



# House of Representatives

General Assembly

**File No. 178**

January Session, 2021

House Bill No. 6601

*House of Representatives, March 29, 2021*

The Committee on Commerce reported through REP. SIMMONS, C. of the 144th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT PROMOTING ECONOMIC DEVELOPMENT AND OPTIMIZING STATE SERVICES THROUGH THE USE OF INNOVATIVE TECHNOLOGIES DEVELOPED IN CONNECTICUT.***

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

1 Section 1. Section 32-39e of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2021*):

3 (a) If, in the exercise of its powers under section 32-39, Connecticut  
4 Innovations, Incorporated (1) finds that the use of a certain technology,  
5 product or process (A) would promote public health and safety,  
6 environmental protection or economic development, or (B) with regard  
7 to state services, would promote efficiency, reduce administrative  
8 burdens or otherwise improve such services, and (2) determines such  
9 technology, product or process was developed by a business (A)  
10 domiciled in this state to which the corporation has provided financial  
11 assistance or in which the corporation has invested, or (B) which has  
12 been certified as a small contractor or a minority business enterprise by  
13 the Commissioner of Administrative Services under section 4a-60g, the

14 corporation, upon application of such business, may recommend to the  
15 Secretary of the Office of Policy and Management that an agency of the  
16 state, including, but not limited to, any constituent unit of the state  
17 system of higher education, be [directed] authorized to test such  
18 technology, product or process by employing it in the operations of such  
19 agency on a trial basis. The purpose of such test program shall be to  
20 validate the commercial viability of such technology, product or process  
21 provided no business in which Connecticut Innovations, Incorporated  
22 has invested shall be required to participate in such program.

23 (b) No such recommendation may be made by Connecticut  
24 Innovations, Incorporated unless such business has submitted a viable  
25 business plan to Connecticut Innovations, Incorporated for  
26 manufacturing and marketing such technology, product or process and  
27 such business demonstrates that (1) [will manufacture or produce such  
28 technology, product or process in this state, (2) demonstrates that] the  
29 usage of such technology, product or process by the state agency will  
30 not adversely affect safety, [(3) demonstrates that] (2) sufficient research  
31 and development has occurred to warrant participation in the test  
32 program, [and (4) demonstrates that] (3) the technology, product or  
33 process has potential for commercialization not later than two years  
34 following the completion of any test program involving a state agency  
35 under this section, and (4) such technology, product or process will have  
36 a positive economic impact in the state, including the prospective  
37 addition of jobs and economic activity upon such commercialization.

38 [(b)] (c) If the Secretary of the Office of Policy and Management finds  
39 that employing such technology, product or process would be feasible  
40 in the operations of a state agency and would not have any detrimental  
41 effect on such operations, said secretary, notwithstanding the  
42 requirement of chapter 58, may direct an agency of the state to accept  
43 delivery of such technology, product or process and to undertake such  
44 a test program. [Any] The Secretary of the Office of Policy and  
45 Management, in consultation with the Commissioner of Administrative  
46 Services, the chief executive officer of Connecticut Innovations,  
47 Incorporated and the department head of the testing agency, shall

48 determine, on a case-by-case basis, whether the costs associated with the  
49 acquisition and use of such technology, product or process by the testing  
50 agency shall be borne by Connecticut Innovations, Incorporated, the  
51 business or by any investor or participant in such business. The  
52 acquisition of any technology, product or process for purposes of the  
53 test program established pursuant to this section shall not be deemed to  
54 be a purchase under the provisions of the state procurement policy. The  
55 testing agency, on behalf of Connecticut Innovations, Incorporated shall  
56 maintain records related to such test program, as requested by  
57 Connecticut Innovations, Incorporated and shall make such records and  
58 any other information derived from such test program available to  
59 Connecticut Innovations, Incorporated and the business. Any  
60 proprietary information derived from such test program shall be  
61 exempt from the provisions of subsection (a) of section 1-210.

62 (d) If the Secretary of the Office of Policy and Management, in  
63 consultation with the Commissioner of Administrative Services, the  
64 chief executive officer of Connecticut Innovations, Incorporated and the  
65 department head of the testing agency, determines that the test program  
66 sufficiently demonstrates that the technology, product or process  
67 promotes public health and safety, environmental protection, economic  
68 development or efficiency; reduces administrative burdens or otherwise  
69 improves state services, the Commissioner of Administrative Services  
70 may procure such technology, product or process for use by any or all  
71 state agencies pursuant to subsection (b) of section 4a-58.

72 [(c)] (e) The Secretary of the Office of Policy and Management,  
73 Commissioner of Administrative Services and Connecticut Innovations,  
74 Incorporated may develop a program to recognize state agencies that  
75 help to promote public health and safety, environmental protection, [or]  
76 economic development or efficiency, reduce administrative burdens or  
77 improve state services by participating in a testing program under this  
78 section. Such program may include the creation of a fund established  
79 with savings accrued by the testing agency during its participation in  
80 the testing program established under this section. Such fund shall only  
81 be used to implement the program of recognition established by the

82 Secretary of the Office of Policy and Management, Commissioner of  
83 Administrative Services and Connecticut Innovations, Incorporated,  
84 under the provisions of this subsection.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	32-39e

**CE**      *Joint Favorable*

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The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Various State Agencies	Various - Potential Savings	See Below	See Below

Note: Various=Various

**Municipal Impact:** None

**Explanation**

The bill enables some resources of Connecticut Innovations, Inc. to be used to develop technologies or products that could facilitate efficiencies in state services. To the extent that efficiencies are achieved as a result, the bill could enable savings.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****HB 6601*****AN ACT PROMOTING ECONOMIC DEVELOPMENT AND OPTIMIZING STATE SERVICES THROUGH THE USE OF INNOVATIVE TECHNOLOGIES DEVELOPED IN CONNECTICUT.*****SUMMARY**

This bill expands the types of technologies, products, and processes eligible for pre-market testing by state agencies. It allows the Department of Administrative Services (DAS) commissioner to procure them for use by all state agencies if the Office of Policy and Management (OPM) secretary, in consultation with the commissioner, Connecticut Innovations, Inc. (CI) chief executive officer, and the testing agency head, determines that the test demonstrates specified objectives.

Additionally, the bill makes minor changes concerning the process for participating in testing, the testing's costs, and a related recognition program for participating agencies. Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2021

**TESTING PROGRAM*****Eligibility***

Current law allows CI-funded businesses located in Connecticut to test their technology, product, or process in state agencies in order to study its commercial viability if it meets certain criteria. Specifically, it must (1) promote public health and safety, environmental protection, or economic development; (2) be manufactured in Connecticut and be safe; and (3) have the potential for commercialization within two years of completing the test.

The bill extends testing eligibility to small and minority business

enterprises certified under the state's set-aside program. It also expands the types of eligible products to include those that CI finds would reduce administrative burdens or promote efficiency in state services, or otherwise improve them. It eliminates a requirement that the technology, product, or process be manufactured or produced in Connecticut and instead requires that it have a positive economic impact on the state, including prospective job growth and economic activity upon commercialization.

### ***Participation and Costs***

Upon an eligible business's application, current law allows CI to recommend that the OPM secretary direct a state agency to test the technology, product, or process in the agency's operations on a trial basis. The bill instead allows CI to recommend that OPM allow (rather than direct) agencies to participate in testing. (However, it retains OPM's authority to direct agencies to participate.) It also specifically includes public higher education institutions as state agencies for purposes of this program.

Under current law, CI, the business, or an investor in the business must pay for the cost of providing the technology, product, or process to the testing agency. The bill requires the OPM secretary, in consultation with the DAS commissioner, CI executive director, and the testing agency head, to determine on a case-by-case basis which of the above entities must bear these costs.

### ***Procurement***

The bill allows the DAS commissioner to procure the product, process, or technology for use by all state agencies if the OPM secretary, in consultation with the commissioner, CI chief executive officer, and the testing agency head, determines that the test demonstrates specified objectives. (Presumably, this would occur after the test concludes.) These objectives are (1) promoting public health and safety, environmental protection, economic development, or efficiency; (2) reducing administrative burdens; or (3) otherwise improving state services.

In procuring the product, process, or technology, the bill allows the DAS commissioner to waive competitive bidding requirements. If the procurement is estimated to cost \$50,000 or more, the waiver must be approved by the Standardization Committee, which consists of the commissioner, the state comptroller and treasurer or their designees, and other department heads (or their agents) designated by the governor.

**Recognition Program**

Current law allows OPM and CI to develop a program to recognize state agencies that promote public health and safety, environmental protection, or economic development by participating in testing. The bill (1) also makes DAS responsible for developing the recognition program (which remains permissive under the bill) and (2) adds promoting efficiencies, reducing service burdens, and improving state services as activities eligible for recognition. As under existing law, the recognition program may include a fund for any savings achieved by testing agencies using the technologies, products, or processes. The fund must be used only for the recognition program.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable

Yea 23    Nay 0    (03/11/2021)