



General Assembly

Amendment

January Session, 2007

LCO No. 9574

HB0722309574SR0

Offered by:
SEN. DEBICELLA, 21st Dist.

To: Subst. House Bill No. 7223 File No. 841 Cal. No. 680

(As Amended by House Amendment Schedule "A" and "B")

**"AN ACT CONCERNING BUSINESS AND ENERGY
INDEPENDENCE DISTRICTS AND SPECIAL SERVICES
DISTRICTS."**

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

3 "Section 1. Section 8-376 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2007*):

5 (a) As used in this section and section 8-378, as amended by this act,
6 "distressed property" means any structure or unimproved lot or parcel
7 (1) that has unremedied building, housing or health code violations
8 which endanger persons or property; (2) that is abandoned, vacant or
9 unoccupied; (3) for which taxes are delinquent; or (4) that is a public
10 nuisance under any provision of the general statutes or any local
11 ordinance; and

12 (b) Any municipality [which] (1) that is a distressed municipality as

13 defined in subsection (b) of section 32-9p, on October 1, 1987, (2) that is
14 classified as a public investment community within the meaning of
15 subdivision (9) of subsection (a) of section 7-545, or (3) in which at least
16 twenty-five per cent of the geographic area in one United States census
17 tract or two contiguous census tracts, or adjacent portions thereof, is
18 distressed property may apply to the Commissioner of Economic and
19 Community Development to designate an area of such municipality as
20 a housing development zone. Any such area shall consist of one or two
21 contiguous United States census tracts or [a portion of an individual
22 census tract] portions of one or more census tracts as determined in
23 accordance with the most recent United States census in which at least
24 twenty-five per cent of the geographic area is distressed property. At
25 least twenty-five per cent of the designated area shall be zoned or
26 allow for multifamily residential dwellings.

27 Sec. 2. Section 8-378 of the general statutes is repealed and the
28 following is substituted in lieu thereof (*Effective July 1, 2007*):

29 (a) The Commissioner of Economic and Community Development
30 may approve the designation of [up to three areas in the state]
31 qualified portions of a municipality as housing development zones,
32 provided the commissioner shall not approve the designation of more
33 than one housing development zone in any municipality. [Proposals
34 for financial assistance received by the commissioner from eligible
35 developers, as defined in section 8-39, for programs or projects
36 authorized pursuant to chapter 128, 130, 133 or 138 which will be
37 located in a housing development zone shall be accorded a high
38 priority to receive financial assistance from the commissioner.] A
39 municipality seeking approval of designation shall provide the
40 commissioner with sufficient information to determine that the
41 proposed housing development zone meets the criteria established in
42 subsection (b) of section 8-376, as amended by this act. The
43 commissioner may remove the designation of any area which has been
44 approved as a housing development zone if such area no longer meets
45 the criteria for designation as such a zone set forth in sections 8-376
46 and 8-377 or in regulations adopted pursuant to section 8-381,

47 provided no such designation shall be removed less than ten years
48 from the original date of approval of such zone.

49 (b) The commissioner shall give immediate consideration for
50 financial assistance pursuant to chapter 128, 130, 133, 138 or 588l or
51 section 8-37pp or 8-336p to proposals from eligible developers, as
52 defined in section 8-39, that will be located in a housing development
53 zone. If a project to be located in a housing development zone is
54 comparable to a project that will not be located in a housing
55 development zone, the commissioner shall give priority to
56 authorization of the project in the housing development zone.

57 Sec. 3. Subsection (v) of section 32-222 of the general statutes is
58 repealed and the following is substituted in lieu thereof (*Effective July*
59 *1, 2007*):

60 (v) "Targeted investment community" means a municipality which
61 contains an enterprise zone designated pursuant to section 32-70 or a
62 housing development zone designated pursuant to section 8-378, as
63 amended by this act.

64 Sec. 4. Subsection (d) of section 10-416 of the general statutes is
65 repealed and the following is substituted in lieu thereof (*Effective July*
66 *1, 2007*):

67 (d) The commission shall, in consultation with the Commissioner of
68 Revenue Services, adopt regulations, in accordance with chapter 54, to
69 carry out the purposes of this section. Such regulations shall provide
70 that if the historical significance of a home located in a housing
71 development zone designated pursuant to section 8-378, as amended
72 by this act, is comparable to the historical significance of a home that is
73 not located in a housing development zone, priority for issuance of tax
74 credit vouchers shall be given to the historic home located in the
75 housing development zone.

76 Sec. 5. Subsection (d) of section 10-416a of the general statutes is
77 repealed and the following is substituted in lieu thereof (*Effective July*

78 1, 2007):

79 (d) The commission shall adopt regulations, in accordance with
80 chapter 54, to carry out the purposes of this section. Such regulations
81 shall include provisions for filing of applications, rating criteria and for
82 timely approval by the commission. Such regulations shall provide
83 that if the historical significance of a certified historic structure located
84 in a housing development zone designated pursuant to section 8-378,
85 as amended by this act, is comparable to the historical significance of a
86 certified historic structure that is not located in a housing development
87 zone, priority for issuance of tax credit vouchers shall be given to the
88 certified historic structure located in the housing development zone.

89 Sec. 6. Subsection (k) of section 8-395 of the general statutes is
90 repealed and the following is substituted in lieu thereof (*Effective July*
91 *1, 2007*):

92 (k) The Connecticut Housing Finance Authority, with the approval
93 of the Commissioner of Revenue Services, shall adopt written
94 procedures in accordance with section 1-121 to implement the
95 provisions of this section. Such procedures shall include provisions for
96 issuing tax credit vouchers for cash contributions to housing programs
97 based on a system of ranking housing programs. In establishing such
98 ranking system, the authority shall consider the following: (1) The
99 readiness of the project to be built; (2) use of the funds to build or
100 rehabilitate a specific housing project or to capitalize a revolving loan
101 fund providing low-cost loans for housing construction, repair or
102 rehabilitation to benefit persons of very low, low and moderate
103 income; (3) the extent the project will benefit families at or below
104 twenty-five per cent of the area median income and families with
105 incomes between twenty-five per cent and fifty per cent of the area
106 median income, as defined by the United States Department of
107 Housing and Urban Development; (4) evidence of the general
108 administrative capability of the nonprofit corporation to build or
109 rehabilitate housing; (5) evidence that any funds received by the
110 nonprofit corporation for which a voucher was issued were used to

111 accomplish the goals set forth in the application; [and] (6) with respect
112 to any income year commencing on or after January 1, 1998: (A) Use of
113 the funds to provide housing opportunities in urban areas and the
114 impact of such funds on neighborhood revitalization; and (B) the
115 extent to which tax credit funds are leveraged by other funds; and (7)
116 whether or not the project is located in housing development zones.

117 Sec. 7. (NEW) (*Effective July 1, 2007*) On or before February 1, 2008,
118 and annually thereafter, the Commission on Culture and Tourism shall
119 submit a report to the joint standing committee of the General
120 Assembly having cognizance of matters relating to planning and
121 development and to the select committee of the General Assembly
122 having cognizance of matters relating to housing on the issuance of tax
123 credit vouchers for historic homes located in housing development
124 zones pursuant to section 10-416 of the general statutes, as amended by
125 this act, and certified historic structures in housing development
126 zones, pursuant to section 10-426a of the general statutes, as amended
127 by this act. Such report shall include information on the vouchers
128 issued for historic homes and certified historic structures located in
129 housing development zones, along with a description of the priority
130 they received, the number and the amount of such vouchers issued.

131 Sec. 8. (NEW) (*Effective July 1, 2007*) In issuing tax credits under the
132 Low Income Tax Credit Program, 26 USC 42, the Connecticut Housing
133 Finance Authority shall give priority to projects located in housing
134 development zones.

135 Sec. 9. (NEW) (*Effective July 1, 2007*) On or before February 1, 2008,
136 and annually thereafter, the Connecticut Housing Finance Authority
137 shall submit a report on the issuance of tax credits under section 8-395
138 of the general statutes, as amended by this act, and under the Low
139 Income Tax Credit Program, 26 USC 42 to the joint standing committee
140 of the General Assembly having cognizance of matters relating to
141 planning and development and to the select committee of the General
142 Assembly having cognizance of matters relating to housing. Such
143 report shall include information on the vouchers issued for housing

144 located in housing development zones, along with a description of the
145 priority they received, the number and amount of such vouchers
146 issued.

147 Sec. 10. (NEW) (*Effective October 1, 2007*) (a) Any municipality that is
148 eligible for small town economic assistance under section 4-66g of the
149 general statutes may designate, by ordinance adopted by its legislative
150 body, a nutmeg zone within the municipality. Such ordinance shall
151 identify a specific geographic area as such zone and shall establish
152 criteria and goals for economic activity in the zone.

153 (b) Upon designation of a nutmeg zone under subsection (a) of this
154 section, the municipality may apply to the Commissioner of Economic
155 and Community Development for state approval of the designation.
156 The municipality seeking the approval of the commissioner for
157 designation of an area of the municipality as a nutmeg zone shall file
158 with the commissioner a preliminary application. Not later than sixty
159 days after receipt of such a preliminary application, the commissioner
160 shall indicate to the municipality, in writing, any recommendations for
161 improving the municipality's application. On or before July 1, 2008,
162 and annually thereafter, the commissioner shall conduct a lottery to
163 select ten nutmeg zones in the state.

164 (c) The amount of property taxes due under chapter 203 of the
165 general statutes for a facility that is acquired, constructed, substantially
166 renovated or expanded in a nutmeg zone, on or after the effective date
167 of this section, shall be reduced by ten per cent in each of the ten full
168 assessment years following the assessment year in which the
169 acquisition, construction, renovation or expansion of the facility is
170 completed. The state, acting by and in the discretion of the
171 Commissioner of Economic and Community Development, shall enter
172 into a contract with the municipality in which the nutmeg zone is
173 located to provide a grant to the municipality in an amount equal to
174 ten per cent of the amount that would have been due for property
175 taxes except for the provisions of this section. Such grant shall be made
176 annually for the ten assessment years that the taxes due for the facility

177 are reduced.

178 (d) The Commissioner of Economic and Community Development
179 may adopt regulations, in accordance with chapter 54 of the general
180 statutes, to implement this section.

181 Sec. 11. Subsection (a) of section 12-81r of the general statutes is
182 repealed and the following is substituted in lieu thereof (*Effective July*
183 *1, 2007*):

184 (a) Any municipality may (1) enter into an agreement with the
185 owner of any real property to abate the property tax due as of the date
186 of the agreement for a period not to exceed seven years if the property
187 has been subject to a spill, as defined in section 22a-452c, and the
188 owner agrees to conduct any environmental site assessment,
189 demolition and remediation of the spill necessary to redevelop the
190 property. Any such tax abatement shall only be for the period of
191 remediation and redevelopment and shall be contingent upon the
192 continuation and completion of the remediation and redevelopment
193 process with respect to the purposes specified in the agreement. The
194 abatement shall cease upon the sale or transfer of the property for any
195 other purpose unless the municipality consents to its continuation. The
196 municipality may also establish a recapture provision in the event of
197 sale provided such recapture shall not exceed the original amount of
198 taxes abated and may not go back further than the date of the
199 agreement; [or] (2) forgive all or a portion of the principal balance and
200 interest due on delinquent property taxes for the benefit of any
201 prospective purchaser who has obtained an environmental
202 investigation or remediation plan approved by the Commissioner of
203 Environmental Protection or a licensed environmental professional
204 under section 22a-133w, 22a-133x or 22a-133y and completes such
205 remediation plan for an establishment, as defined in section 22a-134,
206 deemed by the municipality to be abandoned; or (3) enter into an
207 agreement with the owner of residential property to abate up to thirty
208 per cent of the property tax due as of the date of the agreement,
209 provided the residential property (A) is subject to a consent order

210 entered into by a person other than the owner of the residential
 211 property and the Commissioner of Environmental Protection under
 212 section 22a-6, 22a-424, 22a-425, 22a-427, 22a-432 or 22a-433, (B) is to be
 213 remediated under such consent order, and (C) currently is, or in the
 214 future will be, undergoing remediation pursuant to a remediation plan
 215 approved by said commissioner. The municipality may determine the
 216 rate of any abatement based upon any reasonable factor, including, but
 217 not limited to, the degree and extent of the remediation to be
 218 conducted on the residential property. Any such abatement shall only
 219 be for the period the property is subject to remediation pursuant to an
 220 approved remediation plan, and shall cease upon the completion of the
 221 remediation, as determined by said commissioner. Said commissioner
 222 shall notify the municipality in writing of such completion. Any
 223 abatement shall cease upon the sale or transfer of the property for any
 224 purpose other than residential."

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	8-376
Sec. 2	July 1, 2007	8-378
Sec. 3	July 1, 2007	32-222(v)
Sec. 4	July 1, 2007	10-416(d)
Sec. 5	July 1, 2007	10-416a(d)
Sec. 6	July 1, 2007	8-395(k)
Sec. 7	July 1, 2007	New section
Sec. 8	July 1, 2007	New section
Sec. 9	July 1, 2007	New section
Sec. 10	October 1, 2007	New section
Sec. 11	July 1, 2007	12-81r(a)