Senate

General Assembly

File No. 533

January Session, 2025

Substitute Senate Bill No. 1179

Senate, April 7, 2025

The Committee on Commerce reported through SEN. HARTLEY of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ESTABLISHING THE CONNECTICUT COMMUNITY MAKERSPACE INITIATIVE PROGRAM.

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

Section 1. (NEW) (*Effective July 1, 2025*) (a) For the purposes of this section:

(1) "Financial assistance" means any and all forms of grants, loans or other forms of financing.

(2) "Makerspace" means a community space that (A) provides access to tools, technology or educational materials for entrepreneurs, (B) results in the prototyping, creation, production or assembly of tangible personal property, and (C) supports the development of educational opportunities for personal growth, workforce training and early-stage business ventures.

(b) Not later than January 1, 2026, the Commissioner of Economic and Community Development shall establish and administer a pilot

program to provide financial assistance to eligible entities for the establishment or expansion of makerspaces in the state. The commissioner shall (1) establish eligibility criteria and an application process for the program, and (2) explore means of funding such program, including, but not limited to, public-private partnerships, grant programs and federal funds or state funds.

(c) Applications for participation in such pilot program shall be submitted in a form and manner prescribed by the commissioner. Each application shall include, but need not be limited to: (1) A description of the makerspace the applicant is seeking to establish or expand; (2) the amount of financial assistance requested by the applicant; and (3) any other information the commissioner deems necessary.

(d) The total amount of financial assistance provided pursuant to the program shall not exceed five million dollars. The total amount of financial assistance provided to an eligible entity shall not exceed two hundred fifty thousand dollars per fiscal year.

(e) The commissioner shall require each entity that receives financial assistance pursuant to the program to submit a report to the commissioner containing information regarding (1) the progress of the establishment or expansion of the makerspace proposed in such entity's application, and (2) any other information the commissioner deems necessary. Each such entity shall submit such report not later than two years after such entity receives financial assistance pursuant to the provisions of this section.

(f) Not later than January 1, 2027, and annually thereafter, the commissioner shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, containing an evaluation of the operation and effectiveness of the program to the joint standing committee of the General Assembly having cognizance of matters relating to commerce.

Sec. 2. (NEW) (*Effective July 1, 2025*) Notwithstanding the provisions of section 32-7o of the general statutes, the Manufacturing Innovation

Advisory Board shall make available, to the Commissioner of Economic and Community Development, one million dollars from the Connecticut Manufacturing Innovation Fund established pursuant to section 32-7o of the general statutes, for the purpose of providing financial assistance in accordance with section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2025*	New section
Sec. 2	*July 1, 2025*	New section

CE *Joint Favorable Subst.*

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.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 $	FY 27 $
Department of Economic & Community Development	GF - Cost	190,000	190,000
State Comptroller - Fringe Benefits[1]	GF - Cost	77,349	77,349
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in an annual cost of $267,349 to the state by requiring the Department of Economic and Community Development (DECD) to establish and administer a pilot program to provide financial assistance associated with "makerspaces." The bill also results in a potential cost associated with accelerated debt service by requiring $1 million to be made available from the Connecticut Manufacturing Innovation Fund (MIF), a state bond funded program, towards this pilot program.

Administrative Costs

DECD will require two full-time positions at an annual cost of $267,349 ($190,000 for salary and $77,349 for fringe benefits) to administer the program. The duties of the staff include developing an application process, marketing the program, seeking out other funding

[1]The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

sources, and reporting on the effectiveness of the program.

Program Funding

The bill requires $1 million to be made available from MIF, which is supported by General Obligation (GO) bond funds, towards the pilot program. Future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds to be expended more rapidly than they otherwise would have been.

As of April 1, 2025, there is no unallocated balance available towards MIF. This bill does not change GO bond authorizations relevant to the program. SB 1247, the Governor's FY 26 and FY 27 bond authorization bill, authorizes $20 million in FY 26 and $25 million in FY 27 towards MIF.

The bill also allows DECD to explore other means of funding such program, including, but not limited to, public-private partnerships, grant programs and federal funds or state funds.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and subject to the terms of any bonds issued.

OLR Bill Analysis

sSB 1179

AN ACT ESTABLISHING THE CONNECTICUT COMMUNITY MAKERSPACE INITIATIVE PROGRAM.

SUMMARY

This bill requires the Department of Economic and Community Development (DECD) commissioner to establish and administer, by January 1, 2026, a pilot program to give financial assistance (e.g., grants, loans, or financing) to entities establishing or expanding makerspaces in Connecticut. Under the bill, a "makerspace" is a community space (1) providing entrepreneurs access to tools, technology, or educational materials; (2) where prototyping, creation, production, and assembly of tangible items happens; and (3) supporting the development of educational opportunities for personal growth, workforce training, and early-stage business ventures.

EFFECTIVE DATE: July 1, 2025

MAKERSPACES PILOT PROGRAM

Development and Funding

Under the bill, the DECD commissioner must explore funding options for the program, including public-private partnerships, grants, and federal or state funds. The bill caps funding at (1) $250,000 for any applicant per fiscal year and (2) $5 million for the pilot program in total.

The bill requires the Manufacturing Innovation Advisory Board to make available $1 million from the Connecticut Manufacturing Innovation Fund (MIF; see BACKGROUND) for DECD to use to give makerspaces financial assistance under the pilot program.

Applications

The bill requires the DECD commissioner to establish the pilot

program's eligibility criteria and application process, and applications for program participation must be submitted in a form the commissioner prescribes. Under the bill, applications must include (1) a description of the makerspace the applicant wants to establish or expand, (2) the requested amount of financial assistance, and (3) any other information the commissioner deems necessary.

Reporting Requirements

Under the bill, the DECD commissioner must require pilot program participants, within two years after receiving funding, to report to DECD on the progress of establishing or expanding their makerspace and any other information the commissioner deems necessary. Beginning by January 1, 2027, the commissioner must annually report an evaluation of the pilot program's operation and effectiveness to the Commerce Committee.

BACKGROUND

Connecticut Manufacturing Innovation Fund (MIF)

MIF provides manufacturers and researchers in aerospace, medical devices, and other targeted industries' supply chains with financing to, among other things, expand facilities, develop products, and match research grants. It is administered by DECD and overseen by an 11-member advisory board. The most recent biennial budget passed in 2023 authorized $35 million in general obligation bonds for the fund.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute
Yea 20 Nay 0 (03/20/2025)