



General Assembly

**Substitute Bill No. 6562**

*January Session, 2001*

**AN ACT CONCERNING REFERENCES TO THE 1997 NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM AND CONCERNING CULTURAL HERITAGE AND TOURISM.**

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2 repealed and the following is substituted in lieu thereof: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<sub>2</sub> 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. Section 32-305 of the general statutes is repealed and the  
125 following is substituted in lieu thereof:

126       (a) The Commissioner of Revenue Services shall segregate (1) one  
127 and one-half per cent of the gross receipts from sales within the  
128 meaning of subdivision (h) of subsection (2) of section 12-407 by any  
129 hotel or lodging house located in any municipality having a  
130 population of less than sixty-five thousand, (2) three and one-half per  
131 cent of the gross receipts from such sales in any municipality having a  
132 population of sixty-five thousand or more but less than seventy-five  
133 thousand, and (3) four and one-half per cent of the gross receipts from  
134 such sales in any municipality having a population of seventy-five  
135 thousand or more, provided the commissioner shall segregate three  
136 and one-half per cent of the gross receipts from such sales in the  
137 municipality having the most popular tourist attraction in the state, as  
138 determined by the Office of Tourism, if such municipality has a  
139 population of less than sixty-five thousand. Such segregated funds  
140 shall be allocated to tourism districts established under section 32-302  
141 as follows: The portion of the funds attributable to such tax receipts in  
142 a municipality shall be allocated to the tourism district in which the  
143 municipality is located, provided (A) ninety per cent of the amount  
144 attributable to such gross receipts from sales in Hartford shall be  
145 allocated to the Capital City Economic Development Authority and ten  
146 per cent of the amount attributable to such gross receipts from sales in  
147 Hartford shall be allocated to the Greater Hartford Arts Council, (B)  
148 seventy-five per cent of the amount attributable to such gross receipts  
149 from sales in New Haven shall be allocated to the New Haven  
150 Coliseum Authority, (C) seventy-five per cent of the amount  
151 attributable to such gross receipts from sales in Stamford shall be  
152 allocated to the Stamford Center for the Arts, (D) seventy-five per cent  
153 of the amount attributable to such gross receipts from sales in Norwalk  
154 shall be allocated to the Maritime Center Authority, and (E) seventy-  
155 five per cent of the amount attributable to such gross receipts from  
156 sales in Bridgeport shall be allocated to the Greater Fairfield district  
157 established in section 32-302, for the sole purpose of marketing tourist

158 attractions located in Bridgeport. If for any state fiscal year the amount  
159 of the allocation under subparagraph (E) of this subdivision is less than  
160 the amount of funds allocated during the fiscal year ending June 30,  
161 1991, to the then existing Bridgeport Convention and Visitors Bureau,  
162 pursuant to sections 7-136b and 7-136c of the general statutes, revised  
163 to January 1, 1991, the Connecticut Tourism Council shall provide a  
164 grant under section 32-300, from the tourism account, in the amount of  
165 such difference, to said Greater Fairfield district for the purpose set  
166 forth in subparagraph (E) of this subdivision. Notwithstanding the  
167 provisions of this section, during the fiscal year ending June 30, 1998,  
168 the Commissioner of Revenue Services shall segregate one hundred  
169 fifty thousand dollars from any increase in receipts of such amount  
170 segregated under this section during the fiscal year ending June 30,  
171 1997, and shall allocate such segregated amount to the Connecticut  
172 Film, Video and Media Office established under section 32-86a,  
173 provided the amount segregated and allocated to any entity under this  
174 section is not less than the amount segregated and allocated during the  
175 fiscal year ending June 30, 1997. Not later than January 1, 1999, and  
176 annually thereafter, each tourism district and each authority receiving  
177 funds under this section shall submit to the Connecticut Tourism  
178 Council a full audit of the books and accounts of the district or  
179 authority for the preceding fiscal year at the same time that an audit is  
180 submitted to the Office of Policy and Management under subsection (f)  
181 of section 32-302. Each such audit shall be conducted by an  
182 independent certified public accountant. The Commissioner of  
183 Revenue Services shall also segregate an additional one million dollars  
184 of the sales tax receipts from such sales in the state during each state  
185 fiscal year and allocate such funds to the cultural heritage  
186 development account established under section 10-373bb. The  
187 Commissioner of Revenue Services may adopt regulations, in  
188 accordance with the provisions of chapter 54, concerning accounting  
189 procedures necessary to carry out the purposes of this section.

190 (b) In addition to the funds segregated pursuant to subsection (a) of  
191 this section, for the fiscal year ending June 30, 2002, and annually

192 thereafter, the Commissioner of Revenue Services shall segregate from  
193 gross receipts from sales within the meaning of subparagraph (h) of  
194 subdivision (2) of section 12-407, the following percentages: (1) .55 per  
195 cent to the State Library; (2) .49 per cent to the Connecticut Historical  
196 Commission; (3) .043 per cent to the Department of Higher Education;  
197 and (4) .136 per cent to the Department of Economic and Community  
198 Development.

199 (c) For the fiscal year ending June 30, 2002, and each fiscal year  
200 thereafter, the Commissioner of Revenue Services shall allocate funds  
201 segregated pursuant to subsection (b) of this section as follows:

202 (1) To the Connecticut Historical Commission for (A) matching  
203 grants to preserve state historic structures, landmarks and  
204 archaeological sites, not less than one million five hundred thousand  
205 dollars; (B) the historic resource inventory, not less than fifty thousand  
206 dollars; (C) operating support for small and medium-sized heritage  
207 and preservation organizations, administered with the Connecticut  
208 Humanities Council, not less than five hundred thousand dollars; (D)  
209 grants for technical and planning assistance for the preservation of  
210 historic structures and archaeological sites, administered with the  
211 Connecticut Trust for Historic Preservation, not less than five hundred  
212 thousand dollars; (E) matching grants to local heritage and  
213 preservation organizations for short-term capital projects,  
214 administered with the Connecticut Humanities Council, not less than  
215 five hundred thousand dollars; (F) a grant to Amistad America, not  
216 less than two hundred fifty thousand dollars; and (G) activities on the  
217 Connecticut Freedom Trail, not less than one hundred thousand  
218 dollars.

219 (2) To the State Library for (A) matching grants to preserve the  
220 records of state and local government, not less than six hundred  
221 thousand dollars; (B) the Connecticut Humanities Council to expand  
222 matching grants of the Cultural Heritage Development Fund for local  
223 heritage organizations as follows: (i) Matching grants to local heritage  
224 organizations for short-term capital projects, administered with the

225 Connecticut Historical Commission, not less than five hundred  
226 thousand dollars, (ii) additional matching grants to local heritage  
227 organizations, not less than eight hundred thousand dollars, (iii)  
228 enhancing heritage collaborative projects, not less than four hundred  
229 thousand dollars, (iv) matching grants to local heritage organizations  
230 to preserve their records, artifacts or collections, not less than three  
231 hundred thousand dollars, (v) matching grants to local heritage  
232 organizations for virtual tours, online exhibits and other museum-  
233 based education online, not less than two hundred fifty thousand  
234 dollars, (vi) matching grants to local heritage organizations to  
235 strengthen museum-school collaboration, not less than two hundred  
236 fifty thousand dollars, and (vii) professional development support for  
237 historians and museum curators in the state, not less than one hundred  
238 thousand dollars; (C) a grant to the Connecticut Historical Society to  
239 strengthen heritage programs in schools, not less than one hundred  
240 thousand dollars; and (D) grants to strengthen heritage programs in  
241 the schools, administered with the Connecticut Historical Society, not  
242 less than one hundred thousand dollars.

243 (3) To the Department of Economic and Community Development  
244 for: (A) Challenge grants under section 32-300, not less than seven  
245 hundred thousand dollars; and (B) grants to tourism districts so that  
246 each such district receives a minimum of at least two hundred  
247 thousand dollars, not less than two hundred fifty thousand dollars.

248 (4) To the Department of Higher Education for: (A) The office of the  
249 State Historian at The University of Connecticut, not less than one  
250 hundred thousand dollars; (B) the office of the State Archaeologist at  
251 The University of Connecticut, not less than one hundred thousand  
252 dollars; and (C) a program of tourism professional development at  
253 Central Connecticut State University, not less than one hundred  
254 thousand dollars.

255 (d) On or before October 1, 2001, and annually thereafter, each state  
256 agency, department or institution allocated funds under subsection (b)  
257 of this section shall submit a plan for proposed expenditures of such

258 funds to the joint standing committee of the General Assembly having  
259 cognizance of matters relating to appropriations and the budgets of  
260 state agencies and to the joint standing committee or committees of the  
261 General Assembly having cognizance of matters relating to cultural  
262 heritage and tourism. On and after October 1, 2002, the plan shall  
263 include a report on expenditures for the previous year. Within ninety  
264 days of their receipt of any such plan, the committee having  
265 cognizance of matters relating to appropriations and the budgets of  
266 state agencies, in concurrence with the committee or committees  
267 having cognizance of matters relating to cultural heritage and tourism,  
268 shall accept or modify the plan. Disbursement of such funds shall be in  
269 accordance with subsections (b) and (c) of this section as approved or  
270 modified by the committee for the sole purpose of enhancing cultural  
271 heritage and tourism programs in the state.

272 [(b)] (e) Except as provided by law, a tourism district, convention  
273 center authority, coliseum authority or the Capital City Economic  
274 Development Authority, as the case may be, may borrow money to  
275 pay its obligations that cannot be paid at maturity out of current  
276 revenue from such allocations, but shall not borrow a sum greater than  
277 can be repaid out of the allocations anticipated during the year in  
278 which the money is borrowed. The tourism district, convention center  
279 authority or coliseum authority, as the case may be, may pledge its  
280 securities to secure the repayment of any sum so borrowed.

281 [(c)] (f) Notwithstanding the provisions of subsection (a) of this  
282 section, if ninety days have elapsed since a plan for corrective action  
283 has been filed for a tourism district under subsection (g) of section 4-  
284 233 and the Secretary of the Office of Policy and Management, in  
285 consultation with the Connecticut Tourism Council, finds that the plan  
286 has not been implemented, the secretary shall notify the Commissioner  
287 of Revenue Services who shall then segregate ten per cent of the  
288 district's monthly disbursement of funds under subsection (a) of this  
289 section and deposit such amount into a separate account each month  
290 until the secretary finds that such plan is being implemented at which  
291 time [he] the secretary shall inform said commissioner who shall then

292 disburse any funds accrued in the account to the district.

293       [(d)] (g) Notwithstanding the provisions of this section, (1) the funds  
294 segregated by the Commissioner of Revenue Services under subsection  
295 (a) of this section that are attributable to a hotel opened, or to new  
296 rooms added to an existing hotel, in the city of Hartford on or after  
297 May 2, 2000, shall be allocated (A) ten per cent to the Greater Hartford  
298 Arts Council, and (B) ninety per cent to the Capital City Economic  
299 Development Authority to be used by the authority, among other  
300 purposes, for start-up and operating expenses of, and a replacement  
301 reserve for, the convention center, as defined in section 32-600, and (2)  
302 commencing July 1, 2003, and continuing until such time as the Capital  
303 City Economic Development Authority shall certify to the  
304 Commissioner of Revenue Services that such an additional source of  
305 revenue is no longer needed by the authority to meet current or  
306 projected operating deficiencies of the convention center, fifty per cent  
307 of the excess of (A) the funds segregated by the Commissioner of  
308 Revenue Services each month under subsection (a) of this section that  
309 are attributable to gross receipts from sales in the Greater Hartford  
310 district established in section 32-302, exclusive of such amounts  
311 otherwise allocated to the capital city economic development district  
312 pursuant to this section, over (B) the average monthly amount  
313 segregated and allocated to the Greater Hartford district under  
314 subsection (a) of this section, exclusive of such amounts allocated to  
315 the Capital City Economic Development Authority, during the fiscal  
316 year ending June 30, 2000, shall be allocated to the Capital City  
317 Economic Development Authority and used by the authority  
318 exclusively to pay, or to fund an operating expense reserve account to  
319 provide for the future payment of, start-up and operating expenses of  
320 the convention center. In the event that at any time the Capital City  
321 Economic Development Authority determines that amounts deposited  
322 and then held in such operating expense reserve account pursuant to  
323 this section are no longer needed to meet current or projected  
324 operating deficiencies of the convention center, the authority shall  
325 return such amounts to the Greater Hartford district for use in

326 accordance with its purposes.

327 Sec. 4. Subsection (i) of section 32-656 of the general statutes is  
328 repealed and the following is substituted in lieu thereof:

329 (i) The secretary and the authority shall jointly select and appoint an  
330 independent construction contract compliance officer or agent, which  
331 may be an officer or agency of a political subdivision of the state, other  
332 than the authority, or a private consultant experienced in similar  
333 public contract compliance matters, to monitor compliance by the  
334 secretary, the authority, the project manager and each prime  
335 construction contractor with the provisions of applicable state law,  
336 including subdivision (1) of section 12-412, subsection (a) of section 12-  
337 498, sections 12-541 and 13a-25, subdivision (1) of section 22a-134,  
338 subsection [(d)] (g) of section 32-305, as amended by this act, section  
339 32-600, subsection (c) of section 32-602, subsection (e) of section 32-605,  
340 section 32-610, subsections (a) and (b) of section 32-614, sections 32-  
341 617, 32-617a, 32-650, 32-651 to 32-658, inclusive, 32-660 and 32-661,  
342 subsection (b) of section 32-662, section 32-663, subsections (j) to (l),  
343 inclusive, of section 32-664, sections 32-665 to 32-666a, inclusive,  
344 sections 32-668 and 48-21 and sections 29 and 30 of public act 00-140\*,  
345 and with applicable requirements of contracts with the secretary or the  
346 authority, relating to set-asides for small contractors and minority  
347 business enterprises and required efforts to hire available and qualified  
348 members of minorities and available and qualified residents of the city  
349 of Hartford and the town of East Hartford for construction jobs with  
350 respect to the overall project and the on-site related private  
351 development. Such independent contract compliance officer or agent  
352 shall file a written report of his or her findings and recommendations  
353 with the secretary and the authority each quarter during the period of  
354 project development.

355 Sec. 5. This act shall take effect from its passage, except that sections  
356 3 and 4 shall take effect July 1, 2001.

**CE** *Joint Favorable Subst.*

**FIN**      *Joint Favorable Subst.*

**ED**        *Joint Favorable*