Commerce Committee
JOINT FAVORABLE REPORT

Bill No: SB-417 / Bill Status / Public Hearing Testimony

Title: AN ACT REQUIRING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO DEVELOP A PLAN TO ESTABLISH AN ARTIFICIAL INTELLIGENCE SMALL BUSINESS PROGRAM.

Vote Date: 3/24/2026

Vote Action: Joint Favorable

PH Date: 3/10/2026

File No.: 499

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SPONSORS OF BILL:

Commerce Committee

REASONS FOR BILL:

Today, Artificial Intelligence (AI) has become increasingly essential across a myriad of industries due to its transformative functionality namely in the realm of productivity, organization management and overall problem-solving abilities. In order to ensure that, Connecticut's businesses are able to remain competitive it is imperative that small business owners have the resources needed to obtain the knowledge needed to utilize this modern technology which can benefit business operations by educating small businesses regarding the functionality and application of artificial intelligence (AI).

RESPONSE FROM ADMINISTRATION/AGENCY:

Department of Economic and Community Development, Commissioner, Daniel O'Keefe supports the establishment of this bill, citing that the implementation of this bill directly correlates with the mission of DECD which is to develop and implement strategies to increase the state's economic competitiveness. It is recognized that providing assistance to small businesses in order to elevate their understanding of artificial intelligence (AI) strengthens Connecticut's small businesses, making them more competitive on a national scale. However, O'Keefe emphasizes that this initiative was not included in Governor's budget leaving them without the necessary funding to adequately begin this program.

NATURE AND SOURCES OF SUPPORT:

CBIA, Senior Policy Director, Paul Amarone writes in support of this bill recognizing, that artificial intelligence (AI) is steadily becoming necessary technology in today's economy. It is utilized across a plethora of industries including manufacturing, logistics, financial services, healthcare, retail, and professional services, regardless of the industry the utilization of AI tools are prevalent. Amarone notes that small businesses, unlike their larger counterparts, aren't as equipped to adopt this new yet necessary technology, in turn, providing support to small businesses regarding AI, can bridge this gap.

CWCSEO, Executive Director, Melvette Hill submits testimony in support of this bill recognizing that its implementation will promote innovation and enhance product and service quality. The Commission on Women, Children, Seniors, Equity & Opportunity writes with the intention of advising the committee to amend this bill so that it specifically mentions providing the outlined resources to women and minority owned businesses. It is requested that these services be equipped with any necessary alterations in order to welcome diverse populations. These requests have been made due to prior instances of exclusion from receiving these resources due to a lack of accessibility or language barriers, minority owned businesses are typically under informed despite making up over 50% of the state of Connecticut's small businesses.

NATURE AND SOURCES OF OPPOSITION:

AFL-CIO, President, Ed Hawthorne opposes this bill citing that, although artificial intelligence (AI) presents numerous opportunities there are widespread concerns that it can also eliminate jobs, spread misinformation, or make critical decisions that impact Connecticut residents. Hawthorne notes that due to influence AI has over the population it is important that lawmakers create commonsense safeguards regarding this tool. Unfortunately, these safeguards do not yet exist, as they require a mutual decision between the Connecticut General Assembly and the Governor.

Anonymous 20 opposes this bill and believes committee members' focus should be placed on affordability instead.

Reported by: Enumaah Dadzie **Date: 3/31/26**