



General Assembly

January Session, 2019

**Raised Bill No. 7408**

LCO No. 6748



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

**AN ACT CONCERNING MUNICIPAL REVENUE AND STORMWATER AUTHORITY, STUDIES OF THE PILOT GRANTS PROGRAM AND A PROPERTY TAX EXEMPTION FOR MACHINERY AND EQUIPMENT, AND ENTERPRISE ZONES.**

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

1 Section 1. Subdivision (1) of section 12-408 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2019, and applicable to sales occurring on or after July 1, 2019*):

4 (1) (A) For the privilege of making any sales, as defined in  
5 subdivision (2) of subsection (a) of section 12-407, at retail, in this state  
6 for a consideration, a tax is hereby imposed on all retailers at the rate  
7 of six and thirty-five-hundredths per cent of the gross receipts of any  
8 retailer from the sale of all tangible personal property sold at retail or  
9 from the rendering of any services constituting a sale in accordance  
10 with subdivision (2) of subsection (a) of section 12-407, except, in lieu  
11 of said rate, [of six and thirty-five-hundredths per cent,] the rates  
12 provided in subparagraphs (B) to [(H)] (I), inclusive, of this

13 subdivision;

14 (B) (i) At a rate of fifteen per cent with respect to each transfer of  
15 occupancy, from the total amount of rent received by a hotel or  
16 lodging house for the first period not exceeding thirty consecutive  
17 calendar days;

18 (ii) At a rate of eleven per cent with respect to each transfer of  
19 occupancy, from the total amount of rent received by a bed and  
20 breakfast establishment for the first period not exceeding thirty  
21 consecutive calendar days;

22 (C) With respect to the sale of a motor vehicle to any individual who  
23 is a member of the armed forces of the United States and is on full-time  
24 active duty in Connecticut and who is considered, under 50 App USC  
25 574, a resident of another state, or to any such individual and the  
26 spouse thereof, at a rate of four and one-half per cent of the gross  
27 receipts of any retailer from such sales, provided such retailer requires  
28 and maintains a declaration by such individual, prescribed as to form  
29 by the commissioner and bearing notice to the effect that false  
30 statements made in such declaration are punishable, or other evidence,  
31 satisfactory to the commissioner, concerning the purchaser's state of  
32 residence under 50 App USC 574;

33 (D) (i) With respect to the sales of computer and data processing  
34 services occurring on or after July 1, 2001, at the rate of one per cent,  
35 and (ii) with respect to sales of Internet access services, on and after  
36 July 1, 2001, such services shall be exempt from such tax;

37 (E) (i) With respect to the sales of labor that is otherwise taxable  
38 under subparagraph (C) or (G) of subdivision (2) of subsection (a) of  
39 section 12-407 on existing vessels and repair or maintenance services  
40 on vessels occurring on and after July 1, 1999, such services shall be  
41 exempt from such tax;

42 (ii) With respect to the sale of a vessel, a motor for a vessel or a

43 trailer used for transporting a vessel, at the rate of two and ninety-  
44 nine-hundredths per cent, except that the sale of a vessel shall be  
45 exempt from such tax if such vessel is docked in this state for sixty or  
46 fewer days in a calendar year;

47 (F) With respect to patient care services for which payment is  
48 received by the hospital on or after July 1, 1999, and prior to July 1,  
49 2001, at the rate of five and three-fourths per cent and on and after July  
50 1, 2001, such services shall be exempt from such tax;

51 (G) With respect to the rental or leasing of a passenger motor  
52 vehicle for a period of thirty consecutive calendar days or less, at a rate  
53 of nine and thirty-five-hundredths per cent;

54 (H) With respect to the sale of (i) a motor vehicle for a sales price  
55 exceeding fifty thousand dollars, at a rate of seven and three-fourths  
56 per cent on the entire sales price, (ii) jewelry, whether real or imitation,  
57 for a sales price exceeding five thousand dollars, at a rate of seven and  
58 three-fourths per cent on the entire sales price, and (iii) an article of  
59 clothing or footwear intended to be worn on or about the human body,  
60 a handbag, luggage, umbrella, wallet or watch for a sales price  
61 exceeding one thousand dollars, at a rate of seven and three-fourths  
62 per cent on the entire sales price. For purposes of this subparagraph,  
63 "motor vehicle" has the meaning provided in section 14-1, but does not  
64 include a motor vehicle subject to the provisions of subparagraph (C)  
65 of this subdivision, a motor vehicle having a gross vehicle weight  
66 rating over twelve thousand five hundred pounds, or a motor vehicle  
67 having a gross vehicle weight rating of twelve thousand five hundred  
68 pounds or less that is not used for private passenger purposes, but is  
69 designed or used to transport merchandise, freight or persons in  
70 connection with any business enterprise and issued a commercial  
71 registration or more specific type of registration by the Department of  
72 Motor Vehicles;

73 (I) With respect to the sale of meals, as defined in subdivision (13) of

74 section 12-412, sold by an eating establishment, caterer or grocery  
75 store; and spirituous, malt or vinous liquors, soft drinks, sodas or  
76 beverages such as are ordinarily dispensed at bars and soda fountains,  
77 or in connection therewith; at the rate of seven and thirty-five-  
78 hundredths per cent;

79 [(I)] (I) The rate of tax imposed by this chapter shall be applicable to  
80 all retail sales upon the effective date of such rate, except that a new  
81 rate [which] that represents an increase in the rate applicable to the  
82 sale shall not apply to any sales transaction wherein a binding sales  
83 contract without an escalator clause has been entered into prior to the  
84 effective date of the new rate and delivery is made within ninety days  
85 after the effective date of the new rate. For the purposes of payment of  
86 the tax imposed under this section, any retailer of services taxable  
87 under subdivision (37) of subsection (a) of section 12-407, who  
88 computes taxable income, for purposes of taxation under the Internal  
89 Revenue Code of 1986, or any subsequent corresponding internal  
90 revenue code of the United States, as amended from time to time,  
91 [amended,] on an accounting basis [which] that recognizes only cash  
92 or other valuable consideration actually received as income and who is  
93 liable for such tax only due to the rendering of such services may make  
94 payments related to such tax for the period during which such income  
95 is received, without penalty or interest, without regard to when such  
96 service is rendered;

97 [(J)] (K) (i) For calendar quarters ending on or after September 30,  
98 2019, the commissioner shall deposit into the regional planning  
99 incentive account, established pursuant to section 4-66k, six and seven-  
100 tenths per cent of the amounts received by the state from the tax  
101 imposed under subparagraph (B) of this subdivision and ten and  
102 seven-tenths per cent of the amounts received by the state from the tax  
103 imposed under subparagraph (G) of this subdivision;

104 (ii) For calendar quarters ending on or after September 30, 2018, the  
105 commissioner shall deposit into the Tourism Fund established under

106 section 10-395b ten per cent of the amounts received by the state from  
107 the tax imposed under subparagraph (B) of this subdivision;

108 ~~[(K)]~~ (L) For calendar months commencing on or after July 1, 2021,  
109 the commissioner shall deposit into the municipal revenue sharing  
110 account established pursuant to section 4-66l seven and nine-tenths per  
111 cent of the amounts received by the state from the tax imposed under  
112 subparagraph (A) of this subdivision; and

113 ~~[(L)]~~ (M) (i) For calendar months commencing on or after July 1,  
114 2017, the commissioner shall deposit into the Special Transportation  
115 Fund established under section 13b-68 seven and nine-tenths per cent  
116 of the amounts received by the state from the tax imposed under  
117 subparagraph (A) of this subdivision;

118 (ii) For calendar months commencing on or after July 1, 2018, but  
119 prior to July 1, 2019, the commissioner shall deposit into the Special  
120 Transportation Fund established under section 13b-68 eight per cent of  
121 the amounts received by the state from the tax imposed under  
122 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
123 vehicle;

124 (iii) For calendar months commencing on or after July 1, 2019, but  
125 prior to July 1, 2020, the commissioner shall deposit into the Special  
126 Transportation Fund established under section 13b-68 thirty-three per  
127 cent of the amounts received by the state from the tax imposed under  
128 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
129 vehicle;

130 (iv) For calendar months commencing on or after July 1, 2020, but  
131 prior to July 1, 2021, the commissioner shall deposit into the Special  
132 Transportation Fund established under section 13b-68 fifty-six per cent  
133 of the amounts received by the state from the tax imposed under  
134 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
135 vehicle;

136 (v) For calendar months commencing on or after July 1, 2021, but  
137 prior to July 1, 2022, the commissioner shall deposit into the Special  
138 Transportation Fund established under section 13b-68 seventy-five per  
139 cent of the amounts received by the state from the tax imposed under  
140 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
141 vehicle; and

142 (vi) For calendar months commencing on or after July 1, 2022, the  
143 commissioner shall deposit into the Special Transportation Fund  
144 established under section 13b-68 one hundred per cent of the amounts  
145 received by the state from the tax imposed under subparagraphs (A)  
146 and (H) of this subdivision on the sale of a motor vehicle; [.] and

147 (N) For calendar quarters ending on or after September 30, 2019, the  
148 commissioner shall deposit into the Municipal Diversification Fund  
149 established under section 4 of this act thirteen and six-tenths per cent  
150 of the amounts received by the state from the tax imposed under  
151 subparagraph (I) of this subdivision.

152 Sec. 2. Subdivision (1) of section 12-411 of the general statutes is  
153 repealed and the following is substituted in lieu thereof (*Effective July*  
154 *1, 2019*):

155 (1) (A) An excise tax is hereby imposed on the storage, acceptance,  
156 consumption or any other use in this state of tangible personal  
157 property purchased from any retailer for storage, acceptance,  
158 consumption or any other use in this state, the acceptance or receipt of  
159 any services constituting a sale in accordance with subdivision (2) of  
160 subsection (a) of section 12-407, purchased from any retailer for  
161 consumption or use in this state, or the storage, acceptance,  
162 consumption or any other use in this state of tangible personal  
163 property which has been manufactured, fabricated, assembled or  
164 processed from materials by a person, either within or without this  
165 state, for storage, acceptance, consumption or any other use by such  
166 person in this state, to be measured by the sales price of materials, at

167 the rate of six and thirty-five-hundredths per cent of the sales price of  
168 such property or services, except, in lieu of said rate; [of six and thirty-  
169 five-hundredths per cent;]

170 (B) (i) At a rate of fifteen per cent of the rent paid to a hotel or  
171 lodging house for the first period not exceeding thirty consecutive  
172 calendar days;

173 (ii) At a rate of eleven per cent of the rent paid to a bed and  
174 breakfast establishment for the first period not exceeding thirty  
175 consecutive calendar days;

176 (C) With respect to the storage, acceptance, consumption or use in  
177 this state of a motor vehicle purchased from any retailer for storage,  
178 acceptance, consumption or use in this state by any individual who is a  
179 member of the armed forces of the United States and is on full-time  
180 active duty in Connecticut and who is considered, under 50 App USC  
181 574, a resident of another state, or to any such individual and the  
182 spouse of such individual at a rate of four and one-half per cent of the  
183 sales price of such vehicle, provided such retailer requires and  
184 maintains a declaration by such individual, prescribed as to form by  
185 the commissioner and bearing notice to the effect that false statements  
186 made in such declaration are punishable, or other evidence,  
187 satisfactory to the commissioner, concerning the purchaser's state of  
188 residence under 50 App USC 574;

189 (D) (i) With respect to the acceptance or receipt in this state of labor  
190 that is otherwise taxable under subparagraph (C) or (G) of subdivision  
191 (2) of subsection (a) of section 12-407 on existing vessels and repair or  
192 maintenance services on vessels occurring on and after July 1, 1999,  
193 such services shall be exempt from such tax;

194 (ii) (I) With respect to the storage, acceptance or other use of a vessel  
195 in this state, at the rate of two and ninety-nine-hundredths per cent,  
196 except that such storage, acceptance or other use shall be exempt from  
197 such tax if such vessel is docked in this state for sixty or fewer days in

198 a calendar year;

199 (II) With respect to the storage, acceptance or other use of a motor  
200 for a vessel or a trailer used for transporting a vessel in this state, at the  
201 rate of two and ninety-nine-hundredths per cent;

202 (E) (i) With respect to the acceptance or receipt in this state of  
203 computer and data processing services purchased from any retailer for  
204 consumption or use in this state occurring on or after July 1, 2001, at  
205 the rate of one per cent of such services, and (ii) with respect to the  
206 acceptance or receipt in this state of Internet access services, on and  
207 after July 1, 2001, such services shall be exempt from such tax;

208 (F) With respect to the acceptance or receipt in this state of patient  
209 care services purchased from any retailer for consumption or use in  
210 this state for which payment is received by the hospital on or after July  
211 1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths  
212 per cent and on and after July 1, 2001, such services shall be exempt  
213 from such tax;

214 (G) With respect to the rental or leasing of a passenger motor  
215 vehicle for a period of thirty consecutive calendar days or less, at a rate  
216 of nine and thirty-five-hundredths per cent;

217 (H) With respect to the acceptance or receipt in this state of (i) a  
218 motor vehicle for a sales price exceeding fifty thousand dollars, at a  
219 rate of seven and three-fourths per cent on the entire sales price, (ii)  
220 jewelry, whether real or imitation, for a sales price exceeding five  
221 thousand dollars, at a rate of seven and three-fourths per cent on the  
222 entire sales price, and (iii) an article of clothing or footwear intended to  
223 be worn on or about the human body, a handbag, luggage, umbrella,  
224 wallet or watch for a sales price exceeding one thousand dollars, at a  
225 rate of seven and three-fourths per cent on the entire sales price. For  
226 purposes of this subparagraph, "motor vehicle" has the meaning  
227 provided in section 14-1, but does not include a motor vehicle subject  
228 to the provisions of subparagraph (C) of this subdivision, a motor



229 vehicle having a gross vehicle weight rating over twelve thousand five  
230 hundred pounds, or a motor vehicle having a gross vehicle weight  
231 rating of twelve thousand five hundred pounds or less that is not used  
232 for private passenger purposes, but is designed or used to transport  
233 merchandise, freight or persons in connection with any business  
234 enterprise and issued a commercial registration or more specific type  
235 of registration by the Department of Motor Vehicles;

236 (I) With respect to the acceptance or receipt in this state of meals, as  
237 defined in subdivision (13) of section 12-412, sold by an eating  
238 establishment, caterer or grocery store; and spirituous, malt or vinous  
239 liquors, soft drinks, sodas or beverages such as are ordinarily  
240 dispensed at bars and soda fountains, or in connection therewith; at  
241 the rate of seven and thirty-five-hundredths per cent;

242 ~~[(I)]~~ (J) (i) For calendar quarters ending on or after September 30,  
243 2019, the commissioner shall deposit into the regional planning  
244 incentive account, established pursuant to section 4-66k, six and seven-  
245 tenths per cent of the amounts received by the state from the tax  
246 imposed under subparagraph (B) of this subdivision and ten and  
247 seven-tenths per cent of the amounts received by the state from the tax  
248 imposed under subparagraph (G) of this subdivision;

249 (ii) For calendar quarters ending on or after September 30, 2018, the  
250 commissioner shall deposit into the Tourism Fund established under  
251 section 10-395b ten per cent of the amounts received by the state from  
252 the tax imposed under subparagraph (B) of this subdivision;

253 ~~[(J)]~~ (K) For calendar months commencing on or after July 1, 2021,  
254 the commissioner shall deposit into said municipal revenue sharing  
255 account seven and nine-tenths per cent of the amounts received by the  
256 state from the tax imposed under subparagraph (A) of this  
257 subdivision; [and]

258 ~~[(K)]~~ (L) (i) For calendar months commencing on or after July 1,  
259 2017, the commissioner shall deposit into said Special Transportation

260 Fund seven and nine-tenths per cent of the amounts received by the  
261 state from the tax imposed under subparagraph (A) of this  
262 subdivision;

263 (ii) For calendar months commencing on or after July 1, 2018, but  
264 prior to July 1, 2019, the commissioner shall deposit into the Special  
265 Transportation Fund established under section 13b-68 eight per cent of  
266 the amounts received by the state from the tax imposed under  
267 subparagraphs (A) and (H) of this subdivision on the acceptance or  
268 receipt in this state of a motor vehicle;

269 (iii) For calendar months commencing on or after July 1, 2019, but  
270 prior to July 1, 2020, the commissioner shall deposit into the Special  
271 Transportation Fund established under section 13b-68 thirty-three per  
272 cent of the amounts received by the state from the tax imposed under  
273 subparagraphs (A) and (H) of this subdivision on the acceptance or  
274 receipt in this state of a motor vehicle;

275 (iv) For calendar months commencing on or after July 1, 2020, but  
276 prior to July 1, 2021, the commissioner shall deposit into the Special  
277 Transportation Fund established under section 13b-68 fifty-six per cent  
278 of the amounts received by the state from the tax imposed under  
279 subparagraphs (A) and (H) of this subdivision on the acceptance or  
280 receipt in this state of a motor vehicle;

281 (v) For calendar months commencing on or after July 1, 2021, but  
282 prior to July 1, 2022, the commissioner shall deposit into the Special  
283 Transportation Fund established under section 13b-68 seventy-five per  
284 cent of the amounts received by the state from the tax imposed under  
285 subparagraphs (A) and (H) of this subdivision on the acceptance or  
286 receipt in this state of a motor vehicle; and

287 (vi) For calendar months commencing on or after July 1, 2022, the  
288 commissioner shall deposit into the Special Transportation Fund  
289 established under section 13b-68 one hundred per cent of the amounts  
290 received by the state from the tax imposed under subparagraphs (A)

291 and (H) of this subdivision on the acceptance or receipt in this state of  
292 a motor vehicle; [.] and

293 (M) For calendar quarters ending on or after September 30, 2019, the  
294 commissioner shall deposit into the Municipal Diversification Fund  
295 established under section 4 of this act thirteen and six-tenths per cent  
296 of the amounts received by the state from the tax imposed under  
297 subparagraph (I) of this subdivision.

298 Sec. 3. (NEW) (*Effective July 1, 2019*) (a) As used in this section,  
299 "municipality" means any town, city, consolidated town and city or  
300 consolidated town and borough.

301 (b) (1) Notwithstanding the provisions of any special act or  
302 municipal charter or ordinance, any municipality that seeks to accept  
303 moneys from the Municipal Diversification Fund established pursuant  
304 to section 4 of this act shall, by vote of its legislative body or, in a  
305 municipality where the legislative body is a town meeting, by vote of  
306 the board of selectmen, approve a resolution to accept such moneys.  
307 The chief elected official of a municipality that has approved such  
308 resolution shall notify the Commissioner of Revenue Services of such  
309 approval and the date such approval is effective.

310 (2) Any municipality that has approved such resolution may vote to  
311 repeal such resolution in the same manner such resolution was  
312 approved. The chief elected official of such municipality shall notify  
313 the commissioner of such repeal and the date such repeal is effective.

314 Sec. 4. (NEW) (*Effective July 1, 2019*) (a) There is established a fund to  
315 be known as the "Municipal Diversification Fund". The fund shall  
316 contain any moneys required by law to be deposited in the fund and  
317 shall be held in trust separate and apart from all other moneys, funds  
318 and accounts. Any balance remaining in the fund at the end of any  
319 fiscal year shall be carried forward in the fund for the fiscal year next  
320 succeeding. Moneys in the fund shall be expended by the  
321 Commissioner of Revenue Services for the purpose of providing

322 moneys to municipalities in accordance with this section.

323 (b) The Commissioner of Revenue Services shall maintain an  
324 accounting, aggregated by municipality, of the amounts deposited in  
325 the Municipal Diversification Fund pursuant to subparagraph (N) of  
326 subdivision (1) of section 12-408 of the general statutes, as amended by  
327 this act, and subparagraph (M) of subdivision (1) of section 12-411 of  
328 the general statutes, as amended by this act.

329 (c) Commencing in the calendar quarter ending March 31, 2020, and  
330 in each calendar quarter thereafter, the commissioner shall distribute  
331 moneys from such fund, calculated on a point-of-sale basis, to each  
332 municipality that has approved a resolution in accordance with section  
333 3 of this act and for which a point-of-sale can be determined. Any  
334 moneys for which no point-of-sale can be determined shall be  
335 transferred each calendar quarter to the regional planning incentive  
336 account established under section 4-66k of the general statutes.

337 Sec. 5. Section 12-408d of the general statutes is repealed and the  
338 following is substituted in lieu thereof (*Effective from passage*):

339 For calendar quarters commencing on or after July 1, [2004] 2019,  
340 any retailer with sales in more than one town in this state, for which  
341 sales such retailer files a return under this chapter, shall disaggregate  
342 the information in the return, in such form [as may be] prescribed by  
343 the Commissioner of Revenue Services, to indicate the town in which  
344 sales occurred for which tax was collected by such retailer and the  
345 amount of such tax collected, by town.

346 Sec. 6. (NEW) (*Effective July 1, 2019*) (a) Any municipality may, by  
347 vote of its legislative body or, in a municipality where the legislative  
348 body is a town meeting, by vote of the board of selectmen, establish a  
349 municipal public safety and infrastructure benefit charge to be levied  
350 on entities that own real or personal property in the municipality and  
351 are exempt from taxation pursuant to Section 501(c) of the Internal  
352 Revenue Code of 1986, or any subsequent corresponding internal

353 revenue code of the United States, as amended from time to time. As  
354 used in this section, "municipality" means a town, city or borough,  
355 consolidated town and city or consolidated town and borough.

356 (b) Such municipality shall (1) calculate the cost to the general fund  
357 of the municipality of providing police, fire, emergency services and  
358 road maintenance, using a level-of-service analysis or other valid cost-  
359 based method, (2) analyze any fees, assessments, voluntary payments  
360 and in-kind services the municipality currently receives from such  
361 entities, (3) examine and evaluate any other considerations the  
362 municipality deems necessary to calculate and levy such fee, and (4)  
363 determine a fee structure for the cost of providing the services set forth  
364 in subdivision (1) of this subsection, calculated as a percentage of the  
365 overall budget expenditure multiplied by the assessed value of tax-  
366 exempt property located in the municipality. Any charge levied on an  
367 entity under this section shall be sent and collected in the same manner  
368 as property tax bills and payments therefor.

369 (c) Any charge imposed under this section that is not paid within  
370 thirty days after the due date shall be delinquent and subject to interest  
371 at the rate of eighteen per cent per annum from such due date to the  
372 date such unpaid charge and interest thereon are paid. Any charge  
373 unpaid and interest due thereon shall constitute a lien upon the real or  
374 personal property of the entity located in the municipality and may be  
375 recorded and released in the manner provided for recording and  
376 releasing property tax liens.

377 (d) Any person aggrieved by any action of the municipality taken  
378 under this section shall have the same rights and remedies for appeal  
379 and relief as are provided in the general statutes for taxpayers claiming  
380 to be aggrieved by the doings of the assessors or board of assessment  
381 appeals.

382 Sec. 7. Section 22a-498 of the general statutes is repealed and the  
383 following is substituted in lieu thereof (*Effective July 1, 2019*):

384 (a) Any municipality [selected by the commissioner to participate in  
385 the pilot program established pursuant to section 22a-497] may, by  
386 ordinance adopted by its legislative body, designate any existing board  
387 or commission or establish a new board or commission as the  
388 stormwater authority for such municipality. If a new board or  
389 commission is created, such municipality shall, by ordinance,  
390 determine the number of members thereof, their compensation, if any,  
391 whether such members shall be elected or appointed, the method of  
392 their appointment, if appointed, and removal and their terms of office,  
393 which shall be so arranged that not more than one-half of such terms  
394 shall expire within any one year.

395 (b) The purposes of the stormwater authority shall be to: (1)  
396 Develop a stormwater management program, including, but not  
397 limited to, (A) a program for construction and post-construction site  
398 stormwater runoff control, including control detention and prevention  
399 of stormwater runoff from development sites; or (B) a program for  
400 control and abatement of stormwater pollution from existing land  
401 uses, and the detection and elimination of connections to the  
402 stormwater system that threaten the public health, welfare or the  
403 environment; (2) provide public education and outreach in the  
404 municipality relating to stormwater management activities and to  
405 establish procedures for public participation; (3) provide for the  
406 administration of the stormwater management program; (4) establish  
407 geographic boundaries of the stormwater authority district; and (5)  
408 recommend to the legislative body of the municipality in which such  
409 district is located the imposition of a [levy] fee upon the [taxable]  
410 interests in real property within such district, the revenues from which  
411 may be used in carrying out any of the powers of such district. In  
412 accomplishing the purposes of this section, the stormwater authority  
413 may plan, layout, acquire, construct, reconstruct, repair, maintain,  
414 supervise and manage stormwater control systems.

415 (c) Any stormwater authority created by a municipality pursuant to  
416 subsection (a) of this section may levy fees from property owners of

417 the municipality for the purposes described in subsection (b) of this  
418 section. In establishing fees for any property in its district, the  
419 stormwater authority may consider criteria, including, but not limited  
420 to, the following: The area of the property containing impervious  
421 surfaces from which stormwater runoff is generated, land use types  
422 that result in higher concentrations of stormwater pollution and the  
423 grand list valuation of the property. The stormwater authority may  
424 reduce or defer such fees (1) for land classified as, or consisting of,  
425 farm, forest or open space land, or (2) if stormwater retention standards  
426 under the general permit for the discharge of stormwater from small  
427 municipal separate storm sewer systems, promulgated by the Department  
428 of Energy and Environmental Protection, have been satisfied.

429 (d) The authority may adopt municipal regulations to implement  
430 the stormwater management program.

431 (e) The authority may [, subject to the commissioner's approval,]  
432 enter into contracts with any municipal or regional entity to  
433 accomplish the purposes of this section.

434 Sec. 8. (*Effective from passage*) The Secretary of the Office of Policy  
435 and Management shall conduct a study of the payment in lieu of taxes  
436 grants program with respect to towns in which over fifty per cent of  
437 the land within such town's boundaries is state forest. The secretary  
438 shall evaluate the formula used for such grants program as applied to  
439 such towns and whether changes should be made to such formula for  
440 such towns. Not later than January 1, 2020, the secretary shall submit a  
441 report, in accordance with the provisions of section 11-4a of the general  
442 statutes, summarizing the secretary's findings and including any  
443 recommendations for legislative changes to such formula, to the joint  
444 standing committees of the General Assembly having cognizance of  
445 matters relating to finance, revenue and bonding and municipalities.

446 Sec. 9. (*Effective from passage*) The Commissioner of Economic and  
447 Community Development shall conduct a study of the property tax

448 exemption for machinery and equipment under subdivision (76) of  
449 section 12-81 of the general statutes and evaluate the effect of limiting  
450 the number of years for which a taxpayer would be eligible for such  
451 exemption to seven or fewer years. The commissioner may consult  
452 with any individuals, businesses and state agencies the commissioner  
453 deems necessary or appropriate to accomplish the purposes of the  
454 study. Not later than January 1, 2020, the commissioner shall submit a  
455 report, in accordance with the provisions of section 11-4a of the general  
456 statutes, on the commissioner's findings and recommendations to the  
457 joint standing committees of the General Assembly having cognizance  
458 of matters relating to municipalities, commerce and finance, revenue  
459 and bonding.

460 Sec. 10. Section 32-70 of the general statutes is repealed and the  
461 following is substituted in lieu thereof (*Effective July 1, 2019*):

462 (a) Any municipality that was a distressed municipality under the  
463 provisions of subsection (b) of section 32-9p on February 1, 1986, may,  
464 with the approval of the Commissioner of Economic and Community  
465 Development, designate an area of such municipality as an enterprise  
466 zone. Any such area shall consist of one or two contiguous United  
467 States census tracts, contiguous portions of such census tracts or a  
468 portion of an individual census tract, as determined in accordance with  
469 the most recent United States census and, if such area is covered by  
470 zoning, a portion of it shall be zoned to allow commercial or industrial  
471 activity. The census tracts within which such designated area is located  
472 shall also meet at least one of the following criteria: (1) Twenty-five per  
473 cent or more of the persons within the individual census tracts shall  
474 have income below the poverty level, as determined by the most recent  
475 United States census, as officially updated by the appropriate state  
476 agency or institution; (2) twenty-five per cent or more of the families  
477 within the individual census tracts shall receive public assistance or  
478 welfare income, as determined by the most recent United States  
479 census, as officially updated by the appropriate state agency or  
480 institution; or (3) the unemployment rate of the individual census



481 tracts shall be at least two hundred per cent of the state's average, as  
482 determined by the most recent United States census, as officially  
483 updated by the appropriate state agency or institution. In calculating  
484 any such percentage for one or two contiguous census tracts,  
485 contiguous portions of census tracts or a portion of an individual  
486 census tract, the commissioner shall round up to the nearest whole  
487 percentage number. If a census tract qualifies under the eligibility  
488 criteria for designation as an enterprise zone and if the commissioner  
489 determines that a census tract which is contiguous to such tract has  
490 significant job creation potential, the commissioner may include such  
491 contiguous census tract, or a portion thereof, in the enterprise zone in  
492 lieu of a second qualified census tract if such contiguous census tract  
493 meets at least one of the following reduced criteria: (A) Fifteen per cent  
494 or more of the persons within the census tract shall have income below  
495 the poverty level, as determined by the most recent United States  
496 census, as officially updated by the appropriate state agency or  
497 institution; (B) fifteen per cent or more of the families within the census  
498 tract shall receive public assistance or welfare income, as determined  
499 by the most recent United States census, as officially updated by the  
500 appropriate state agency or institution; or (C) the unemployment rate  
501 of the census tract shall be at least one hundred fifty per cent of the  
502 state's average, as determined by the most recent United States census,  
503 as officially updated by the appropriate state agency or institution. If a  
504 census tract boundary line is the center line of a street, the  
505 commissioner may include within the enterprise zone that portion of  
506 the property fronting on such street which is outside of but adjacent to  
507 the census tract. The depth of such property so included in the  
508 enterprise zone shall be determined by the commissioner at the time of  
509 the designation of the zone. If a census tract boundary line is located  
510 along a railroad right-of-way, railroad property or natural stream of  
511 water, the commissioner may include within the enterprise zone any  
512 private properties under common ownership which are traversed by  
513 the railroad right-of-way, railroad property or natural stream of water.  
514 Any private properties so affected shall be included in the enterprise

515 zone at the time of the designation of the zone except, in the case of an  
516 enterprise zone designated prior to October 1, 1983, the commissioner  
517 may include within the zone any such property if the municipality in  
518 which the zone is located requests the commissioner to include such  
519 property not later than sixty days after October 1, 1983. If more than  
520 twenty-five per cent of the project area of a development project under  
521 chapter 132 is located in an area eligible for designation as an  
522 enterprise zone and the project plan for such development project is  
523 approved by the Commissioner of Economic and Community  
524 Development in accordance with section 8-191, the commissioner may  
525 include the entire project area of such development project area in an  
526 enterprise zone. If more than twenty-five per cent of the project area of  
527 a municipal development project under chapter 588l is located in an  
528 area eligible for designation as an enterprise zone and the  
529 development plan for such project is approved by the Commissioner  
530 of Economic and Community Development in accordance with section  
531 32-224, the commissioner may include the entire project area of such  
532 project in an enterprise zone. If more than fifty per cent of an approved  
533 redevelopment area under chapter 130 is located in an area eligible for  
534 designation as an enterprise zone, the commissioner may include the  
535 entire redevelopment area in an enterprise zone. The commissioner  
536 may also include in the area designated as an enterprise zone (i) any  
537 facility, as defined in section 32-9p, which is located outside of but  
538 contiguous to a census tract included in the zone, (ii) any private  
539 properties which are (I) under common ownership, (II) located outside  
540 of a census tract included in the zone and (III) contiguous to a railroad  
541 right-of-way which is the boundary of such a census tract, or (iii) any  
542 private properties which are located outside of a census tract included  
543 in the zone, but between the zone and a railroad right-of-way, where  
544 other segments of such railroad right-of-way serve as boundaries for  
545 the zone. The commissioner may, at any time after the designation of  
546 an area as an enterprise zone, include in such zone any area  
547 contiguous to such zone which, at the time of the designation of such  
548 zone, was eligible to be included in such zone but was not so included.

549 The commissioner may, at any time after the designation of an area as  
550 an enterprise zone, include in such zone any property which is located  
551 within one hundred fifty feet of a stream, the center line of which is the  
552 boundary of a census tract included in such zone, and which property  
553 contains an existing building or facility, having an area equal to or  
554 greater than one hundred thousand square feet, that is or was formerly  
555 used for manufacturing purposes but is underutilized or vacant at the  
556 time the property is included in such zone. If the commissioner  
557 determines that the necessary data is not available from the most  
558 recent United States census, the commissioner may use such data as  
559 the commissioner deems appropriate. The commissioner shall include  
560 in the designation of the enterprise zone in the city of Meriden the  
561 entire parcel of land bordered by Cook Avenue, Hanover Street,  
562 Perkins Street Square, and South Colony Street.

563 (b) [Notwithstanding any provision of this section to the contrary,  
564 (1) any] (1) Any municipality which has an enterprise zone may with  
565 the approval of the commissioner, expand such enterprise zone by  
566 designating for inclusion in such zone one or more additional census  
567 tracts or contiguous portions of such census tract or tracts, provided  
568 such census tract or tracts are located in the municipality, are  
569 contiguous to the enterprise zone and meet the reduced criteria for  
570 contiguous census tracts in subsection (a) of this section, (2) any  
571 municipality which is contiguous to an enterprise zone which is  
572 located in another municipality may, with the approval of the  
573 commissioner, designate as an enterprise zone one or more census  
574 tracts or contiguous portions of such census tract or tracts, which are  
575 located in the municipality making such designation, provided such  
576 census tract or tracts meet the reduced criteria for contiguous census  
577 tracts in subsection (a) of this section and are contiguous to the  
578 enterprise zone located in the other municipality. When approving  
579 such an expanded or new zone under this subsection, the  
580 commissioner shall consider the development rationale, proposed local  
581 effort and job creation potential of such expanded or new zone as

582 demonstrated by the municipality, and (3) any municipality which is  
583 contiguous to an enterprise zone which is located in another  
584 municipality may, with the approval of the commissioner and the  
585 legislative body of the municipality containing the enterprise zone,  
586 designate as an enterprise zone one or more census tracts or portions  
587 of such census tract or tracts that are contiguous to the enterprise zone  
588 in the other municipality, provided no municipality which designates  
589 an enterprise zone in this manner shall be considered to be a targeted  
590 investment community, as defined in section 32-222, or an enterprise  
591 zone community.

592 (c) (1) On or before September 30, 1993, the Commissioner of  
593 Economic and Community Development shall approve the  
594 designation of ten areas as enterprise zones, not more than four of  
595 which shall be in municipalities with a population greater than eighty  
596 thousand and not more than six of which shall be in municipalities  
597 with a population of less than eighty thousand.

598 (2) (A) On or after October 1, 1993, the commissioner shall approve  
599 the designation of two areas as enterprise zones. Each such area shall  
600 be in a municipality with a population of less than eighty thousand, in  
601 which there are one or more base or plant closures. Such municipalities  
602 shall be in different counties. If the commissioner approves the  
603 designation of an area of a municipality as an enterprise zone because  
604 of a plant closure in the municipality and there is a closure of another  
605 plant in any other municipality in the state by the same business, the  
606 commissioner shall also designate an area in such other municipality  
607 as an enterprise zone. If any such designated area includes a portion of  
608 a census tract in which any such base or plant is located, the census  
609 tracts in such area shall not be required to meet the eligibility criteria  
610 set forth under subsection (a) of this section for enterprise zone  
611 designation. If any such area is located elsewhere in the municipality,  
612 the census tracts in such area shall meet such eligibility criteria. As  
613 used in this subparagraph, (i) "base" means any United States or state  
614 of Connecticut military base or facility located in whole or in part

615 within the state; (ii) "plant" means any manufacturing business or  
616 economic base business, as defined in section 32-222; and (iii) "closure"  
617 means any reduction or transfer in military personnel or civilian  
618 employment at one or more bases or plants in a municipality, which  
619 occurred between July 1, 1989, and July 1, 1993, or is scheduled to  
620 occur between July 1, 1993, and July 1, 1996, and exceeds two thousand  
621 persons. Such employment figures shall be certified by the Labor  
622 Department. (B) On or after October 1, 1993, the commissioner shall  
623 approve the designation of three other areas as enterprise zones, one of  
624 which shall be in a municipality with a population greater than eighty  
625 thousand and two of which shall be in municipalities with a  
626 population of less than eighty thousand. The census tracts in such  
627 areas shall meet the eligibility criteria set forth under subsection (a) of  
628 this section for enterprise zone designation. The commissioner shall  
629 approve the designation of enterprise zones under this subparagraph  
630 for those municipalities which he or she determines to have  
631 experienced the largest increases in poverty from October 1, 1989, to  
632 October 1, 1993, inclusive, based on a weighted average of the  
633 unemployment rate, caseload under the temporary family assistance  
634 program and per capita income of less than ninety per cent of the state  
635 average between 1985 and 1989. In making his determination, the  
636 commissioner may also consider the vacancy rates for commercial and  
637 industrial facilities in a municipality and a municipality's program for  
638 the implementation of an effective enterprise zone program. To the  
639 extent appropriate, the commissioner shall use the Regional Economic  
640 Models, Inc. (REMI) system in making the calculations for such  
641 determination. (C) Notwithstanding the provisions of subsection (a) of  
642 this section, municipalities that were not distressed municipalities  
643 under the provisions of subsection (b) of section 32-9p on February 1,  
644 1986, shall be eligible to designate areas as enterprise zones under  
645 subparagraph (A) or (B) of this subdivision.

646 (3) On or after July 1, 2014, the commissioner shall approve the  
647 designation of two areas as enterprise zones as follows: (A) One area

648 shall be in a municipality with a population of not more than fifty  
649 thousand, as enumerated in the 2010 federal decennial census, and in  
650 which is located a United States Postal Service processing center that at  
651 any point in time employed one thousand or more persons, except that  
652 such area shall only be designated as an enterprise zone for a term of  
653 five years from the date any portion of the area is transferred,  
654 provided such transfer occurs on or after July 1, 2014, and (B) one area  
655 shall be in a municipality with a population of not less than seven  
656 thousand eight hundred and not more than seven thousand nine  
657 hundred, as enumerated in the 2010 federal decennial census, and  
658 having a total area of not more than 12.2 square miles. Each such  
659 enterprise zone area shall consist of two contiguous United States  
660 census tracts, contiguous portions of such census tracts or all or a  
661 portion of an individual census tract, as determined in accordance with  
662 the most recent federal decennial census and, if such area is covered by  
663 zoning, a portion of such area shall be zoned to allow commercial or  
664 industrial activity. The census tracts in each such enterprise zone area  
665 shall not be required to meet the eligibility criteria set forth in  
666 subsection (a) of this section. Notwithstanding the provisions of  
667 subsection (a) of this section, municipalities that were not distressed  
668 municipalities under the provisions of subsection (b) of section 32-9p  
669 on February 1, 1986, shall be eligible to designate areas as enterprise  
670 zones under this subdivision.

671 (4) The commissioner shall not approve the designation of more  
672 than one enterprise zone in any municipality. The commissioner shall  
673 adopt regulations in accordance with chapter 54 concerning such  
674 additional qualifications for an area to become an enterprise zone as he  
675 or she deems necessary. The commissioner may remove the  
676 designation of any area he or she has approved as an enterprise zone if  
677 such area no longer meets the criteria for designation as such an area  
678 set forth in this section or in regulations adopted pursuant to this  
679 section, provided no such designation shall be removed less than ten  
680 years from the original date of approval of such zone. The

681 commissioner may designate any additional area as an enterprise zone  
682 if that area is designated as an enterprise zone, empowerment zone or  
683 enterprise community pursuant to any federal legislation.

684 (d) Each municipality seeking the approval of the Commissioner of  
685 Economic and Community Development for the designation of an area  
686 of the municipality as an enterprise zone shall file with the  
687 commissioner a preliminary application. Not later than sixty days after  
688 receipt of such a preliminary application, the commissioner shall  
689 indicate to the municipality, in writing, any recommendations for  
690 improving the municipality's application. Not later than sixty days  
691 after receipt of the commissioner's written response, the municipality  
692 shall file a final application with the commissioner.

693 (e) The Department of Economic and Community Development  
694 shall compile information on activities and programs which are  
695 conducted in enterprise zones approved by the commissioner before  
696 and after July 1, 1986, and shall serve as a resource center for the  
697 dissemination of such information upon request.

698 (f) (1) Any municipality that has an area designated as an enterprise  
699 zone may, by vote of its legislative body or, in a municipality where  
700 the legislative body is a town meeting, by vote of the board of  
701 selectmen, opt out of the provisions of (A) subdivisions (59) and (60) of  
702 section 12-81, as amended by this act, pertaining to an enterprise zone,  
703 or (B) section 32-71, as amended by this act, or (C) both. Any such opt-  
704 out shall be effective on the date the chief elected official of such  
705 municipality notifies the Commissioner of Economic and Community  
706 Development of such vote, provided such opt out shall not affect (i)  
707 any enterprise zone preliminary or formal application approved for a  
708 business by the Department of Economic and Community  
709 Development or enterprise zone eligibility certificate issued by said  
710 department prior to such date, (ii) any business receiving an  
711 exemption pertaining to an enterprise zone pursuant to subdivision  
712 (59) or (60) of section 12-81, as amended by this act, at the time of such

713 notice, or (iii) any real property that has its assessment fixed or  
714 deferred pursuant to subsection (a) or (c) of section 32-71, as amended  
715 by this act, at the time of such notice.

716 (2) A municipality that has opted out in accordance with the  
717 provisions of subdivision (1) of this subsection may vote to repeal such  
718 opt-out in the same manner such opt-out was approved and shall  
719 notify the commissioner of such repeal.

720 Sec. 11. Subdivisions (59) and (60) of section 12-81 of the general  
721 statutes are repealed and the following is substituted in lieu thereof  
722 (*Effective July 1, 2019*):

723 (59) (a) With respect to assessment years commencing on or after  
724 October 1, 2012, any manufacturing facility, as defined in section 32-  
725 9p, acquired, constructed, substantially renovated or expanded on or  
726 after July 1, 1978, in a distressed municipality, as defined in said  
727 section, in a targeted investment community, as defined in section 32-  
728 222, in an enterprise zone designated pursuant to section 32-70, as  
729 amended by this act, provided, if the municipality in which an  
730 enterprise zone is located has opted out of the provisions of this  
731 subdivision and subdivision (60) of this section in accordance with  
732 subdivision (1) of subsection (f) of section 32-70, as amended by this  
733 act, the facility is eligible under said subsection (f), or in an airport  
734 development zone established pursuant to section 32-75d, and for  
735 which an eligibility certificate has been issued by the Department of  
736 Economic and Community Development, and any manufacturing  
737 plant designated by the Commissioner of Economic and Community  
738 Development under subsection (a) of section 32-75c as follows: To the  
739 extent of eighty per cent of its valuation for purposes of assessment in  
740 each of the five full assessment years following the assessment year in  
741 which the acquisition, construction, renovation or expansion of the  
742 manufacturing facility is completed, except that a manufacturing  
743 facility having a North American Industrial Classification Code of  
744 325411 or 325412 and having at least one thousand full-time



745 employees, as defined in subsection (f) of section 32-9j, shall be eligible  
746 to have the assessment period extended for five additional years upon  
747 approval of the commissioner, in accordance with all applicable  
748 regulations, provided such full-time employees have not been  
749 relocated from another facility in the state operated by the same  
750 eligible applicant;

751 (b) Any service facility, as defined in section 32-9p, acquired,  
752 constructed, substantially renovated or expanded on or after July 1,  
753 1996, and for which an eligibility certificate has been issued by the  
754 Department of Economic and Community Development, as follows: (i)  
755 In the case of an investment of twenty million dollars or more but not  
756 more than thirty-nine million dollars in the service facility, to the  
757 extent of forty per cent of its valuation for purposes of assessment in  
758 each of the five full assessment years following the assessment year in  
759 which the acquisition, construction, renovation or expansion of the  
760 service facility is completed; (ii) in the case of an investment of more  
761 than thirty-nine million dollars but not more than fifty-nine million  
762 dollars in the service facility, to the extent of fifty per cent of its  
763 valuation for purposes of assessment in each of the five full assessment  
764 years following the assessment year in which the acquisition,  
765 construction, renovation or expansion of the service facility is  
766 completed; (iii) in the case of an investment of more than fifty-nine  
767 million dollars but not more than seventy-nine million dollars in the  
768 service facility, to the extent of sixty per cent of its valuation for  
769 purposes of assessment in each of the five full assessment years  
770 following the assessment year in which the acquisition, construction,  
771 renovation or expansion of the service facility is completed; (iv) in the  
772 case of an investment of more than seventy-nine million dollars but  
773 not more than ninety million dollars in the service facility, to the extent  
774 of seventy per cent of its valuation for purposes of assessment in each  
775 of the five full assessment years following the assessment year in  
776 which the acquisition, construction, renovation or expansion of the  
777 service facility is completed; or (v) in the case of an investment of more

778 than ninety million dollars in the service facility, to the extent of eighty  
779 per cent of its valuation for purposes of assessment in each of the five  
780 full assessment years following the assessment year in which the  
781 acquisition, construction, renovation or expansion of the service  
782 facility is completed, except that any financial institution, as defined in  
783 subsection (b) of section 32-236, having at least four thousand qualified  
784 employees, as determined in accordance with an agreement pursuant  
785 to subsection (b) of section 32-236, shall be eligible to have the  
786 assessment period extended for five additional years upon approval of  
787 the commissioner, in accordance with all applicable regulations,  
788 provided such full-time employees have not been relocated from  
789 another facility in the state operated by the same eligible applicant. In  
790 no event shall the definition of qualified employee be more favorable  
791 to the employer than the definition provided in subsection (b) of  
792 section 32-236;

793 (c) The completion date of a manufacturing facility, manufacturing  
794 plant or a service facility will be determined by the Department of  
795 Economic and Community Development taking into account the  
796 issuance of occupancy certificates and such other factors as it deems  
797 relevant. In the case of a manufacturing facility, manufacturing plant  
798 or a service facility which consists of a constructed, renovated or  
799 expanded portion of an existing plant, the assessed valuation of the  
800 facility or manufacturing plant is the difference between the assessed  
801 valuation of the plant prior to its being improved and the assessed  
802 valuation of the plant upon completion of the improvements. In the  
803 case of a manufacturing facility, manufacturing plant or a service  
804 facility which consists of an acquired portion of an existing plant, the  
805 assessed valuation of the facility or manufacturing plant is the assessed  
806 valuation of the portion acquired. This exemption shall be applicable  
807 during each such assessment year regardless of any change in the  
808 ownership or occupancy of the facility or manufacturing plant. If  
809 during any such assessment year, however, any facility for which an  
810 eligibility certificate has been issued ceases to qualify as a

811 manufacturing facility, manufacturing plant or a service facility, the  
812 entitlement to the exemption allowed by this subdivision shall  
813 terminate for the assessment year following the date on which the  
814 qualification ceases, and there shall not be a pro rata application of the  
815 exemption. Any person who desires to claim the exemption provided  
816 in this subdivision shall file annually with the assessor or board of  
817 assessors in the distressed municipality, targeted investment  
818 community, enterprise zone designated pursuant to section 32-70, as  
819 amended by this act, provided, if the municipality in which an  
820 enterprise zone is located has opted out of the provisions of this  
821 subdivision and subdivision (60) of this section in accordance with  
822 subdivision (1) of subsection (f) of section 32-70, as amended by this  
823 act, the facility is eligible under said subsection (f), or in a town within  
824 an airport development zone established pursuant to section 32-75d in  
825 which the manufacturing facility or service facility is located, on or  
826 before the first day of November, a written application claiming such  
827 exemption on a form prescribed by the Secretary of the Office of Policy  
828 and Management. Failure to file such application in this manner and  
829 form within the time limit prescribed shall constitute a waiver of the  
830 right to such exemption for such assessment year, unless (i) an  
831 extension of time is allowed pursuant to section 12-81k, and upon  
832 payment of the required fee for late filing, or (ii) the person claiming  
833 such exemption received a certificate of eligibility on or after October  
834 1, 2009, and is located in a municipality in New Haven County with a  
835 population of not less than eighteen thousand five hundred and not  
836 more than nineteen thousand five hundred, as enumerated in the 2010  
837 federal decennial census;

838 (60) (a) (1) Machinery and equipment which represents an addition  
839 to the assessment or grand list of the municipality in which this  
840 exemption is claimed and is installed in any manufacturing facility, as  
841 defined in section 32-9p, which facility is or has been constructed, or  
842 substantially renovated or expanded on or after July 1, 1978, in a  
843 distressed municipality, targeted investment community, enterprise

844 zone designated pursuant to section 32-70, as amended by this act,  
845 provided, if the municipality in which an enterprise zone is located has  
846 opted out of the provisions of this subdivision and subdivision (59) of  
847 this section in accordance with subdivision (1) of subsection (f) of  
848 section 32-70, as amended by this act, the facility or business is eligible  
849 under said subsection (f), or in an airport development zone  
850 established pursuant to section 32-75d, and for which an eligibility  
851 certificate has been issued by the Department of Economic and  
852 Community Development, concurrently with and directly attributable  
853 to such construction, renovation or expansion, (2) machinery and  
854 equipment which represents an addition to the assessment or grand  
855 list of the municipality in which this exemption is claimed and is  
856 installed, or machinery and equipment existing, in any manufacturing  
857 facility, as defined in section 32-9p, which facility is or has been  
858 acquired on or after July 1, 1978, in a distressed municipality, targeted  
859 investment community, enterprise zone designated pursuant to section  
860 32-70, as amended by this act, provided, if the municipality in which  
861 an enterprise zone is located has opted out of the provisions of this  
862 subdivision and subdivision (59) of this section in accordance with  
863 subdivision (1) of subsection (f) of section 32-70, as amended by this  
864 act, the facility or business is eligible under said subsection (f), or in an  
865 airport development zone established pursuant to section 32-75d, and  
866 for which an eligibility certificate has been issued by the Department  
867 of Economic and Community Development, and (3) machinery and  
868 equipment acquired and installed on or after October 1, 1986, in a  
869 manufacturing facility that is or has at one time been certified as  
870 eligible for the exemption under this subparagraph in accordance with  
871 section 32-9r, as amended by this act, and which continues to be used  
872 for manufacturing purposes, provided such machinery and equipment  
873 is installed in conjunction with an expansion program that satisfies the  
874 requirements for a manufacturing facility, as defined in section 32-9p,  
875 and is contiguous to and represents an increase in square feet of floor  
876 space of not less than fifty per cent of the floor space in the certified  
877 manufacturing facility, as follows: To the extent of eighty per cent of its

878 valuation for purposes of assessment in each of the five full assessment  
879 years for which the manufacturing facility in which it is installed  
880 qualifies for an exemption under subdivision (59) of this section,  
881 except that a facility having a code classification 2833 or 2834 in the  
882 Standard Industrial Code Classification Manual, United States Office  
883 of Management and Budget, 1987 edition, wherein at least one  
884 thousand new full-time employees, as defined in subsection (f) of  
885 section 32-9j, are employed, shall be eligible to have the assessment  
886 period under this subdivision extended for five additional years upon  
887 approval of the commissioner, provided the commissioner approves  
888 an extension of the assessment period under subdivision (59) of this  
889 section for said facility;

890 (b) (1) Machinery and equipment which represents an addition to  
891 the assessment or grand list of the municipality in which this  
892 exemption is claimed and is installed in any service facility, as defined  
893 in section 32-9p, which facility is or has been constructed, or  
894 substantially renovated or expanded on or after July 1, 1996, and for  
895 which an eligibility certificate has been issued by the Department of  
896 Economic and Community Development, concurrently with and  
897 directly attributable to such construction, renovation or expansion, (2)  
898 machinery and equipment which represents an addition to the  
899 assessment or grand list of the municipality in which this exemption is  
900 claimed and is installed, or machinery and equipment existing, in any  
901 service facility, as defined in section 32-9p, which facility is or has been  
902 acquired on or after July 1, 1996, and for which an eligibility certificate  
903 has been issued by the department, and (3) machinery and equipment  
904 acquired and installed on or after July 1, 1996, in a service facility that  
905 is or has at one time been certified as eligible for the exemption under  
906 this subparagraph in accordance with section 32-9r, as amended by  
907 this act, and which continues to be used for service purposes, provided  
908 such machinery and equipment is installed in conjunction with an  
909 expansion program that satisfies the requirements for a service facility,  
910 as defined in section 32-9p, and is contiguous to and represents an

911 increase in square feet of floor space of not less than fifty per cent of  
912 the floor space in the certified service facility, as follows: (i) In the case  
913 of an investment of twenty million dollars or more but not more than  
914 thirty-nine million dollars in the service facility, to the extent of forty  
915 per cent of its valuation for purposes of assessment in each of the five  
916 full assessment years for which the service facility in which it is  
917 installed qualifies for an exemption under subdivision (59) of this  
918 section; (ii) in the case of an investment of more than thirty-nine  
919 million dollars but not more than fifty-nine million dollars in the  
920 service facility, to the extent of fifty per cent of its valuation for  
921 purposes of assessment in each of the five full assessment years for  
922 which the service facility in which it is installed qualifies for an  
923 exemption under subdivision (59) of this section; (iii) in the case of an  
924 investment of more than fifty-nine million dollars but not more than  
925 seventy-nine million dollars in the service facility, to the extent of sixty  
926 per cent of its valuation for purposes of assessment in each of the five  
927 full assessment years for which the service facility in which it is  
928 installed qualifies for an exemption under subdivision (59) of this  
929 section; (iv) in the case of an investment of more than seventy-nine  
930 million dollars but not more than ninety million dollars in the service  
931 facility, to the extent of seventy per cent of its valuation for purposes of  
932 assessment in each of the five full assessment years for which the  
933 service facility in which it is installed qualifies for an exemption under  
934 subdivision (59) of this section; or (v) in the case of an investment of  
935 more than ninety million dollars in the service facility, to the extent of  
936 eighty per cent of its valuation for purposes of assessment in each of  
937 the five full assessment years for which the service facility in which it  
938 is installed qualifies for an exemption under subdivision (59) of this  
939 section, except that any financial institution, as defined in section 32-  
940 236, having at least four thousand qualified employees, as determined  
941 in accordance with an agreement pursuant to subsection (c) of section  
942 32-236, shall be eligible to have the assessment period extended for five  
943 additional years upon approval of the commissioner, in accordance  
944 with all applicable regulations, provided such full-time employees

945 have not been relocated from another facility in the state operated by  
946 the same eligible applicant. In no event shall the definition of qualified  
947 employee be more favorable to the employer than the definition  
948 provided in section 32-236;

949 (c) This exemption shall terminate for the assessment year next  
950 following if the manufacturing facility or service facility in which such  
951 machinery and equipment is installed no longer qualifies for an  
952 exemption under said subdivision (59), and there shall not be a pro  
953 rata application of the exemption of such machinery and equipment in  
954 the assessment year of such termination. Any person who desires to  
955 claim the exemption provided in this subdivision shall file annually  
956 with the assessor or board of assessors in the distressed municipality,  
957 targeted investment community, enterprise zone designated pursuant  
958 to section 32-70, as amended by this act, provided, if the municipality  
959 in which an enterprise zone is located has opted out of the provisions  
960 of this subdivision and subdivision (59) of this section in accordance  
961 with subdivision (1) of subsection (f) of section 32-70, as amended by  
962 this act, the facility or business is eligible under said subsection (f), or a  
963 town in an airport development zone established pursuant to section  
964 32-75d in which the manufacturing facility or service facility is located,  
965 on or before the first day of November, written application claiming  
966 such exemption on a form prescribed by the Secretary of the Office of  
967 Policy and Management. Failure to file such application in this manner  
968 and form within the time limit prescribed shall constitute a waiver of  
969 the right to such exemption for such assessment year, unless an  
970 extension of time is allowed pursuant to section 12-81k, and upon  
971 payment of the required fee for late filing. This exemption shall not  
972 apply to rolling stock;

973 Sec. 12. Section 32-9r of the general statutes is repealed and the  
974 following is substituted in lieu thereof (*Effective July 1, 2019*):

975 (a) Any person may apply to the department for a determination as  
976 to whether the facility described in an application qualifies as a

977 manufacturing facility or service facility. Applications for eligibility  
978 certificates are to be made on the forms and in the manner prescribed  
979 by the department. In evaluating each application the department may  
980 require the submission of all books, records, documents, drawings,  
981 specifications, certifications and other evidentiary items which it  
982 deems appropriate. No eligibility certificate shall be issued after March  
983 1, 1991, for a manufacturing facility located in a distressed  
984 municipality which does not qualify as a targeted investment  
985 community unless the department has issued to the applicant a  
986 commitment letter for such facility prior to March 1, 1991.  
987 Notwithstanding the provisions of this subsection, an eligibility  
988 certificate may be issued by the department after March 1, 1991, for a  
989 qualified manufacturing facility acquired, constructed or substantially  
990 renovated in a distressed municipality provided the commissioner  
991 determines that such acquisition, construction or substantial  
992 renovation was initiated prior to March 1, 1991, and was legitimately  
993 induced by the prospect of assistance under section 12-217e and  
994 subdivisions (59) and (60) of section 12-81, respectively. The  
995 department may issue an eligibility certificate for a qualified  
996 manufacturing facility or a qualified service facility located in a  
997 targeted investment community upon determination by the  
998 commissioner (A) that the acquisition, construction or substantial  
999 renovation relating to the qualified manufacturing facility or qualified  
1000 service facility in such community was induced by the prospect of  
1001 assistance under subdivisions (59) and (60) of section 12-81, as  
1002 amended by this act; and (B) the applicant demonstrates an economic  
1003 need or there is an economic benefit to the state. The department shall  
1004 issue an eligibility certificate for a qualified manufacturing facility  
1005 located in an airport development zone established pursuant to section  
1006 32-75d, and may issue an eligibility certificate for a facility described in  
1007 subparagraph (D) of subdivision (2) of subsection (d) of section 32-9p,  
1008 upon determination by the department (i) that the acquisition,  
1009 construction or substantial renovation relating to the qualified  
1010 manufacturing facility or facility described in said subparagraph (D) in



1011 the airport development zone was induced by the prospect of  
1012 assistance under subdivisions (59) and (60) of section 12-81, as  
1013 amended by this act; (ii) the applicant demonstrates an economic need  
1014 and there is an economic benefit to the state without causing an  
1015 economic detriment to or conflict with an existing zone; and (iii) that  
1016 the applicant serves an airport-related function or relies substantially  
1017 on airport services. The department shall issue an eligibility certificate  
1018 if the commissioner determines (1) that the manufacturing facility is  
1019 located in an enterprise zone designated pursuant to section 32-70, as  
1020 amended by this act, and is a qualified manufacturing facility, or (2)  
1021 that the facility is a plant, building, other real property improvement,  
1022 or part thereof, which is located in a municipality with an  
1023 entertainment district designated under section 32-76 or established  
1024 under section 2 of public act 93-311, and which qualifies as a  
1025 "manufacturing facility" under subsection (d) of section 32-9p in that it  
1026 is to be used in the production of entertainment products, including  
1027 multimedia products, or as part of the airing, display or provision of  
1028 live entertainment for stage or broadcast, including support services  
1029 such as set manufacturers, scenery makers, sound and video  
1030 equipment providers and manufacturers, stage and screen writers,  
1031 providers of capital for the entertainment industry and agents for  
1032 talent, writers, producers and music properties and technological  
1033 infrastructure support including, but not limited to, fiber optics,  
1034 necessary to support multimedia and other entertainment formats,  
1035 except entertainment provided by or shown at a gambling or gaming  
1036 facility or a facility whose primary business is the sale or serving of  
1037 alcoholic beverages.

1038 (b) The department shall reach a determination as to the eligibility  
1039 of a facility within a reasonable time period, but may postpone the  
1040 determination to the extent required to verify to its satisfaction that  
1041 there is a high likelihood that any proposed facility will actually be  
1042 constructed, expanded, substantially renovated or acquired. Prior to  
1043 July 1, 2018, upon a favorable finding, the department shall issue to the

1044 applicant a certificate to the effect that the facility concerned is a  
1045 manufacturing facility or a service facility and is eligible for assistance  
1046 under section 12-217e and subdivisions (59) and (60) of section 12-81,  
1047 as amended by this act. On and after July 1, 2018, upon a favorable  
1048 finding, the department shall issue to the applicant a certificate to the  
1049 effect that the facility concerned is a manufacturing facility or a service  
1050 facility and is eligible for assistance under subdivisions (59) and (60) of  
1051 section 12-81, as amended by this act, except that if the facility is  
1052 located in an enterprise zone for which the municipality has opted out  
1053 of the provisions of said subdivisions in accordance with subdivision  
1054 (1) of subsection (f) of section 32-70, as amended by this act, the  
1055 department shall only issue such certificate if the facility is eligible for  
1056 such assistance under said subsection (f).

1057 (c) Except as specified in subsection (d) of this section, upon an  
1058 unfavorable determination the department shall issue a notice to the  
1059 applicant to the effect that the facility concerned has been determined  
1060 not to be a manufacturing facility or a service facility, together with a  
1061 statement in reasonable detail as to the reasons for the unfavorable  
1062 determination. Any aggrieved applicant shall be afforded an  
1063 opportunity for a public hearing on the matter within thirty days  
1064 following issuance of the notice. The department shall reconsider the  
1065 application based upon the information presented at the public  
1066 hearing and reaffirm or change its earlier determination within ten  
1067 days of the hearing.

1068 (d) Upon an unfavorable determination regarding an application  
1069 concerning an airport development zone, the department shall issue a  
1070 notice to the applicant to the effect that the facility concerned has been  
1071 determined not to be a manufacturing facility or a service facility,  
1072 together with a statement in reasonable detail as to the reasons for the  
1073 unfavorable determination. Any aggrieved applicant shall be afforded  
1074 an opportunity for a public hearing on the matter within thirty days  
1075 following issuance of the notice. The department shall reconsider the  
1076 application based upon the information presented at the public

1077 hearing and reaffirm or change its earlier determination within ten  
1078 days of the hearing.

1079 (e) The decision of the department rendered pursuant to subsection  
1080 (c) or (d) of this section to issue an eligibility certificate or to deny an  
1081 application for the issuance of an eligibility certificate either upon the  
1082 expiration of thirty days without a public hearing following an initial  
1083 unfavorable determination or upon any reconsideration of the  
1084 application pursuant to subsection (c) or (d) of this section is  
1085 conclusive and final as to the matters thereby decided, and chapter 54  
1086 shall not apply to the administrative determinations authorized to be  
1087 made by this section.

1088 (f) Any person who claims a benefit under section 12-217e or  
1089 subdivisions (59) and (60) of section 12-81, as amended by this act,  
1090 shall notify the department of any change in fact or circumstance  
1091 which may bear upon the continued qualification as a manufacturing  
1092 facility or a service facility for which an eligibility certificate has been  
1093 issued. Upon receipt of such information or upon independent  
1094 investigation, the department may revoke the eligibility certificate in  
1095 the manner provided in subsection (c) of this section.

1096 (g) The commissioner shall adopt regulations, in accordance with  
1097 chapter 54, to carry out the provisions of this section. Such regulations  
1098 shall provide that establishments in the category of business support  
1099 services, as defined in subsection (b) of section 32-222, or  
1100 manufacturing facilities, as defined in subsection (d) of section 32-9p,  
1101 may be eligible for a certificate if they are located in an enterprise zone.

1102 Sec. 13. Section 32-9s of the general statutes is repealed and the  
1103 following is substituted in lieu thereof (*Effective July 1, 2019*):

1104 (a) The state shall make an annual grant payment to each  
1105 municipality, to each district, as defined in section 7-325, which is  
1106 located in a distressed municipality, targeted investment community,  
1107 enterprise zone or municipality within an airport development zone

1108 established pursuant to section 32-75d and to each special services  
1109 district created pursuant to chapter 105a which is located in a  
1110 distressed municipality, targeted investment community or enterprise  
1111 zone in the amount of fifty per cent of the amount of that tax revenue  
1112 which the municipality or district would have received except for the  
1113 provisions of subdivisions (59) and (60) of section 12-81, as amended  
1114 by this act, or subdivision (70) of section 12-81.

1115 (b) On or before the first day of August of each year, each  
1116 municipality and district shall file a claim with the Secretary of the  
1117 Office of Policy and Management for the amount of such grant  
1118 payment to which such municipality or district is entitled under this  
1119 section. The claim shall be made on forms prescribed by the secretary  
1120 and shall be accompanied by such supporting information as the  
1121 secretary may require. Any municipality or district which neglects to  
1122 transmit to the secretary such claim and supporting documentation as  
1123 required by this section shall forfeit two hundred fifty dollars to the  
1124 state, provided the secretary may waive such forfeiture in accordance  
1125 with procedures and standards adopted by regulation in accordance  
1126 with chapter 54. The secretary shall review each such claim as  
1127 provided in section 12-120b. Any claimant aggrieved by the results of  
1128 the secretary's review shall have the rights of appeal as set forth in  
1129 section 12-120b. The secretary shall, on or before the December  
1130 fifteenth next succeeding the deadline for the receipt of such claims,  
1131 certify to the Comptroller the amount due under this section, including  
1132 any modification of such claim made prior to December fifteenth, to  
1133 each municipality or district which has made a claim under the  
1134 provisions of this section. The Comptroller shall draw an order on the  
1135 Treasurer on or before the fifth business day following December  
1136 fifteenth, and the Treasurer shall pay the amount thereof to each such  
1137 municipality or district on or before the following December thirty-  
1138 first. If any modification is made as the result of the provisions of this  
1139 section on or after the December first following the date on which the  
1140 municipality or district has provided the amount of tax revenue in

1141 question, any adjustment to the amount due to any municipality or  
1142 district for the period for which such modification was made shall be  
1143 made in the next payment the Treasurer shall make to such  
1144 municipality or district pursuant to this section. In the fiscal year  
1145 commencing July 1, 2003, and in each fiscal year thereafter, the amount  
1146 of the grant payable to each municipality and district in accordance  
1147 with this section shall be reduced proportionately in the event that the  
1148 total amount of the grants payable to all municipalities and districts  
1149 exceeds the amount appropriated.

1150 (c) The provisions of this section shall apply to a municipality that  
1151 has opted out of the provisions of subdivisions (59) and (60) of section  
1152 12-81, as amended by this act, in accordance with subdivision (1) of  
1153 subsection (f) of section 32-70, as amended by this act, as long as a  
1154 facility or business remains eligible under said subsection (f).

1155 Sec. 14. Section 32-71 of the general statutes is repealed and the  
1156 following is substituted in lieu thereof (*Effective July 1, 2019*):

1157 (a) [Any] (1) Unless a municipality, which has designated any area  
1158 as an enterprise zone pursuant to section 32-70, as amended by this act,  
1159 has opted out of the provisions of this section in accordance with  
1160 subdivision (1) of subsection (f) of section 32-70, as amended by this  
1161 act, such municipality shall provide, by ordinance, for the fixing of  
1162 assessments on all real property in such zone which is improved  
1163 during the period when such area is designated as an enterprise zone.

1164 (2) Such fixed assessment shall be for a period of seven years from  
1165 the time of such improvement and shall defer any increase in  
1166 assessment attributable to such improvements according to the  
1167 following schedule:

T1		Percentage of Increase
T2	Year	Deferred
T3	First	100

T4	Second	100
T5	Third	50
T6	Fourth	40
T7	Fifth	30
T8	Sixth	20
T9	Seventh	10

1168 Notwithstanding the provisions of this [subsection] subdivision, a  
1169 municipality may negotiate the fixing of assessments on the portion of  
1170 improvements, by a taxpayer, which exceed a value of eighty million  
1171 dollars to real property which is to be used for commercial or retail  
1172 purposes. Notwithstanding the provisions of chapter 203, no such  
1173 improvements shall be subject to property taxation while such  
1174 improvements are being constructed.

1175 (b) Any fixed assessment on any residential property shall cease if:  
1176 (1) For any residential rental property, any dwelling unit in such  
1177 property is rented to any person whose income exceeds two hundred  
1178 per cent of the median income, as determined by the United States  
1179 Department of Housing and Urban Development, for the area in which  
1180 the municipality containing the residential rental property is located;  
1181 or (2) for any conversion condominium declared after the designation  
1182 of the enterprise zone, any unit is sold to any person whose income  
1183 exceeds two hundred per cent of the median income, as determined by  
1184 the United States Department of Housing and Urban Development, for  
1185 the area in which the municipality containing the residential rental  
1186 property is located.

1187 (c) In the event of a general revaluation by any such municipality in  
1188 the year in which such improvement is completed, resulting in any  
1189 increase in the assessment on such property, only that portion of the  
1190 increase resulting from such improvement shall be deferred. In the  
1191 event of a general revaluation in any year after the year in which such  
1192 improvement is completed, such deferred assessment shall be

1193 increased or decreased in proportion to the increase or decrease in the  
 1194 total assessment on such property as a result of such revaluation.

1195 (d) No improvements of any real property which qualifies as a  
 1196 manufacturing facility under subsection (d) of section 32-9p shall be  
 1197 eligible for any fixed assessment pursuant to this section.

1198 (e) Any such municipality may provide any additional tax  
 1199 abatements or deferrals as it deems necessary for any property located  
 1200 in any such enterprise zone.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019, and applicable to sales occurring on or after July 1, 2019</i>	12-408(1)
Sec. 2	<i>July 1, 2019</i>	12-411(1)
Sec. 3	<i>July 1, 2019</i>	New section
Sec. 4	<i>July 1, 2019</i>	New section
Sec. 5	<i>from passage</i>	12-408d
Sec. 6	<i>July 1, 2019</i>	New section
Sec. 7	<i>July 1, 2019</i>	22a-498
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>July 1, 2019</i>	32-70
Sec. 11	<i>July 1, 2019</i>	12-81(59) and (60)
Sec. 12	<i>July 1, 2019</i>	32-9r
Sec. 13	<i>July 1, 2019</i>	32-9s
Sec. 14	<i>July 1, 2019</i>	32-71

**Statement of Purpose:**

To diversify municipal revenue options, require a study of the PILOT grants program with respect to certain towns and a study of the property tax exemption for machinery and equipment under subdivision (76) of section 12-81 of the general statutes, and authorize municipalities to opt out of certain provisions related to enterprise zones.

*[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.]*