



# Senate

General Assembly

**File No. 398**

February Session, 2000

Substitute Senate Bill No. 605

*Senate, April 4, 2000*

The Committee on Finance, Revenue and Bonding reported through SEN. LOONEY of the 11<sup>th</sup> Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## ***An Act Concerning Assessment Practices For Construction In Enterprise Zones.***

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

1 Section 1. Subsection (a) of section 32-71 of the general statutes is  
2 repealed and the following is substituted in lieu thereof:

3 (a) Any municipality which has designated any area as an  
4 enterprise zone pursuant to section 32-70 shall provide, by ordinance,  
5 for the fixing of assessments on all real property in such zone which is  
6 improved during the period when such area is designated as an  
7 enterprise zone. Such fixed assessment shall be for a period of seven  
8 years from the time of such improvement and shall defer any increase  
9 in assessment attributable to such improvements according to the  
10 following schedule:

T1		Percentage of Increase
T2	Year	Deferred

T3	First	100
T4	Second	100
T5	Third	50
T6	Fourth	40
T7	Fifth	30
T8	Sixth	20
T9	Seventh	10

11 Notwithstanding the provisions of this subsection, a municipality  
12 may negotiate the fixing of assessments on the portion of  
13 improvements, by a taxpayer, which exceed a value of eighty million  
14 dollars to real property which is to be used for commercial or retail  
15 purposes. No property under construction in an enterprise zone shall  
16 be subject to assessment during construction.

17 Sec. 2. This act shall take effect from its passage.

**FIN Committee Vote:** Yea 39 Nay 0 JFS

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

---

**OFA Fiscal Note**

**State Impact:** None

**Affected Agencies:** Office of Policy and Management,  
Department of Economic and Community  
Development

**Municipal Impact:** Revenue Loss

**Explanation**

**Municipal Impact:**

To the extent that municipalities are currently taxing improvements to a property, while in construction, in an enterprise zone then the bill would result in a short-term revenue loss to those municipalities.

**OLR Bill Analysis**

sSB 605

***AN ACT CONCERNING ASSESSMENT PRACTICES FOR CONSTRUCTION IN ENTERPRISE ZONES.***

**SUMMARY:**

This bill bars municipalities from assessing property tax on property in an enterprise zone while it is being built. By law, property taxes on improvements to buildings located in enterprise zones are deferred according to a fixed, seven-year schedule.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 39      Nay 0