ECONOMIC AND COMMUNITY
DEVELOPMENT.***

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

1 Section 1. Subsections (a) to (c), inclusive, of section 32-1m of the
2 general statutes are repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2019*):

4 (a) Not later than February first, annually, the Commissioner of
5 Economic and Community Development shall submit a report to the
6 Governor, the Auditors of Public Accounts and the joint standing
7 committees of the General Assembly having cognizance of matters
8 relating to appropriations and the budgets of state agencies, finance,
9 revenue and bonding and commerce, in accordance with the
10 provisions of section 11-4a. Not later than thirty days after submission
11 of the report, said commissioner shall post the report on the
12 Department of Economic and Community Development's web site.
13 Such report shall include, but not be limited to, the following
14 information with regard to the activities of the Department of

15 Economic and Community Development, [and to business assistance
16 or] business assistance programs administered by Connecticut
17 Innovations, Incorporated and tax incentive programs not
18 administered by the department, during the preceding state fiscal year:

19 (1) A brief description and assessment of the state's economy during
20 such year, utilizing the most recent and reasonably available data, and
21 including:

22 (A) Connecticut employment by industry;

23 (B) Connecticut and national average unemployment; and

24 (C) Connecticut gross state product, by industry.

25 (2) An analysis of the economic development portfolio of the
26 department, including, but not limited to, each business assistance or
27 incentive program, including any business tax credit or abatement
28 program, grant, loan, forgivable loan or other form of assistance,
29 enacted for the purpose of improving economic development. The
30 analysis shall include:

31 (A) The Internet web site address of the state's open data portal and
32 an indication of where the name, address and location of each recipient
33 of the department's assistance is published on the site along with the
34 following information concerning each recipient: (i) Business activities,
35 (ii) standard industrial classification codes or North American
36 industrial classification codes, (iii) whether the recipient is a minority
37 or woman-owned business, (iv) a summary of the terms and
38 conditions for the assistance, including the type and amount of state
39 financial assistance and job creation or retention requirements, (v) the
40 amount of investments from private and other nonstate sources that
41 have been leveraged by the assistance, and (vi) the amount of state
42 investment;

43 (B) A portfolio analysis, including an analysis of the wages paid by
44 recipients of financial assistance by industry;

45 (C) An investment analysis, including (i) total portfolio value, (ii)
46 total investment by industry, (iii) portfolio dollar per job average, (iv)
47 portfolio leverage ratio;

48 (D) An overview of the business assistance and incentive programs
49 administered by the department and an analysis of their estimated
50 economic impact on the state's economy. The analysis shall include, for
51 each business assistance or incentive program for which such data is
52 available, the number of new jobs created, the borrowing cost to the
53 state and the estimated impact of such program on annual state
54 revenues;

55 (E) An analysis of whether the statutory and programmatic goals of
56 each business or incentive program are being met, with obstacles to
57 such goals identified, if possible;

58 (F) (i) Recommendations as to whether any existing business
59 assistance or incentive program should be continued, modified or
60 repealed and the basis or bases for such recommendations, and (ii) any
61 recommendations for additional data collection by the state to better
62 inform future evaluations of such programs; and

63 (G) The methodologies and assumptions used in carrying out the
64 analyses under this subdivision.

65 (3) An analysis of the community development portfolio of the
66 department, including:

67 (A) The Internet web site address of the state's open data portal and
68 an indication of where the name, address and location of each recipient
69 of the department's assistance is published on the site along with the
70 following information concerning each recipient: (i) Amount of state
71 investment, (ii) a summary of the terms and conditions for the
72 department's assistance, including the type and amount of state
73 financial assistance, and (iii) the amount of investments from private
74 and other nonstate sources that have been leveraged by such
75 assistance; and

76 (B) An investment analysis, including (i) total active portfolio value,
77 (ii) total investments made in the preceding state fiscal year, and (iii)
78 total portfolio leverage ratio.

79 (4) An analysis of each business assistance [or incentive program,
80 including any business tax credit or abatement program, grant, loan,
81 forgivable loan or other form of assistance,] program administered by
82 Connecticut Innovations, Incorporated and each tax incentive program
83 enacted for the purpose of improving economic development [, that
84 (A) (i)] and not administered by the department that (A) had ten or
85 more recipients of assistance in the preceding state fiscal year, or [(ii)]
86 (B) credited, abated or distributed more than one million dollars in the
87 preceding state fiscal year. [, and (B) is not administered by the
88 department.] The analysis shall include:

89 (i) An overview of the business assistance or tax incentive program
90 and an analysis of its estimated economic effects on the state's
91 economy; [, including, for each program where such data is available,
92 the number of new jobs created and the estimated impact of such
93 program on annual state revenues;]

94 (ii) An analysis of whether the statutory and programmatic goals of
95 each business assistance or tax incentive program are being met, with
96 obstacles to such goals identified, if possible;

97 (iii) Recommendations as to whether any such existing business
98 assistance or tax incentive program should be continued, modified or
99 repealed and the basis or bases for such recommendations, and any
100 recommendations for additional data collection by the state to better
101 inform future evaluations of such programs; and

102 (iv) The methodologies and assumptions used in carrying out the
103 analysis under this subdivision.

104 (5) A summary of the department's international trade efforts in the
105 preceding state fiscal year, and, to the extent possible, a summary of
106 foreign direct investment that occurred in the state in such year.

107 (6) A summary of the total social and economic impact of the
108 department's efforts and activities in the areas of economic and
109 community development, and an assessment of the department's
110 performance in terms of meeting its stated goals and objectives.

111 (7) With regard to the Small Business Express program established
112 pursuant to section 32-7g, data on (A) the number of small businesses
113 that applied to the Small Business Express program, (B) the number of
114 small businesses that received assistance under said program and the
115 general categories of such businesses, (C) the amounts and types of
116 assistance provided, (D) the total number of jobs on the date of
117 application and the number proposed to be created or retained, and (E)
118 the most recent employment figures of the small businesses receiving
119 assistance.

120 (8) With regard to airport development zones established pursuant
121 to section 32-75d, a summary of the economic and cost benefits of each
122 zone and any recommended revisions to any such zones.

123 (9) An overview of the department's activities related to tourism, the
124 arts and historic preservation.

125 (10) An overview of the department's activities concerning digital
126 media, motion pictures and related production activity, and an
127 analysis of the use of the film production tax credit established under
128 section 12-217jj, the entertainment industry infrastructure tax credit
129 established under section 12-217kk and the digital animation
130 production tax credit established under section 12-217ll, including the
131 amount of any tax credit issued under said sections and the total
132 amount of production expenses or costs incurred in the state by the
133 taxpayer who was issued such a tax credit.

134 (11) A summary of the department's and the office of the permit
135 ombudsman's brownfield-related efforts and activities in the preceding
136 fiscal year.

137 (12) A summary of the department's dry cleaning establishment

138 remediation account activities in the preceding fiscal year.

139 (b) Any annual report that is required from the department by any
140 provision of the general statutes shall be incorporated into the annual
141 report submitted pursuant to subsection (a) of this section.

142 (c) [On or before March 1, 2018, and annually thereafter] Not later
143 than sixty days after the submission of a report by the Auditors of
144 Public Accounts pursuant to section 2-90c, the joint standing
145 committees of the General Assembly having cognizance of matters
146 relating to appropriations and the budgets of state agencies, finance,
147 revenue and bonding and commerce shall hold, individually or jointly,
148 one or more public hearings on such report and the analyses included
149 in the annual report under subdivisions (2) and (4) of subsection (a) of
150 this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2019	32-1m(a) to (c)

Statement of Purpose:

To require the Department of Economic and Community Development to include in its annual report information on tax incentive programs administered by other state agencies, but not all business assistance programs administered by other agencies.

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