



General Assembly

Amendment

January Session, 2001

LCO No. 8862

Offered by:

SEN. LOONEY, 11th Dist.

To: Subst. Senate Bill No. 1178

File No. 660

Cal. No. 428

**"AN ACT CONCERNING PROPERTY TAX EXEMPTIONS FOR
MANUFACTURING MACHINERY AND EQUIPMENT, A
MORATORIUM ON CHANGING ASSESSMENT METHODS FOR
CERTAIN UTILITY PROPERTY AND FIXING OF ASSESSMENTS
FOR ELECTRIC GENERATING FACILITIES."**

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

3 "Section 1. (NEW) Any electric generating facility the construction of
4 which is completed after July 1, 1998, may be treated for purpose of
5 section 32-71 of the general statutes as if it were located in an
6 enterprise zone and used for commercial or retail purposes.
7 Notwithstanding the provisions of said section 32-71, upon the
8 approval of a municipalities' legislative body, the full amount of either
9 assessments or taxes may be fixed for the real and personal property of
10 such electric generating facility both during and after the construction
11 period, provided such assessments or taxes so fixed represent an
12 approximation of the projected tax liability of such facility based on
13 reasonable estimation of its fair market value as determined by the

14 municipality upon the exercise of its best efforts.

15 Sec. 2. (NEW) As used in section 1 of this act, "electric generating
16 facility" means a facility, as defined in subdivision (3) of subsection (a)
17 of section 16-501 of the general statutes.

18 Sec. 3. Subdivision (60) of section 12-81 of the general statutes is
19 repealed and the following is substituted in lieu thereof:

20 (60) (a) (1) Machinery and equipment which represents an addition
21 to the assessment or grand list of the municipality in which this
22 exemption is claimed and is installed in any manufacturing facility, as
23 defined in section 32-9p, which facility is or has been constructed, or
24 substantially renovated or expanded on or after July 1, 1978, in a
25 distressed municipality or targeted investment community or
26 enterprise zone designated pursuant to section 32-70 and for which an
27 eligibility certificate has been issued by the Department of Economic
28 and Community Development, concurrently with and directly
29 attributable to such construction, renovation or expansion, (2)
30 machinery and equipment which represents an addition to the
31 assessment or grand list of the municipality in which this exemption is
32 claimed and is installed, or machinery and equipment existing, in any
33 manufacturing facility, as defined in section 32-9p, which facility is or
34 has been acquired on or after July 1, 1978, in a distressed municipality,
35 targeted investment community or enterprise zone designated
36 pursuant to section 32-70 and for which an eligibility certificate has
37 been issued by the Department of Economic and Community
38 Development, and (3) machinery and equipment acquired and
39 installed on or after October 1, 1986, in a manufacturing facility that is
40 or has at one time been certified as eligible for the exemption under
41 this subparagraph in accordance with section 32-9r, and which
42 continues to be used for manufacturing purposes, provided such
43 machinery and equipment is installed in conjunction with an
44 expansion program that satisfies the requirements for a manufacturing
45 facility, as defined in section 32-9p, and is contiguous to and represents
46 an increase in square feet of floor space of not less than fifty per cent of

47 the floor space in the certified manufacturing facility, as follows: To the
48 extent of eighty per cent of its valuation for purposes of assessment in
49 each of the five full assessment years for which the manufacturing
50 facility in which it is installed qualifies for an exemption under
51 subdivision (59) of this section, except that a facility having a code
52 classification 2833 or 2834 in the Standard Industrial Code
53 Classification Manual, United States Office of Management and
54 Budget, 1987 edition, wherein at least one thousand new full-time
55 employees, as defined in subsection (f) of section 32-9j are employed,
56 shall be eligible to have the assessment period under this subdivision
57 extended for five additional years upon the approval of the
58 commissioner, provided the commissioner approves an extension of
59 the assessment period under subdivision (59) of this section for said
60 facility;

61 (b) (1) Machinery and equipment which represents an addition to
62 the assessment or grand list of the municipality in which this
63 exemption is claimed and is installed in any service facility, as defined
64 in section 32-9p, which facility is or has been constructed, or
65 substantially renovated or expanded on or after July 1, 1996, and for
66 which an eligibility certificate has been issued by the Department of
67 Economic and Community Development, concurrently with and
68 directly attributable to such construction, renovation or expansion, (2)
69 machinery and equipment which represents an addition to the
70 assessment or grand list of the municipality in which this exemption is
71 claimed and is installed, or machinery and equipment existing, in any
72 service facility, as defined in section 32-9p, which facility is or has been
73 acquired on or after July 1, 1996, and for which an eligibility certificate
74 has been issued by the department, and (3) machinery and equipment
75 acquired and installed on or after July 1, 1996, in a service facility that
76 is or has at one time been certified as eligible for the exemption under
77 this subparagraph in accordance with section 32-9r and which
78 continues to be used for service purposes, provided such machinery
79 and equipment is installed in conjunction with an expansion program
80 that satisfies the requirements for a service facility, as defined in

81 section 32-9p, and is contiguous to and represents an increase in
82 square feet of floor space of not less than fifty per cent of the floor
83 space in the certified service facility, as follows: (i) In the case of an
84 investment of twenty million dollars or more but not more than thirty-
85 nine million dollars in the service facility, to the extent of forty per cent
86 of its valuation for purposes of assessment in each of the five full
87 assessment years for which the service facility in which it is installed
88 qualifies for an exemption under subdivision (59) of this section; (ii) in
89 the case of an investment of more than thirty-nine million dollars but
90 not more than fifty-nine million dollars in the service facility, to the
91 extent of fifty per cent of its valuation for purposes of assessment in
92 each of the five full assessment years for which the service facility in
93 which it is installed qualifies for an exemption under subdivision (59)
94 of this section; (iii) in the case of an investment of more than fifty-nine
95 million dollars but not more than seventy-nine million dollars in the
96 service facility, to the extent of sixty per cent of its valuation for
97 purposes of assessment in each of the five full assessment years for
98 which the service facility in which it is installed qualifies for an
99 exemption under subdivision (59) of this section; (iv) in the case of an
100 investment of more than seventy-nine million dollars but not more
101 than ninety million dollars in the service facility, to the extent of
102 seventy per cent of its valuation for purposes of assessment in each of
103 the five full assessment years for which the service facility in which it
104 is installed qualifies for an exemption under subdivision (59) of this
105 section; or (v) in the case of an investment of more than ninety million
106 dollars in the service facility, to the extent of eighty per cent of its
107 valuation for purposes of assessment in each of the five full assessment
108 years for which the service facility in which it is installed qualifies for
109 an exemption under subdivision (59) of this section, except that any
110 financial institution, as defined in section 12-217u, having at least four
111 thousand qualified employees, as determined in accordance with an
112 agreement pursuant to subdivision (3) of subsection (n) of section 12-
113 217u, shall be eligible to have the assessment period extended for five
114 additional years upon approval of the commissioner, in accordance
115 with all applicable regulations, provided such full-time employees

116 have not been relocated from another facility in the state operated by
117 the same eligible applicant. In no event shall the definition of qualified
118 employee be more favorable to the employer than the definition
119 provided in section 12-217u;

120 (c) This exemption shall terminate for the assessment year next
121 following if the manufacturing facility or service facility in which such
122 machinery and equipment is installed no longer qualifies for an
123 exemption under said subdivision (59), and there shall not be a pro
124 rata application of the exemption of such machinery and equipment in
125 the assessment year of such termination. Any person who desires to
126 claim the exemption provided in this subdivision shall file annually
127 with the assessor or board of assessors in the distressed municipality,
128 targeted investment community or enterprise zone designated
129 pursuant to section 32-70 in which the manufacturing facility or service
130 facility is located, on or before the first day of November, written
131 application claiming such exemption on a form prescribed by the
132 Secretary of the Office of Policy and Management. Failure to file such
133 application in this manner and form within the time limit prescribed
134 shall constitute a waiver of the right to such exemption for such
135 assessment year, unless an extension of time is allowed pursuant to
136 section 12-81k, and upon payment of the required fee for late filing.
137 This exemption shall not apply to rolling stock.

138 Sec. 4. (NEW) This act shall take effect from its passage."