

# Finance, Revenue and Bonding Committee JOINT FAVORABLE REPORT

**Bill No.:** HB-5585

**Title:** AN ACT CONCERNING ENTERPRISE ZONES.

**Vote Date:** 4/5/2018

**Vote Action:** Joint Favorable

**PH Date:** 4/2/2018

**File No.:** 601

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## **SPONSORS OF BILL:**

Introduced by:  
Finance, Revenue and Bonding Committee

## **REASONS FOR BILL:**

To ensure that the enterprise zone program is being utilized in the most effective and efficient way possible this bill requires the Department of Economic and Community Development (DECD) commissioner to develop benchmarks (number of jobs created and state and local revenue generated) for assessing whether businesses certified to receive enterprise zone (EZ) benefits should continue to be eligible for them.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

None

## **NATURE AND SOURCES OF SUPPORT:**

None

## **NATURE AND SOURCES OF OPPOSITION:**

### **Thomas Madden, Director-Economic Development, City of Stamford**

Mr. Madden offered testimony regarding section two of the proposal which asks that business submit paper work to the DECD Commissioner, notifying the State, when a business intends to construct, substantially renovate or expand, upon the filing of any applicable permit with a municipality. Mr. Madden asks that DECD work with local municipalities on this form and to implement a system on how this information will get back to DECD. It is important that local municipalities are given the chance to work with DECD on procedures that will impact their day to day operations.

**Marcia A. Leclerc Mayor, Town of East Hartford**

Mayor Leclerc believes that the proposed bill fails to address the key issues facing municipalities with respect to Enterprise Zones. Firstly, the State has failed to fund and pay grants in lieu of taxes on exempt property as generally required under Connecticut General Statutes Section 32-9s. Any decision to grant, or continue granting, Enterprise Zone benefits as set forth in Sections 1 and 2 of Raised Bill No. 5585 must be contingent, in all cases, on the commitment of the state to fund and pay grants in lieu of taxes for the entire term of the Enterprise Zone benefits. Secondly, the Enterprise Zone benefits are no longer the sole, or most flexible, way to grant tax relief to businesses seeking to locate in municipalities such as East Hartford. For example, East Hartford has utilized Connecticut General Statutes Section 12-65b to grant benefits in the past and recently approved the use of City and Town Development Act benefits for new development. Accordingly, municipalities are continuing to consider eliminating these zones since they no longer drive development.

**Reported by: Hayden Schwarm**

**Date: 4/10/2018**