



Substitute Senate Bill No. 3

Public Act No. 21-188

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

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

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 Section 12-217aaa of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021, and applicable to income years beginning January 1, 2021*):

(a) As used in this section, (1) "accumulated credits" means the amount of credits allowed, in accordance with the provisions of section 12-217n, that have not been taken through an applicant's last income year completed prior to the date of an application submitted as provided in subsection (b) of this section, [and] (2) "commissioner" means the Commissioner of Economic and Community Development, and (3) "human capital investment" means the amount paid or incurred by a corporation on (A) job training which occurs in this state for persons who are employed in this state; (B) work education programs in this state, including, but not limited to, programs in public high schools and work education-diversified occupations programs in this state; (C) worker training and education for persons who are employed in this state provided by institutions of higher education in this state; (D) donations or capital contributions to institutions of higher education

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in this state for improvements or advancements of technology, including physical plant improvements; (E) planning, site preparation, construction, renovation or acquisition of facilities in this state for the purpose of establishing a child care center, as described in section 19a-77, in this state to be used primarily by the children of employees who are employed in this state; (F) subsidies to employees who are employed in this state for child care to be provided in this state; and (G) contributions made to the Individual Development Account Reserve Fund, as defined in section 31-51ww.

(b) The commissioner shall establish and administer a program to allow businesses in the state to utilize accumulated credits against the tax imposed under this chapter and chapter 219 in exchange for (1) capital projects, planned or underway, in the state that propose to [(1)] (A) expand the scale or scope of such business, [(2)] (B) increase employment at such business, or [(3)] (C) generate a substantial return to the state economy, or (2) human capital investment. A business seeking to utilize accumulated credits under this section shall submit to the commissioner, on forms provided by the commissioner, an application that shall include, but not be limited to: (A) A detailed plan outlining the capital project or human capital investment, (B) the term of such project or investment, (C) the estimated costs of such project or investment, and (D) the amount of accumulated credits the business proposes it be allowed to utilize under this section. The commissioner shall perform an econometric analysis of each application and shall only approve an application if he or she determines that such project or investment will generate revenues for the state that exceed the amount of the accumulated credits proposed to be utilized. The amount of such accumulated credits shall be subject to confirmation, in accordance with the provisions of this title, by the Commissioner of Revenue Services in consultation with the commissioner.

(c) The commissioner shall determine, in consultation with the

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Commissioner of Revenue Services and the Secretary of the Office of Policy and Management, when such accumulated credits may be utilized by the business, provided the commissioner shall not approve the utilization of the accumulated credits until the capital project or human capital investment under subsection (b) of this section generates revenues for the state that exceed the amount of the accumulated credits proposed to be utilized.

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

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

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

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

(1) "Dislocated worker" has the same meaning as provided in the federal Workforce Innovation and Opportunity Act of 2014, P.L. 113-128, as amended from time to time;

(2) "Economic development financial assistance" means any grant, loan or loan guarantee, or combination thereof, provided to a business

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for the purpose of economic development;

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

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

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

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

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

Sec. 3. (*Effective from passage*) On or before July 1, 2021, and on a fiscal quarterly basis thereafter, and prior to July 1, 2022, the Commissioner of Economic and Community Development, in consultation with the Commissioner of Revenue Services, shall report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing

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committee of the General Assembly having cognizance of matters relating to commerce regarding the hospitality industry's recovery from the COVID-19 pandemic. Such report may include, but need not be limited to, regional assessments regarding the recovery of such industry in the state. For the purposes of this section, "COVID-19" means the respiratory disease designated by the World Health Organization on February 11, 2020, as coronavirus 2019, and any related mutation thereof recognized by said organization as a communicable respiratory disease.

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

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

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

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

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

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

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program.

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

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