



# Senate

General Assembly

**File No. 311**

January Session, 2011

Senate Bill No. 1134

*Senate, March 31, 2011*

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT CONCERNING THE 2010 UNITED STATES CENSUS AND AREAS OF MUNICIPALITIES DESIGNATED AS ENTERPRISE ZONES.***

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

1 Section 1. (*Effective from passage*) On or before January 1, 2012, the  
2 Commissioner of Economic and Community Development shall  
3 review the results of the 2010 United States Census and make a  
4 determination as to whether any area of a municipality designated as  
5 an enterprise zone pursuant to section 32-70 of the general statutes on  
6 the effective date of this section still meets the requirements of such  
7 designation. Said commissioner shall also utilize the 2010 United States  
8 Census to review any requests from municipalities for designations of  
9 areas within such requesting municipality as enterprise zones to  
10 determine whether such municipality meets the requirements of such  
11 designation.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
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**CE**      *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:*** None***Explanation***

This bill has no fiscal impact by requiring the Department of Economic and Community Development (DECD) to analyze the status of enterprise zones using the results of the 2010 U.S. Census. DECD is required to conduct a similar analysis under C.G.S. 32-70a.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****SB 1134*****AN ACT CONCERNING THE 2010 UNITED STATES CENSUS AND AREAS OF MUNICIPALITIES DESIGNATED AS ENTERPRISE ZONES.*****SUMMARY:**

By January 1, 2012, this bill requires the economic and community development commissioner to determine, based on the 2010 U.S. Census, if the state's 17 enterprise zones still meet the statutory criteria under which they were designated. Businesses located in the zones qualify for property tax exemptions and corporation business tax credits.

Current law limits the number of zones to 15, but allows additional zones under very narrow criteria. It also allows the commissioner to remove a zone's designation after 10 years after it was designated if it no longer meets the designation criteria. The last zone was designated in 1995, and none has been de-designated.

Because the zones were designated at different times, the designation criteria vary, but all include measures of poverty, unemployment, and public assistance participation rates based on census data. The bill implicitly allows all municipalities, including those without zones, to propose new zones and requires the commissioner to determine if they would qualify for designation based on the 2010 census. But it does not increase the number of authorized zones.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****History of Enterprise Zone Designation Criteria***

In 1982, the legislature authorized the Department of Economic Development (now, DECD) to designate six enterprise zones. They had to be in federally designated distressed municipalities, with half in municipalities with fewer than 80,000 people. Each zone could comprise up to two contiguous census tracts, and at least one of the tracts had to meet at least one of the following criteria:

1. at least 25% of its residents had to have incomes under the federal poverty level,
2. at least 25% of its families had to be receiving welfare, or
3. its unemployment rate had to be at least double the state's average (the "primary" criteria).

If one tract met one of these criteria, another tract could be included in the zone if it met the following, "reduced," criteria:

1. at least 15% of its residents were below poverty or receiving welfare or
2. it had an unemployment rate 1.5 times the state average.

Bridgeport, Hartford, New Britain, New Haven, New London, and Norwalk were approved for zones under these criteria.

The legislature authorized four more zones in 1986; three had to be in municipalities with fewer than 80,000 people. The zones also had to meet the same criteria as the previous six zones. Meriden, Middletown, Norwich, Waterbury zones were approved at this time.

In the same year, the legislature authorized towns with tracts that met the reduced criteria and were contiguous to a zone in another town to designate them as a zone. A zone in Hamden was approved using this criterion.

The legislature authorized five more zones in 1993. Two of them had to be in municipalities with fewer than 80,000 people that lost, or expected to lose, more than 2,000 jobs from military base or plant

closures between 1989 and 1996. (The job losses had to constitute at least 50% of a plant's workforce, but this requirement was eliminated in 1994). East Hartford and Groton were approved as "base closing" zones.

The legislature authorized three more zones in 1993 (one had to be in a municipality with more than 80,000 people) based on new "distress" criteria targeting towns that had experienced the greatest increase in poverty between 1989 and 1993. The commissioner could also consider an applicant municipality's percentage of unused, available commercial and industrial space and its plan to implement an effective program. The census tracts an eligible municipality designated as its zone had to meet the primary or reduced criteria. Bristol, Middletown, and Stamford were approved under these criteria.

The final zone was authorized in 1995 under a law that required the commissioner to designate a zone in a town that contained a plant closed by a company that also closed a plant in a town that had an enterprise zone approved under the base or plant closing criteria. Southington was approved under this criterion.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable

Yea 17 Nay 0 (03/17/2011)