



General Assembly

Substitute Bill No. 6562

January Session, 2001

AN ACT CONCERNING REFERENCES TO THE 1997 NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM.

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

1 Section 1. Subsection (d) of section 32-9p of the general statutes is
2 repealed and the following is substituted in lieu thereof:

3 (d) "Manufacturing facility" means any plant, building, other real
4 property improvement, or part thereof, (1) which (A) is constructed or
5 substantially renovated or expanded on or after July 1, 1978, in a
6 distressed municipality, a targeted investment community as defined
7 in section 32-222, or an enterprise zone designated pursuant to section
8 32-70, or (B) is acquired on or after July 1, 1978, in a distressed
9 municipality, a targeted investment community as defined in section
10 32-222, or an enterprise zone designated pursuant to said section 32-70,
11 by a business organization which is unrelated to and unaffiliated with
12 the seller, after having been idle for at least one year prior to its
13 acquisition and regardless of its previous use; (2) which is to be used
14 for the manufacturing, processing or assembling of raw materials,
15 parts or manufactured products, for research and development
16 facilities directly related to manufacturing, for the significant servicing,
17 overhauling or rebuilding of machinery and equipment for industrial
18 use, or, except as provided in this subsection, for warehousing and
19 distribution or, (A) if located in an enterprise zone designated
20 pursuant to said section 32-70, which is to be used by an establishment,

21 an auxiliary or an operating unit of an establishment as such terms are
22 defined in the Standard Industrial Classification Manual, in the
23 categories of depository institutions, nondepository credit institutions,
24 insurance carriers, holding or other investment offices, business
25 services, health services, fishing, hunting and trapping, motor freight
26 transportation and warehousing, water transportation, transportation
27 by air, transportation services, security and commodity brokers,
28 dealers, exchanges and services, telemarketing or engineering,
29 accounting, research, management and related services including, but
30 not limited to, management consulting services from the Standard
31 Industrial Classification Manual or in Sector 48, 49, 52, 54, 55, or 62,
32 Subsector 114 or 561, or industry group 5621 in the North American
33 Industrial Classification System, United States Manual, United States
34 Office of Management and Budget, 1997 edition, which establishment,
35 auxiliary or operating unit shows a strong performance in exporting
36 goods and services, and as further defined by the commissioner
37 through regulations adopted under chapter 54, [or in Sector 48, 49, 52,
38 54, 55, or 62, Subsector 114 or 561, or industry group 5621 in the North
39 American Industrial Classification System, United States manual,
40 United States Office of Management and Budget, 1997 edition,] 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, and 32-23p, there is a high likelihood that the
65 facility will remain idle for one year. In the case of facilities located in
66 an enterprise zone designated pursuant to said section 32-70, (A) the
67 idleness requirement in subparagraph (B) of subdivision (1) of this
68 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, and 32-23p, be treated in the
84 same manner as a facility which is acquired if the provisions of the
85 lease serve to further the purposes of subdivisions (59) and (60) of
86 section 12-81, and sections 12-217e, 32-9p to 32-9s, inclusive, and 32-
87 23p and demonstrate a substantial, long-term commitment by the
88 occupant to use the manufacturing facility, including a contract for
89 lease for an initial minimum term of five years with provisions for the
90 extension of the lease at the request of the lessee for an aggregate term

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

112 Sec. 2. Subsection (f) of section 32-9r of the general statutes is
113 repealed and the following is substituted in lieu thereof:

114 (f) The commissioner shall adopt regulations, in accordance with
115 chapter 54, to carry out the provisions of this section. Such regulations
116 shall provide that establishments in the category of business services,
117 as defined in the Standard Industrial Classification Manual, or [in
118 Sector 48, 49, 52, 54, 55, or 62, Subsector 114 or 561, or industry group
119 5621 in the North American Industrial Classification System United
120 States manual, United States Office of Management and Budget, 1997
121 edition, shall] manufacturing facilities, as defined in subsection (d) of
122 section 32-9p, as amended by this act, may be eligible for a certificate if
123 they are located in an enterprise zone.

124 Sec. 3. This act shall take effect from its passage.

Statement of Legislative Commissioners:

In section 2, "businesses, as defined in subsection (d) of section 32-9p" was replaced with "manufacturing facilities, as defined in subsection (d) of section 32-9p" for accuracy of reference.

CE JOINT FAVORABLE SUBST.