



General Assembly

January Session, 2001

Committee Bill No. 5126

LCO No. 4417

Referred to Committee on Commerce

Introduced by:
(CE)

AN ACT CONCERNING THE URBAN SITES REINVESTMENT PROGRAM.

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

1 Section 1. Section 32-9t of the general statutes is amended by adding
2 subsections (t), (u) and (v) as follows:

3 (NEW) (t) (1) There is established a fund to be known as the "Urban
4 Sites Remediation Revolving Fund". The fund shall contain any
5 moneys required by law to be deposited in the fund and shall be held
6 in trust separate and apart from all other moneys, funds and accounts.
7 Any of the original amount deposited but not committed and
8 remaining in said fund on June 30, 2002, shall lapse and be deposited
9 in the General Fund. Said fund shall be used to purchase any available
10 installment for tax credits for an eligible urban reinvestment project or
11 eligible industrial site investment project that is unclaimed by April
12 thirtieth of the year the tax credit becomes available at fifty per cent of
13 value. The taxpayer may sell the tax credits to any other person to
14 insure investments in an eligible industrial site investment project or
15 an urban reinvestment project. The funds may be used for
16 administrative expenses incurred in implementing the provisions of

17 this subsection and subsections (u) and (v) of this section.

18 (2) The commissioner, upon determination that such action benefits
19 an eligible industrial site investment project or an urban reinvestment
20 project, may enter into an agreement with the taxpayer entitled to the
21 tax credits under subsection (i) of this section to provide a loan to
22 purchase all or some of the tax credits under subsection (i) of this
23 section, based upon fifty per cent of the value of any tax credit that has
24 not otherwise become available when the project initially qualified as
25 an eligible industrial site investment project or an urban reinvestment
26 project or at any time that the project so qualified.

27 (3) The commissioner may for the benefit and with the consent of
28 the taxpayer for an eligible industrial site investment project or an
29 urban reinvestment project enter into an agreement to (A) pledge the
30 full faith and credit of the state to insure the principal of any mortgage
31 that benefits such project will be repaid when due, and (B) enter into a
32 repurchase agreement or take a security interest in the real estate,
33 proceeds of any sale or tax credit subordinate to any recapture
34 provision.

35 (4) Any taxpayer for an eligible industrial site investment project or
36 an urban reinvestment project may sell, at any time, any tax credit
37 authorized under this section either to the commissioner, or to another
38 taxpayer, for any price, provided if the taxpayer sells the tax credit to
39 another taxpayer, unless otherwise forgiven by the commissioner, the
40 taxpayer shall repay the loan by April fifteenth of the year following
41 the year the tax credit becomes available or repaid on such terms and
42 conditions approved by the commissioner. To assure that the mortgage
43 payments insured by the commissioner have priority, payment shall be
44 made by transmitting to the commissioner that portion of the selling
45 price that equals fifty per cent of said value. Such payment shall be
46 deposited in the fund established pursuant to subdivision (1) of this

47 subsection. The commissioner shall deposit the proceeds from all sales
48 of tax credits under this section in such fund and use said proceeds for
49 making additional tax credit purchases or as mortgage insurance
50 under this section.

51 (NEW) (u) The commissioner, with moneys available in the fund
52 established under subsection (t) of this section, may establish a reserve
53 to cover any contract of insurance made to pledge of the full faith and
54 credit of the state in the principal amount of any investment made to a
55 fund manager or any mortgage of an eligible industrial site investment
56 project or an urban reinvestment project. The commissioner may
57 negotiate terms and conditions with the taxpayer of an eligible urban
58 investment project or eligible industrial site investment and mortgage
59 provider for insurance on the mortgage, including, but not limited to,
60 terms and conditions establishing when a default can not be cured and
61 when the mortgage holder may elect to transfer the mortgage or
62 property to the commissioner in order to receive insurance payment of
63 the principal and conditions for approval of any security interest in the
64 real property for which any such insured investment is made. Thirty
65 per cent of such security interests shall be subordinate to the tax credit
66 recapture provisions of this section unless the commissioner waives
67 said recapture provisions for the purpose of protecting such security
68 interests.

69 (NEW) (v) Any taxpayer required to pay taxes for an eligible
70 industrial site investment project or an urban reinvestment project may
71 elect not to recognize income until state control over the project and
72 right to recapture has concluded.

73 Sec. 2. The sum of one hundred million dollars is appropriated to
74 the Department of Economic and Community Development, from the
75 General Fund, for the fiscal year ending June 30, 2001, for the program
76 established pursuant to subsections (t), (u) and (v) of section 32-9t of
77 the general statutes, as amended by this act.

78 Sec. 3. This act shall take effect July 1, 2001.

CE

Joint Favorable C/R

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