

OFFICE OF FISCAL ANALYSIS

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sHB-7165

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

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Department of Economic & Community Development	Tourism - Revenue Gain	See Below	See Below
Labor Dept.	GF - Potential Revenue Gain	See Below	See Below
Labor Dept.	GF - Potential Revenue Loss	See Below	See Below
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below
Department of Economic & Community Development	GF - Potential Cost	See Below	See Below

Note: Tourism=Tourism Fund; GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes to the commerce statutes resulting in the following impacts described below.

Section 1 results in a revenue gain to the Tourism Fund by allowing the Department of Economic and Community Development (DECD) to establish and administer a program for the sale of Connecticut brand merchandise and advertising space for Connecticut businesses. The revenue gain will depend on volume of sales that DECD undertakes.

Section 2 expands the entities subject to the prevailing wage requirements for DECD-assisted projects, which results in a potential

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revenue gain to the Department of Labor to the extent violations are found and fines are paid.¹ This section also excludes nonprofits and chambers of commerce when the project is valued at \$10 million or more and for the purpose of remediation, demolitions or abatement of pollution in buildings, soil or groundwater. This results in a potential revenue loss to the extent fines would no longer be collected if these exempted employers fail to pay the prevailing wage to employees.

Section 3 has no fiscal impact by modifying DECD's workforce incentive grant program, including eligibility, eligible uses of a grant, and grant amounts. This program has yet to be established by DECD.

Section 4 has no fiscal impact by exempting tax credit programs administered by DECD and Connecticut Innovations from the types of financial assistance subject to nonrelocation agreement requirements. This change conforms with DECD's existing practice.

Section 5 results in potential revenue gain to the state by allowing DECD to convey state property under the agency's control for use as a cultural or historical attraction or site. Any such gain will depend upon agreed upon sale, lease or exchange associated with each state property conveyance.

Section 6 results in a potential cost to DECD by allowing the agency to provide financial assistance, lend staff or provide other in-kind contributions to AdvanceCT Foundation, Inc.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and subject to the number of violations found and fines paid.

¹ Under current law, fines range from \$2,500 to \$5,000 per violation.