



**Substitute House Bill No. 7361**

**Public Act No. 19-185**

**AN ACT CONCERNING THE ADOPTION OF MASTER PLANS BY  
TAX INCREMENT DISTRICTS.**

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

Section 1. Section 7-339ee of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

Prior to the establishment of a tax increment district and approval of a district master plan for such tax increment district, the municipal legislative body or the board of selectmen in the case of a municipality in which the legislative body is a town meeting shall (1) consider whether the proposed tax increment district and district master plan will contribute to the economic growth or well-being of the municipality or to the betterment of the health, welfare or safety of the inhabitants of the municipality; (2) [at least ninety days prior to establishing a tax increment district and approving the district master plan for such tax increment district,] transmit the district master plan to the planning commission or combined planning and zoning commission of the municipality, [if any] as applicable, requesting a study of the district master plan and a written advisory opinion. Such written advisory opinion shall include a determination on whether the plan is consistent with the plan of conservation and development of the municipality adopted under section 8-23; (3) hold at least one

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public hearing on the proposal to establish a tax increment district. Notice of the hearing shall be published at least ten days prior to the hearing in a newspaper having general circulation within the municipality and shall include (A) the date, time and place of such hearing, and (B) the boundaries of the proposed tax increment district by legal description; and (4) determine whether the proposed tax increment district meets the following conditions:

(A) A portion of the real property within a tax increment district shall meet at least one of the following criteria: (i) Be a substandard, insanitary, deteriorated, deteriorating or blighted area; (ii) be in need of rehabilitation, redevelopment or conservation work; or (iii) be suitable for industrial, commercial, residential, mixed-use or retail uses, downtown development or transit-oriented development; and

(B) The original assessed value of a proposed tax increment district plus the original assessed value of all existing tax increment districts within the municipality may not exceed ten per cent of the total value of taxable property within the municipality as of October first of the year immediately preceding the establishment of the tax increment district. Excluded from the calculation in this subdivision is any tax increment district established on or after October 1, 2015, that consists entirely of contiguous property owned by a single taxpayer. For the purpose of this subdivision, "contiguous property" includes a parcel or parcels of land divided by a road, power line, railroad line or right-of-way. A municipality may not establish a tax increment district if the conditions in this subdivision are not met.

Sec. 2. Section 7-339ff of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

(a) In connection with the establishment of a tax increment district, the legislative body of a municipality shall adopt a district master plan for each tax increment district and a statement of the percentage or

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stated sum of increased assessed value to be designated as captured assessed value in accordance with such plan. [The district master plan shall be adopted at the same time that the tax increment district is established, as part of the tax increment district adoption proceedings set forth in sections 7-339cc to 7-339kk, inclusive.] Such legislative body shall adopt such plan after receipt of a written advisory opinion from the planning commission or combined planning and zoning commission of the municipality requested pursuant to section 7-339ee, as amended by this act, or ninety days after the date such request was made, whichever is earlier.

(b) The district master plan shall include: (1) The boundaries of the tax increment district by legal description; (2) a list of the tax identification numbers for all lots or parcels within the tax increment district; (3) a description of the present condition and uses of all land and buildings within the tax increment district; (4) a description of the public facilities, improvements or programs within the tax increment district anticipated to be added and financed in whole or in part; (5) a description of the industrial, commercial, residential, mixed-use or retail improvements, downtown development or transit-oriented development within the tax increment district anticipated to be financed in whole or in part; (6) a financial plan in accordance with subsection (c) of this section; (7) a plan for the proposed maintenance and operation of the tax increment district after the planned capital improvements are completed; and (8) the maximum duration of the tax increment district, which may not exceed a total of fifty tax years beginning with the tax year in which the tax increment district is established.

(c) The financial plan for a district master plan shall include: (1) Cost estimates for the public improvements and developments anticipated in the district master plan; (2) the maximum amount of indebtedness to be incurred to implement the district master plan; (3) sources of

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anticipated revenues; (4) a description of the terms and conditions of any agreements, including any anticipated assessment agreements, contracts or other obligations related to the district master plan; (5) estimates of increased assessed values of the tax increment district; and (6) the portion of the increased assessed values to be applied to the district master plan as captured assessed values and resulting tax increments in each year of the plan.

(d) The district master plan may be amended from time to time by the legislative body of the municipality. Such legislative body shall review the district master plan at least once every ten years after the initial approval of the tax increment district and the district master plan in order for the tax increment district and the district master plan to remain in effect. With respect to any district master plan that includes development that is funded in whole or in part by federal funds, the provisions of this subsection shall not apply to the extent that such provisions are prohibited by federal law.

Approved July 12, 2019