



General Assembly

February Session, 2016

Raised Bill No. 400

LCO No. 2645



Referred to Committee on COMMERCE

Introduced by:
(CE)

AN ACT ESTABLISHING THE 7/7 PROGRAM TO ENCOURAGE THE REDEVELOPMENT OF BROWNFIELDS AND UNDERUTILIZED PROPERTY.

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

1 Section 1. (NEW) (*Effective July 1, 2016, and applicable to taxable and*
2 *income years commencing on or after January 1, 2016*) (a) As used in this
3 section, the following terms shall have the following meanings unless
4 the context clearly indicates another meaning:

5 (1) "7/7 participant" means an eligible owner whose application
6 submitted pursuant to subsection (c) of this section has been approved
7 by the commissioner;

8 (2) "7/7 site" means the real property redeveloped and utilized or
9 proposed to be redeveloped and utilized by a 7/7 participant in
10 accordance with this section;

11 (3) "Brownfield" has the same meaning as provided in section 32-760
12 of the general statutes;

13 (4) "Commissioner" means the Commissioner of Economic and
14 Community Development;

15 (5) "Completion of the brownfield remediation" means the
16 completed remediation of a 7/7 site by a 7/7 participant as evidenced
17 by the filing of either a verification or interim verification that meets
18 the requirements of section 22a-133x, 22a-133y or 22a-134 of the
19 general statutes;

20 (6) "Eligible owner" means any person, firm, limited liability
21 company, nonprofit or for-profit corporation or other business entity
22 that holds title to (A) a brownfield, provided such owner did not
23 establish, create or maintain a source of pollution to the waters of the
24 state for purposes of section 22a-432 of the general statutes and is not
25 responsible pursuant to any other provision of the general statutes for
26 any pollution or source of pollution on such brownfield; or (B) real
27 property that has been abandoned or underutilized for ten or more
28 years; and

29 (7) "Qualified expenditures" means the expenditures associated with
30 the investigation, assessment and remediation of a brownfield,
31 including, but not limited to: (A) Soil, groundwater and infrastructure
32 investigation; (B) assessment; (C) remediation of soil, sediments,
33 groundwater or surface water; (D) abatement; (E) hazardous materials
34 or waste removal and disposal; (F) long-term groundwater or natural
35 attenuation monitoring; (G) (i) environmental land use restrictions, (ii)
36 activity and use limitations, or (iii) other forms of institutional control;
37 (H) reasonable attorneys' fees; (I) planning, engineering and
38 environmental consulting; and (J) remedial activity to address building
39 and structural issues, including, but not limited to, demolition,
40 asbestos abatement, polychlorinated biphenyls removal, contaminated
41 wood or paint removal and other infrastructure remedial activities.
42 "Qualified expenditures" do not include expenditures funded for such
43 investigation, assessment, remediation and development directly
44 through other state brownfield programs administered by the

45 commissioner.

46 (b) There is established within the Department of Economic and
47 Community Development the 7/7 program. Said program shall
48 provide incentives to businesses for redeveloping and utilizing
49 brownfields and real property that has been abandoned or
50 underutilized for ten or more years. Participants in said program shall
51 be eligible for the tax incentives provided under subsections (e) to (h),
52 inclusive, of this section.

53 (c) To be designated a 7/7 participant, an eligible owner shall
54 submit to the Commissioner of Economic and Community
55 Development an application, on forms provided by the commissioner,
56 that shall include the following information: (1) A description of the
57 real property such eligible owner seeks to utilize and the proposed use
58 for such property; (2) a written certification (A) from a licensed
59 environmental professional stating that such property is a brownfield,
60 or (B) from a municipality stating that such property has been
61 abandoned or underutilized for ten or more years; (3) a plan that such
62 eligible owner shall submit to area high schools and the regional-
63 community technical colleges that includes the anticipated workforce
64 needs for the proposed use of such property and workforce training
65 requirements in order to enable such schools and colleges to develop
66 educational training programs to meet such workforce needs; (4) a
67 commitment by the eligible owner to hire not less than thirty per cent
68 of its workforce from students enrolled in any programs developed as
69 a result of subdivision (3) of this subsection; and (5) any other
70 information the commissioner deems necessary. The commissioner
71 shall approve any application that satisfies the requirements of this
72 subsection and shall notify the Commissioner of Revenue Services
73 whenever he or she approves the application of an eligible owner.

74 (d) Any 7/7 participant that seeks to redevelop and utilize a
75 brownfield shall not be eligible for any of the benefits provided under
76 subsections (e) to (h), inclusive, of this section until after completion of

77 the brownfield remediation and the participant's notification of such
78 completion to the Commissioners of Revenue Services and Economic
79 and Community Development and the municipality in which such
80 brownfield is located.

81 (e) (1) If a 7/7 participant is a taxpayer, as defined in section 12-213
82 of the general statutes, the Commissioner of Revenue Services shall
83 grant a credit against any tax due under the provisions of chapter 208
84 of the general statutes in an amount equal to the total amount of tax
85 due under said chapter for the income year that is attributable to the
86 operations of such participant's business located on the 7/7 site after
87 the deduction of any other credits allowable under said chapter. The
88 credit allowed by this subdivision shall be available in the first income
89 year in which such participant begins business operations at such site
90 and the succeeding six income years.

91 (2) If a 7/7 participant is an affected business entity, as defined in
92 section 12-284b of the general statutes, the Commissioner of Revenue
93 Services shall grant a credit to each member, shareholder or partner of
94 such participant against any tax due under the provisions of chapter
95 229 of the general statutes, other than the liability imposed by section
96 12-707 of the general statutes, in an amount equal to such member's,
97 shareholder's or partner's amount of tax due under chapter 229 of the
98 general statutes for the taxable year that is attributable to the
99 operations of such participant's business located on the 7/7 site after
100 the deduction of any other credits allowable under said chapter. The
101 credit allowed by this subdivision shall be available in the first taxable
102 year in which such participant begins business operations at such site
103 and the succeeding six taxable years.

104 (3) Any tax credit earned under this subsection shall be
105 nonrefundable.

106 (f) (1) The taxes imposed by chapter 219 of the general statutes shall
107 not apply to any item purchased by a 7/7 participant in the first seven

108 calendar years from the date such participant initiates business
109 operations at a 7/7 site, provided such item is purchased for use in the
110 ordinary course of business at such site.

111 (2) At the time of sale, a 7/7 participant shall present to the person
112 who makes the sale a certificate to the effect that the item is subject to
113 such exemption. The certificate shall be signed by and bear the name
114 and address of the purchaser. The certificate shall be substantially in
115 such form as the Commissioner of Revenue Services prescribes.

116 (3) If a purchaser who gives a certificate makes any use of the item
117 other than the purpose set forth in subdivision (1) of this subsection,
118 the use shall be deemed a use by the purchaser in accordance with
119 chapter 219 of the general statutes, as of the time the property is first
120 used by him or her, and the item shall be taxable to such purchaser in
121 accordance with said chapter.

122 (g) There shall be allowed a credit for any 7/7 participant against
123 the tax imposed under chapter 208 of the general statutes in an amount
124 not to exceed eight and six-tenths per cent of the qualified
125 expenditures associated with the remediation of a 7/7 site that was a
126 brownfield. The credit allowed by this subsection shall be available in
127 the eighth taxable or income year, as applicable, following such 7/7
128 participant's initiation of business operations at such site and the six
129 succeeding taxable or income years, as applicable. Any 7/7 participant
130 may use such credit to offset any state tax due or otherwise payable by
131 such participant under chapter 219 of the general statutes. If any 7/7
132 participant granted a tax credit under this section is an affected
133 business entity, as defined in section 12-284b of the general statutes,
134 the members, shareholders or partners of such entity may claim such
135 credit. Any tax credit earned under this subsection shall be
136 nonrefundable.

137 (h) Notwithstanding any provision of the general statutes or of any
138 special act, municipal charter or home rule ordinance, for five

139 assessment years following the date a 7/7 participant obtained a
140 building permit to begin construction at a 7/7 site, the municipality in
141 which such site is located shall continue to use the assessed value of
142 such site as of the date such participant's application was approved
143 under subsection (c) of this section.

144 (i) The Commissioner of Revenue Services shall adopt regulations,
145 in accordance with chapter 54 of the general statutes, to implement the
146 provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016, and applicable to taxable and income years commencing on or after January 1, 2016</i>	New section

Statement of Purpose:

To establish the 7/7 program to encourage the redevelopment of brownfields and abandoned and underutilized sites by providing tax incentives for the development and use of such sites.

[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.]