



General Assembly

February Session, 2000

Amendment

LCO No. 4002

Offered by:

SEN. COLEMAN, 2nd Dist.

To: Subst. Senate Bill No. 605

File No. 398

Cal. No. 307

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

1 After section 1, insert the following and renumber the remaining
2 section accordingly:

3 "Sec. 2. Subsections (d) and (e) of section 32-9p of the general
4 statutes, as amended by section 16 of public act 99-1 of the June special
5 session, are repealed and the following is substituted in lieu thereof:

6 (d) "Manufacturing facility" means any plant, building, other real
7 property improvement, or part thereof, (1) which (A) is constructed or
8 substantially renovated or expanded on or after July 1, 1978, in a
9 distressed municipality, a targeted investment community as defined
10 in section 32-222, as amended, [or] an enterprise zone designated
11 pursuant to section 32-70, or a municipality with property designated
12 as a manufacturing plant under section 32-75c or (B) is acquired on or
13 after July 1, 1978, in a distressed municipality, a targeted investment
14 community as defined in section 32-222, as amended, or an enterprise
15 zone designated pursuant to said section 32-70, by a business
16 organization which is unrelated to and unaffiliated with the seller,

17 after having been idle for at least one year prior to its acquisition and
18 regardless of its previous use; (2) which is to be used for the
19 manufacturing, processing or assembling of raw materials, parts or
20 manufactured products, for research and development facilities
21 directly related to manufacturing, for the significant servicing,
22 overhauling or rebuilding of machinery and equipment for industrial
23 use, or, except as provided in this subsection, for warehousing and
24 distribution or, (A) if located in an enterprise zone designated
25 pursuant to said section 32-70 or a municipality with property
26 designated as a manufacturing plant under said section 32-75c, which
27 is to be used by an establishment, an auxiliary or an operating unit of
28 an establishment as such terms are defined in the Standard Industrial
29 Classification Manual, in the categories of depository institutions,
30 nondepository credit institutions, insurance carriers, holding or other
31 investment offices, business services, health services, fishing, hunting
32 and trapping, motor freight transportation and warehousing, water
33 transportation, transportation by air, transportation services, security
34 and commodity brokers, dealers, exchanges and services,
35 telemarketing or engineering, accounting, research, management and
36 related services including, but not limited to, management consulting
37 services from the Standard Industrial Classification Manual, which
38 establishment, auxiliary or operating unit shows a strong performance
39 in exporting goods and services, as further defined by the
40 commissioner through regulations adopted under chapter 54, or (B) if
41 located in an enterprise zone designated pursuant to said section 32-70,
42 which is to be used by an establishment primarily engaged in
43 supplying goods or services in the fields of computer hardware or
44 software, computer networking, telecommunications or
45 communications, or (C) if located in a municipality with an
46 entertainment district designated under section 32-76 or established
47 under section 2 of public act 93-311*, is to be used in the production of
48 entertainment products, including multimedia products, or as part of
49 the airing, display or provision of live entertainment for stage or
50 broadcast, including support services such as set manufacturers,
51 scenery makers, sound and video equipment providers and

52 manufacturers, stage and screen writers, providers of capital for the
53 entertainment industry and agents for talent, writers, producers and
54 music properties and technological infrastructure support including,
55 but not limited to, fiber optics, necessary to support multimedia and
56 other entertainment formats, except entertainment provided by or
57 shown at a gambling or gaming facility or a facility whose primary
58 business is the sale or serving of alcoholic beverages; and (3) for which
59 the department has issued an eligibility certificate in accordance with
60 section 32-9r. In the case of facilities which are acquired, the
61 department may waive the requirement of one year of idleness if it
62 determines that, absent qualification as a manufacturing facility under
63 subdivisions (59) and (60) of section 12-81, and sections 12-217e, 32-9p
64 to 32-9s, inclusive, as amended, and 32-23p, there is a high likelihood
65 that the facility will remain idle for one year. In the case of facilities
66 located in an enterprise zone designated pursuant to said section 32-70,
67 (A) the idleness requirement in subparagraph (B) of subdivision (1) of
68 this subsection, for business organizations which over the six months
69 preceding such acquisition have had an average total employment of
70 between six and nineteen employees, inclusive, shall be reduced to a
71 minimum of six months, and (B) the idleness requirement shall not
72 apply to business organizations with an average total employment of
73 five or fewer employees, provided no more than one eligibility
74 certificate shall be issued under this subparagraph for the same facility
75 within a three-year period. Of those facilities which are for
76 warehousing and distribution, only those which are newly constructed
77 or which represent an expansion of an existing facility qualify as
78 manufacturing facilities. In the event that only a portion of a plant is
79 acquired, constructed, renovated or expanded, only the portion
80 acquired, constructed, renovated or expanded constitutes the
81 manufacturing facility. A manufacturing facility which is leased may
82 for the purposes of subdivisions (59) and (60) of section 12-81 and
83 sections 12-217e, 32-9p to 32-9s, inclusive, as amended, and 32-23p, be
84 treated in the same manner as a facility which is acquired if the
85 provisions of the lease serve to further the purposes of subdivisions
86 (59) and (60) of section 12-81, and sections 12-217e, 32-9p to 32-9s,

87 inclusive, as amended, and 32-23p and demonstrate a substantial,
88 long-term commitment by the occupant to use the manufacturing
89 facility, including a contract for lease for an initial minimum term of
90 five years with provisions for the extension of the lease at the request
91 of the lessee for an aggregate term which shall not be less than ten
92 years, or the right of the lessee to purchase the facility at any time after
93 the initial five-year term, or both. For a facility located in an enterprise
94 zone designated pursuant to said section 32-70, and occupied by a
95 business organization with an average total employment of ten or
96 fewer employees over the six-month period preceding acquisition,
97 such contract for lease may be for an initial minimum term of three
98 years with provisions for the extension of the lease at the request of the
99 lessee for an aggregate term which shall not be less than six years, or
100 the right of the lessee to purchase the facility at any time after the
101 initial three-year term, or both, and may also include the right for the
102 lessee to relocate to other space within the same enterprise zone,
103 provided such space is under the same ownership or control as the
104 originally leased space or if such space is not under such same
105 ownership or control as the originally leased space, permission to
106 relocate is granted by the lessor of such originally leased space, and
107 such relocation shall not extend the duration of benefits granted under
108 the original eligibility certificate. Except as provided in subparagraph
109 (B) of subdivision (1) of this subsection, a manufacturing facility does
110 not include any plant, building, other real property improvement or
111 part thereof used or usable for such purposes which existed before July
112 1, 1978.

113 (e) "Service facility" means a manufacturing facility described in
114 subparagraph (A) or (B) of subdivision (2) of subsection (d) of this
115 section, provided such facility is located outside of an enterprise zone
116 in a targeted investment community or outside of a census tract in
117 which there is property that has been designated as a manufacturing
118 plant."