



General Assembly

January Session, 2001

Amendment

LCO No. 8326

Offered by:

REP. SAMOWITZ, 129th Dist.

To: Subst. House Bill No. 5126

File No. 699

Cal. No. 467

"AN ACT CONCERNING THE URBAN SITES REINVESTMENT PROGRAM."

1 Strike out everything after the enacting clause and insert the
2 following in lieu thereof:

3 "Section 1 Section 32-9t of the general statutes is amended by
4 adding subsections (t) and (u) as follows:

5 (NEW) (t) (1) There is established a fund to be known as the "Urban
6 and Industrial Sites Reinvestment Revolving Fund". The fund shall
7 contain any moneys required by law to be deposited in the fund and
8 shall be held separate and apart from all other moneys, funds and
9 accounts. Said fund shall be available to the commissioner for the
10 purposes of subdivision (2) of subsection (t) of this section and may be
11 used for administrative expenses incurred in implementing the
12 provisions of this subsection and subsection (u) of this section.

13 (2) The commissioner, in the discretion of the commissioner, may
14 provide funds (A) for loans for development of an eligible industrial

15 site investment project or an eligible urban reinvestment project in an
16 amount not exceeding fifty per cent of the tax credit allowed under
17 subsection (i) of this section, or (B) to buy back, at fifty per cent of their
18 value, all or some of the tax credits allowed under said subsection (i)
19 for an eligible urban reinvestment project or eligible industrial site
20 investment project that are unclaimed ninety days after the end of the
21 tax year in which such tax credit becomes available. No commitments
22 for new buybacks shall be approved by the commissioner under this
23 subsection on or after July 1, 2004.

24 (3) Loans provided under this subsection shall be used for
25 development activities, approved by the commissioner, that are
26 prudent and necessary to commence the development. The
27 commissioner may establish terms and conditions for any loan,
28 including terms and conditions for repayment of a loan. Repayments
29 shall be deposited in the fund established pursuant to subdivision (1)
30 of this subsection. As used in this subdivision, "development activities"
31 means the acquisition, leasing, demolition, remediation, construction,
32 renovation, expansion or other development or redevelopment of real
33 property and improvements, and any other significant expansion of
34 business operations, including furniture, fixtures, equipment and other
35 personal property reasonably necessary in connection therewith, and
36 associated interest and other financing costs and charges, relocation
37 and start-up costs and architectural, engineering, legal and
38 professional services, plans, specifications, surveys, permits, studies
39 and evaluations necessary or incident to the development financing,
40 completion and place in operation of an eligible industrial site
41 investment project or an urban reinvestment project.

42 (4) The commissioner may require a taxpayer for an eligible
43 industrial site investment project or an eligible urban reinvestment
44 project who receives a loan under subdivision (2) of this subsection to
45 enter into an agreement to purchase mortgage insurance for such
46 project.

47 (5) A taxpayer who received a loan under subdivision (2) of this

48 subsection who assigns tax credits allowed under subdivision (1) of
49 this section to another taxpayer shall repay the loan or the recapture
50 under subdivision (2) of subsection (s) of this section not more than
51 ninety days after the end of the taxable year in which the tax credit
52 becomes available at fifty per cent of the value of the tax credits, unless
53 the loan is forgiven by the commissioner. Repayments shall be
54 deposited in the fund established pursuant to subdivision (1) of this
55 subsection.

56 (NEW) (u) Any taxpayer required to pay taxes on the income from
57 the sale of tax credits pursuant to subdivision (5) of subsection (t) of
58 this section may elect not to recognize income from such until the tenth
59 year after the initial issuance of the certificate by the commissioner
60 under subsection (h) of this section. No recapture period shall exceed
61 eleven years from the date of the initial issuance of the certificate
62 under said subsection.

63 Sec. 2. Subsection (n) of section 32-9t of the general statutes is
64 repealed and the following is substituted in lieu thereof:

65 (n) (1) Any taxpayer allowed a credit under this section may assign
66 such credit to another taxpayer, provided such other taxpayer may
67 claim such credit only with respect to a taxable year for which the
68 assigning taxpayer would have been eligible to claim such credit and
69 such other taxpayer may not further assign such credit. The taxpayer
70 allowed such credit or the fund manager shall file with the
71 Commissioner of Revenue Services information requested by the
72 commissioner regarding such assignments, including, but not limited
73 to, the current holders of credits as of the end of the preceding
74 calendar year.

75 (2) Any taxpayer receiving a loan under subdivision (2) of
76 subsection (t) of this section, as amended by this act, who assigns the
77 tax credits shall repay the loan. If the proceeds from the assignment are
78 more than fifty per cent of the value of the tax credits, the repayment
79 amount shall equal fifty per cent of the value of the tax credits.

80 Sec. 3. Subsection (a) of section 32-222 of the general statutes is
81 repealed and the following is substituted in lieu thereof:

82 (a) "Business development project" means a project undertaken by
83 an eligible applicant involving one or more of the activities described
84 in subdivision (1), satisfying one or more of the criteria set forth in
85 subdivision (2) or involving the activities described in subdivision (3),
86 as follows:

87 (1) The project involves (A) the construction, substantial renovation,
88 improvement or expansion of a facility; (B) the acquisition of an
89 existing facility that has been idle for at least one year prior to such
90 acquisition, provided if such facility is acquired through a lease, such
91 lease: (i) Shall be for an initial term of not less than five years and (ii)
92 shall be renewable at the option of the lessee for an additional term of
93 not less than five years, provided the lease may be subject to the option
94 of the lessee to purchase the facility at any time during the lease term
95 or thereafter. The commissioner may waive the one-year idleness
96 requirement upon determination that there is a high likelihood that the
97 facility will remain idle for one year. In making such determination,
98 the commissioner shall consider the marketability of the facility, the
99 general economic condition of the municipality in which the facility is
100 located, the size of the facility, the economic benefit of the proposed
101 acquisition to the municipality and the state, including, but not limited
102 to, the number of employment positions proposed to be established at
103 the facility, and the degree to which the provision of financial
104 assistance under sections 32-220 to 32-234, inclusive, is necessary as an
105 inducement to the eligible applicant to acquire the facility; (C) the
106 acquisition of new machinery and equipment used directly in the
107 manufacturing of goods or products and acquired through purchase as
108 part of the technological upgrading of the manufacturing process of a
109 facility used in the operation of a manufacturing or economic base
110 business which (i) has been in continuous operation in the state for not
111 less than five years; and (ii) has incurred costs in acquiring such
112 machinery and equipment not less than the greater of two hundred
113 thousand dollars, or two hundred per cent of the average annual

114 expenditure of the manufacturing or economic base business for the
115 acquisition of new machinery and equipment used directly in the
116 manufacturing of goods or products at the facility during the three
117 years prior to the date upon which an application for financial
118 assistance is submitted pursuant to subsection (c) of section 32-223; [,
119 or] (D) the acquisition, improvement, demolition or disposition of real
120 property, or combinations thereof, or the remediation of contaminated
121 real property, used or to be used in connection with the operation of a
122 manufacturing or economic base business, provided, if the eligible
123 applicant is not a municipality or implementing agency, the
124 commissioner has determined that such project would not be
125 undertaken or completed in a timely manner except for the provision
126 of financial assistance pursuant to sections 32-220 to 32-234, inclusive,
127 and that such project promotes the economic stability and growth of
128 the state or any region thereof, or (E) development activities, as
129 defined in subdivision (3) of subsection (t) of section 32-9t, as amended
130 by this act, at an eligible industrial site investment project or an eligible
131 urban reinvestment project as defined in said section 32-9t.

132 (2) A project which will: (A) Create at a facility, within twenty-four
133 months of the initiation of a hiring program, not less than ten new jobs
134 or an increase in the number of persons employed at the facility of
135 twenty per cent, whichever is greater; (B) promote the diversification
136 of the economy of an area of the state or manufacturing or other
137 economic base business where such area or business is substantially
138 reliant upon defense and related industry; (C) assist in the avoidance
139 of an imminent plant closing or relocation by a manufacturing or other
140 economic base business or assist or improve the economy of an area of
141 the state which has been or is likely to be significantly and adversely
142 impacted by one or more major plant closings or relocations; (D)
143 support research and development or commercialization of
144 technologies, products, processes or techniques of a manufacturing or
145 other economic base business; (E) promote community conservation or
146 development or improvement of the quality of life for urban residents
147 of the state; or (F) promote the revitalization of underutilized, state-

148 owned former railroad depots and areas adjacent to such depots;

149 (3) The project involves the creation of an inventors workshop by an
150 eligible applicant, to enable (A) small manufacturing subcontractors
151 which manufacture parts and components exclusively for other
152 companies, or (B) current or former manufacturing employees or
153 higher education faculty or researchers, to design, test, manufacture
154 and market new products and manufacturing techniques.

155 Sec. 4. This act shall take effect July 1, 2001."