



General Assembly

Substitute Bill No. 5244

February Session, 2026



AN ACT CONCERNING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT'S RECOMMENDATIONS REGARDING THE AGENCY FINANCIAL ASSISTANCE CAP AND EMPLOYMENT PROMISSORY NOTES.

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

1 Section 1. Section 32-462 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2026, and*
3 *applicable to income and taxable years commencing on and after January 1,*
4 *2026*):

5 (a) As used in this section:

6 (1) "Agency" means the Department of Economic and Community
7 Development or Connecticut Innovations, Incorporated.

8 (2) "Financial assistance" means grants, loans, loan guarantees,
9 contracts of insurance, investments, or combinations thereof, which are
10 provided from the proceeds of bonds, notes or other obligations of the
11 state or an agency which constitute a debt or liability of the state or
12 which are secured by a special capital reserve fund payable from
13 amounts appropriated or deemed appropriated from the General Fund.

14 (3) "Applicant" means any eligible applicant seeking financial
15 assistance from an agency for a business project. The term "applicant"

16 shall not include any political subdivision of the state.

17 (4) "Business project" means a business proposal undertaken by one
18 or more applicants, but does not include housing unless undertaken in
19 combination with another unrelated type of business.

20 [(5) "Biotechnology business project" means any commercial project
21 to be used or occupied by any person to conduct laboratory activity
22 relating to, or the research, development or manufacture of, biologically
23 active molecules or devices that apply to, affect or analyze biological
24 processes.]

25 (b) (1) No agency or agencies may award more than a total of [ten]
26 twenty-five million dollars of financial assistance during any two-year
27 period to an applicant or for a business project unless such financial
28 assistance is specifically authorized by an act of the General Assembly
29 which has been enacted before, on or after July 1, [1994] 2026. (2) The
30 provisions of subdivision (1) of this subsection shall not apply to any
31 awards funded or to be funded by bonds authorized to be issued by the
32 State Bond Commission before July 1, 1994.

33 [(c) Notwithstanding the provisions of subsection (b) of this section,
34 no agency or agencies may award more than twenty million dollars of
35 financial assistance for a biotechnology business project during any two-
36 year period unless such financial assistance is specifically authorized by
37 an act of the General Assembly which has been enacted before, on or
38 after July 1, 2001.]

39 Sec. 2. Section 31-51r of the general statutes is repealed and the
40 following is substituted in lieu thereof (*Effective from passage*):

41 (a) As used in this section:

42 (1) "Employer" means any person engaged in business who has
43 twenty-six or more employees, including the state and any political
44 subdivision thereof.

45 (2) "Employee" means any person engaged in service to an employer

46 in the business of [his] the employer.

47 (3) "Employment promissory note" means any instrument or
48 agreement executed on or after October 1, 1985, which requires an
49 employee to pay the employer, or [his] the employer's agent or assignee,
50 a sum of money if the employee leaves such employment before the
51 passage of a stated period of time. "Employment promissory note"
52 includes any such instrument or agreement which states such payment
53 of moneys constitutes reimbursement for training previously provided
54 to the employee, but does not include a promissory note entered into by
55 an employer and employee for the full or partial repayment of any fee
56 relating to a federal H-1B visa and paid by an employer on behalf of an
57 employee.

58 (b) On or after October 1, 1985, no employer may require, as a
59 condition of employment, any employee or prospective employee to
60 execute an employment promissory note. The execution of an
61 employment promissory note as a condition of employment is against
62 public policy and any such note shall be void. If any such note is part of
63 an employment agreement, the invalidity of such note shall not affect
64 the other provisions of such agreement.

65 (c) Nothing in this section shall prohibit or render void any
66 agreement between an employer and an employee (1) requiring the
67 employee to repay to the employer any sums advanced to such
68 employee, (2) requiring the employee to pay the employer for any
69 property it has sold or leased to such employee, (3) requiring
70 educational personnel to comply with any terms or conditions of
71 sabbatical leaves granted by their employers, or (4) entered into as part
72 of a program agreed to by the employer and its employees' collective
73 bargaining representative.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>July 1, 2026, and applicable to income and taxable years commencing on and after January 1, 2026</i>	32-462
Sec. 2	<i>from passage</i>	31-51r

CE *Joint Favorable Subst.*