



# House of Representatives

General Assembly

**File No. 382**

January Session, 2011

House Bill No. 6100

*House of Representatives, April 5, 2011*

The Committee on Planning and Development reported through REP. GENTILE of the 104th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING REGIONAL PROPERTY TAX REVENUE SHARING.**

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

1 Section 1. Subsection (a) of section 32-742 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2011*):

4 (a) The board of directors of a regional economic development  
5 district shall comply with the provisions of 13 CFR 304.2 and shall  
6 prepare and approve a comprehensive economic development strategy  
7 for the district to address identified economic development problems  
8 in a manner that promotes economic development and opportunity  
9 and housing availability, fosters effective transportation access,  
10 improves workforce development, enhances and protects the  
11 environment, balances resources through sound management of  
12 development, and encourages responsible growth and development. A  
13 comprehensive economic development strategy shall contain:

14 (1) An analysis of economic and community development problems  
15 and opportunities, including incorporation of any relevant material or  
16 suggestions from other government-sponsored or supported plans;

17 (2) Background and history of economic development in the district,  
18 with a discussion of the economy, geography, population, labor force,  
19 resources and the environment;

20 (3) A discussion of community participation in the planning efforts  
21 for the strategy;

22 (4) The goals and objectives for (A) taking advantage of the  
23 opportunities in the district, and (B) solving the economic  
24 development problems of the district;

25 (5) A plan of action, including suggested projects to implement the  
26 goals and objectives set forth in subdivision (4) of this subsection;  
27 [and]

28 (6) Performance measures that will be used to evaluate whether and  
29 to what extent such goals and objectives have been met; and

30 (7) Provisions for sharing property tax revenue generated by new  
31 economic development within the district, including guidelines  
32 governing (A) the identification of those developments whose  
33 property tax payments will be subject to property tax revenue sharing,  
34 and (B) the manner in which such property tax revenue shall be  
35 shared.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2011	32-742(a)

**PD**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** See Below

***Explanation***

The bill expands the issues that must be included within each regional economic development district's (REDD) comprehensive economic development strategy to include provisions for sharing property tax revenue generated by new economic development. To the extent that this promotes the adoption of revenue sharing within a district, any such revenues may be redistributed accordingly.

However, it should be noted that municipalities retain discretionary authority regarding whether to adopt provisions of a district's strategy.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** See Above

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**OLR Bill Analysis****HB 6100*****AN ACT CONCERNING REGIONAL PROPERTY TAX REVENUE SHARING.*****SUMMARY:**

This bill adds a property tax revenue sharing requirement to the comprehensive economic development strategy (CEDS) that a regional economic development district (REDD) board of directors must, by law, prepare and approve (see BACKGROUND).

Under the law's existing requirements, a CEDS must:

1. analyze the district's economic and community development problems and opportunities and incorporate information or suggestions from other publicly sponsored or supported plans;
2. provide historical and background information about the district's economic development situation, including its economy, geography, population, labor force, resources, and environment;
3. describe how the community participated in developing the strategy;
4. set goals and objectives for taking advantage of the district's opportunities and solving its economic development problems;
5. provide an action plan to achieve these goals and objectives; and
6. specify the performance measures the board will use to determine if the goals are being met.

The bill adds the requirement that the strategy have provisions for sharing property tax revenue generated by new economic

development the district. The provisions must include guidelines governing (1) the identification of developments whose property tax payments will be subject revenue sharing and (2) the manner in which municipalities will share the revenue.

EFFECTIVE DATE: October 1, 2011

## **BACKGROUND**

### ***REDDs***

The law allows regional planning and economic development organizations to propose REDDs that the governor designates, prepare strategies to develop them, and apply for state and federal economic development funds. It specifies criteria for drawing district boundaries and procedures for preparing, reviewing, and approving strategies (CGS § 32-742; PA 10-168). (In practice, this has not yet occurred across the entire state.)

The procedures require proposed districts and strategies to be approved by the Department of Economic and Community Development (DECD) commissioner and Office of Policy and Management (OPM) secretary. After these agencies approve a strategy, the district may submit it to the U.S. Department of Commerce for approval and apply for and receive federal funds.

The law permits only eight regional economic development districts to be established in the state. Each of them must include an area that meets economic distress criteria established in federal regulation (13 CFR § 301.3(a)(1)).

### ***CEDS Goals***

The law requires any REDD board of directors to prepare and approve a CEDS that addresses the region's economic development problems. The strategy must do this in a manner that:

1. promotes economic development and opportunity and housing availability,

2. fosters effective transportation access,
3. improves workforce development,
4. enhances and protects the environment,
5. balances resources by soundly managing development, and
6. encourages responsible growth and development.

(Federal law also requires CEDS to address promoting the use of technology in economic development (42 USC § 3162 (a) (3) (A)).

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea 15    Nay 5    (03/23/2011)