



**AN ACT CONCERNING BROWNFIELDS.**

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

1 Section 1. (NEW) As used in sections 1 to 6, inclusive, of this act,  
2 section 12-412 of the general statutes, as amended by this act, and  
3 subsection (d) of section 12-81 of the general statutes, as amended by  
4 this act, subsection (a) of section 12-81r of the general statutes, as  
5 amended by this act, and subsection (d) of section 32-23qq of the  
6 general statutes, as amended by this act:

7 (1) "Authority" means the Connecticut Development Authority.

8 (2) "Brownfield" means an abandoned, idled or under-used  
9 industrial or commercial facility or site where development, financing,  
10 expansion or redevelopment is complicated by real or perceived  
11 environmental contamination.

12 (3) "Brownfield investment" means all amounts invested in a  
13 brownfield redevelopment, whether directly or through a corporation  
14 or investment trust or fund, on behalf of a taxpayer or brownfield  
15 redeveloper.

16 (4) "Brownfield redevelopment site" means any commercial,  
17 industrial or residential real property, improvements, or vacant  
18 commercial plants, as defined in section 8-187 of the general statutes,  
19 that (A) has been subject to a spill, as defined in section 22a-452c of the

20 general statutes; (B) is an establishment, as defined in subdivision (3)  
21 of section 22a-134 of the general statutes; (C) is a facility, as defined in  
22 42 USC 9601(9); or (D) is functionally obsolete property.

23 (5) "Brownfield redeveloper" means any person, including a  
24 brownfield redevelopment corporation, who has assumed  
25 responsibility and liability for undertaking and completing a  
26 brownfield redevelopment.

27 (6) "Brownfield redevelopment" means the remediation, renovation,  
28 development or improvement of a brownfield or a brownfield  
29 redevelopment site in accordance with regulations adopted by the  
30 Commissioner of Environmental Protection under any provision of the  
31 general statutes.

32 (7) "Brownfield redevelopment corporation" means any corporation,  
33 investment trust or partnership created after the effective date of this  
34 act by any person, including, but not limited to, a municipality,  
35 regional council of governments, regional growth partnership,  
36 metropolitan district commission or nonprofit corporation organized  
37 for the purpose of purchasing, managing, leasing, or developing a  
38 brownfield or undertaking brownfield redevelopment in accordance  
39 with the provisions of sections 1 to 6, inclusive, of this act, section 12-  
40 412 of the general statutes, as amended by this act, section 12-81 of the  
41 general statutes, as amended by this act, subsection (a) of section 12-  
42 81r of the general statutes, as amended by this act, or subsection (d) of  
43 section 32-23qq of the general statutes.

44 (8) "Brownfield redevelopment facility" means a brownfield  
45 redevelopment site that a brownfield redeveloper has certified to the  
46 commissioner as (A) having a plan for renovation, development or  
47 improvement that has been substantially completed, and (B) having a  
48 remedial action plan deemed to be complete by the Department of  
49 Environmental Protection or by a licensed environmental professional,  
50 except for groundwater monitoring as required by subsection (g) of  
51 section 22a-133k-3 of the Regulations of Connecticut State Agencies.

52 (9) "Brownfield redevelopment income" means any income received  
53 by a taxpayer and attributable to an eligible brownfield redevelopment  
54 project.

55 (10) "Brownfield redevelopment period" means the ten-year period  
56 which begins with the first taxable year, or portion thereof, in which a  
57 brownfield redevelopment is commenced by the taxpayer.

58 (11) "Captured taxable value" means the amount by which the  
59 expected taxable value of a brownfield redevelopment facility exceeds  
60 the present taxable value of an existing brownfield redevelopment site  
61 over the proposed term of a tax increment financing.

62 (12) "Commissioner" means the Commissioner of Economic and  
63 Community Development.

64 (13) "Department" means the Department of Economic and  
65 Community Development.

66 (14) "Eligible brownfield redevelopment project" means a  
67 brownfield redevelopment or a brownfield redevelopment facility that,  
68 based on a development plan prepared by the brownfield redeveloper  
69 and submitted to the commissioner, (A) may add new economic  
70 activity and employment in the state, (B) can be expected to generate  
71 new state tax revenue, (C) can be expected to produce an economically  
72 viable brownfield redevelopment facility, and (D) will generate direct  
73 and indirect economic benefits to the state that will exceed the amount  
74 of the brownfield investment.

75 (15) "Eligible municipality" means (A) a municipality with an area  
76 designated as an enterprise zone pursuant to section 32-70 of the  
77 general statutes; (B) a distressed municipality, as defined in subsection  
78 (b) of section 32-9p of the general statutes; (C) a municipality in an  
79 enterprise corridor zone; (D) a municipality with a high density of  
80 brownfield properties, brownfield redevelopment facilities or sites; or  
81 (E) any municipality with a population in excess of seventy-five  
82 thousand.

83 (16) "Eligible property" means any brownfield redevelopment site  
84 that is owned or operated by a brownfield redeveloper, a municipality,  
85 a municipal brownfield redeveloper or a brownfield redevelopment  
86 corporation and includes any personal property that may be or is  
87 located thereon.

88 (17) "Expected taxable value" means the sum of all taxes levied by  
89 each taxing jurisdiction in the state including, but not limited to, taxes  
90 on real property, personal property, fixtures, equipment, corporate  
91 income and services, sales taxes on construction activities and  
92 materials associated with the brownfield redevelopment and any  
93 payments made in lieu of taxes.

94 (18) "Functionally obsolete property" means property that cannot be  
95 used to adequately perform the function for which it was intended due  
96 to a substantial loss in value resulting from factors such as over  
97 capacity, changes in technology, deficiencies or inadequacies in design  
98 or other similar factors that affect the property itself or the property's  
99 relationship with other surrounding property.

100 (19) "Gain on a brownfield redevelopment facility" means the net  
101 gain recognized from the sale or exchange of a brownfield  
102 redevelopment facility.

103 (20) "High density" means brownfield properties, facilities or sites in  
104 a municipality that comprise three per cent or more of the total  
105 industrial or commercial acreage of the municipality.

106 (21) "High technology brownfield redevelopment income" means  
107 income from a high technology brownfield redevelopment project.

108 (22) "High technology brownfield redevelopment project" means a  
109 brownfield redevelopment or brownfield redevelopment facility (A) in  
110 which twenty per cent or more of the commercially useable floor space  
111 is dedicated to biotechnology or to Internet and e-commerce business  
112 use, (B) which constructs or renovates existing buildings to  
113 accommodate broadband or other new communication technologies,

114 or (C) is a business engaged in cluster or cluster related activities as  
115 identified in the report prepared by the Commissioner of Economic  
116 Development under section 32-4g of the general statutes.

117 (23) "Infrastructure improvements" means a street, road, sidewalk,  
118 parking facility, pedestrian mall, alley, bridge, sewer, sewage  
119 treatment plant or other improvement designed to reduce or prevent  
120 the spread of identified soil or groundwater contamination, drainage  
121 system, waterway, waterline, water storage facility, rail line, utility  
122 line, fiber optic cable or pipeline or other similar or related structure or  
123 improvement, together with necessary easements for the structure or  
124 improvement, owned or used by a public agency or functionally  
125 connected to similar or supporting property owned or used by a public  
126 agency, or designed and dedicated to use by, for the benefit of, or for  
127 the protection of the health, welfare or safety of the public generally,  
128 whether or not used by a single business entity, provided that any  
129 road, street or bridge shall be continuously open to public access and  
130 that other property shall be located in public easements or rights-of-  
131 way and sized to accommodate reasonably foreseeable development of  
132 eligible property in adjoining areas.

133 (24) "Municipal brownfield developer" means any municipality,  
134 regional council of governments, regional growth partnership or other  
135 public, nonprofit entity that engages in or funds an eligible brownfield  
136 redevelopment project.

137 (25) "Municipality" means any municipal corporation.

138 (26) "Tax increment revenues" means the amount of property taxes  
139 and specific taxes attributable to the application of the levy of all  
140 taxing jurisdictions in the state upon the captured taxable value of each  
141 brownfield redevelopment site or brownfield redevelopment facility,  
142 including all personal property located thereon, excluding (A) tax  
143 increment property taxes specifically levied for the payment of  
144 principal of and interest on either obligations approved by the electors  
145 or obligations pledging the unlimited taxing power of the local

146 governmental unit, and specific taxes attributable to those property  
147 taxes, and (B) the amount of property taxes or specific captured tax  
148 value by a downtown development authority, tax increment finance  
149 authority, or local development finance authority if such taxes were  
150 captured on the date that eligible property became a brownfield  
151 redevelopment site.

152 (27) "Taxpayer" means any person subject to tax imposed under  
153 chapter 207, 208, 209, 210, 211, 212, 212a or 229 of the general statutes  
154 or section 38a-743 of the general statutes.

155 Sec. 2. (NEW) (a) For each year during the brownfield  
156 redevelopment period, there shall be allowed the following credits: (1)  
157 For the brownfield redeveloper of an eligible brownfield  
158 redevelopment project, a credit in an amount equal to sixty-five per  
159 cent, and for a brownfield redeveloper of an eligible high technology  
160 brownfield redevelopment project, a credit in the amount of seventy-  
161 five per cent, against any tax imposed under chapter 207, 208, 209, 210,  
162 211, 212, 212a or 229 of the general statutes or section 38a-743 of the  
163 general statutes, or against any tax liability that is attributable to any  
164 gain on a brownfield redevelopment facility; (2) a credit of twenty per  
165 cent on any tax liability attributable to a taxpayer as a result of  
166 brownfield redevelopment income tax liability; (3) a credit of forty per  
167 cent on any tax liability attributable to a taxpayer as a result of high  
168 technology brownfield redevelopment income tax liability.

169 (b) Any tax credit not used in an income year during the brownfield  
170 redevelopment period may be carried forward for the five  
171 immediately succeeding income years until the full credit has been  
172 allowed.

173 (c) If the brownfield redevelopment is abandoned or otherwise not  
174 completed in substantial compliance with the brownfield redeveloper's  
175 development plan, as submitted to the commissioner, the brownfield  
176 redeveloper shall recapture one hundred per cent of the amount of the  
177 credit allowed under this section on its tax return required to be filed

178 for the income year immediately succeeding the income year in which  
179 the abandonment or failure to complete in accordance with the  
180 development plan occurred. The provisions of this subsection shall not  
181 apply if the brownfield redevelopment that is the subject of the credit  
182 under this section is exchanged for another brownfield redevelopment  
183 or brownfield redevelopment facility, or if the commissioner has  
184 agreed to modifications in the development plan. If any amount of  
185 credit required to be recaptured has not been paid to the commissioner  
186 on or before the first day of the fourth month next succeeding the end  
187 of the income year immediately succeeding the income year during  
188 which the abandonment or failure occurred, then such amount shall  
189 bear interest at the rate of one per cent per month or fraction thereof  
190 from such date to the date of payment.

191 (d) Any taxpayer allowed a credit under this section may assign  
192 such credit to another person provided such person may claim such  
193 credit only with respect to a calendar year for which the assigning  
194 taxpayer would have been eligible to claim such credit. The taxpayer  
195 shall file with the Commissioner of Revenue Services information  
196 requested by the commissioner regarding such assignments, including,  
197 but not limited to, the current holders of the credits as of the end of the  
198 preceding calendar year.

199 (e) The total amount of the tax credits available to the brownfield  
200 redeveloper during the brownfield redevelopment period shall not  
201 exceed the total cost of the brownfield redevelopment.

202 Sec. 3. (NEW) (a) The brownfield redeveloper shall submit an  
203 application containing sufficient information to reasonably  
204 demonstrate that the brownfield redevelopment or brownfield  
205 redevelopment facility is an eligible brownfield redevelopment project  
206 that qualifies for the credit under section 2 of this act. The  
207 commissioner shall approve the application if the brownfield  
208 redeveloper has demonstrated qualification. If the commissioner  
209 rejects an application, such commissioner shall specifically state the  
210 reasons for such disapproval. The commissioner shall render a

211 decision on an application not later than sixty days from its receipt.  
212 Failure to render a decision within such time shall be deemed to be an  
213 approval of the application.

214 (b) The commissioner may adopt regulations, in accordance with  
215 the provisions of chapter 54 of the general statutes, to implement the  
216 provisions of this section. Such regulations may include, but not be  
217 limited to, provisions for applying the credit allowed by this section to  
218 partnerships, limited liability companies or other pass-through entities  
219 in which one or more taxpayers are partners or members.

220 Sec. 4. (NEW) (a) Any brownfield redevelopment corporation  
221 created pursuant to sections 4 to 6, inclusive, of this act, may do one or  
222 more of the following:

223 (1) Sue and be sued;

224 (2) Adopt, amend and repeal bylaws for the regulation of its affairs  
225 and the conduct of its business;

226 (3) Incur and expend funds to pay or reimburse a public or private  
227 person for costs of eligible activities attributable to a brownfield  
228 redevelopment site;

229 (4) As approved by a municipality, incur costs and expend funds  
230 from the local site remediation revolving fund created under section 6  
231 of this act for purposes authorized in said section;

232 (5) Make and enter into contracts necessary or incidental to the  
233 exercise of its powers and the performance of its duties, including, but  
234 not limited to, lease or purchase agreements, land contracts,  
235 installment sales agreements and loan agreements;

236 (6) On terms and conditions and in a manner and for consideration  
237 the corporation considers proper, own, mortgage, convey or otherwise  
238 dispose of, or lease as lessor or lessee, land and other property, real or  
239 personal, or rights or interests in the property, that the corporation  
240 determines are reasonably necessary to achieve its purposes, and grant

241 or acquire licenses, easements and options with respect to its property;

242 (7) Acquire, maintain, repair or operate all devices necessary to  
243 ensure brownfield redevelopment occurs;

244 (8) Accept grants and donations of property, labor or other things of  
245 value from a public or private source;

246 (9) Incur costs in connection with the performance of its authorized  
247 functions, including, but not limited to, administrative costs and  
248 architect, engineer, legal or accounting fees;

249 (10) Study, develop and prepare the reports or plans the authority  
250 considers necessary to assist it in the exercise of its powers under  
251 sections 4 to 6, inclusive, of this act;

252 (11) Procure insurance against loss in connection with the  
253 corporation's property, assets or activities;

254 (12) Invest the corporation's money, at the corporation's discretion,  
255 in obligations determined proper by the corporation's board, and name  
256 and use depositories for its money;

257 (13) Make loans, participate in the making of loans, undertake  
258 commitments to make loans and mortgages, buy and sell loans and  
259 mortgages at public or private sale, rewrite loans and mortgages,  
260 discharge loans and mortgages, foreclose on a mortgage, commence an  
261 action to protect or enforce a right conferred upon the corporation by a  
262 law, mortgage, loan, contract, or other agreement, bid for and purchase  
263 property that was the subject of the mortgage at a foreclosure or other  
264 sale, acquire and take possession of the property and in that event  
265 compute, administer, pay the principal and interest on obligations  
266 incurred in connection with that property, and dispose of and  
267 otherwise deal with the property, in a manner as may be necessary or  
268 desirable to protect the interests of the authority;

269 (14) Borrow money and issue its notes in anticipation of collection of  
270 tax increment revenues or of other sources of income;

271 (15) Determine the captured taxable value of a brownfield  
272 redevelopment site, which taxable value shall not be less than zero;  
273 and

274 (16) Do all other things necessary or convenient to achieve the  
275 objectives and purposes of the corporation.

276 (b) (1) The board of the corporation shall employ and fix the  
277 compensation of the executive director. The executive director shall  
278 serve at the pleasure of the board and shall supervise and be  
279 responsible for the preparation of plans and the performance of the  
280 corporation's functions in the manner authorized by sections 4 to 6,  
281 inclusive, of this act. A member of the board shall not be the executive  
282 director. The director shall attend the meetings of the board and shall  
283 render to the board a regular report covering the corporation's  
284 activities and financial condition.

285 (2) The board may appoint or employ and fix the compensation of a  
286 treasurer who shall keep the corporation's financial records who,  
287 together with the executive director, shall approve all vouchers for the  
288 expenditure of corporation funds.

289 (3) The board may appoint or employ and fix the compensation of a  
290 secretary who shall maintain custody of the official seal and of records,  
291 books, documents or other papers not required to be maintained by  
292 the treasurer. The secretary shall attend meetings of the board and  
293 keep a record of its proceedings and shall perform other duties as may  
294 be delegated by the board.

295 (4) The board may employ and retain personnel and consultants as  
296 considered necessary by the board, including legal counsel to advise  
297 the board in the proper performance of its duties and to represent the  
298 corporation in actions brought by or against the corporation.

299 (5) Upon the corporation's request, its incorporating municipality,  
300 regional council of governments, regional growth partnership,  
301 intermunicipal consortium, metropolitan district commission or other

302 nonprofit entity may provide assistance to the corporation in the  
303 performance of its powers and duties. An incorporator may transfer its  
304 funds to the corporation or to another person on behalf of the  
305 corporation in anticipation of repayment by the corporation.

306 (6) If the incorporator of the brownfield redevelopment corporation  
307 is a municipality, regional growth partnership, metropolitan district, or  
308 other municipal corporation, the employees of the corporation may be  
309 eligible to participate in state retirement and insurance programs as if  
310 such employees were civil service employees on the same basis as civil  
311 service employees.

312 (c) The corporation's activities shall be financed from one or more of  
313 the following sources: (1) Contributions, contractual payments or  
314 appropriations to the corporation for the performance of its functions;  
315 (2) revenues from a property, building, or facility owned, leased,  
316 licensed or operated by the corporation or under its control; (3) tax  
317 increment revenues or proceeds of tax increment bonds and notes; (4)  
318 proceeds of revenue bonds and notes; (5) revenue available in the  
319 authority's revolving loan fund for the costs associated with  
320 brownfield redevelopment, the costs described in section 10 of this act,  
321 and infrastructure improvements; (6) money obtained from all other  
322 sources approved by the corporation's board or otherwise authorized  
323 by law for use by the corporation or another person to finance  
324 activities authorized by sections 4 to 6, inclusive, of this act.

325 (d) A municipality may transfer private property taken pursuant to  
326 sections 8-128 and 48-12 of the general statutes to the corporation for  
327 brownfield redevelopment, on such terms and conditions as the parties  
328 may agree. The taking, transfer and use shall be considered necessary  
329 for public purposes and for the benefit of the public.

330 (e) The exercise by a corporation of the powers conferred by sections  
331 4 to 6, inclusive, of this act, shall be considered to be an essential  
332 governmental function and benefit to, and a legitimate public purpose  
333 of, the state.

334       Sec. 5. (NEW) (a) The corporation may borrow money and issue its  
335 negotiable revenue bonds or notes to finance all or part of the costs of  
336 eligible activities or of another activity authorized by sections 4 to 6,  
337 inclusive, of this act or to refund or refund in advance bonds or notes  
338 issued under this section. The costs that may be financed by the  
339 issuance of revenue bonds or notes may include the costs of  
340 purchasing, acquiring, constructing, improving, enlarging, extending  
341 or repairing a brownfield remediation site; engineering, architectural,  
342 legal, accounting or financial expenses; the costs necessary or  
343 incidental to the borrowing of money; interest on the bonds or notes  
344 during the period of construction; a reserve for payment of principal  
345 and interest on the bonds or notes; and a reserve for operation and  
346 maintenance until sufficient revenues have developed. The corporation  
347 may secure the bonds and notes by mortgage, assignment or pledge of  
348 the property and all money, revenues or income received in connection  
349 with the property.

350       (b) A pledge made by the corporation shall be valid and binding  
351 from the time the pledge is made. The money or property pledged by  
352 the corporation immediately shall be subject to the lien of the pledge  
353 without a physical delivery, filing or further act. The lien of such a  
354 pledge shall be valid and binding as against parties having claims in  
355 tort, contract or otherwise against the authority, irrespective of  
356 whether the parties have notice of the lien. Filing of the resolution, the  
357 trust agreement or another instrument by which a pledge is created is  
358 not required.

359       (c) Bonds or notes issued under this section shall be exempt from all  
360 taxation, and the interest on the bonds or notes shall be exempt from  
361 all taxation in this state, notwithstanding that the interest may be  
362 subject to federal income tax.

363       (d) Unless otherwise provided by a majority vote of the members of  
364 its governing body, the corporation's incorporators shall not be liable  
365 on any bonds or notes of the corporation issued under this section.

366 (e) A corporation's bonds and notes may be invested in by the State  
367 Treasurer and all other public officers, state agencies and political  
368 subdivisions, insurance companies, banks, savings and loan  
369 associations, investment companies, pension funds and fiduciaries and  
370 trustees, and may be deposited with and received by the State  
371 Treasurer and all other public officers and the agencies and political  
372 subdivisions of this state for all purposes for which the deposit of  
373 bonds or notes is authorized. The authority granted by this section is  
374 supplemental and in addition to all other authority granted by law.

375 Sec. 6. (NEW) (a) By resolution of its board, a corporation may  
376 authorize, issue and sell tax increment revenue bonds and notes,  
377 subject to the limitations set forth in this section, to finance brownfield  
378 redevelopment, a brownfield redevelopment site or a brownfield  
379 redevelopment facility. The bonds or notes shall mature in not more  
380 than fifteen years after the brownfield redevelopment facility is  
381 established and shall bear interest and be sold and be payable in the  
382 manner and upon the terms and conditions determined, or within the  
383 parameters specified, by the corporation in the resolution authorizing  
384 issuance of the bonds or notes. The bonds or notes may include  
385 capitalized interest, an amount sufficient to fund costs of the issuance  
386 of the bonds or notes and a sum to provide a reasonable reserve for  
387 payment of principal and interest on the bonds or notes. The resolution  
388 authorizing the bonds shall create a lien on the tax increment revenues  
389 and other revenues pledged by the resolution that shall be a statutory  
390 lien and shall be a first lien subject only to liens previously created.  
391 The resolution may provide the terms upon which additional bonds or  
392 notes may be issued of equal standing and parity of lien as to the tax  
393 increment revenues and other revenues pledged under the resolution.

394 (b) A municipality, by majority vote of the members of its legislative  
395 body, may make a limited tax pledge to support a corporation's tax  
396 increment bonds or notes or may pledge its unlimited tax full faith and  
397 credit for the payment of the principal of and interest on the  
398 corporation's tax increment bonds or notes.

399 (c) The bonds or notes issued under this section shall be secured by  
400 one or more sources of revenue identified in sections 4 to 6, inclusive,  
401 of this act, as sources of financing of activities of the corporation.  
402 Furthermore, bonds or notes issued under this section shall be exempt  
403 from all taxation in this state, and the interest on the bonds or notes  
404 shall be exempt from all taxation in this state, notwithstanding that the  
405 interest may be subject to federal income tax.

406 (d) The corporation's bonds and notes may be invested in by the  
407 State Treasurer and all other public officers, state agencies and political  
408 subdivisions, insurance companies, banks, savings and loan  
409 associations, investment companies, pension funds and fiduciaries and  
410 trustees, and may be deposited with and received by the State  
411 Treasurer and all other public officers and the agencies and political  
412 subdivisions of this state for one or more of the purposes for which the  
413 deposit of bonds or notes is authorized. The authority granted by this  
414 section is supplemental and in addition to all other authority granted  
415 by law.

416 (e) The net present value of the principal and interest to be paid on  
417 an obligation issued or incurred by a corporation or by a municipality  
418 on behalf of a corporation to refund an obligation incurred under this  
419 section, including the cost of issuance, shall be less than the net present  
420 value of the principal and interest to be paid on the obligation being  
421 refunded as calculated using a method approved by the Department of  
422 Revenue Services.

423 (f) The corporation shall give notice of intent to issue tax increment  
424 bonds or notes secured by the captured taxable value of a brownfield  
425 redevelopment site to the chief executive officer of the municipality in  
426 which the relevant brownfield redevelopment site is located no later  
427 than sixty days prior to the issuance of the proposed tax increment  
428 bonds or notes. Not more than two weeks after receipt of such notice, a  
429 special meeting of the municipality's governing legislative body shall  
430 be convened to (1) provide municipal officials and taxpayers with an  
431 opportunity to comment on the proposed brownfield redevelopment,

432 and (2) approve or disapprove the proposed tax increment bonds or  
433 notes. The municipality's governing legislative body shall approve the  
434 proposed tax increment bonds or notes upon a showing of sufficient  
435 evidence in the record (A) that the captured taxable value will service  
436 the principal and interest due on the tax increment bonds or notes over  
437 the life of those bonds or notes, and (B) that the proposed brownfield  
438 redevelopment is in the public interest.

439 Sec. 7. Section 12-412 of the general statutes is amended by adding  
440 subsection (113) as follows:

441 (NEW) (113) Sales and use of any services or tangible personal  
442 property to be incorporated into or used or otherwise consumed in (A)  
443 the demolition, remediation or preparation of a brownfield  
444 redevelopment site, (B) the construction of a brownfield  
445 redevelopment facility, or (C) the construction of any future capital  
446 improvements to a brownfield redevelopment facility.

447 Sec. 8. Section 12-81 of the general statutes is amended by adding  
448 subsections (75) and (76) as follows:

449 (NEW) (75) The use of tangible personal property, provided such  
450 property is used exclusively for (A) the demolition, remediation or  
451 preparation of a brownfield redevelopment site, (B) the construction of  
452 the brownfield redevelopment facility, or (C) the construction of any  
453 future capital improvements to a brownfield redevelopment facility.

454 (NEW) (76) Any eligible brownfield redevelopment project that is  
455 acquired, constructed, substantially renovated or expanded on or after  
456 October 1, 2001, to the extent of sixty-five per cent of the difference  
457 between the valuation of the brownfield redevelopment site prior to  
458 the commencement of construction of the brownfield redevelopment  
459 facility, and the valuation of the brownfield redevelopment site after  
460 completion of construction of the brownfield redevelopment facility,  
461 provided this exemption shall only apply to the first ten assessment  
462 years beginning with the year in which the brownfield redevelopment  
463 facility is first placed in service. For the purposes of this subsection,

464 valuation shall be determined by two duly licensed and independent  
465 appraisers.

466 Sec. 9. Subsection (a) of section 12-81r of the general statutes is  
467 repealed and the following is substituted in lieu thereof:

468 (a) Any municipality may (1) enter into an agreement with the  
469 owner of any real property to abate the property tax due as of the date  
470 of the agreement for a period not to exceed seven years if the property  
471 has been subject to a spill, as defined in section 22a-452c, and the  
472 owner agrees to conduct any environmental site assessment,  
473 demolition and remediation of the spill necessary [to redevelop the  
474 property] for brownfield redevelopment. Any such tax abatement shall  
475 only be for the period of remediation and redevelopment and shall be  
476 contingent upon the continuation and completion of the remediation  
477 and redevelopment process with respect to the purposes specified in  
478 the agreement. The abatement shall cease upon the sale or transfer of  
479 the property for any other purpose unless the municipality consents to  
480 its continuation. The municipality may also establish a recapture  
481 provision in the event of sale provided such recapture shall not exceed  
482 the original amount of taxes abated and may not go back further than  
483 the date of the agreement; [or] (2) forgive, [all or a portion of the  
484 principal balance and interest due on delinquent property taxes for the  
485 benefit of any prospective purchaser who has obtained an  
486 environmental investigation or remediation plan approved by the  
487 Commissioner of Environmental Protection or a licensed  
488 environmental professional under section 22a-133w, 22a-133x or 22a-  
489 133y and completes such remediation plan for an establishment, as  
490 defined in section 22a-134, deemed by the municipality to be  
491 abandoned] for the benefit of any owner who can demonstrate it did  
492 not cause such spill, or for any prospective purchaser, all or portion of  
493 the real or personal property taxes due or attached to (A) any real  
494 property or improvement that has been subject to a spill, (B) any  
495 establishment, or (C) any facility, as defined in 42 USC 9601(9); or (3)  
496 enter into an agreement providing for specific payments in lieu of  
497 taxes for infrastructure improvements that might be useful or desirable

498 for a brownfield redevelopment.

499 Sec. 10. Section 32-23qq of the general statutes is amended by  
500 adding subsection (d) as follows:

501 (NEW) (d) (1) The state, acting through the authority, shall provide  
502 municipal brownfield redevelopers with grants to fund environmental  
503 investigation, environmental remediation, site remediation, site  
504 acquisition, and other related activities, from the Environmental  
505 Assistance Revolving Loan Fund.

506 (2) The authority shall adopt written procedures, in accordance with  
507 section 1-121, within forty-five days of the effective date of this act,  
508 implementing the grant application criteria. Such criteria shall include  
509 the following: (A) A statement that the amount of each grant shall be  
510 two hundred fifty thousand dollars; and (B) a process to give  
511 preference to high technology brownfield redevelopment projects,  
512 municipal brownfield redevelopers in high density areas and projects  
513 involving revolving loan, innovative technologies and infrastructure  
514 redevelopment.

515 (3) If the authority rejects a grant application, it shall specifically  
516 identify the defects in the application relative to the promulgated grant  
517 criteria and explain the reasons for disapproval. The authority shall  
518 render a decision on an application no later than sixty days from its  
519 receipt. Failure to render a decision within that time shall be deemed  
520 an approval of the application. The municipal brownfield redeveloper  
521 may use the grant funds for any purpose consistent with the  
522 provisions of this subsection.

523 (4) Subject to the approval of the department, a municipal  
524 brownfield redeveloper may issue tax increment revenue financing  
525 bonds, guaranteed by the state, for the purposes of financing the  
526 development of an eligible high technology brownfield redevelopment  
527 project.

528 Sec. 11. Subsection (j) of section 32-9t of the general statutes is

529 repealed and the following is substituted in lieu thereof:

530 (j) The credits allowed by this section may be claimed by a taxpayer  
531 who has made an investment [(1) directly only if such investment has a  
532 total asset value of not less than twenty million dollars; or (2)] through  
533 a fund managed by a fund manager registered under this section only  
534 if such fund [: (A) Has a total asset value of not less than sixty million  
535 dollars for the income year for which the initial credit is taken; and (B)]  
536 has not less than three investors who are not related persons with  
537 respect to each other or to any person in which any investment is made  
538 other than through the fund at the date the investment is made.

539 Sec. 12. (NEW) The Department of Revenue Services shall adopt  
540 regulations, in accordance with the provisions of chapter 54 of the  
541 general statutes, establishing a method for calculating captured taxable  
542 value that is consistent with generally accepted tax increment  
543 financing principles. Not more than ninety days after the effective date  
544 of this act the department shall commence the process of adoption of  
545 such regulations.

546 Sec. 13. The sum of fifteen million dollars is appropriated to the  
547 Connecticut Development Authority, from the General Fund, for the  
548 fiscal year ending June 30, 2002, for grants under subsection (d) of  
549 section 32-23qq of the general statutes, as amended by this act,  
550 provided grants in an amount equal to five million dollars shall be  
551 made in each fiscal year until the fiscal year ending June 30, 2005.

552 Sec. 14. This act shall take effect July 1, 2001.

**PD**

**JOINT FAVORABLE SUBST. C/R**

**FIN**