

# OFFICE OF FISCAL ANALYSIS

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sHB-5299

AN ACT CONCERNING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT'S RECOMMENDATIONS FOR REVISIONS TO THE JOBSCT PROGRAM AND THE COMMERCE STATUTES.

As Amended by House "A" (LCO 5889)

House Calendar No.: 286

Senate Calendar No.: 479

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## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Department of Economic & Community Development	Various - Potential Cost	See below	See below

Note: Various=Various

***Municipal Impact:*** None

### ***Explanation***

**Section 1**, which makes several clarifying and substantive changes affecting the JobsCT tax rebate program, does not result in any fiscal impact. It does not alter the aggregate \$40 million cap on the amount of credits allowed annually, and current projections (January 16, 2024, Consensus Revenue) assume full credit utilization each fiscal year.

**Section 2**, which eliminates grants-in-aid to create small business revolving loan programs as an eligible project under the Community Investment Fund (CIF), does not result in any fiscal impact. To date, the CIF Board has approved one award for a small business revolving loan program but has not yet completed the final contract for that award. Due to the administrative burden involving the review of applications for these types of projects, it is unlikely that the CIF Board would

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approve any additional loan programs in future CIF rounds.<sup>1</sup>

**Section 3**, which modifies the process for funding projects through the Urban Act bond program, does not result in any fiscal impact. The provision is clarifying in nature and conforms the process to past practice.

**Section 4** eliminates CTNext, a quasi-public state agency, and makes the Department of Economic and Community Development (DECD) the successor agency to CTNext. The bill reassigns various programs and duties of CTNext to DECD and allows DECD to use any funds available in the CTNext Fund for those purposes. To the extent that additional funds beyond those available in the CTNext Fund are needed to carry out the duties transferred to DECD, there may be additional costs to DECD.

For reference, the CTNext budget for FY 24, as approved by the agency's board of directors was \$16.8 million, including (1) \$3.2 million for salaries, fringe, and administrative expenses and (2) \$13.6 million for programmatic expenses.<sup>2</sup> An estimated \$3 million remains unspent through the CTNext Fund, per the 3/31/24 CTNext income statement.

House "A" eliminates CTNext and makes DECD its successor agency, resulting in the impact noted above.

House "A" also makes a clarifying change to the bill's JobsCT provision that does not alter the fiscal impact as identified in the underlying bill.

### ***The Out Years***

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

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<sup>1</sup> [March 5, 2024 Testimony](#) of Commissioner O'Keefe, Department of Economic and Community Development.

<sup>2</sup> Funding sources to CTNext included state General Obligation bond funds, federal funding, and interest income.

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*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.*