



General Assembly

February Session, 2010

Committee Bill No. 5074

LCO No. 1941

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Referred to Committee on Commerce

Introduced by:
(CE)

**AN ACT ENCOURAGING BIOMANUFACTURING JOBS IN
DISTRESSED MUNICIPALITIES.**

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

1 Section 1. Section 32-9p of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2010*):

3 As used in subdivisions (59) and (60) of section 12-81, as amended
4 by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as amended
5 by this act, and 32-23p, the following words and terms have the
6 following meanings:

7 (a) "Area of high unemployment" means, as of the date of any final
8 and official determination by the authority or the department to
9 extend assistance under said sections, any municipality which is a
10 distressed municipality as defined in subsection (b) of this section, and
11 any other municipality in the state which in the calendar year
12 preceding such determination had a rate of unemployment which
13 exceeded one hundred ten per cent of the average rate of
14 unemployment in the state for the same calendar year, as determined
15 by the Labor Department, provided no such other municipality with

16 an unemployment rate of less than six per cent shall be an area of high
17 unemployment.

18 (b) "Distressed municipality" means, as of the date of the issuance of
19 an eligibility certificate, any municipality in the state which, according
20 to the United States Department of Housing and Urban Development
21 meets the necessary number of quantitative physical and economic
22 distress thresholds which are then applicable for eligibility for the
23 urban development action grant program under the Housing and
24 Community Development Act of 1977, as amended, or any town
25 within which is located an unconsolidated city or borough which
26 meets such distress thresholds. Any municipality which, at any time
27 subsequent to July 1, 1978, has met such thresholds but which at any
28 time thereafter fails to meet such thresholds, according to said
29 department, shall be deemed to be a distressed municipality for a
30 period of five years subsequent to the date of the determination that
31 such municipality fails to meet such thresholds, unless such
32 municipality elects to terminate its designation as a "distressed
33 municipality", by vote of its legislative body, not later than September
34 1, 1985, or not later than three months after receiving notification from
35 the commissioner that it no longer meets such thresholds, whichever is
36 later. In the event a distressed municipality elects to terminate its
37 designation, the municipality shall notify the commissioner and the
38 Secretary of the Office of Policy and Management in writing within
39 thirty days. In the event that the commissioner determines that
40 amendatory federal legislation or administrative regulation has
41 materially changed the distress thresholds thereby established,
42 "distressed municipality" shall mean any municipality in the state
43 which meets comparable thresholds of distress which are then
44 applicable in the areas of high unemployment and poverty, aging
45 housing stock and low or declining rates of growth in job creation,
46 population and per capita income as established by the commissioner,
47 consistent with the purposes of subdivisions (59) and (60) of section 12-
48 81, as amended by this act, and sections 12-217e, as amended by this
49 act, 32-9p to 32-9s, inclusive, as amended by this act, and 32-23p, in

50 regulations adopted in accordance with chapter 54. For purposes of
51 sections 32-9p to 32-9s, inclusive, as amended by this act, "distressed
52 municipality" shall also mean any municipality adversely impacted by
53 a major plant closing, relocation or layoff, provided the eligibility of a
54 municipality shall not exceed two years from the date of such closing,
55 relocation or layoff. The Commissioner of Economic and Community
56 Development shall adopt regulations, in accordance with the
57 provisions of chapter 54, which define what constitutes a "major plant
58 closing, relocation or layoff" for purposes of sections 32-9p to 32-9s,
59 inclusive, as amended by this act. "Distressed municipality" shall also
60 mean the portion of any municipality which is eligible for designation
61 as an enterprise zone pursuant to subdivision (2) of subsection (b) of
62 section 32-70.

63 (c) "Eligibility certificate" means a certificate issued by the
64 department pursuant to section 32-9r, as amended by this act,
65 evidencing its determination that a facility for which an application for
66 assistance has been submitted qualifies as a manufacturing facility and
67 is eligible for assistance under section 12-217e, as amended by this act,
68 and subdivisions (59) and (60) of section 12-81, as amended by this act.

69 (d) "Manufacturing facility" means any plant, building, other real
70 property improvement, or part thereof, (1) which (A) is constructed or
71 substantially renovated or expanded on or after July 1, 1978, in a
72 distressed municipality, a targeted investment community as defined
73 in section 32-222, or an enterprise zone designated pursuant to section
74 32-70, or (B) is acquired on or after July 1, 1978, in a distressed
75 municipality, a targeted investment community as defined in section
76 32-222, or an enterprise zone designated pursuant to said section 32-70,
77 by a business organization which is unrelated to and unaffiliated with
78 the seller, after having been idle for at least one year prior to its
79 acquisition and regardless of its previous use; (2) which is to be used
80 for the manufacturing, processing or assembling of raw materials,
81 parts or manufactured products, for research and development
82 facilities directly related to manufacturing, for the significant servicing,

83 overhauling or rebuilding of machinery and equipment for industrial
84 use, or, except as provided in this subsection, for warehousing and
85 distribution or, (A) if located in an enterprise zone designated
86 pursuant to said section 32-70, which is to be used by an establishment,
87 an auxiliary or an operating unit of an establishment as such terms are
88 defined in the Standard Industrial Classification Manual, in the
89 categories of depository institutions, nondepository credit institutions,
90 insurance carriers, holding or other investment offices, business
91 services, health services, fishing, hunting and trapping, motor freight
92 transportation and warehousing, water transportation, transportation
93 by air, transportation services, security and commodity brokers,
94 dealers, exchanges and services, telemarketing or engineering,
95 accounting, research, management and related services including, but
96 not limited to, management consulting services from the Standard
97 Industrial Classification Manual or in Sector 48, 49, 52, 54, 55, or 62,
98 Subsector 114 or 561, or industry group 5621 in the North American
99 Industrial Classification System, United States Manual, United States
100 Office of Management and Budget, 1997 edition, which establishment,
101 auxiliary or operating unit shows a strong performance in exporting
102 goods and services, and as further defined by the commissioner
103 through regulations adopted under chapter 54, or (B) if located in an
104 enterprise zone designated pursuant to said section 32-70, which is to
105 be used by an establishment primarily engaged in supplying goods or
106 services in the fields of computer hardware or software, computer
107 networking, telecommunications or communications, or (C) if located
108 in a municipality with an entertainment district designated under
109 section 32-76 or established under section 2 of public act 93-311, is to be
110 used in the production of entertainment products, including
111 multimedia products, or as part of the airing, display or provision of
112 live entertainment for stage or broadcast, including support services
113 such as set manufacturers, scenery makers, sound and video
114 equipment providers and manufacturers, stage and screen writers,
115 providers of capital for the entertainment industry and agents for
116 talent, writers, producers and music properties and technological

117 infrastructure support including, but not limited to, fiber optics,
118 necessary to support multimedia and other entertainment formats,
119 except entertainment provided by or shown at a gambling or gaming
120 facility or a facility whose primary business is the sale or serving of
121 alcoholic beverages; and (3) for which the department has issued an
122 eligibility certificate in accordance with section 32-9r, as amended by
123 this act. In the case of facilities which are acquired, the department
124 may waive the requirement of one year of idleness if it determines
125 that, absent qualification as a manufacturing facility under
126 subdivisions (59) and (60) of section 12-81, as amended by this act, and
127 sections 12-217e, as amended by this act, 32-9p to 32-9s, inclusive, as
128 amended by this act, and 32-23p, there is a high likelihood that the
129 facility will remain idle for one year. In the case of facilities located in
130 an enterprise zone designated pursuant to said section 32-70, (A) the
131 idleness requirement in subparagraph (B) of subdivision (1) of this
132 subsection, for business organizations which over the six months
133 preceding such acquisition have had an average total employment of
134 between six and nineteen employees, inclusive, shall be reduced to a
135 minimum of six months, and (B) the idleness requirement shall not
136 apply to business organizations with an average total employment of
137 five or fewer employees, provided no more than one eligibility
138 certificate shall be issued under this subparagraph for the same facility
139 within a three-year period. Of those facilities which are for
140 warehousing and distribution, only those which are newly constructed
141 or which represent an expansion of an existing facility qualify as
142 manufacturing facilities. In the event that only a portion of a plant is
143 acquired, constructed, renovated or expanded, only the portion
144 acquired, constructed, renovated or expanded constitutes the
145 manufacturing facility. A manufacturing facility which is leased may
146 for the purposes of subdivisions (59) and (60) of section 12-81, as
147 amended by this act, and sections 12-217e, as amended by this act, 32-
148 9p to 32-9s, inclusive, as amended by this act, and 32-23p, be treated in
149 the same manner as a facility which is acquired if the provisions of the
150 lease serve to further the purposes of subdivisions (59) and (60) of

151 section 12-81, as amended by this act, and sections 12-217e, as
152 amended by this act, 32-9p to 32-9s, inclusive, as amended by this act,
153 and 32-23p and demonstrate a substantial, long-term commitment by
154 the occupant to use the manufacturing facility, including a contract for
155 lease for an initial minimum term of five years with provisions for the
156 extension of the lease at the request of the lessee for an aggregate term
157 which shall not be less than ten years, or the right of the lessee to
158 purchase the facility at any time after the initial five-year term, or both.
159 For a facility located in an enterprise zone designated pursuant to said
160 section 32-70, and occupied by a business organization with an average
161 total employment of ten or fewer employees over the six-month period
162 preceding acquisition, such contract for lease may be for an initial
163 minimum term of three years with provisions for the extension of the
164 lease at the request of the lessee for an aggregate term which shall not
165 be less than six years, or the right of the lessee to purchase the facility
166 at any time after the initial three-year term, or both, and may also
167 include the right for the lessee to relocate to other space within the
168 same enterprise zone, provided such space is under the same
169 ownership or control as the originally leased space or if such space is
170 not under such same ownership or control as the originally leased
171 space, permission to relocate is granted by the lessor of such originally
172 leased space, and such relocation shall not extend the duration of
173 benefits granted under the original eligibility certificate. Except as
174 provided in subparagraph (B) of subdivision (1) of this subsection, a
175 manufacturing facility does not include any plant, building, other real
176 property improvement or part thereof used or usable for such
177 purposes which existed before July 1, 1978.

178 (e) "Service facility" means a manufacturing facility described in
179 subparagraph (A) or (B) of subdivision (2) of subsection (d) of this
180 section, provided such facility is located outside of an enterprise zone
181 in a targeted investment community.

182 (f) "Authority", "capital reserve fund bond", "commissioner",
183 "department", "industrial project" and "insurance fund" shall have the

184 meaning such words and terms are given in section 32-23d.

185 (g) "Municipality" means any town, city or borough in the state.

186 (h) "Biomanufacturing facility" means any plant, building, other real
187 property improvement or part thereof, (1) (A) constructed or
188 substantially renovated or expanded, on or after the effective date of
189 this section, in a distressed municipality, or (B) acquired, on or after
190 the effective date of this section, in a distressed municipality, by a
191 business organization which is unrelated to and unaffiliated with the
192 seller, after having been idle for at least one year prior to its acquisition
193 and regardless of its previous use; (2) to be used for development of
194 technologies that use chemical, physical or biological processes
195 performed by living cells for use in other applications, including, but
196 not limited to, the production of pharmaceuticals; and (3) for which the
197 department has issued an eligibility certificate in accordance with
198 section 32-9r, as amended by this act. In the case of facilities which are
199 acquired, the department may waive the requirement of one year of
200 idleness if it determines that, absent qualification as a
201 biomanufacturing facility under subdivision (59) of section 12-81, as
202 amended by this act, and sections 12-217e, 32-9p and 32-9r, as
203 amended by this act, there is a high likelihood that the facility will
204 remain idle for one year. Of those facilities which are for warehousing
205 and distribution, only those which are newly constructed or which
206 represent an expansion of an existing facility qualify as
207 biomanufacturing facilities. In the event that only a portion of a plant
208 is acquired, constructed, renovated or expanded, only the portion
209 acquired, constructed, renovated or expanded constitutes the
210 biomanufacturing facility. A biomanufacturing facility which is leased
211 may, for the purposes of subdivision (59) of section 12-81, as amended
212 by this act, and sections 12-217e, 32-9p and 32-9r, as amended by this
213 act, be treated in the same manner as a facility which is acquired if the
214 provisions of the lease serve to further the purposes of subdivision (59)
215 of section 12-81, as amended by this act, and sections 12-217e, 32-9p
216 and 32-9r, as amended by this act, and demonstrate a substantial, long-

217 term commitment by the occupant to use the biomanufacturing
218 facility, by including in a contract for lease an initial minimum term of
219 five years with provisions for the extension of the lease at the request
220 of the lessee for an aggregate term which shall not be less than ten
221 years, or the right of the lessee to purchase the facility at any time after
222 the initial five-year term, or both. Except as provided in subparagraph
223 (B) of subdivision (1) of this subsection, a biomanufacturing facility
224 does not include any plant, building, other real property improvement
225 or part thereof used or usable for such purposes which existed before
226 the effective date of this section.

227 Sec. 2. Section 32-9r of the general statutes is repealed and the
228 following is substituted in lieu thereof (*Effective July 1, 2010*):

229 (a) Any person may apply to the department for a determination as
230 to whether the facility described in an application qualifies as a
231 manufacturing facility, biomanufacturing facility or service facility.
232 Applications for eligibility certificates are to be made on the forms and
233 in the manner prescribed by the department. In evaluating each
234 application the department may require the submission of all books,
235 records, documents, drawings, specifications, certifications and other
236 evidentiary items which it deems appropriate.

237 (b) No eligibility certificate shall be issued after March 1, 1991, for a
238 manufacturing facility located in a distressed municipality which does
239 not qualify as a targeted investment community unless the department
240 has issued to the applicant a commitment letter for such facility prior
241 to March 1, 1991. Notwithstanding the provisions of this subsection, an
242 eligibility certificate may be issued by the department after March 1,
243 1991, for a qualified manufacturing facility acquired, constructed or
244 substantially renovated in a distressed municipality provided the
245 commissioner determines that such acquisition, construction or
246 substantial renovation was initiated prior to March 1, 1991, and was
247 legitimately induced by the prospect of assistance under section 12-
248 217e, as amended by this act, and subdivisions (59) and (60) of section

249 12-81, as amended by this act, respectively.

250 (c) The department may issue an eligibility certificate for a qualified
251 manufacturing facility or a qualified service facility located in a
252 targeted investment community upon determination by the
253 commissioner [(A)] (1) that the acquisition, construction or substantial
254 renovation relating to the qualified manufacturing facility or qualified
255 service facility in such community was induced by the prospect of
256 assistance under section 12-217e, as amended by this act, and
257 subdivisions (59) and (60) of [said] section 12-81, as amended by this
258 act; and [(B)] (2) the applicant demonstrates an economic need or there
259 is an economic benefit to the state. The department shall issue an
260 eligibility certificate if the commissioner determines [(1)] (A) that the
261 manufacturing facility is located in an enterprise zone designated
262 pursuant to section 32-70 and is a qualified manufacturing facility, or
263 [(2)] (B) that the facility is a plant, building, other real property
264 improvement, or part thereof, which is located in a municipality with
265 an entertainment district designated under section 32-76 or established
266 under section 2 of public act 93-311, and which qualifies as a
267 "manufacturing facility" under subsection (d) of section 32-9p, as
268 amended by this act, in that it is to be used in the production of
269 entertainment products, including multimedia products, or as part of
270 the airing, display or provision of live entertainment for stage or
271 broadcast, including support services such as set manufacturers,
272 scenery makers, sound and video equipment providers and
273 manufacturers, stage and screen writers, providers of capital for the
274 entertainment industry and agents for talent, writers, producers and
275 music properties and technological infrastructure support including,
276 but not limited to, fiber optics, necessary to support multimedia and
277 other entertainment formats, except entertainment provided by or
278 shown at a gambling or gaming facility or a facility whose primary
279 business is the sale or serving of alcoholic beverages.

280 (d) The department may issue an eligibility certificate for a
281 biomanufacturing facility upon determination by the commissioner

282 that (1) the acquisition, construction or substantial renovation relating
283 to the biomanufacturing facility was initiated prior to July 1, 2014; (2)
284 such acquisition, construction or substantial renovation was
285 legitimately induced by the prospect of assistance under section 12-
286 217e, as amended by this act, and subdivisions (59) and (60) of section
287 12-81, as amended by this act; and (3) the applicant demonstrates an
288 economic need or there is an economic benefit to the state.

289 [(b)] (e) The department shall reach a determination as to the
290 eligibility of a facility within a reasonable time period, but may
291 postpone the determination to the extent required to verify to its
292 satisfaction that there is a high likelihood that any proposed facility
293 will actually be constructed, expanded, substantially renovated or
294 acquired. Upon a favorable finding, the department shall issue to the
295 applicant a certificate to the effect that the facility concerned is a
296 manufacturing facility, biomanufacturing facility or a service facility
297 and is eligible for assistance under section 12-217e, as amended by this
298 act, and subdivisions (59) and (60) of section 12-81, as amended by this
299 act.

300 [(c)] (f) Upon an unfavorable determination the department shall
301 issue a notice to the applicant to the effect that the facility concerned
302 has been determined not to be a manufacturing facility, z
303 biomanufacturing facility or a service facility, together with a
304 statement in reasonable detail as to the reasons for the unfavorable
305 determination. Any aggrieved applicant shall be afforded an
306 opportunity for a public hearing on the matter within thirty days
307 following issuance of the notice. The department shall reconsider the
308 application based upon the information presented at the public
309 hearing and reaffirm or change its earlier determination within ten
310 days of the hearing.

311 [(d)] (g) The decision of the department to issue an eligibility
312 certificate or to deny an application for the issuance of an eligibility
313 certificate either upon the expiration of thirty days without a public

314 hearing following an initial unfavorable determination or upon any
315 reconsideration of the application pursuant to subsection [(c)] (f) of this
316 section is conclusive and final as to the matters thereby decided, and
317 chapter 54 shall not apply to the administrative determinations
318 authorized to be made by this section.

319 [(e)] (h) Any person who claims a benefit under section 12-217e, as
320 amended by this act, or subdivisions (59) and (60) of section 12-81, as
321 amended by this act, shall notify the department of any change in fact
322 or circumstance which may bear upon the continued qualification as a
323 manufacturing facility, biomanufacturing facility or a service facility
324 for which an eligibility certificate has been issued. Upon receipt of such
325 information or upon independent investigation, the department may
326 revoke the eligibility certificate in the manner provided in subsection
327 [(c)] (f) of this section.

328 [(f)] (i) The commissioner shall adopt regulations, in accordance
329 with chapter 54, to carry out the provisions of this section. Such
330 regulations shall provide that establishments in the category of
331 business services, as defined in the Standard Industrial Classification
332 Manual, or manufacturing facilities, as defined in subsection (d) of
333 section 32-9p, as amended by this act, may be eligible for a certificate if
334 they are located in an enterprise zone.

335 Sec. 3. Subdivision (59) of section 12-81 of the 2010 supplement to
336 the general statutes is repealed and the following is substituted in lieu
337 thereof (*Effective from passage and applicable to assessment years*
338 *commencing on or after October 1, 2010*):

339 (59) (a) Any manufacturing facility, as defined in section 32-9p, as
340 amended by this act, acquired, constructed, substantially renovated or
341 expanded on or after July 1, 1978, in a distressed municipality, as
342 defined in said section or in a targeted investment community, as
343 defined in section 32-222, or in an enterprise zone designated pursuant
344 to section 32-70 and for which an eligibility certificate has been issued
345 by the Department of Economic and Community Development, and

346 any manufacturing plant designated by the Commissioner of
347 Economic and Community Development under subsection (a) of
348 section 32-75c as follows: To the extent of eighty per cent of its
349 valuation for purposes of assessment in each of the five full assessment
350 years following the assessment year in which the acquisition,
351 construction, renovation or expansion of the manufacturing facility is
352 completed, except that a manufacturing facility having a standard
353 industrial classification code of 2833 or 2834 and having at least one
354 thousand full-time employees, as defined in subsection (f) of section
355 32-9j, shall be eligible to have the assessment period extended for five
356 additional years upon approval of the commissioner, in accordance
357 with all applicable regulations, provided such full-time employees
358 have not been relocated from another facility in the state operated by
359 the same eligible applicant;

360 (b) Any service facility, as defined in section 32-9p, as amended by
361 this act, acquired, constructed, substantially renovated or expanded on
362 or after July 1, 1996, and for which an eligibility certificate has been
363 issued by the Department of Economic and Community Development,
364 as follows: (i) In the case of an investment of twenty million dollars or
365 more but not more than thirty-nine million dollars in the service
366 facility, to the extent of forty per cent of its valuation for purposes of
367 assessment in each of the five full assessment years following the
368 assessment year in which the acquisition, construction, renovation or
369 expansion of the service facility is completed; (ii) in the case of an
370 investment of more than thirty-nine million dollars but not more than
371 fifty-nine million dollars in the service facility, to the extent of fifty per
372 cent of its valuation for purposes of assessment in each of the five full
373 assessment years following the assessment year in which the
374 acquisition, construction, renovation or expansion of the service
375 facility is completed; (iii) in the case of an investment of more than
376 fifty-nine million dollars but not more than seventy-nine million
377 dollars in the service facility, to the extent of sixty per cent of its
378 valuation for purposes of assessment in each of the five full assessment
379 years following the assessment year in which the acquisition,

380 construction, renovation or expansion of the service facility is
381 completed; (iv) in the case of an investment of more than seventy-nine
382 million dollars but not more than ninety million dollars in the service
383 facility, to the extent of seventy per cent of its valuation for purposes of
384 assessment in each of the five full assessment years following the
385 assessment year in which the acquisition, construction, renovation or
386 expansion of the service facility is completed; or (v) in the case of an
387 investment of more than ninety million dollars in the service facility, to
388 the extent of eighty per cent of its valuation for purposes of assessment
389 in each of the five full assessment years following the assessment year
390 in which the acquisition, construction, renovation or expansion of the
391 service facility is completed, except that any financial institution, as
392 defined in section 12-217u, having at least four thousand qualified
393 employees, as determined in accordance with an agreement pursuant
394 to subdivision (3) of subsection (n) of section 12-217u, shall be eligible
395 to have the assessment period extended for five additional years upon
396 approval of the commissioner, in accordance with all applicable
397 regulations, provided such full-time employees have not been
398 relocated from another facility in the state operated by the same
399 eligible applicant. In no event shall the definition of qualified
400 employee be more favorable to the employer than the definition
401 provided in section 12-217u;

402 (c) Any biomanufacturing facility, as defined in section 32-9p, as
403 amended by this act, acquired, constructed, substantially renovated or
404 expanded on or after the effective date of this section, but prior to July
405 1, 2014, and for which an eligibility certificate has been issued by the
406 Department of Economic and Community Development for an
407 investment of fifty million dollars or more in a biomanufacturing
408 facility, to the extent of eighty per cent of such facility's valuation for
409 purposes of assessment in each of the seven full assessment years
410 following the assessment year in which the acquisition, construction,
411 renovation or expansion of the biomanufacturing facility is completed;

412 ~~[(c)]~~ (d) The completion date of a manufacturing facility,

413 manufacturing plant, biomanufacturing facility or a service facility will
414 be determined by the Department of Economic and Community
415 Development taking into account the issuance of occupancy certificates
416 and such other factors as it deems relevant. In the case of a
417 manufacturing facility, manufacturing plant, biomanufacturing facility
418 or a service facility which consists of a constructed, renovated or
419 expanded portion of an existing plant, the assessed valuation of the
420 facility, biomanufacturing facility or manufacturing plant is the
421 difference between the assessed valuation of the plant prior to its being
422 improved and the assessed valuation of the plant upon completion of
423 the improvements. In the case of a manufacturing facility,
424 manufacturing plant, biomanufacturing facility or a service facility
425 which consists of an acquired portion of an existing plant, the assessed
426 valuation of the facility or manufacturing plant is the assessed
427 valuation of the portion acquired. This exemption shall be applicable
428 during each such assessment year regardless of any change in the
429 ownership or occupancy of the facility or manufacturing plant. If
430 during any such assessment year, however, any facility for which an
431 eligibility certificate has been issued ceases to qualify as a
432 manufacturing facility, manufacturing plant, biomanufacturing facility
433 or a service facility, the entitlement to the exemption allowed by this
434 subdivision shall terminate for the assessment year following the date
435 on which the qualification ceases, and there shall not be a pro rata
436 application of the exemption. Any person who desires to claim the
437 exemption provided in this subdivision shall file annually with the
438 assessor or board of assessors in the distressed municipality, targeted
439 investment community or enterprise zone designated pursuant to
440 section 32-70, as applicable, in which the manufacturing facility,
441 biomanufacturing facility or service facility is located, on or before the
442 first day of November, written application claiming such exemption on
443 a form prescribed by the Secretary of the Office of Policy and
444 Management. Failure to file such application in this manner and form
445 within the time limit prescribed shall constitute a waiver of the right to
446 such exemption for such assessment year, unless an extension of time

447 is allowed pursuant to section 12-81k, and upon payment of the
448 required fee for late filing;

449 Sec. 4. Section 12-217e of the general statutes is repealed and the
450 following is substituted in lieu thereof (*Effective from passage and*
451 *applicable to income years commencing on or after January 1, 2010*):

452 (a) There shall be allowed as a credit against the tax imposed by this
453 chapter an amount equal to twenty-five per cent of that portion of such
454 tax which is allocable to any manufacturing facility, provided, for any
455 such facility which is located in an enterprise zone designated
456 pursuant to section 32-70 or in a municipality with an entertainment
457 district designated under section 32-76 or established under section 2
458 of public act 93-311 and which became eligible as a manufacturing
459 facility after the designation of such zone and for which not less than
460 one hundred fifty full-time employees or thirty per cent of the full-time
461 employment positions directly attributable to the manufacturing
462 facility were, during the last quarter of the income year of the
463 taxpayer, held by employees of the taxpayer who at the time of
464 employment were (1) residents of such zone, or (2) residents of such
465 municipality and eligible for training under the Federal
466 Comprehensive Employment Training Act or any other training
467 program that may replace the Comprehensive Employment Training
468 Act, a credit of fifty per cent shall be allowed. A position is directly
469 attributable to the manufacturing facility if: (A) The work is performed
470 or the base of operations is at the facility; (B) the position did not exist
471 prior to the construction, renovation, expansion or acquisition of the
472 facility; and (C) but for the construction, renovation, expansion or
473 acquisition of the facility, the position would not have existed,
474 provided nothing in this section shall preclude a position from being
475 considered directly attributable to a manufacturing facility if such
476 position formerly existed in an eligible manufacturing facility in the
477 same municipality under section 32-9p, as amended by this act.

478 (b) There shall be allowed as a credit against the tax imposed by this

479 chapter an amount equal to the following percentage of that portion of
480 such tax which is allocable to any service facility: (1) Fifteen per cent, if
481 there are three hundred or more but not more than five hundred
482 ninety-nine new employees working at such facility; (2) twenty per
483 cent if there are six hundred or more but not more than eight hundred
484 ninety-nine new employees working at such facility; (3) twenty-five
485 per cent, if there are nine hundred or more but not more than one
486 thousand one hundred ninety-nine new employees working at such
487 facility; (4) thirty per cent if there are one thousand two hundred or
488 more but not more than one thousand four hundred ninety-nine new
489 employees working at such facility; (5) forty per cent, if there are one
490 thousand five hundred or more but not more than one thousand nine
491 hundred ninety-nine new employees working at such facility; or (6)
492 fifty per cent if there are two thousand or more new employees
493 working at such facility. As used in this subsection: (A) "New
494 employee" means a person hired by a taxpayer to fill a position for a
495 new job or a person shifted from an existing location of the taxpayer
496 outside this state to a service facility in this state, provided (i) in no
497 case shall the total number of new employees allowed for purposes of
498 this credit exceed the total increase in the taxpayer's employment in
499 this state, which increase shall be the difference between (I) the
500 number of employees employed by the taxpayer in this state at the
501 time of application to the Commissioner of Revenue Services for such
502 credit plus the number of new employees who would be eligible for
503 inclusion under the credit allowed under this subsection without
504 regard to this calculation, and (II) the highest number of employees
505 employed by the taxpayer in this state in the year preceding the
506 taxpayer's application to the Commissioner of Revenue Services for
507 such credit, and (ii) a person shall be deemed to be a "new employee"
508 only if such person's duties in connection with the operation of the
509 facility are on a regular, full-time or equivalent or full-time and
510 permanent basis; and (B) "new job" means a job that did not exist in the
511 business of a taxpayer in this state prior to the taxpayer's application to
512 the Commissioner of Revenue Services for such credit and that is filled

513 by a new employee, but does not include a job created when an
514 employee is shifted from an existing location of the taxpayer in this
515 state to a service facility.

516 (c) There shall be allowed as a credit against the tax imposed by this
517 chapter an amount equal to fifty per cent of that portion of such tax
518 which is allocable to any biomanufacturing facility, provided such
519 facility which is located in a distressed municipality, as defined in
520 section 32-9p, as amended by this act, and for which not less than fifty
521 full-time employees or thirty per cent of the full-time employment
522 positions directly attributable to the biomanufacturing facility were,
523 during the last quarter of the income year of the taxpayer, held by
524 employees of the taxpayer who at the time of employment were
525 residents of such municipality. A position is directly attributable to the
526 biomanufacturing facility if: (1) The work is performed or the base of
527 operations is at the facility; (2) the position did not exist prior to the
528 construction, renovation, expansion or acquisition of the facility; and
529 (3) but for the construction, renovation, expansion or acquisition of the
530 facility, the position would not have existed, provided nothing in this
531 section shall preclude a position from being considered directly
532 attributable to a biomanufacturing facility if such position formerly
533 existed in an eligible biomanufacturing facility in the same
534 municipality under section 32-9p, as amended by this act.

535 [(c)] (d) The portion of such tax which is allocable to such a
536 manufacturing facility, biomanufacturing facility or service facility
537 shall be determined by multiplying such tax by a fraction computed as
538 the simple arithmetical mean of the following fractions: First, a fraction
539 the numerator of which is the average monthly net book value in the
540 income year of the manufacturing facility, biomanufacturing facility or
541 service facility and machinery and equipment acquired for and
542 installed in the manufacturing facility, biomanufacturing facility or
543 service facility, without deduction on account of any encumbrance
544 thereon, or if rented to the taxpayer, the value of the manufacturing
545 facility, biomanufacturing facility or service facility and machinery and

546 equipment acquired for and installed in the manufacturing facility,
547 biomanufacturing facility or service facility, computed by multiplying
548 the gross rents payable by the taxpayer for the manufacturing facility
549 or service facility and such machinery and equipment during the
550 income year or period by eight, and the denominator of which is the
551 sum of the average monthly net book value of all real property and
552 machinery and equipment held and owned by the taxpayer in the
553 state, without deduction on account of any encumbrance thereon and
554 the value of all real property and machinery and equipment rented to
555 the taxpayer in the state, computed by multiplying the gross rents
556 payable during the income year by eight; and second, a fraction the
557 numerator of which is all wages, salaries and other compensation paid
558 during the income year to employees of the taxpayer whose positions
559 are directly attributable to the manufacturing facility or service facility
560 and the denominator of which is the wages, salaries and other
561 compensation paid during the income year to all employees of the
562 taxpayer in the state. An employee's position is directly so attributable
563 if (1) the employee's service is performed or [his] such employees's
564 base of operations is at the manufacturing facility, biomanufacturing
565 facility or service facility, (2) the position did not exist prior to the
566 construction, renovation, expansion or acquisition of the
567 manufacturing facility, biomanufacturing facility or service facility,
568 and (3) but for the construction, renovation, expansion or acquisition
569 of the manufacturing facility, biomanufacturing facility or service
570 facility the position would not have existed. For the purposes of this
571 subsection, "gross rents" means gross rents as defined in section 12-218.

572 [(d)] (e) The credit allowed by this section may be claimed only by
573 the initial occupant or occupants of the manufacturing facility,
574 biomanufacturing facility or service facility. The owner of the
575 manufacturing facility, biomanufacturing facility or service facility
576 may not claim the credit unless the owner is also an occupant. The
577 credit may first be claimed on the tax return for the taxpayer's income
578 year which begins during the calendar year next succeeding the
579 calendar year in which the taxpayer was issued an eligibility

580 certificate, and may be claimed in each of the following nine income
 581 years. If within such period, however, any facility for which an
 582 eligibility certificate has been issued ceases to qualify as a
 583 manufacturing facility, biomanufacturing facility or service facility or
 584 any occupant of a manufacturing facility, biomanufacturing facility or
 585 service facility ceases to be an occupant, the entitlement to the credit
 586 allowed by this section shall terminate in the income year in which the
 587 qualification or occupancy ceases, and there shall not be a pro rata
 588 application of the credit to such income year.

589 [(e)] (f) Any subsequent occupant or occupants of a manufacturing
 590 facility, biomanufacturing facility or service facility for which an
 591 eligibility certificate has been issued may claim the credit allowed by
 592 this section in accordance with subsection (c) of this section but only
 593 after obtaining a new eligibility certificate with respect to the
 594 manufacturing facility, biomanufacturing facility or service facility
 595 being occupied in the manner provided in section 32-9r, as amended
 596 by this act.

597 [(f)] (g) The Commissioner of Economic and Community
 598 Development shall, upon request, provide a copy of the applicable
 599 eligibility certificate to the Commissioner of Revenue Services.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	32-9p
Sec. 2	<i>July 1, 2010</i>	32-9r
Sec. 3	<i>from passage and applicable to assessment years commencing on or after October 1, 2010</i>	12-81(59)
Sec. 4	<i>from passage and applicable to income years commencing on or after January 1, 2010</i>	12-217e

Statement of Purpose:

To provide property tax exemptions and corporation business tax credits to corporations that invest fifty million dollars to develop biomanufacturing facilities in distressed municipalities.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. ROLDAN, 4th Dist.

H.B. 5074