



General Assembly

January Session, 2025

Raised Bill No. 7165

LCO No. 5799



Referred to Committee on COMMERCE

Introduced by:
(CE)

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

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

1 Section 1. Section 10-395b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2025*):

3 (a) There is established a fund to be known as the "Tourism Fund"
4 which shall be a separate, nonlapsing fund. The fund shall contain any
5 moneys required by law to be deposited in the fund.

6 (b) The Department of Economic and Community Development may
7 establish and administer a program for the sale of Connecticut brand
8 merchandise and advertising space for Connecticut businesses. All
9 proceeds derived from the operation of such program shall be deposited
10 in the Tourism Fund.

11 Sec. 2. Section 31-53c of the general statutes is repealed and the
12 following is substituted in lieu thereof (*Effective July 1, 2025*):

13 (a) For purposes of this section:

14 (1) "Business organization" means any sole proprietorship,
15 partnership, corporation, limited liability company, association, firm or
16 other form of business or legal entity, but excludes any organization that
17 is exempt from taxation under Section 501(c)(3) of the Internal Revenue
18 Code of 1986 or that is a chamber of commerce under Section 501(c)(6)
19 of said Internal Revenue Code, or any subsequent corresponding
20 internal revenue code of the United States, as amended from time to
21 time, and that (A) accepts financial assistance for a project as defined in
22 this section, and (B) is valued at not less than ten million dollars;

23 (2) "Financial assistance" means any and all forms of loans, cash
24 payments, extensions of credit, guarantees, equity investments, tax
25 abatements or any other form of financing totaling one million dollars
26 or more; and

27 (3) "Project" means any construction, remodeling, refinishing,
28 refurbishing, rehabilitation, alteration or repair of any property owned
29 by a business organization.

30 (b) On and after July 1, 2018, if the Department of Economic and
31 Community Development provides financial assistance to any business
32 organization for any construction project of such business organization,
33 the Department of Economic and Community Development shall
34 require, as a condition of providing such financial assistance, that any
35 contract entered into by the business organization for such project shall
36 contain the following provision: "The wages paid on an hourly basis to
37 any person performing the work of any mechanic, laborer or worker on
38 the work herein contracted to be done and the amount of payment or
39 contribution paid or payable on behalf of each such person to any
40 employee welfare fund, as defined in subsection (i) of section 31-53,
41 shall be at a rate equal to the rate customary or prevailing for the same
42 work in the same trade or occupation in the town in which such
43 construction, remodeling, refinishing, refurbishing, rehabilitation,

44 alteration or repair project is being undertaken. Any contractor who is
45 not obligated by agreement to make payment or contribution on behalf
46 of such persons to any such employee welfare fund shall pay to each
47 mechanic, laborer or worker as part of such person's wages the amount
48 of payment or contribution for such person's classification on each pay
49 day."

50 (c) Any contractor or subcontractor who knowingly or wilfully
51 employs any mechanic, laborer or worker in any project receiving
52 financial assistance from the Department of Economic and Community
53 Development for such project, at a rate of wage on an hourly basis that
54 is less than the rate customary or prevailing for the same work in the
55 same trade or occupation in the town in which such project is located,
56 or who fails to pay the amount of payment or contributions paid or
57 payable on behalf of each such person to any employee welfare fund, as
58 defined in subsection (i) of section 31-53, or in lieu thereof to the person,
59 as provided by subsection (b) of this section, shall be fined not less than
60 two thousand five hundred dollars but not more than five thousand
61 dollars for each offense and (1) for the first violation, shall be
62 disqualified from bidding on contracts for projects for which the
63 Department of Economic and Community Development provides
64 financial assistance until the contractor or subcontractor has made full
65 restitution of the back wages owed to such persons and for an additional
66 six months thereafter, and (2) for subsequent violations, shall be
67 disqualified from bidding on contracts for projects for which the
68 Department of Economic and Community Development provides
69 financial assistance until the contractor or subcontractor has made full
70 restitution of the back wages owed to such persons and for not less than
71 an additional two years thereafter. In addition, if it is found by the
72 contracting officer representing the business organization that any
73 mechanic, laborer or worker employed by the contractor or any
74 subcontractor directly on the site for the work covered by the contract
75 has been or is being paid a rate of wages less than the rate of wages
76 required by the contract to be paid as required by this section, the

77 business organization may (A) by written or electronic notice to the
78 contractor, terminate such contractor's right to proceed with the work
79 or such part of the work as to which there has been a failure to pay said
80 required wages and to prosecute the work to completion by contract or
81 otherwise, and the contractor and the contractor's sureties shall be liable
82 to the business organization for any excess costs occasioned the business
83 organization thereby, or (B) withhold payment of money to the
84 contractor or subcontractor. The contracting business organization shall,
85 not later than two days after taking such action, notify the Labor
86 Commissioner, in writing or electronically, of the name of the contractor
87 or subcontractor, the project involved, the location of the work, the
88 violations involved, the date the contract was terminated and steps
89 taken to collect the required wages.

90 (d) The Labor Commissioner may make complaint to the proper
91 prosecuting authorities for the violation of any provision of subsection
92 (c) of this section.

93 (e) The Labor Commissioner shall predetermine the prevailing rate
94 and the amount of payment or contributions paid or payable on behalf
95 of each person to any employee welfare fund, as defined in subsection
96 (i) of section 31-53, in each town where such contract is to be performed,
97 in the same manner as provided in subsection (d) of section 31-53.

98 (f) If the Department of Economic and Community Development
99 provides financial assistance to any business organization for the
100 purpose of remediation, demolition or abatement of pollution in
101 buildings, soil or groundwater located at a project site, such financial
102 assistance shall only be used for such purposes and shall be separate
103 from any contract for redevelopment activities on the site.

104 Sec. 3. Section 32-7v of the general statutes is repealed and the
105 following is substituted in lieu thereof (*Effective July 1, 2025*):

106 (a) (1) The Commissioner of Economic and Community Development
107 shall, within available resources, establish a workforce [development]

108 incentive program to provide grants to [nonprofit organizations]
109 employers that employ individuals with intellectual disability, as
110 defined in section 1-1g, who are paid not less than the minimum wage
111 established by law and are in compliance with competitive integrated
112 employment, as that term is used in 34 CFR 361.5(c)(9)(i)(D) and 34 CFR
113 361.5(c)(9)(ii)(B), as amended from time to time. Such grants shall be
114 awarded for infrastructure expenditures, [start-up] programmatic costs
115 or expansion costs.

116 (2) Any [nonprofit organization] employer that employs, at the time
117 of application, a workforce of which not less than [ten] five per cent
118 consists of individuals with intellectual disability, as defined in section
119 1-1g, who have been employed for a period of not less than six months
120 in the previous calendar year may apply for a grant under the program.

121 (3) Grants awarded pursuant to this section shall not exceed:

122 (A) Twenty-five thousand dollars per [nonprofit organization]
123 employer employing a workforce of which between [ten] five and
124 [thirty] twenty per cent, inclusive, consists of individuals with
125 intellectual disability; and

126 (B) Seventy-five thousand dollars per [nonprofit organization]
127 employer employing a workforce of which more than [thirty] twenty-
128 one per cent, but not more than thirty per cent, consists of individuals
129 with intellectual disability.

130 (b) The Department of Economic and Community Development may
131 enter into an agreement, pursuant to chapter 55a, with a person, firm,
132 corporation or other entity to operate the program established pursuant
133 to this section.

134 (c) The commissioner shall prescribe the form and manner of the
135 application and such application procedure shall include a competitive
136 award process.

137 Sec. 4. Section 32-5a of the general statutes is repealed and the
138 following is substituted in lieu thereof (*Effective July 1, 2025*):

139 The Commissioner of Economic and Community Development and
140 the board of directors of Connecticut Innovations, Incorporated shall
141 require, as a condition of any financial assistance provided on and after
142 June 23, 1993, under any program administered by the Department of
143 Economic and Community Development or such corporation to any
144 business organization, except for a business organization that receives
145 any such financial assistance in an amount not more than fifty thousand
146 dollars and is an eligible small business, as defined in section 31-3pp, or
147 under any assistance program that is funded entirely by the federal
148 government, in which case the commissioner may require, that such
149 business organization: (1) Shall not relocate outside of the state for ten
150 years after receiving such assistance or during the term of a loan or loan
151 guarantee, whichever is longer, unless the full amount of the assistance
152 is repaid to the state and a penalty equal to five per cent of the total
153 assistance received is paid to the state, except that this subdivision shall
154 not be applicable to financial assistance by the corporation in the form
155 of an equity investment or other financial assistance, including a
156 convertible or seed loan, with predominantly equity characteristics, and
157 (2) shall, if the business organization relocates within the state during
158 such period, offer employment at the new location to its employees from
159 the original location if such employment is available. For the purposes
160 of subdivision (1) of this section, the value of a guarantee shall be equal
161 to the amount of the state's liability under the guarantee. As used in this
162 section, "financial assistance" does not include any tax credit program
163 administered by the Department of Economic and Community
164 Development or Connecticut Innovations, Incorporated, and "relocate"
165 means the physical transfer of a substantial portion, as determined by
166 the Commissioner of Economic and Community Development, of the
167 operations of a business or any division of a business that independently
168 receives any financial assistance from the state from the location such
169 business or division occupied at the time it accepted the financial

170 assistance to another location. Notwithstanding the provisions of this
171 section, the Commissioner of Economic and Community Development
172 shall adopt regulations in accordance with chapter 54 to establish the
173 terms and conditions of repayment, including specifying the conditions
174 under which repayment may be deferred, following a determination by
175 the commissioner of a legitimate hardship.

176 Sec. 5. Subsection (a) of section 32-228 of the general statutes is
177 repealed and the following is substituted in lieu thereof (*Effective July 1,*
178 *2025*):

179 (a) The Commissioner of Economic and Community Development
180 may, with the approval of the Commissioner of Administrative Services,
181 the Secretary of the Office of Policy and Management and the State
182 Properties Review Board, sell, exchange, lease or enter into agreements
183 concerning any real property belonging to the state and transferred to
184 the custody and control of the Department of Economic and
185 Community Development. The commissioner shall require, as a
186 condition of any sale, exchange, lease or agreement entered into
187 pursuant to this section, that such real property be used primarily for
188 manufacturing or economic base businesses, [or for] business support
189 services or cultural or historical attractions or sites. Prior to any such
190 sale, exchange, lease or agreement, the commissioner shall consult with
191 each municipality in which the land, improvement or interest is located.

192 Sec. 6. (NEW) (*Effective July 1, 2025*) The state, acting through the
193 Department of Economic and Community Development or any other
194 state agency, governmental entity or the private sector, may, within
195 available appropriations, provide financial assistance, lend staff or
196 provide other in-kind contributions to AdvanceCT Foundation, Inc.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2025</i>	10-395b
Sec. 2	<i>July 1, 2025</i>	31-53c

Sec. 3	<i>July 1, 2025</i>	32-7v
Sec. 4	<i>July 1, 2025</i>	32-5a
Sec. 5	<i>July 1, 2025</i>	32-228(a)
Sec. 6	<i>July 1, 2025</i>	New section

Statement of Purpose:

To implement the Department of Economic and Community Development's recommendations for revisions to the commerce statutes, including (1) the intellectual and developmental disabilities workforce development program, (2) the sale, exchange or lease of real property under the custody and control of such department, (3) a program concerning Connecticut brand merchandise, (4) permitting the state to support AdvanceCT, (5) conditions concerning the relocation of certain businesses that receive state financial aid from such department or Connecticut Innovations, Incorporated, and (6) construction projects funded by such department.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]