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## OLR Bill Analysis

**sSB 1179 (File 533, as amended by Senate "A")\***

### ***AN ACT ESTABLISHING THE CONNECTICUT COMMUNITY MAKERSPACE INITIATIVE PROGRAM.***

#### **SUMMARY**

This bill requires the Department of Economic and Community Development (DECD) commissioner to establish and administer, by January 1, 2026, a pilot program to give financial assistance (e.g., grants, loans, or financing) to entities establishing or expanding makerspaces that may serve as self-sustaining models in Connecticut. A makerspace must use financial assistance provided under the pilot program for costs related to establishment or expansion, such as planning activities, operational costs, and capital expenditures, but is prohibited from using the financial assistance for personnel costs.

Under the bill, a “makerspace” is a community space (1) providing entrepreneurs access to tools, technology, or educational materials; (2) where prototyping, creation, production, and assembly of tangible items happens; and (3) supporting the development of educational opportunities for personal growth, workforce training, and early-stage business ventures.

\*Senate Amendment “A” (1) adds provisions specifying how makerspaces must use financial assistance provided under the pilot program; (2) specifies that makerspaces participating in the pilot program should serve as self-sustaining makerspace models; (3) requires DECD to use previously authorized Manufacturing Assistance Act (MAA; see BACKGROUND) bonds, rather than the Manufacturing Innovation Fund, to fund the pilot program; and (4) specifies that DECD may use MAA funds for the pilot program’s administrative costs.

EFFECTIVE DATE: July 1, 2025

## **MAKERSPACES PILOT PROGRAM**

### ***Development and Funding***

Under the bill, the DECD commissioner must explore funding options for the program, including public-private partnerships, grants, and federal or state funds. The bill caps funding at (1) \$250,000 for any applicant per fiscal year and (2) \$5 million for the pilot program in total.

The bill requires DECD to use \$1 million from previously authorized MAA bonds for the pilot program and allows the department to use up to 10% of this amount for pilot program administration costs.

### ***Applications***

The bill requires the DECD commissioner to establish the pilot program's eligibility criteria and application process, and applications for program participation must be submitted in a form the commissioner prescribes. Under the bill, applications must include (1) a description of the makerspace the applicant wants to establish or expand and that may serve as a self-sustaining model, (2) the requested amount of financial assistance, and (3) any other information the commissioner deems necessary.

### ***Reporting Requirements***

Under the bill, the DECD commissioner must require pilot program participants, within two years after receiving funding, to report to DECD on the progress of establishing or expanding their makerspace and any other information the commissioner deems necessary. Beginning by January 1, 2027, the commissioner must annually report an evaluation of the pilot program's operation and effectiveness to the Commerce Committee.

## **BACKGROUND**

### ***Manufacturing Assistance Act (MAA)***

MAA provides grants, loans, loan guarantees, credit extensions, and other types of financing to small and large businesses, nonprofit corporations, municipalities, and regional planning organizations for a range of projects (CGS § 32-220 et seq.). These include developing facilities, acquiring new machines and equipment, diversifying local

and regional economies, and supporting research and development. MAA is administered by DECD and supported by general obligation bond funds.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute

Yea    20    Nay   0    (03/20/2025)