General Assembly

Committee Bill No. 1179

January Session, 2025

LCO No. **6620**

Referred to Committee on COMMERCE

Introduced by:
(CE)

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, cash payments or other forms of financing.

(2) "Makerspace" means a community space that (A) provides access to tools and technology, (B) results in the prototyping, creation, production or assembly of tangible personal property, and (C) supports the development of educational opportunities.

(b) On or before January 1, 2026, the Department 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 of Economic and Community Development shall (1) establish eligibility criteria and an application process for participation in the pilot program, and (2) explore means of funding the pilot

program, including, but not limited to, through public-private partnerships, grant programs, federal funds or state funds and the Connecticut Manufacturing Innovation Fund.

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

(d) The Commissioner of Economic and Community Development may award financial assistance to entities participating in the pilot program not exceeding in the aggregate five million dollars. The amount of any financial assistance issued pursuant to this section to an eligible entity shall not exceed two hundred fifty thousand dollars per fiscal year.

(e) Not later than two years after the receipt of any financial assistance pursuant to this section, and annually thereafter, each participant in the pilot program shall submit a report to the Department of Economic and Community Development detailing the progress of the establishment or expansion of the makerspace proposed in such entity's application and containing any additional information deemed necessary by the Commissioner of Economic and Community Development.

(f) Not later than January 1, 2027, and annually thereafter, the Commissioner of Economic and Community Development 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 pilot program to the joint standing committee of the General Assembly having cognizance of matters relating to commerce.

Sec. 2. Section 32-7o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) There is established the Connecticut Manufacturing Innovation Fund, which shall be a nonlapsing fund held by the Treasurer separate and apart from all other moneys, funds and accounts. The following moneys shall be deposited in the fund: (1) Any moneys required or permitted by law to be deposited in the fund; (2) any moneys received in return for financial assistance awarded from the Connecticut Manufacturing Innovation Fund pursuant to the program established in subsection (k) of this section; (3) all private contributions, gifts, grants, donations, bequests or devises received by the fund; and (4) to the extent not otherwise prohibited by state or federal law, any local, state or federal funds received by the fund. Investment earnings credited to the assets of such fund shall become part of the assets of such fund. The Treasurer shall invest the moneys held by the Connecticut Manufacturing Innovation Fund subject to use for financial assistance in accordance with subsections (d) and (k) of this section.

(b) Any moneys held in the Connecticut Manufacturing Innovation Fund may, pending the use or application of the proceeds thereof for an authorized purpose, be (1) invested and reinvested in such obligations, securities and investments as are set forth in subsection (f) of section 3-20 and in participation certificates in the Short Term Investment Fund created under sections 3-27a and 3-27f, (2) deposited or redeposited in any bank or banks, at the direction of the Treasurer, or (3) invested in participation units in the combined investment funds, as defined in section 3-31b. Proceeds from investments authorized by this subsection shall be credited to the Connecticut Manufacturing Innovation Fund.

(c) The Connecticut Manufacturing Innovation Fund shall not be deemed an account within the General Fund. The moneys of the fund shall be used in accordance with the provisions of subsections (d) and (k) of this section and are in addition to any other resources available from state, federal or other entities that support the purposes described in subsections (d) and (k) of this section.

(d) The Connecticut Manufacturing Innovation Fund shall be used:

(1) To provide financial assistance to eligible recipients as may be approved by the Manufacturing Innovation Advisory Board pursuant to subsection (g) of this section, **[**and**]** (2) to pay or reimburse the administrator for administrative costs pursuant to subsection (m) of this section, and (3) to provide financial assistance to eligible recipients pursuant to section 1 of this act. Such financial assistance shall be awarded for the purpose of: (A) Furthering the development or modernization of manufacturing equipment; (B) supporting advancements in manufacturing; (C) supporting advanced manufacturing research and development; (D) supporting expansion and training by eligible recipients; (E) attracting new manufacturers to the state; (F) supporting education and training programs designed to meet an anticipated demand for appropriately skilled and trained workers; (G) matching federal grants or otherwise leveraging federal grant funds to aid Connecticut universities and nonprofit organizations to increase research efforts; and (H) funding a voucher program as described in subsection (k) of this section. Additionally, such financial assistance shall target aerospace, medical device, composite materials, digital manufacturing and other technologically advanced commercial products and services' supply chains and related disciplines that are likely to lead to an improvement in or development of products or services that are commercializable and designed to advance the state of technology and the competitive position of eligible recipients, and that promise, directly or indirectly, to lead to job growth in the state in these or related fields.

(e) The administrator, in consultation with the Manufacturing Innovation Advisory Board, shall give priority consideration to proposals from any company that is located in or planning to relocate to: (1) A distressed municipality, as defined in section 32-9p; (2) a targeted investment community, as defined in section 32-222; (3) a public investment community, as defined in section 7-545; (4) an enterprise zone designated pursuant to section 32-70; or (5) a manufacturing innovation district established pursuant to subsection (f) of this section.

(f) The administrator, in consultation with the Manufacturing Innovation Advisory Board, may establish manufacturing innovation districts in order to promote economic development priorities identified by the administrator.

(g) All expenditures from the Connecticut Manufacturing Innovation Fund, except for administrative costs reimbursed to the administrator pursuant to subsection (m) of this section, shall be approved by the advisory board, provided the advisory board may delegate to staff of the administrator the approval of transactions not greater than one hundred thousand dollars. Any such approval by the advisory board shall be (1) specific to an individual expenditure to be made; (2) for budgeted expenditures with such variations as the advisory board may authorize at the time of such budget approval; or (3) for a financial assistance program to be administered by staff of the administrator, subject to limits, eligibility requirements and other conditions established by the Manufacturing Innovation Advisory Board at the time of such program approval.

(h) The administrator shall provide any necessary staff, office space, office systems and administrative support for the operation of the Connecticut Manufacturing Innovation Fund in accordance with this section. In acting as administrator of the fund, the Department of Economic and Community Development shall have and may exercise all of the powers set forth in this chapter, provided expenditures from the fund shall be approved by the Manufacturing Innovation Advisory Board pursuant to subsection (g) of this section.

(i) The Manufacturing Innovation Advisory Board shall establish an application and approval process with guidelines and terms for financial assistance awarded from the Connecticut Manufacturing Innovation Fund to any eligible recipient. Such guidelines and terms shall include: (1) A requirement that any applicant for financial assistance operate in the state, or propose to relocate operations to the state, in whole or in part, as a condition of such financial assistance; (2)

limitations on the total amount of financial assistance that may be awarded in the form of loans and grants; (3) eligibility requirements for loans and grants, including a requirement for applicants to obtain matching funds from nonstate sources; (4) a process for preliminary review of applications for strength and eligibility by the administrator before such applications are presented to the advisory board for consideration; (5) return on investment objectives, including, but not limited to, job growth and leveraged investment opportunities; and (6) such other guidelines and terms as the advisory board determines to be necessary and appropriate in furtherance of the objectives of this section.

(j) Financial assistance awarded from the Connecticut Manufacturing Innovation Fund to eligible recipients shall be used for costs related to facilities, necessary furniture, fixtures and equipment, tooling development and manufacture, materials and supplies, proof of concept or relevance, research and development, compensation, apprenticeship and such other costs that the Manufacturing Innovation Advisory Board determines pursuant to subsection (i) of this section to be eligible for financial assistance within the purposes of this section.

(k) The Manufacturing Innovation Advisory Board may establish a voucher program that shall provide eligible recipients access to technical experts in universities, nonprofit organizations and other organizations that can provide specialized expertise to such eligible recipients to solve engineering, marketing and other challenges. The Commissioner of Economic and Community Development, in consultation with the advisory board, may adopt regulations, in accordance with the provisions of chapter 54, to implement such voucher program.

(l) On or before July 1, 2015, and prior to each fiscal year thereafter, the administrator shall prepare a plan of operations and an operating and capital budget for the Connecticut Manufacturing Innovation Fund, provided not later than ninety days prior to the start of each fiscal year,

the administrator shall submit such plan and budget to the Manufacturing Innovation Advisory Board for its review and approval.

(m) Administrative costs shall be paid or reimbursed to the administrator from the Connecticut Manufacturing Innovation Fund, provided the total of such administrative costs in any fiscal year shall not exceed five per cent of the total amount of the allotted funding for such fiscal year as determined in the operating budget prepared pursuant to subsection (l) of this section. Nothing in this section or section 32-7n shall be deemed to require the administrator to risk or expend the funds of the Department of Economic and Community Development in connection with the administration of the Connecticut Manufacturing Innovation Fund.

(n) Not later than January 1, 2016, and annually thereafter, the administrator shall provide a report of the activities of the Connecticut Manufacturing Innovation Fund to the Manufacturing Innovation Advisory Board for the advisory board's review and approval. Upon such approval, the advisory board shall provide such report, in accordance with the provisions of section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to commerce. Such report shall contain available information on the status and progress of the operations and funding of the Connecticut Manufacturing Innovation Fund and the types, amounts and recipients of financial assistance awarded and any returns on investment.

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*	32-7o

Statement of Purpose:

To establish the Connecticut Community Makerspace Initiative program to support entrepreneurship, innovation and economic opportunity in the state.

[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.]

Co-Sponsors: SEN. KUSHNER, 24th Dist.; REP. QUINN, 82nd Dist.
REP. WINTER, 94th Dist.; SEN. WINFIELD, 10th Dist.
REP. MCGEE T., 116th Dist.; REP. SHANNON, 117th Dist.
SEN. RAHMAN, 4th Dist.; SEN. ANWAR, 3rd Dist.

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