Substitute Senate Bill No. 175

Public Act No. 10-162

AN ACT TRIGGERING CERTAIN ECONOMIC DEVELOPMENT PROGRAMS AND EXTENDING THE DEADLINE FOR CERTAIN TAX EXEMPTIONS.

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

Section 1. Section 32-56 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) In view of the contemplated reduction in defense expenditures by the federal government and the fact that Connecticut ranks first in the nation on a per capita basis in defense contracts awarded, the department shall engage special agent technologists who shall take steps to assist medium and small manufacturers to find solutions for the problems related to defense conversion and in executing adaptation to new technologies. Such assistance shall be made available to medium-sized and small companies which lack sufficient resources to keep abreast of new technologies in fields allied to their own or in entering new markets not oriented to defense production.

(b) It is found and declared that Connecticut ranks very high among the states on a per capita basis in the amounts of prime defense contracts awarded; that the economies of many areas in the state and the employment opportunities offered by many businesses in the state

are heavily defense-dependent and would suffer severe adverse impacts in the event of prime defense contract cutbacks or major aerospace or defense plant closures; that, in the event that defense-dependent areas or businesses in the state were severely impacted by a prime defense contract cutback or major aerospace or defense plant closure, there would be a serious need for non-defense-related industrial and commercial development and activity in such areas or by such businesses to provide and maintain employment and tax revenues; that private and public capital investment in the construction, renovation, and expansion of nondefense manufacturing and other industrial facilities will best contribute to maintaining employment and the existing tax base and to the development of a wider-based and more balanced economy in the state; and that the tax and other financial incentives provided by this section to encourage such public and private investment in businesses and municipalities severely impacted by prime defense contract cutbacks, are important and necessary applications of the resources of the state in the exercise of its responsibility to preserve the health, safety and general welfare in the state of its people; and therefore the necessity, in the public interest and for the public benefit and good, of the provisions of this section is hereby declared as a matter of legislative determination.

(c) The commissioner may determine that the economy of a municipality has been severely impacted by a prime defense contract cutback or major aerospace or defense plant closure with not less than eight hundred employees. The commissioner shall make such a determination only after a public hearing, at which hearing information shall be submitted to support the findings required by this section.

(d) (1) In determining that a municipality has been severely impacted by a prime defense contract cutback or major aerospace or defense plant closure with not less than eight hundred employees the

commissioner shall find that (A) one or more businesses in the municipality has experienced a cancellation of one or more prime defense contracts or major aerospace or defense plant closure with not less than eight hundred employees, or subcontracts entered into in connection with prime defense contracts, or a significant reduction in prime defense contract or related subcontract awards or orders; (B) such prime defense contract cutback or major aerospace or defense plant closure has caused or will cause a loss of employment opportunities in the municipality; (C) such prime defense contract or major aerospace or defense plant closure cutback has caused or will cause a severe adverse impact in the municipality. In making such findings the commissioner may consider the extent to which the businesses in the municipality are, or were at the period in time before the prime defense contract cutback or major aerospace or defense plant closure occurred, dependent on prime defense contracts or on subcontracts related to such prime defense contracts or major aerospace or defense plant closures; the extent to which one or more prime defense contractors in the municipality has or plans to reduce its work force or the amount of defense subcontract awards or orders which would be performed by businesses in the municipality; the extent to which the unemployed in the municipality are or were defense workers with specialized skills not easily transferable to other industries; the existence of abandoned or underutilized defense-related manufacturing facilities in the municipality; and any other factors which the commissioner deems relevant to such finding. (2) The commissioner's determination that a municipality is severely impacted by a prime defense contract cutback or major aerospace or defense plant closure shall be effective for two years from the date of the decision of the commissioner. The commissioner may renew such determination for two additional two-year periods following a public hearing and upon making the findings required by this subsection. Notwithstanding the provisions of this subdivision, if (A) a military installation of the United States Department of Defense at which

military vehicle engines were produced is located in any such municipality, (B) the military installation is closed pursuant to 10 USC 2687, and (C) the Department of Defense plans to convey the site of said installation to said municipality, the determination by the commissioner that the municipality is severely impacted by a prime defense contract cutback or major aerospace or defense plant closure shall remain effective until such conveyance and any environmental remediation of the site are completed or until such time as the plant has been reoccupied by another business, and such determination may be renewed for a period not exceeding two years.

(e) Any business facility located in a municipality declared by the commissioner to be severely impacted by a prime defense contract cutback or major aerospace or defense plant closure pursuant to subsection (c) of this section, which facility would be a "manufacturing facility", as defined in subsection (d) of section 32-9p, but for the fact that the facility is not in a "distressed municipality", as defined in subsection (b) of section 32-9p, will be deemed a manufacturing facility for the purposes of sections 32-9p to 32-9s, inclusive, section 12-217e, and subdivisions (59) and (60) of section 12-81, if the purpose of the construction, expansion, renovation or acquisition of such facility is not dependent on prime defense contracts or related subcontracts. The provisions of this section shall apply to a business facility located in a building that was vacant on July 1, 1998, and was formerly used for defense manufacturing or as a major aerospace or defense plant.

(f) Any municipality declared by the commissioner to be severely impacted by a prime defense contract cutback or major aerospace or defense plant closure will be deemed a distressed municipality under sections 8-190 and 8-195 for the purpose of assisting non-defense-dependent projects.

Sec. 2. (*Effective from passage*) Notwithstanding the provisions of subparagraph (C) of subdivision (59) of section 12-81 of the general

statutes, any person otherwise eligible for a 2009 grand list exemption pursuant to subdivision (59) of said section 12-81 in the town of Seymour, except that such person failed to file the required exemption application within the time period prescribed, shall be regarded as having filed said application in a timely manner if such person files said application not later than thirty days after the effective date of this section, and pays the late filing fee pursuant to section 12-81k of the general statutes. Upon confirmation of the receipt of such fee and verification of the exemption eligibility of the machinery and equipment included in such application, the assessor shall approve the exemption for such property. If taxes have been paid on the property for which such exemption is approved, the town of Torrington shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the application had been filed in a timely manner. Notwithstanding the provisions of subsection (c) of section 12-94b of the general statutes and section 12-94e of the general statutes, the assessor of the town of Seymour may submit such approved exemption application to the Secretary of the Office of Policy and Management together with a request for reimbursement of the tax loss resulting from such exemption. Subject to the secretary's review and approval of such exemption, such reimbursement shall be included in the next certification the secretary makes to the Comptroller under the provisions of section 12-94b of the general statutes.

Approved June 9, 2010