



General Assembly

**Substitute Bill No. 7165**

January Session, 2025



**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. (NEW) (*Effective July 1, 2025*) The Department of Economic  
2 and Community Development may establish and administer a program  
3 for the sale of Connecticut brand merchandise and advertising space for  
4 Connecticut businesses. All proceeds derived from the operation of such  
5 program shall be deposited in the Tourism Fund.

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 Section 31-53c of the general statutes is repealed and the  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

8 (a) For purposes of this section:

9 (1) "Business organization" means any sole proprietorship,  
10 partnership, corporation, limited liability company, association, firm or  
11 other form of business, municipality, regional council of governments,  
12 Connecticut brownfield land bank or economic development agency, as  
13 defined in section 32-760, or other legal entity, but excludes any  
14 organization that is exempt from taxation under Section 501(c)(3) of the  
15 Internal Revenue Code of 1986 or that is a chamber of commerce under  
16 Section 501(c)(6) of said Internal Revenue Code, or any subsequent

17 corresponding internal revenue code of the United States, as amended  
18 from time to time, and that (A) accepts financial assistance for a project  
19 as defined in this section, and (B) such project is valued at not less than  
20 ten million dollars and is not for the purposes described in subsection  
21 (f) of this section;

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

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

29 (b) On and after July 1, 2018, if the Department of Economic and  
30 Community Development provides financial assistance to any business  
31 organization for any construction project of such business organization,  
32 the Department of Economic and Community Development shall  
33 require, as a condition of providing such financial assistance, that any  
34 contract entered into by the business organization for such project shall  
35 contain the following provision: "The wages paid on an hourly basis to  
36 any person performing the work of any mechanic, laborer or worker on  
37 the work herein contracted to be done and the amount of payment or  
38 contribution paid or payable on behalf of each such person to any  
39 employee welfare fund, as defined in subsection (i) of section 31-53,  
40 shall be at a rate equal to the rate customary or prevailing for the same  
41 work in the same trade or occupation in the town in which such  
42 construction, remodeling, refinishing, refurbishing, rehabilitation,  
43 alteration or repair project is being undertaken. Any contractor who is  
44 not obligated by agreement to make payment or contribution on behalf  
45 of such persons to any such employee welfare fund shall pay to each  
46 mechanic, laborer or worker as part of such person's wages the amount  
47 of payment or contribution for such person's classification on each pay  
48 day."

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

84 not later than two days after taking such action, notify the Labor  
85 Commissioner, in writing or electronically, of the name of the contractor  
86 or subcontractor, the project involved, the location of the work, the  
87 violations involved, the date the contract was terminated and steps  
88 taken to collect the required wages.

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

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

97 (f) If the Department of Economic and Community Development  
98 provides financial assistance to any business organization, including  
99 any nonprofit organization that is exempt from taxation under Section  
100 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent  
101 corresponding internal revenue code of the United States, as amended  
102 from time to time, for the purpose of remediation, demolition or  
103 abatement of pollution in buildings, soil or groundwater located at a  
104 project site, only the remediation, demolition or abatement of pollution  
105 in buildings, soil or groundwater portion of the project described in the  
106 financial assistance contract between the business organization and the  
107 department shall be covered by this section. Such financial assistance  
108 contract executed by the department shall be limited to the purposes  
109 described in this subsection and shall be separate from any contract for  
110 redevelopment activities on the site.

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

113 (a) (1) The Commissioner of Economic and Community Development  
114 shall, within available resources, establish a workforce [development]  
115 incentive program to provide grants to [nonprofit organizations]

116 employers that employ individuals with intellectual disability, as  
117 defined in section 1-1g. Such grants shall be awarded for infrastructure  
118 expenditures, [~~start-up~~] programmatic costs or expansion costs.

119 (2) Any [~~nonprofit organization~~] employer that (A) employs, at the  
120 time of application, a workforce of which not less than [ten] five per cent  
121 consists of individuals with intellectual disability, as defined in section  
122 1-1g, who have been employed for a period of not less than six months  
123 in the previous calendar year and are paid not less than the minimum  
124 fair wage established pursuant to section 31-58, and (B) is in compliance  
125 with competitive integrated employment, as that term is used in 34 CFR  
126 361.5(c)(9)(i)(D) and 34 CFR 361.5(c)(9)(ii)(B), as amended from time to  
127 time, may apply for a grant under the program.

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

129 (A) Twenty-five thousand dollars per [~~nonprofit organization~~]  
130 employer employing a workforce of which between [ten] five and  
131 [~~thirty~~] twenty per cent, inclusive, consists of such individuals with  
132 intellectual disability; and

133 (B) Seventy-five thousand dollars per [~~nonprofit organization~~]  
134 employer employing a workforce of which more than [thirty] twenty-  
135 one per cent, but not more than thirty per cent, consists of such  
136 individuals with intellectual disability.

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

141 (c) The commissioner shall prescribe the form and manner of the  
142 application and such application procedure shall include a competitive  
143 award process.

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

146 The Commissioner of Economic and Community Development and  
147 the board of directors of Connecticut Innovations, Incorporated shall  
148 require, as a condition of any financial assistance provided on and after  
149 June 23, 1993, under any program administered by the Department of  
150 Economic and Community Development or such corporation to any  
151 business organization, except for a business organization that receives  
152 any such financial assistance in an amount not more than fifty thousand  
153 dollars and is an eligible small business, as defined in section 31-3pp, or  
154 under any assistance program that is funded entirely by the federal  
155 government, in which case the commissioner may require, that such  
156 business organization: (1) Shall not relocate outside of the state for ten  
157 years after receiving such assistance or during the term of a loan or loan  
158 guarantee, whichever is longer, unless the full amount of the assistance  
159 is repaid to the state and a penalty equal to five per cent of the total  
160 assistance received is paid to the state, except that this subdivision shall  
161 not be applicable to financial assistance by the corporation in the form  
162 of an equity investment or other financial assistance, including a  
163 convertible or seed loan, with predominantly equity characteristics, and  
164 (2) shall, if the business organization relocates within the state during  
165 such period, offer employment at the new location to its employees from  
166 the original location if such employment is available. For the purposes  
167 of subdivision (1) of this section, the value of a guarantee shall be equal  
168 to the amount of the state's liability under the guarantee. As used in this  
169 section, "financial assistance" does not include any tax credit program  
170 administered by the Department of Economic and Community  
171 Development or Connecticut Innovations, Incorporated, and "relocate"  
172 means the physical transfer of a substantial portion, as determined by  
173 the Commissioner of Economic and Community Development, of the  
174 operations of a business or any division of a business that independently  
175 receives any financial assistance from the state from the location such  
176 business or division occupied at the time it accepted the financial  
177 assistance to another location. Notwithstanding the provisions of this  
178 section, the Commissioner of Economic and Community Development  
179 shall adopt regulations in accordance with chapter 54 to establish the  
180 terms and conditions of repayment, including specifying the conditions

181 under which repayment may be deferred, following a determination by  
182 the commissioner of a legitimate hardship.

183 Sec. 5. Subsection (a) of section 32-228 of the general statutes is  
184 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
185 *2025*):

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

199 Sec. 6. (NEW) (*Effective July 1, 2025*) The state, acting through the  
200 Department of Economic and Community Development or any other  
201 state agency, governmental entity or the private sector, may, within  
202 available appropriations, provide financial assistance, lend staff or  
203 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>	New section
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

**CE**      *Joint Favorable Subst.*