



**TESTIMONY BEFORE THE  
COMMERCE COMMITTEE  
LEGISLATIVE OFFICE BUILDING  
FEBRUARY 27, 2020**

My name is Shannon King, government affairs associate for CBIA, the Connecticut Business and Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of our member companies are small businesses, with less than 100 employees.

CBIA supports **SB 9 An Act Concerning Jobs CT Tax Rebate Program** and **HB 5007 An Act Concerning the Small Business Express Program**.

SB 9 creates an earn-as-you-grow incentive program for businesses to expand in or move to Connecticut. Businesses that create and maintain 25 or more full-time, well paying jobs in the state are eligible to receive a 25% income tax rebate. In addition, businesses that also decide to locate in one of Connecticut's Opportunity Zones or distressed municipalities will receive a 50% income tax rebate.

Economic development is critically important to recruiting, growing, and maintaining businesses in Connecticut. The Jobs CT Tax Rebate Program represents a new direction for the state's economic development strategy—without picking winners and losers and maintaining transparency with a focus on key in-demand industries and distressed municipalities most in need of economic resurgence. CBIA understands the need to reduce the bonded indebtedness of the state, but we have to be careful to not restrict our ability to grow our economy. The lack of sufficient growth in Connecticut has been one of the main contributors to our budget problems over the last decade.

HB 5007 allows the Department of Economic and Community Development to partner with Community Economic Financial Institutions, along with local and regional banks, to provide revolving loan fund programs to small businesses to purchase new machinery, expand their facility, or add working capital for hiring or product and service improvements and investments. DECD will also partner with Connecticut Innovations to leverage existing loan guarantee programs. HB 5007 also prioritizes loans for women, minority, veteran, and disabled-owned businesses, who can be disadvantaged in the traditional lending market. The Small Business Express Program has helped many small businesses establish and grow their footprint in Connecticut. In this new economic era, partnering with the private sector and community banks increases lending capacity and ensures capital for higher risk businesses.

For both SB 9 and HB 5007, we encourage legislators and DECD to do their due diligence in ensuring that new and expanded economic development programs are competitive among those in other states and are monitored closely for efficiency and effectiveness. We also hope DECD remains open to program adjustments as business, lending climate, and economic development needs in the state change in this new decade and beyond.

Although we are supportive of a new direction in economic development, some of our members have raised concerns that the new structure will not adequately serve the needs of small businesses, particularly small manufacturers who have relied on the Manufacturing Assistance Act, Small Business Express, and the Manufacturing Innovation Fund.

We have been in regular contact with Commissioner Lehman and Chief Manufacturing Officer Colin Cooper regarding these concerns and are confident that we will ultimately shape a new incentive system that works for both large and small businesses. Again, our bottom line is that our incentive programs must be competitive with other states.

Thank you for your time and the opportunity to testify.