



***An Act Concerning Brownfields Redevelopment.***

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

1 Section 1. (NEW) As used in this act:

2 (a) "Brownfield" means an abandoned, idled or under-used  
3 industrial or commercial facility or site where development, financing,  
4 expansion or redevelopment is complicated by real or perceived  
5 environmental contamination;

6 (b) "Brownfield inventory" means the inventory of brownfields and  
7 brownfield redevelopment sites maintained by the Connecticut  
8 Development Authority;

9 (c) "Brownfield investment" means all amounts invested in a  
10 brownfield redevelopment, whether directly or through a fund,  
11 directly or indirectly on behalf of a taxpayer, including, but not limited  
12 to (1) direct investments made by the taxpayer, and (2) loans made to a  
13 fund for the benefit of the taxpayer;

14 (d) "Brownfield redevelopment site" means any real property,  
15 improvements, or "vacant commercial plants" as defined in section 8-  
16 187 of the general statutes, located in the state, listed on the brownfield  
17 inventory, and that: (1) Has been subject to a "spill" as defined in  
18 section 22a-452c of the general statutes; (2) is an "establishment" as  
19 defined in subdivision (3) of section 22a-134 of the general statutes; or

20 (3) is a "facility" as defined in 42 USC 9601(9).

21 (e) "Brownfield redeveloper" means the person who has assumed  
22 responsibility and liability for undertaking and completing a  
23 brownfield redevelopment.

24 (f) "Brownfield redevelopment" means the remediation, renovation,  
25 development, or improvement of a brownfield redevelopment site in  
26 accordance with applicable laws and regulations.

27 (g) "Brownfield redevelopment facility" means the completion of a  
28 brownfield redevelopment. "Completion" shall be deemed to have  
29 occurred when a brownfield redeveloper certifies to the chairman of  
30 the Connecticut Development Authority that its plan for renovation,  
31 development or improvements has been substantially completed, and  
32 that the brownfield redeveloper has met the remediation standards set  
33 by the Department of Environmental Protection or other applicable  
34 law. For the purposes of this section, the remediation standards shall  
35 be deemed to have been met when all remediation other than  
36 groundwater monitoring as required by subsection (g) of section 22a-  
37 133k-3 of the Regulations of Connecticut State Agencies has been  
38 completed.

39 (h) "Brownfields redevelopment period" means the ten year period  
40 which begins with the first taxable year, or portion thereof, in which a  
41 brownfields redevelopment is commenced by the taxpayer.

42 (i) "Chairman" means the chairman of the Connecticut Development  
43 Authority.

44 (j) "Eligible municipality" means (A) a municipality with an area  
45 designated as an enterprise zone pursuant to section 32-70 of the  
46 general statutes; (B) a distressed municipality, as defined in subsection  
47 (b) of section 32-9p, as amended; (C) a municipality in an enterprise  
48 corridor zone; or (D) a municipality with a high density of brownfield  
49 redevelopment facilities or sites.

50 (k) "Eligible brownfield redevelopment project" means a brownfield  
51 redevelopment or a brownfield redevelopment facility that, based on a  
52 development plan prepared by the brownfield redeveloper and  
53 submitted to the chairman, (1) may add new economic activity and  
54 employment in the state, (2) can be expected to generate new state tax  
55 revenue, (3) can be expected to produce an economically viable  
56 brownfield redevelopment facility, (4) is listed on the Brownfield  
57 inventory, and (5) will generate direct and indirect economic benefits  
58 to the state that will exceed the amount of the brownfield investment.

59 (l) "Cost of brownfield redevelopment" means the costs associated  
60 with brownfield redevelopment.

61 (m) "High density" means brownfield facilities or sites in a  
62 municipality comprise ten per cent or more of that municipality's total  
63 industrial or commercial acreage.

64 (n) "Taxpayer" means any business entity authorized to do business  
65 in the state and subject to tax imposed under chapter 207, 208, 209, 210,  
66 211, 212, 212a, 229, or section 38a-743 of the general statutes.

67 Sec. 2. (NEW) (a) For each year during the brownfield  
68 redevelopment period, there shall be allowed a credit for the  
69 brownfield redeveloper of an eligible brownfield redevelopment  
70 project against any tax imposed under chapters 207, 208, 209, 210, 211,  
71 212, 212a, 229, or section 38a-743 of the general statutes, in an amount  
72 equal to sixty-five per cent of the tax liability that is attributable to any  
73 cost of brownfield redevelopment.

74 Sec. 3. (NEW) The brownfield redeveloper shall submit an  
75 application containing sufficient information to reasonably  
76 demonstrate that the brownfield redevelopment or brownfield  
77 redevelopment facility is an eligible brownfield redevelopment project.  
78 The chairman shall approve the application if the brownfield  
79 redeveloper has demonstrated eligibility. If the chairman rejects an  
80 application, then he shall specifically identify the defects in the  
81 application, and explain the reasons for disapproval. The chairman

82 shall render a decision on an application no later than sixty days from  
83 its receipt. Failure to render a decision within that time shall be  
84 deemed an approval of the application. (2) The chairman may adopt  
85 regulations, in accordance with the provisions of chapter 54 of the  
86 general statutes, necessary for the purpose of implementing this  
87 section. Such regulations may include, among other things, provisions  
88 for applying the credit allowed by this section to partnerships, limited  
89 liability companies or other pass-thru entities in which one or more  
90 taxpayers are partners or members. (3) Any person may petition the  
91 chairman to include a site or facility in the brownfield inventory. If  
92 such person submits sufficient evidence to show that a site or facility is  
93 a brownfield, or is a brownfield redevelopment site, then the chairman  
94 shall add such site or facility to the brownfield inventory.

95       Sec. 4. Section 12-412 of the general statutes, as amended by section  
96 54 of public act 99-241 and sections 16 to 27, inclusive, of public act 99-  
97 173, is amended by adding subsection (108) as follows:

98       (NEW) (108) Sales and use of any services or tangible personal  
99 property to be incorporated into or used or otherwise consumed in (i)  
100 the demolition, remediation or preparation of a brownfield  
101 redevelopment site, (ii) the construction of the brownfield  
102 redevelopment facility, or (iii) the construction of any future capital  
103 improvements to said brownfield redevelopment facility.

104       Sec. 5. Section 12-81 of the general statutes, as amended by section 1  
105 of public act 99-272 and section 1 of public act 99-280, is amended by  
106 adding subsections (75) and (76) as follows:

107       (NEW) (75) The use of tangible personal property, provided such  
108 property is used exclusively for (i) the demolition, remediation or  
109 preparation of a brownfield redevelopment site, (ii) the construction of  
110 the brownfield redevelopment facility, or (iii) the construction of any  
111 future capital improvements to a brownfield redevelopment facility.

112       (NEW) (76) Any eligible brownfields redevelopment project that is  
113 acquired, constructed, substantially renovated or expanded on or after

114 January 1, 2000, to the extent of sixty-five per cent of the difference  
115 between the valuation of the brownfield redevelopment site prior to  
116 the commencement of construction of the brownfield redevelopment  
117 facility, and the valuation of the brownfield redevelopment site after  
118 completion of construction of the brownfield redevelopment facility,  
119 provided this exemption shall only apply to the first ten assessment  
120 years beginning with the year in which the brownfield redevelopment  
121 facility is first placed in service. For the purposes of this subsection, the  
122 valuation shall be determined by taking the average of two  
123 independent appraisals, performed by two duly licensed and  
124 independent appraisers approved by the Connecticut Development  
125 Authority.

126 Sec. 6. (NEW) Brownfield redevelopers are innocent landowners as  
127 defined in subdivision (1) of section 22a-452d of the general statutes, or  
128 prospective purchasers or owners of contaminated real property as  
129 provided in section 22a-133a of the general statutes, or subsection (b)  
130 of section 22a-133bb of the general statutes, who meet the  
131 requirements set forth in subdivision (1) or (2) of subsection (a) of  
132 section 22a-133aa of the general statutes or subsection (a) of section  
133 22a-133bb of the general statutes, and shall not be liable for any  
134 cleanup and removal costs or damages pursuant to any other statutory  
135 or civil common law, to any person, other than the federal  
136 government.

137 Sec. 7. Subsection (a) of section 12-81r of the general statutes is  
138 repealed and the following is substituted in lieu thereof:

139 (a) Any municipality may (1) enter into an agreement with the  
140 owner of any real property to abate the property tax due as of the date  
141 of the agreement for a period not to exceed seven years if the property  
142 has been subject to a spill, as defined in section 22a-452c, and the  
143 owner agrees to conduct any environmental site assessment,  
144 demolition and remediation of the spill necessary to redevelop the  
145 property. Any such tax abatement shall only be for the period of  
146 remediation and redevelopment and shall be contingent upon the

147 continuation and completion of the remediation and redevelopment  
148 process with respect to the purposes specified in the agreement. The  
149 abatement shall cease upon the sale or transfer of the property for any  
150 other purpose unless the municipality consents to its continuation. The  
151 municipality may also establish a recapture provision in the event of  
152 sale provided such recapture shall not exceed the original amount of  
153 taxes abated and may not go back further than the date of the  
154 agreement; or (2) forgive, [all or a portion of the principal balance and  
155 interest due on delinquent property taxes for the benefit of any  
156 prospective purchaser who has obtained an environmental  
157 investigation or remediation plan approved by the Commissioner of  
158 Environmental Protection or a licensed environmental professional  
159 under section 22a-133w, 22a-133x or 22a-133y and completes such  
160 remediation plan for an establishment, as defined in section 22a-134,  
161 deemed by the municipality to be abandoned] for the benefit of any  
162 owner who can demonstrate it did not cause such spill, or any  
163 prospective purchaser, all or portion of the real or personal property  
164 taxes due or attached to (A) any real property or improvement that has  
165 been subject to a spill, (B) any establishment, or (C) any facility, as  
166 defined in 42 USC 9601(9).

167 Sec. 8. Subdivision (1) of section 22a-452d of the general statutes is  
168 repealed and the following is substituted in lieu thereof:

169 (1) "Innocent landowner" means: (A) A person holding an interest in  
170 real estate, other than a security interest, that, while owned by that  
171 person, is subject to a spill or discharge if the spill or discharge is  
172 caused solely by any one of or any combination of the following: (i) An  
173 act of God; (ii) an act of war; (iii) an act or omission of a third party  
174 other than an employee, agent or lessee of the landowner or other than  
175 one whose act or omission occurs in connection with a contractual  
176 relationship, existing directly or indirectly, with the landowner, unless  
177 there was a reasonably foreseeable threat of pollution or the  
178 landowner knew or had reason to know of the act or omission and  
179 failed to take reasonable steps to prevent the spill or discharge, or (iv)  
180 an act or omission occurring in connection with a contractual

181 arrangement arising from a published tariff and acceptance for  
182 carriage by a common carrier by rail, unless there was a reasonably  
183 foreseeable threat of pollution or the landowner knew, or had reason  
184 to know, of the act or omission and failed to take reasonable steps to  
185 prevent the spill or discharge; or (B) a person who acquires an interest  
186 in real estate, other than a security interest, after the date of a spill or  
187 discharge if the person is not otherwise liable for the spill or discharge  
188 as the result of actions taken before the acquisition and, at the time of  
189 acquisition, the person (i) does not know and has no reason to know of  
190 the spill or discharge, and inquires, consistent with good commercial  
191 or customary practices, into the previous uses of the property; (ii) is a  
192 government entity; (iii) acquires the interest in real estate by  
193 inheritance or bequest; or (iv) acquires the interest in real estate as an  
194 executor, [or administrator of a decedent's] administrator or fiduciary  
195 of an estate.

196 Sec. 9. This act shall take effect from its passage and shall be  
197 applicable to taxable years commencing on and after January 1, 2000.

**CE Committee Vote:** Yea 26 Nay 0 JFS C/R FIN