



General Assembly

Substitute Bill No. 5126

January Session, 2001

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 an amount that equals fifty per cent of the value of
24 any tax credit that has not otherwise become available when the
25 project initially qualified as an eligible industrial site investment
26 project or an urban reinvestment project or at any time that the project
27 so qualified.

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

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

52 (NEW) (u) The commissioner, with moneys available in the fund

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

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

74 Sec. 2. This act shall take effect July 1, 2001.

Statement of Legislative Commissioners:

In Subdiv. (2) of Subsec. (t), "an amount that equals" was inserted after "based upon" and in Subsec. (u) "under which the state pledges" replaced "make to pledge of" for clarity.

CE *Joint Favorable C/R*

APP

APP *Joint Favorable Subst.*