



**Substitute House Bill No. 6529**

**Public Act No. 11-142**

**AN ACT PROMOTING ECONOMIC DEVELOPMENT IN THE AREA SURROUNDING OXFORD AIRPORT.**

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

Section 1. Section 32-75d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2012*):

There [is] are established [an] two airport development [zone,] zones, one of which is comprised of the following census tracts as assigned on October 1, 2011, in the towns of Middlebury, Oxford and Southbury: 3442, 3461.01, 3461.02 and 3481.21, and one of which is comprised of the following census blocks as assigned on October 1, 2011, in the towns of Windsor Locks, Suffield, East Granby and Windsor:

090034701001022,	090034701003000,	090034701003001,
090034701003002,	090034701003003,	090034701003004,
090034701003005,	090034701003017,	090034701003018,
090034701003019,	090034701003020,	090034701003021,
090034701003025,	090034701003026,	090034735022009,
090034735022010,	090034735022011,	090034735022012,
090034735022013,	090034735025004,	090034735027000,
090034735029000,	090034735029001,	090034735029002,
090034735029003,	090034735029004,	090034735029006,
090034761009000,	090034761009010,	090034761009011,

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090034761009012, 090034761009013, 090034762001023,  
090034762001025, 090034762002009, 090034762002013,  
090034763003004, 090034763009000, 090034763009001,  
090034763009002, 090034763009003, 090034763009004,  
090034763009005, 090034763009006, 090034763009007,  
090034763009008, 090034763009009, 090034763009010,  
090034763009011, 090034763009012, 090034763009013,  
090034763009014, 090034763009015, 090034763009016,  
090034763009017, 090034763009018, 090034763009020,  
090034763009021, 090034763009022, 090034763009023,  
090034763009024, 090034763009025, 090034763009026,  
090034763009031, 090034763009033, 090034771014005,  
090034771014011, 090034771014012, 090034771014013,  
090034771014014, 090034771014017, 090034771014018,  
090034771014019, 090034771014020, 090034771023025,  
090034771023026, 090034771023027, 090034771023036,  
090034701003006, 090034701003022, 090034701003023,  
090034701005000, 090034761001039, 090034763009028.

Sec. 2. Subparagraph (c) of subdivision (59) of section 12-81 of the general statutes, as amended by section 2 of public act 10-98, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2012*):

(c) The completion date of a manufacturing facility, manufacturing plant or a service facility will be determined by the Department of Economic and Community Development taking into account the issuance of occupancy certificates and such other factors as it deems relevant. In the case of a manufacturing facility, manufacturing plant or a service facility which consists of a constructed, renovated or expanded portion of an existing plant, the assessed valuation of the facility or manufacturing plant is the difference between the assessed valuation of the plant prior to its being improved and the assessed valuation of the plant upon completion of the improvements. In the case of a manufacturing facility, manufacturing plant or a service facility which consists of an acquired portion of an existing plant, the

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assessed valuation of the facility or manufacturing plant is the assessed valuation of the portion acquired. This exemption shall be applicable during each such assessment year regardless of any change in the ownership or occupancy of the facility or manufacturing plant. If during any such assessment year, however, any facility for which an eligibility certificate has been issued ceases to qualify as a manufacturing facility, manufacturing plant or a service facility, the entitlement to the exemption allowed by this subdivision shall terminate for the assessment year following the date on which the qualification ceases, and there shall not be a pro rata application of the exemption. Any person who desires to claim the exemption provided in this subdivision shall file annually with the assessor or board of assessors in the distressed municipality, targeted investment community, enterprise zone designated pursuant to section 32-70 or in [the] a town within [the] an airport development zone established pursuant to section 32-75d, as amended by this act, in which the manufacturing facility or service facility is located, on or before the first day of November, written application claiming such exemption on a form prescribed by the Secretary of the Office of Policy and Management. Failure to file such application in this manner and form within the time limit prescribed shall constitute a waiver of the right to such exemption for such assessment year, unless an extension of time is allowed pursuant to section 12-81k, and upon payment of the required fee for late filing;

Sec. 3. Subparagraph (c) of subdivision (60) of section 12-81 of the general statutes, as amended by section 3 of public act 10-98, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2012*):

(c) This exemption shall terminate for the assessment year next following if the manufacturing facility or service facility in which such machinery and equipment is installed no longer qualifies for an

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exemption under said subdivision (59), and there shall not be a pro rata application of the exemption of such machinery and equipment in the assessment year of such termination. Any person who desires to claim the exemption provided in this subdivision shall file annually with the assessor or board of assessors in the distressed municipality, targeted investment community, enterprise zone designated pursuant to section 32-70 or [the] a town in [the] an airport development zone established pursuant to section 32-75d, as amended by this act, in which the manufacturing facility or service facility is located, on or before the first day of November, written application claiming such exemption on a form prescribed by the Secretary of the Office of Policy and Management. Failure to file such application in this manner and form within the time limit prescribed shall constitute a waiver of the right to such exemption for such assessment year, unless an extension of time is allowed pursuant to section 12-81k, and upon payment of the required fee for late filing. This exemption shall not apply to rolling stock.

Sec. 4. Subsection (d) of section 32-9p of the general statutes, as amended by section 5 of public act 10-98, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2012*):

(d) "Manufacturing facility" means any plant, building, other real property improvement, or part thereof, (1) which (A) is constructed or substantially renovated or expanded on or after July 1, 1978, in a distressed municipality, a targeted investment community as defined in section 32-222, an enterprise zone designated pursuant to section 32-70 or [the] an airport development zone established pursuant to section 32-75d, or (B) is acquired on or after July 1, 1978, in a distressed municipality, a targeted investment community as defined in section 32-222, an enterprise zone designated pursuant to said section 32-70 or [the] an airport development zone established pursuant to section 32-75d, as amended by this act, by a business organization which is

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unrelated to and unaffiliated with the seller, after having been idle for at least one year prior to its acquisition and regardless of its previous use; (2) which is to be used for the manufacturing, processing or assembling of raw materials, parts or manufactured products, for research and development facilities directly related to manufacturing, for the significant servicing, overhauling or rebuilding of machinery and equipment for industrial use, or, except as provided in this subsection, for warehousing and distribution or, (A) if located in an enterprise zone designated pursuant to said section 32-70, which is to be used by an establishment, an auxiliary or an operating unit of an establishment as such terms are defined in the Standard Industrial Classification Manual, in the categories of depository institutions, nondepository credit institutions, insurance carriers, holding or other investment offices, business services, health services, fishing, hunting and trapping, motor freight transportation and warehousing, water transportation, transportation by air, transportation services, security and commodity brokers, dealers, exchanges and services, telemarketing or engineering, accounting, research, management and related services including, but not limited to, management consulting services from the Standard Industrial Classification Manual or in Sector 48, 49, 52, 54, 55, or 62, Subsector 114 or 561, or industry group 5621 in the North American Industrial Classification System, United States Manual, United States Office of Management and Budget, 1997 edition, which establishment, auxiliary or operating unit shows a strong performance in exporting goods and services, and as further defined by the commissioner through regulations adopted under chapter 54, or (B) if located in an enterprise zone designated pursuant to said section 32-70, which is to be used by an establishment primarily engaged in supplying goods or services in the fields of computer hardware or software, computer networking, telecommunications or communications, or (C) if located in a municipality with an entertainment district designated under section 32-76 or established under section 2 of public act 93-311, is to be used in the production of

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entertainment products, including multimedia products, or as part of the airing, display or provision of live entertainment for stage or broadcast, including support services such as set manufacturers, scenery makers, sound and video equipment providers and manufacturers, stage and screen writers, providers of capital for the entertainment industry and agents for talent, writers, producers and music properties and technological infrastructure support including, but not limited to, fiber optics, necessary to support multimedia and other entertainment formats, except entertainment provided by or shown at a gambling or gaming facility or a facility whose primary business is the sale or serving of alcoholic beverages, or (D) if located in [the] an airport development zone established pursuant to section 32-75d, as amended by this act, (i) which is to be used for the warehousing or motor freight distribution of goods transported by aircraft to or from an airport located in such zone, or (ii) in the opinion of the Commissioner of Economic and Community Development, is dependent upon or directly related to such airport and which, except as provided in this subparagraph, is to be used for any other business service, including, but not limited to, information technology but excluding any service provided by an organization that has a North American Industrial Classification Code of 441110 to 454390, inclusive, 532111, 532112 or 812930; and (3) for which the department has issued an eligibility certificate in accordance with section 32-9r, as amended by this act. In the case of facilities which are acquired, the department may waive the requirement of one year of idleness if it determines that, absent qualification as a manufacturing facility under subdivisions (59) and (60) of section 12-81, as amended by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as amended by this act, and 32-23p, there is a high likelihood that the facility will remain idle for one year. In the case of facilities located in an enterprise zone designated pursuant to said section 32-70, (A) the idleness requirement in subparagraph (B) of subdivision (1) of this subsection, for business organizations which over the six months preceding such acquisition

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have had an average total employment of between six and nineteen employees, inclusive, shall be reduced to a minimum of six months, and (B) the idleness requirement shall not apply to business organizations with an average total employment of five or fewer employees, provided no more than one eligibility certificate shall be issued under this subparagraph for the same facility within a three-year period. Of those facilities which are for warehousing and distribution, only those which are newly constructed or which represent an expansion of an existing facility qualify as manufacturing facilities. In the event that only a portion of a plant is acquired, constructed, renovated or expanded, only the portion acquired, constructed, renovated or expanded constitutes the manufacturing facility. A manufacturing facility which is leased may for the purposes of subdivisions (59) and (60) of section 12-81, as amended by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as amended by this act, and 32-23p, be treated in the same manner as a facility which is acquired if the provisions of the lease serve to further the purposes of subdivisions (59) and (60) of section 12-81, as amended by this act, and sections 12-217e, 32-9p to 32-9s, inclusive, as amended by this act, and 32-23p and demonstrate a substantial, long-term commitment by the occupant to use the manufacturing facility, including a contract for lease for an initial minimum term of five years with provisions for the extension of the lease at the request of the lessee for an aggregate term which shall not be less than ten years, or the right of the lessee to purchase the facility at any time after the initial five-year term, or both. For a facility located in an enterprise zone designated pursuant to said section 32-70, and occupied by a business organization with an average total employment of ten or fewer employees over the six-month period preceding acquisition, such contract for lease may be for an initial minimum term of three years with provisions for the extension of the lease at the request of the lessee for an aggregate term which shall not be less than six years, or the right of the lessee to purchase the facility at any time after the initial three-year term, or both, and may also

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include the right for the lessee to relocate to other space within the same enterprise zone, provided such space is under the same ownership or control as the originally leased space or if such space is not under such same ownership or control as the originally leased space, permission to relocate is granted by the lessor of such originally leased space, and such relocation shall not extend the duration of benefits granted under the original eligibility certificate. Except as provided in subparagraph (B) of subdivision (1) of this subsection, a manufacturing facility does not include any plant, building, other real property improvement or part thereof used or usable for such purposes which existed before July 1, 1978.

Sec. 5. Subsection (a) of section 32-9r of the general statutes, as amended by section 6 of public act 10-98, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2012*):

(a) Any person may apply to the department for a determination as to whether the facility described in an application qualifies as a manufacturing facility or service facility. Applications for eligibility certificates are to be made on the forms and in the manner prescribed by the department. In evaluating each application the department may require the submission of all books, records, documents, drawings, specifications, certifications and other evidentiary items which it deems appropriate. No eligibility certificate shall be issued after March 1, 1991, for a manufacturing facility located in a distressed municipality which does not qualify as a targeted investment community unless the department has issued to the applicant a commitment letter for such facility prior to March 1, 1991. Notwithstanding the provisions of this subsection, an eligibility certificate may be issued by the department after March 1, 1991, for a qualified manufacturing facility acquired, constructed or substantially renovated in a distressed municipality provided the commissioner determines that such acquisition, construction or substantial

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renovation was initiated prior to March 1, 1991, and was legitimately induced by the prospect of assistance under section 12-217e and subdivisions (59) and (60) of section 12-81, as amended by this act, respectively. The department may issue an eligibility certificate for a qualified manufacturing facility or a qualified service facility located in a targeted investment community upon determination by the commissioner (A) that the acquisition, construction or substantial renovation relating to the qualified manufacturing facility or qualified service facility in such community was induced by the prospect of assistance under section 12-217e and subdivisions (59) and (60) of said section 12-81; and (B) the applicant demonstrates an economic need or there is an economic benefit to the state. Notwithstanding the provisions of this subsection, an eligibility certificate shall be issued by the department after October 1, 2010, for a qualified manufacturing facility located in [the] an airport development zone established pursuant to section 32-75d, and may be issued by the department after October 1, 2010, for a facility described in subparagraph (D) of subdivision (2) of subsection (d) of section 32-9p, as amended by this act, upon determination by the commissioner (i) that the acquisition, construction or substantial renovation relating to the qualified manufacturing facility or facility described in said subparagraph (D) in the airport development zone was induced by the prospect of assistance under section 12-217e and subdivisions (59) and (60) of said section 12-81, as amended by this act; and (ii) the applicant demonstrates an economic need and there is an economic benefit to the state. The department shall issue an eligibility certificate if the commissioner determines (1) that the manufacturing facility is located in an enterprise zone designated pursuant to section 32-70 and is a qualified manufacturing facility or (2) that the facility is a plant, building, other real property improvement, or part thereof, which is located in a municipality with an entertainment district designated under section 32-76 or established under section 2 of public act 93-311, and which qualifies as a "manufacturing facility" under subsection (d)

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of section 32-9p, as amended by this act, in that it is to be used in the production of entertainment products, including multimedia products, or as part of the airing, display or provision of live entertainment for stage or broadcast, including support services such as set manufacturers, scenery makers, sound and video equipment providers and manufacturers, stage and screen writers, providers of capital for the entertainment industry and agents for talent, writers, producers and music properties and technological infrastructure support including, but not limited to, fiber optics, necessary to support multimedia and other entertainment formats, except entertainment provided by or shown at a gambling or gaming facility or a facility whose primary business is the sale or serving of alcoholic beverages.

Sec. 6. Section 32-9s of the general statutes, as amended by section 7 of public act 10-98, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2012*):

The state shall make an annual grant payment to each municipality, to each district, as defined in section 7-325, which is located in a distressed municipality, targeted investment community, enterprise zone or municipality within [the] an airport development zone established pursuant to section 32-75d, as amended by this act, and to each special services district created pursuant to chapter 105a which is located in a distressed municipality, targeted investment community or enterprise zone in the amount of fifty per cent of the amount of that tax revenue which the municipality or district would have received except for the provisions of subdivisions (59) and (60) of section 12-81, as amended by this act, or subdivision (70) of said section 12-81. On or before the first day of August of each year, each municipality and district shall file a claim with the Secretary of the Office of Policy and Management for the amount of such grant payment to which such municipality or district is entitled under this section. The claim shall be made on forms prescribed by the secretary and shall be accompanied

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by such supporting information as the secretary may require. Any municipality or district which neglects to transmit to the secretary such claim and supporting documentation as required by this section shall forfeit two hundred fifty dollars to the state, provided the secretary may waive such forfeiture in accordance with procedures and standards adopted by regulation in accordance with chapter 54. The secretary shall review each such claim as provided in section 12-120b. Any claimant aggrieved by the results of the secretary's review shall have the rights of appeal as set forth in section 12-120b. The secretary shall, on or before the December fifteenth next succeeding the deadline for the receipt of such claims, certify to the Comptroller the amount due under this section, including any modification of such claim made prior to December fifteenth, to each municipality or district which has made a claim under the provisions of this section. The Comptroller shall draw an order on the Treasurer on or before the fifth business day following December fifteenth, and the Treasurer shall pay the amount thereof to each such municipality or district on or before the following December thirty-first. If any modification is made as the result of the provisions of this section on or after the December first following the date on which the municipality or district has provided the amount of tax revenue in question, any adjustment to the amount due to any municipality or district for the period for which such modification was made shall be made in the next payment the Treasurer shall make to such municipality or district pursuant to this section. In the fiscal year commencing July 1, 2003, and in each fiscal year thereafter, the amount of the grant payable to each municipality and district in accordance with this section shall be reduced proportionately in the event that the total amount of the grants payable to all municipalities and districts exceeds the amount appropriated.

Vetoed July 8, 2011