

Commerce Committee JOINT FAVORABLE REPORT

Bill No.: HB-7165

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

Title: THE COMMERCE STATUTES.

Vote Date: 3/18/2025

Vote Action: Joint Favorable Substitute

PH Date: 3/11/2025

File No.:

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SPONSORS OF BILL:

Commerce Committee

REASONS FOR BILL:

The Department of Economic and Community Development requested that the Commerce Committee raise this bill, which reflects the agency's goals. The bill has 6 sections which are described in detail in Daniel O'Keefe's (DECD Commissioner) testimony below. As to the purpose of the bill, Section 1 seeks to support the self-funding of Connecticut tourism. Section 2 removes financial obstacles from existing Brownfield site remediation statutes to incentivize continued redevelopment of these sites. Section 3 expands IDD's Workforce Development Grant Program to more competitively integrate persons with disabilities into the workforce. Section 4 seeks to conform the definition of "financial assistance" with DECD practices as it relates to tax credit programs for businesses that relocate. Section 5 seeks to increase the amount of cultural or historical attractions in the state by allowing DECD to condition the sale of state property on its use as such. Section 6 is an effort to further its agency goals by allowing it to provide financial assistance and lend staff to AdvanceCT Foundation, Inc.

LCO #6587 amended the bill to reflect proposed changes outlined in the CT Brownfield Working Group's submitted testimony. This substitute language amended Section 2 of the bill, making changes to the definition of "business organization" and to the verbiage of subsection (f) for clarity.

RESPONSE FROM ADMINISTRATION/AGENCY:

Daniel O'Keefe, Commissioner, Department of Economic and Community

Development: They strongly **support** this bill and express their gratitude that the Commerce Committee has brought the bill on their behalf. They describe what each section of the bill does and why it is needed/beneficial. Section 1 allows DECD to sell merchandise and advertising space on the state's tourism website which will help tourism funding be more self-sustaining. Section 2 clarifies that when money is given to any business from DECD for the purpose of remediation, demolition, or abatement of pollution, the prevailing wage requirement only applies to its use for those purposes and does not include subsequent and separate vertical reconstruction or re-development to encourage Brownfield site redevelopment. Section 3 allows for-profit employers to participate in the Workforce Development Grant Program to conform with federal best practices on competitive integrated employment. Section 4 clarifies that DECD tax credit programs are not "financial assistance" under the law to conform with existing DECD practices. Section 5 clarifies DECD's ability to further state interests by leasing out cultural or historic state property. Section 6 allows DECD to provide financial assistance to AdvanceCT to further agency goals by reinstating Section 32-4a.

Kelli-Marie Vallieres, Chief Workforce Officer, Office of Workforce Strategy: They describe the role of the Office of Workforce Strategy (OWS) as an independent executive branch state agency that acts as advisor to the Governor on workforce development. They work closely with DECD and they **support** this bill, offering specific context and support for Section 3 which intersect with OWS. This section will increase persons with disabilities participation in the labor market as well as increase their earnings potential and career advancement opportunities. They welcome collaboration with DECD and the Commerce Committee on advancing these crucial matters.

Lynn Ward, President & CEO, Waterbury Regional Chamber: The Waterbury Regional Chamber, representing 14 towns and 900 members, **supports Section 2** of HB 7165, which clarifies the applicability of prevailing wage requirements on brownfield cleanup projects. The Chamber and its members in environmental law, real estate redevelopment, and construction agree with the clarification that prevailing wage should only apply to remediation, demolition, and abatement activities, not redevelopment activities that don't receive state funding. This clarification will help resolve confusion that has stalled projects funded by the Office of Brownfield Remediation and Development and Urban Act grants. The revision aims to create a more predictable environment for brownfield redevelopment and to speed up the reuse of contaminated properties in Connecticut. The Chamber urges the committee to support the passage of this bill.

NATURE AND SOURCES OF SUPPORT:

Ann Catino and Gary O'Connor, Co-Chairs, CT Brownfield Working Group: They are attorneys and chairs of the Brownfield Working Group since it was created, and they write in **support** of Section 2 of this bill. They note various proposals of theirs that have successfully passed into law and comment on the positive impact this has had. However, they state that the Brownfield Initiative is facing challenges that could jeopardize its grant and loan programs. Amendments made to Section 31-53c of the General Statutes in 2017 have

created a major disincentive for redevelopment of Brownfield sites by forcing developers to adhere to prevailing wage requirements at every step of the process even if they are only using DECD grants for remediation, demolition, or abatement of pollution. They state that the full effect of this change was not felt until recently and Section 2 of the current proposed legislation attempts to correct the problem. They note, however, that some language needs amending to provide clarity and they have provided the proposed changes.

NATURE AND SOURCES OF OPPOSITION:

None Expressed.

Reported by: Alexander Mercier, Clerk

Date: 3/27/2025