



General Assembly

**Amendment**

January Session, 2021

LCO No. 9904



Offered by:

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To: Subst. Senate Bill No. 3

File No. 352

Cal. No. 218

**"AN ACT CONCERNING DIVERSE ECONOMIC OPPORTUNITY,  
WORKER PROTECTIONS AND SMALL BUSINESS  
REVITALIZATION."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Section 12-217aaa of the general statutes is repealed and  
4 the following is substituted in lieu thereof (*Effective July 1, 2021, and*  
5 *applicable to income years beginning January 1, 2021*):

6 (a) As used in this section, (1) "accumulated credits" means the  
7 amount of credits allowed, in accordance with the provisions of section  
8 12-217n, that have not been taken through an applicant's last income  
9 year completed prior to the date of an application submitted as  
10 provided in subsection (b) of this section, [and] (2) "commissioner"

11 means the Commissioner of Economic and Community Development,  
12 and (3) "human capital investment" means the amount paid or incurred  
13 by a corporation on (A) job training which occurs in this state for  
14 persons who are employed in this state; (B) work education programs  
15 in this state, including, but not limited to, programs in public high  
16 schools and work education-diversified occupations programs in this  
17 state; (C) worker training and education for persons who are employed  
18 in this state provided by institutions of higher education in this state;  
19 (D) donations or capital contributions to institutions of higher education  
20 in this state for improvements or advancements of technology,  
21 including physical plant improvements; (E) planning, site preparation,  
22 construction, renovation or acquisition of facilities in this state for the  
23 purpose of establishing a child care center, as described in section 19a-  
24 77, in this state to be used primarily by the children of employees who  
25 are employed in this state; (F) subsidies to employees who are employed  
26 in this state for child care to be provided in this state; and (G)  
27 contributions made to the Individual Development Account Reserve  
28 Fund, as defined in section 31-51ww.

29 (b) The commissioner shall establish and administer a program to  
30 allow businesses in the state to utilize accumulated credits against the  
31 tax imposed under this chapter and chapter 219 in exchange for (1)  
32 capital projects, planned or underway, in the state that propose to [(1)]  
33 (A) expand the scale or scope of such business, [(2)] (B) increase  
34 employment at such business, or [(3)] (C) generate a substantial return  
35 to the state economy, or (2) human capital investment. A business  
36 seeking to utilize accumulated credits under this section shall submit to  
37 the commissioner, on forms provided by the commissioner, an  
38 application that shall include, but not be limited to: (A) A detailed plan  
39 outlining the capital project or human capital investment, (B) the term  
40 of such project or investment, (C) the estimated costs of such project or  
41 investment, and (D) the amount of accumulated credits the business  
42 proposes it be allowed to utilize under this section. The commissioner  
43 shall perform an econometric analysis of each application and shall only  
44 approve an application if he or she determines that such project or

45 investment will generate revenues for the state that exceed the amount  
46 of the accumulated credits proposed to be utilized. The amount of such  
47 accumulated credits shall be subject to confirmation, in accordance with  
48 the provisions of this title, by the Commissioner of Revenue Services in  
49 consultation with the commissioner.

50 (c) The commissioner shall determine, in consultation with the  
51 Commissioner of Revenue Services and the Secretary of the Office of  
52 Policy and Management, when such accumulated credits may be  
53 utilized by the business, provided the commissioner shall not approve  
54 the utilization of the accumulated credits until the capital project or  
55 human capital investment under subsection (b) of this section generates  
56 revenues for the state that exceed the amount of the accumulated credits  
57 proposed to be utilized.

58 (d) The total amount of accumulated credits used under this section,  
59 at full value, and the investments made under section 12-217bbb shall  
60 not exceed fifty million dollars in the aggregate.

61 (e) The commissioner may adopt regulations, in accordance with the  
62 provisions of chapter 54, to implement the provisions of this section.

63 (f) Not later than February 1, 2019, and annually thereafter, the  
64 commissioner shall include in the annual report required under section  
65 32-1m: (1) Information on the number of applications received and the  
66 number of applications approved under this section; (2) the status of the  
67 capital projects or human capital investments associated with such  
68 approved applications; (3) the amount of accumulated credits that are  
69 proposed to be utilized under this section; and (4) (A) the amount and  
70 type of state revenue generated in connection with each such capital  
71 project or human capital investment to date, and (B) the projected  
72 amount and type of such revenue for the five succeeding fiscal years  
73 after completion of such capital project or human capital investment.

74 Sec. 2. (NEW) (*Effective October 1, 2021*) (a) As used in this section:

75 (1) "Dislocated worker" has the same meaning as provided in the

76 federal Workforce Innovation and Opportunity Act of 2014, P.L. 113-  
77 128, as amended from time to time;

78 (2) "Economic development financial assistance" means any grant,  
79 loan or loan guarantee, or combination thereof, provided to a business  
80 for the purpose of economic development;

81 (3) "Low-income individual" means an individual whose family  
82 income is less than three hundred per cent of the federal poverty level  
83 for the prior calendar year;

84 (4) "Minority" means an individual whose race is defined as other  
85 than white, or whose ethnicity is defined as Hispanic or Latino by the  
86 federal Office of Management and Budget for use by the Bureau of  
87 Census of the United States Department of Commerce;

88 (5) "Nontraditional employment" means occupations or fields of  
89 work for which individuals from one gender comprise less than twenty-  
90 five per cent of the individuals employed in each such occupation or  
91 field of work; and

92 (6) "Veteran" means any person who is a member of, was honorably  
93 discharged from or released under honorable conditions from active  
94 service in the armed forces, as defined in section 27-103 of the general  
95 statutes.

96 (b) The Commissioner of Economic and Community Development  
97 shall give priority to applicants for economic development financial  
98 assistance who demonstrate a willingness, as determined by the  
99 commissioner, to make jobs available to unemployed individuals, low-  
100 income individuals, dislocated workers, individuals training for  
101 nontraditional employment, veterans, minorities, women and  
102 individuals with disabilities to the extent consistent with any state or  
103 regional economic development strategy.

104 Sec. 3. (*Effective from passage*) On or before July 1, 2021, and on a fiscal  
105 quarterly basis thereafter, and prior to July 1, 2022, the Commissioner of

106 Economic and Community Development, in consultation with the  
107 Commissioner of Revenue Services, shall report, in accordance with the  
108 provisions of section 11-4a of the general statutes, to the joint standing  
109 committee of the General Assembly having cognizance of matters  
110 relating to commerce regarding the hospitality industry's recovery from  
111 the COVID-19 pandemic. Such report may include, but need not be  
112 limited to, regional assessments regarding the recovery of such industry  
113 in the state. For the purposes of this section, "COVID-19" means the  
114 respiratory disease designated by the World Health Organization on  
115 February 11, 2020, as coronavirus 2019, and any related mutation thereof  
116 recognized by said organization as a communicable respiratory disease.

117 Sec. 4. (NEW) (*Effective from passage*) Connecticut Innovations,  
118 Incorporated, in consultation with the Department of Economic and  
119 Community Development, CTNext and the Connecticut Center for  
120 Advanced Technology, Inc., shall develop and implement a plan to  
121 increase the total of funds provided to state businesses pursuant to the  
122 small business innovation research program, as defined in section 32-  
123 344 of the general statutes, and the small business technology transfer  
124 program, as defined in section 32-344 of the general statutes. Not later  
125 than January 1, 2022, and annually thereafter, the Commissioner of  
126 Economic and Community Development shall report, in accordance  
127 with the provisions of section 11-4a of the general statutes, to the joint  
128 standing committees of the General Assembly having cognizance of  
129 matters relating to commerce and veterans' and military affairs,  
130 regarding such plan and its implementation.

131 Sec. 5. (*Effective from passage*) The Commissioner of Economic and  
132 Community Development shall conduct a study relating to the state's  
133 opportunity zone financial incentives. Such study shall include, but  
134 need not be limited to, (1) an analysis of (A) the financial incentives used  
135 by the state to support opportunity zone investment, (B) the specific  
136 economic development projects that such incentives have supported  
137 and an accounting of such financial incentives paid to date, and (C) the  
138 types of businesses that have used such incentives; and (2) the  
139 compilation of a list of opportunity zones in the state with the highest

140 unemployment and poverty rates and the lowest median family income.  
141 Not later than January 1, 2022, the commissioner shall submit a report  
142 on the results of such study to the joint standing committee of the  
143 General Assembly having cognizance of matters relating to commerce,  
144 in accordance with the provisions of section 11-4a of the general statutes.  
145 Such report shall include a plan to incentivize investment in the  
146 opportunity zones listed pursuant to subdivision (2) of this section and  
147 any legislative proposals necessary to implement such plan.

148       Sec. 6. (NEW) (*Effective October 1, 2021*) (a) There is established a  
149 vocational village program that shall be administered by the  
150 Commissioner of Correction, in consultation with the Department of  
151 Economic and Community Development. The program shall provide  
152 skilled trades training to inmates and shall include, but need not be  
153 limited to, providing inmates opportunities to earn nationally  
154 recognized industry certifications and credentials. Such certifications  
155 and credentials may include, but need not be limited to, certifications  
156 and credentials in computer coding, carpentry, computerized numerical  
157 control manufacturing, welding, electrical, heating, ventilation and air  
158 conditioning and plumbing.

159       (b) The Commissioner of Correction shall: (1) Establish eligibility  
160 criteria for participation in the program; (2) establish an application  
161 process for inmates to apply for participation in the program; (3)  
162 develop program objectives; (4) identify nationally recognized industry  
163 certifications to offer through the program; (5) develop and implement  
164 program curricula; (6) identify and utilize a suitable facility for the  
165 operation of the program; (7) obtain suitable staff for the operation of  
166 the program; and (8) obtain suitable equipment and educational  
167 materials for the operation of the program.

168       (c) The Commissioner of Correction may (1) participate in the federal  
169 Prison Industry Enhancement Certification Program, or (2) partner with  
170 private sector entities to further the objectives of the vocational village  
171 program.

172 (d) Not later than January 1, 2022, and annually thereafter, the  
 173 Commissioner of Correction shall submit a report, in accordance with  
 174 the provisions of section 11-4a of the general statutes, on the vocational  
 175 village program to the joint standing committees of the General  
 176 Assembly having cognizance of matters relating to the judiciary and  
 177 commerce.

178 (e) The Secretary of the Office of Policy and Management shall  
 179 allocate funds to the Department of Correction, from the federal funds  
 180 received by the state pursuant to the Coronavirus Aid, Relief, and  
 181 Economic Security Act, P.L. 116-136, as amended from time to time, the  
 182 Coronavirus Response and Relief Supplemental Appropriations Act,  
 183 P.L. 116-260, as amended from time to time, or the American Rescue  
 184 Plan Act of 2021, P.L. 117-2, as amended from time to time, for the  
 185 purposes of the program established pursuant to subsection (a) of this  
 186 section."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021, and applicable to income years beginning January 1, 2021</i>	12-217aaa
Sec. 2	<i>October 1, 2021</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>October 1, 2021</i>	New section