



General Assembly

Substitute Bill No. 5585

February Session, 2018



AN ACT CONCERNING ENTERPRISE ZONES.

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

1 Section 1. (*Effective from passage*) The Commissioner of Economic
2 and Community Development shall develop specific benchmarks for
3 job creation and state and municipal revenue generated to be used by
4 the Department of Economic and Community Development to assess
5 whether businesses certified to receive enterprise zone benefits
6 pursuant to section 32-70a of the general statutes shall continue to be
7 eligible for such benefits. The commissioner shall submit a report, in
8 accordance with the provisions of section 11-4a of the general statutes,
9 of such benchmarks to the joint standing committees of the General
10 Assembly having cognizance of matters relating to commerce,
11 municipalities and finance, revenue and bonding, not later than
12 January 1, 2019.

13 Sec. 2. (NEW) (*Effective from passage*) (a) On and after July 1, 2019,
14 any business that intends to construct, substantially renovate or
15 expand a manufacturing facility or a service facility, as both terms are
16 defined in section 32-9p of the general statutes, in an enterprise zone
17 designated pursuant to section 32-70 of the general statutes, shall
18 notify the Commissioner of Economic and Community Development,
19 in such form and manner as the commissioner prescribes, upon the
20 filing of any applicable permit with the zoning commission, planning
21 commission, combined planning and zoning commission, inland

22 wetlands commission or building department of the municipality in
23 which the enterprise zone is located, of such business's intent. Upon
24 receipt of such notice of intent, the commissioner shall negotiate with
25 such business and the chief elected official of such municipality the
26 rate and duration of the property tax exemption under subdivision (59)
27 or (60) of section 12-81 of the general statutes, as amended by this act.
28 No such negotiated exemption shall exceed the highest amount
29 allowed for such business under said subdivisions.

30 (b) Any business that intends to apply for an eligibility certificate for
31 a manufacturing facility or service facility in an enterprise zone that (1)
32 has been constructed, substantially renovated or expanded on or
33 before the effective date of this section, or (2) is in the process of being
34 constructed, substantially renovated or expanded on or after the
35 effective date of this section but prior to July 1, 2019, shall submit a
36 notice, in such form and manner as the commissioner prescribes, that
37 such business intends to apply for an eligibility certificate for such
38 facility. Such notice of intent shall be submitted prior to July 1, 2019.
39 Any notice of intent for such facility that is submitted on or after July 1,
40 2019, shall be subject to the provisions of subsection (a) of this section.

41 Sec. 3. Subdivisions (59) and (60) of section 12-81 of the 2018
42 supplement to the general statutes are repealed and the following is
43 substituted in lieu thereof (*Effective July 1, 2019*):

44 (59) (a) [With] Except as otherwise provided under subparagraph
45 (d) of this subdivision, with respect to assessment years commencing
46 on or after October 1, 2012, any manufacturing facility, as defined in
47 section 32-9p, acquired, constructed, substantially renovated or
48 expanded on or after July 1, 1978, in a distressed municipality, as
49 defined in said section, in a targeted investment community, as
50 defined in section 32-222, in an enterprise zone designated pursuant to
51 section 32-70 or in an airport development zone established pursuant
52 to section 32-75d and for which an eligibility certificate has been issued
53 by the Department of Economic and Community Development, and
54 any manufacturing plant designated by the Commissioner of

55 Economic and Community Development under subsection (a) of
56 section 32-75c as follows: To the extent of eighty per cent of its
57 valuation for purposes of assessment in each of the five full assessment
58 years following the assessment year in which the acquisition,
59 construction, renovation or expansion of the manufacturing facility is
60 completed, except that a manufacturing facility having a North
61 American Industrial Classification Code of 325411 or 325412 and
62 having at least one thousand full-time employees, as defined in
63 subsection (f) of section 32-9j, shall be eligible to have the assessment
64 period extended for five additional years upon approval of the
65 commissioner, in accordance with all applicable regulations, provided
66 such full-time employees have not been relocated from another facility
67 in the state operated by the same eligible applicant;

68 (b) [Any] Except as otherwise provided under subparagraph (d) of
69 this subdivision, any service facility, as defined in section 32-9p,
70 acquired, constructed, substantially renovated or expanded on or after
71 July 1, 1996, and for which an eligibility certificate has been issued by
72 the Department of Economic and Community Development, as
73 follows: (i) In the case of an investment of twenty million dollars or
74 more but not more than thirty-nine million dollars in the service
75 facility, to the extent of forty per cent of its valuation for purposes of
76 assessment in each of the five full assessment years following the
77 assessment year in which the acquisition, construction, renovation or
78 expansion of the service facility is completed; (ii) in the case of an
79 investment of more than thirty-nine million dollars but not more than
80 fifty-nine million dollars in the service facility, to the extent of fifty per
81 cent of its valuation for purposes of assessment in each of the five full
82 assessment years following the assessment year in which the
83 acquisition, construction, renovation or expansion of the service
84 facility is completed; (iii) in the case of an investment of more than
85 fifty-nine million dollars but not more than seventy-nine million
86 dollars in the service facility, to the extent of sixty per cent of its
87 valuation for purposes of assessment in each of the five full assessment
88 years following the assessment year in which the acquisition,

89 construction, renovation or expansion of the service facility is
90 completed; (iv) in the case of an investment of more than seventy-nine
91 million dollars but not more than ninety million dollars in the service
92 facility, to the extent of seventy per cent of its valuation for purposes of
93 assessment in each of the five full assessment years following the
94 assessment year in which the acquisition, construction, renovation or
95 expansion of the service facility is completed; or (v) in the case of an
96 investment of more than ninety million dollars in the service facility, to
97 the extent of eighty per cent of its valuation for purposes of assessment
98 in each of the five full assessment years following the assessment year
99 in which the acquisition, construction, renovation or expansion of the
100 service facility is completed, except that any financial institution, as
101 defined in subsection (b) of section 32-236, having at least four
102 thousand qualified employees, as determined in accordance with an
103 agreement pursuant to subsection (b) of section 32-236, shall be eligible
104 to have the assessment period extended for five additional years upon
105 approval of the commissioner, in accordance with all applicable
106 regulations, provided such full-time employees have not been
107 relocated from another facility in the state operated by the same
108 eligible applicant. In no event shall the definition of qualified
109 employee be more favorable to the employer than the definition
110 provided in subsection (b) of section 32-236;

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

123 assessed valuation of the facility or manufacturing plant is the assessed
124 valuation of the portion acquired. This exemption shall be applicable
125 during each such assessment year regardless of any change in the
126 ownership or occupancy of the facility or manufacturing plant. If
127 during any such assessment year, however, any facility for which an
128 eligibility certificate has been issued ceases to qualify as a
129 manufacturing facility, manufacturing plant or a service facility, the
130 entitlement to the exemption allowed by this subdivision shall
131 terminate for the assessment year following the date on which the
132 qualification ceases, and there shall not be a pro rata application of the
133 exemption. Any person who desires to claim the exemption provided
134 in this subdivision shall file annually with the assessor or board of
135 assessors in the distressed municipality, targeted investment
136 community, enterprise zone designated pursuant to section 32-70 or in
137 a town within an airport development zone established pursuant to
138 section 32-75d in which the manufacturing facility or service facility is
139 located, on or before the first day of November, a written application
140 claiming such exemption on a form prescribed by the Secretary of the
141 Office of Policy and Management. Failure to file such application in
142 this manner and form within the time limit prescribed shall constitute
143 a waiver of the right to such exemption for such assessment year,
144 unless (i) an extension of time is allowed pursuant to section 12-81k,
145 and upon payment of the required fee for late filing, or (ii) the person
146 claiming such exemption received a certificate of eligibility on or after
147 October 1, 2009, and is located in a municipality in New Haven County
148 with a population of not less than eighteen thousand five hundred and
149 not more than nineteen thousand five hundred, as enumerated in the
150 2010 federal decennial census;

151 (d) Any manufacturing facility or service facility, as both terms are
152 defined in section 32-9p, in an enterprise zone designated pursuant to
153 section 32-70, for which a notice of intent was submitted on or after
154 July 1, 2019, to the Commissioner of Economic and Community
155 Development, in accordance with the provisions of subsection (a) of
156 section 2 of this act, at the rate and duration negotiated pursuant to

157 said subsection;

158 (60) (a) Except as otherwise provided under subparagraph (c) of this
159 subdivision, (1) [Machinery] machinery and equipment which
160 represents an addition to the assessment or grand list of the
161 municipality in which this exemption is claimed and is installed in any
162 manufacturing facility, as defined in section 32-9p, which facility is or
163 has been constructed, or substantially renovated or expanded on or
164 after July 1, 1978, in a distressed municipality, targeted investment
165 community, enterprise zone designated pursuant to section 32-70 or in
166 an airport development zone established pursuant to section 32-75d
167 and for which an eligibility certificate has been issued by the
168 Department of Economic and Community Development, concurrently
169 with and directly attributable to such construction, renovation or
170 expansion, (2) machinery and equipment which represents an addition
171 to the assessment or grand list of the municipality in which this
172 exemption is claimed and is installed, or machinery and equipment
173 existing, in any manufacturing facility, as defined in section 32-9p,
174 which facility is or has been acquired on or after July 1, 1978, in a
175 distressed municipality, targeted investment community, enterprise
176 zone designated pursuant to section 32-70 or in an airport
177 development zone established pursuant to section 32-75d and for
178 which an eligibility certificate has been issued by the Department of
179 Economic and Community Development, and (3) machinery and
180 equipment acquired and installed on or after October 1, 1986, in a
181 manufacturing facility that is or has at one time been certified as
182 eligible for the exemption under this subparagraph in accordance with
183 section 32-9r, and which continues to be used for manufacturing
184 purposes, provided such machinery and equipment is installed in
185 conjunction with an expansion program that satisfies the requirements
186 for a manufacturing facility, as defined in section 32-9p, and is
187 contiguous to and represents an increase in square feet of floor space
188 of not less than fifty per cent of the floor space in the certified
189 manufacturing facility, as follows: To the extent of eighty per cent of its
190 valuation for purposes of assessment in each of the five full assessment

191 years for which the manufacturing facility in which it is installed
192 qualifies for an exemption under subdivision (59) of this section,
193 except that a facility having a code classification 2833 or 2834 in the
194 Standard Industrial Code Classification Manual, United States Office
195 of Management and Budget, 1987 edition, wherein at least one
196 thousand new full-time employees, as defined in subsection (f) of
197 section 32-9j, are employed, shall be eligible to have the assessment
198 period under this subdivision extended for five additional years upon
199 approval of the commissioner, provided the commissioner approves
200 an extension of the assessment period under subdivision (59) of this
201 section for said facility;

202 (b) Except as otherwise provided under subparagraph (c) of this
203 subdivision, (1) [Machinery] machinery and equipment which
204 represents an addition to the assessment or grand list of the
205 municipality in which this exemption is claimed and is installed in any
206 service facility, as defined in section 32-9p, which facility is or has been
207 constructed, or substantially renovated or expanded on or after July 1,
208 1996, and for which an eligibility certificate has been issued by the
209 Department of Economic and Community Development, concurrently
210 with and directly attributable to such construction, renovation or
211 expansion, (2) machinery and equipment which represents an addition
212 to the assessment or grand list of the municipality in which this
213 exemption is claimed and is installed, or machinery and equipment
214 existing, in any service facility, as defined in section 32-9p, which
215 facility is or has been acquired on or after July 1, 1996, and for which
216 an eligibility certificate has been issued by the department, and (3)
217 machinery and equipment acquired and installed on or after July 1,
218 1996, in a service facility that is or has at one time been certified as
219 eligible for the exemption under this subparagraph in accordance with
220 section 32-9r and which continues to be used for service purposes,
221 provided such machinery and equipment is installed in conjunction
222 with an expansion program that satisfies the requirements for a service
223 facility, as defined in section 32-9p, and is contiguous to and represents
224 an increase in square feet of floor space of not less than fifty per cent of

225 the floor space in the certified service facility, as follows: (i) In the case
226 of an investment of twenty million dollars or more but not more than
227 thirty-nine million dollars in the service facility, to the extent of forty
228 per cent of its valuation for purposes of assessment in each of the five
229 full assessment years for which the service facility in which it is
230 installed qualifies for an exemption under subdivision (59) of this
231 section; (ii) in the case of an investment of more than thirty-nine
232 million dollars but not more than fifty-nine million dollars in the
233 service facility, to the extent of fifty per cent of its valuation for
234 purposes of assessment in each of the five full assessment years for
235 which the service facility in which it is installed qualifies for an
236 exemption under subdivision (59) of this section; (iii) in the case of an
237 investment of more than fifty-nine million dollars but not more than
238 seventy-nine million dollars in the service facility, to the extent of sixty
239 per cent of its valuation for purposes of assessment in each of the five
240 full assessment years for which the service facility in which it is
241 installed qualifies for an exemption under subdivision (59) of this
242 section; (iv) in the case of an investment of more than seventy-nine
243 million dollars but not more than ninety million dollars in the service
244 facility, to the extent of seventy per cent of its valuation for purposes of
245 assessment in each of the five full assessment years for which the
246 service facility in which it is installed qualifies for an exemption under
247 subdivision (59) of this section; or (v) in the case of an investment of
248 more than ninety million dollars in the service facility, to the extent of
249 eighty per cent of its valuation for purposes of assessment in each of
250 the five full assessment years for which the service facility in which it
251 is installed qualifies for an exemption under subdivision (59) of this
252 section, except that any financial institution, as defined in section 32-
253 236, having at least four thousand qualified employees, as determined
254 in accordance with an agreement pursuant to subsection (c) of section
255 32-236, shall be eligible to have the assessment period extended for five
256 additional years upon approval of the commissioner, in accordance
257 with all applicable regulations, provided such full-time employees
258 have not been relocated from another facility in the state operated by
259 the same eligible applicant. In no event shall the definition of qualified

260 employee be more favorable to the employer than the definition
261 provided in section 32-236;

262 (c) Machinery and equipment described under subparagraph (a) of
263 this subdivision, which is installed in any manufacturing facility or
264 service facility, as both terms are defined in section 32-9p, which
265 facility is in an enterprise zone designated pursuant to section 32-70
266 and for which a notice of intent was submitted on or after July 1, 2019,
267 to the Commissioner of Economic and Community Development, in
268 accordance with the provisions of subsection (a) of section 2 of this act,
269 at the rate negotiated pursuant to said subsection;

270 [(c) This] (d) The exemption under this subdivision shall terminate
271 for the assessment year next following if the manufacturing facility or
272 service facility in which such machinery and equipment is installed no
273 longer qualifies for an exemption under said subdivision (59), and
274 there shall not be a pro rata application of the exemption of such
275 machinery and equipment in the assessment year of such termination.
276 Any person who desires to claim the exemption provided in this
277 subdivision shall file annually with the assessor or board of assessors
278 in the distressed municipality, targeted investment community,
279 enterprise zone designated pursuant to section 32-70 or a town in an
280 airport development zone established pursuant to section 32-75d in
281 which the manufacturing facility or service facility is located, on or
282 before the first day of November, written application claiming such
283 exemption on a form prescribed by the Secretary of the Office of Policy
284 and Management. Failure to file such application in this manner and
285 form within the time limit prescribed shall constitute a waiver of the
286 right to such exemption for such assessment year, unless an extension
287 of time is allowed pursuant to section 12-81k, and upon payment of the
288 required fee for late filing. This exemption shall not apply to rolling
289 stock;

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

Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2019</i>	12-81(59) and (60)

Statement of Legislative Commissioners:

In Sections 3(59)(d) and (60)(c), "subdivision" was changed to "subsection" for accuracy.

FIN *Joint Favorable Subst. -LCO*