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:

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 Section 22a-498 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

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

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

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

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

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

Sec. 2. (Effective from passage) The Secretary of the Office of Policy
and Management shall conduct a study of the payment in lieu of taxes
grants program with respect to towns in which over fifty per cent of
the land within such town's boundaries is state forest. The secretary
shall evaluate the formula used for such grants program as applied to
such towns and whether changes should be made to such formula for
such towns. Not later than January 1, 2020, the secretary shall submit a
report, in accordance with the provisions of section 11-4a of the general
statutes, summarizing the secretary's findings and including any
recommendations for legislative changes to such formula, to the joint
standing committees of the General Assembly having cognizance of
matters relating to finance, revenue and bonding and municipalities.

Sec. 3. (Effective from passage) The Commissioner of Economic and
Community Development shall conduct a study of the property tax
exemption for machinery and equipment under subdivision (76) of
section 12-81 of the general statutes and evaluate the effect of limiting
the number of years for which a taxpayer would be eligible for such
exemption to seven or fewer years. The commissioner may consult
with any individuals, businesses and state agencies the commissioner
deems necessary or appropriate to accomplish the purposes of the
study. Not later than January 1, 2020, the commissioner shall submit a
report, in accordance with the provisions of section 11-4a of the general
statutes, on the commissioner's findings and recommendations to the
joint standing committees of the General Assembly having cognizance
of matters relating to municipalities, commerce and finance, revenue
and bonding.

Sec. 4. Section 32-70 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2019):

(a) Any municipality that was a distressed municipality under the
provisions of subsection (b) of section 32-9p on February 1, 1986, may,
with the approval of the Commissioner of Economic and Community
Development, designate an area of such municipality as an enterprise
zone. Any such area shall consist of one or two contiguous United
States census tracts, contiguous portions of such census tracts or a
portion of an individual census tract, as determined in accordance with
the most recent United States census and, if such area is covered by
zoning, a portion of it shall be zoned to allow commercial or industrial
activity. The census tracts within which such designated area is located
shall also meet at least one of the following criteria: (1) Twenty-five per
cent or more of the persons within the individual census tracts shall
have income below the poverty level, as determined by the most recent
United States census, as officially updated by the appropriate state
agency or institution; (2) twenty-five per cent or more of the families
within the individual census tracts shall receive public assistance or
welfare income, as determined by the most recent United States
census, as officially updated by the appropriate state agency or
institution; or (3) the unemployment rate of the individual census
tracts shall be at least two hundred per cent of the state's average, as
determined by the most recent United States census, as officially
updated by the appropriate state agency or institution. In calculating
any such percentage for one or two contiguous census tracts,
contiguous portions of census tracts or a portion of an individual
census tract, the commissioner shall round up to the nearest whole
percentage number. If a census tract qualifies under the eligibility
criteria for designation as an enterprise zone and if the commissioner
determines that a census tract which is contiguous to such tract has
significant job creation potential, the commissioner may include such
contiguous census tract, or a portion thereof, in the enterprise zone in
lieu of a second qualified census tract if such contiguous census tract
meets at least one of the following reduced criteria: (A) Fifteen per cent
or more of the persons within the census tract shall have income below
the poverty level, as determined by the most recent United States
census, as officially updated by the appropriate state agency or
institution; (B) fifteen per cent or more of the families within the census
tract shall receive public assistance or welfare income, as determined
by the most recent United States census, as officially updated by the
appropriate state agency or institution; or (C) the unemployment rate
of the census tract shall be at least one hundred fifty per cent of the
state's average, as determined by the most recent United States census,
as officially updated by the appropriate state agency or institution. If a census tract boundary line is the center line of a street, the commissioner may include within the enterprise zone that portion of the property fronting on such street which is outside of but adjacent to the census tract. The depth of such property so included in the enterprise zone shall be determined by the commissioner at the time of the designation of the zone. If a census tract boundary line is located along a railroad right-of-way, railroad property or natural stream of water, the commissioner may include within the enterprise zone any private properties under common ownership which are traversed by the railroad right-of-way, railroad property or natural stream of water. Any private properties so affected shall be included in the enterprise zone at the time of the designation of the zone except, in the case of an enterprise zone designated prior to October 1, 1983, the commissioner may include within the zone any such property if the municipality in which the zone is located requests the commissioner to include such property not later than sixty days after October 1, 1983. If more than twenty-five per cent of the project area of a development project under chapter 132 is located in an area eligible for designation as an enterprise zone and the project plan for such development project is approved by the Commissioner of Economic and Community Development in accordance with section 8-191, the commissioner may include the entire project area of such development project area in an enterprise zone. If more than twenty-five per cent of the project area of a municipal development project under chapter 588 is located in an area eligible for designation as an enterprise zone and the development plan for such project is approved by the Commissioner of Economic and Community Development in accordance with section 32-224, the commissioner may include the entire project area of such project in an enterprise zone. If more than fifty per cent of an approved redevelopment area under chapter 130 is located in an area eligible for designation as an enterprise zone, the commissioner may include the entire redevelopment area in an enterprise zone. The commissioner may also include in the area designated as an enterprise zone (i) any facility, as defined in section 32-9p, which is located outside of but
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contiguous to a census tract included in the zone, (ii) any private properties which are (I) under common ownership, (II) located outside of a census tract included in the zone and (III) contiguous to a railroad right-of-way which is the boundary of such a census tract, or (iii) any private properties which are located outside of a census tract included in the zone, but between the zone and a railroad right-of-way, where other segments of such railroad right-of-way serve as boundaries for the zone. The commissioner may, at any time after the designation of an area as an enterprise zone, include in such zone any area contiguous to such zone which, at the time of the designation of such zone, was eligible to be included in such zone but was not so included. The commissioner may, at any time after the designation of an area as an enterprise zone, include in such zone any area contiguous to such zone which, at the time of the designation of such zone, was eligible to be included in such zone but was not so included. The commissioner may, at any time after the designation of an area as an enterprise zone, include in such zone any area contiguous to such zone which, at the time of the designation of such zone, was eligible to be included in such zone but was not so included.

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

(b) [Notwithstanding any provision of this section to the contrary, (1) Any municipality which has an enterprise zone may with the approval of the commissioner, expand such enterprise zone by designating for inclusion in such zone one or more additional census tracts or contiguous portions of such census tract or tracts, provided such census tract or tracts are located in the municipality, are contiguous to the enterprise zone and meet the reduced criteria for contiguous census tracts in subsection (a) of this section, (2) any municipality which is contiguous to an enterprise zone which is located in another municipality may, with the approval of the]
commissioner, designate as an enterprise zone one or more census 
tracts or contiguous portions of such census tract or tracts, which are 
located in the municipality making such designation, provided such 
census tract or tracts meet the reduced criteria for contiguous census 
tracts in subsection (a) of this section and are contiguous to the 
enterprise zone located in the other municipality. When approving 
such an expanded or new zone under this subsection, the 
commissioner shall consider the development rationale, proposed local 
effort and job creation potential of such expanded or new zone as 
demonstrated by the municipality, and (3) any municipality which is 
contiguous to an enterprise zone which is located in another 
municipality may, with the approval of the commissioner and the 
legislative body of the municipality containing the enterprise zone, 
designate as an enterprise zone one or more census tracts or portions 
of such census tract or tracts that are contiguous to the enterprise zone 
in the other municipality, provided no municipality which designates 
an enterprise zone in this manner shall be considered to be a targeted 
investment community, as defined in section 32-222, or an enterprise 
zone community.

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

(2) (A) On or after October 1, 1993, the commissioner shall approve 
the designation of two areas as enterprise zones. Each such area shall 
be in a municipality with a population of less than eighty thousand, in 
which there are one or more base or plant closures. Such municipalities 
shall be in different counties. If the commissioner approves the 
designation of an area of a municipality as an enterprise zone because 
of a plant closure in the municipality and there is a closure of another 
plant in any other municipality in the state by the same business, the 
commissioner shall also designate an area in such other municipality
as an enterprise zone. If any such designated area includes a portion of
a census tract in which any such base or plant is located, the census
tracts in such area shall not be required to meet the eligibility criteria
set forth under subsection (a) of this section for enterprise zone
designation. If any such area is located elsewhere in the municipality,
the census tracts in such area shall meet such eligibility criteria. As
used in this subparagraph, (i) "base" means any United States or state
of Connecticut military base or facility located in whole or in part
within the state; (ii) "plant" means any manufacturing business or
economic base business, as defined in section 32-222; and (iii) "closure"
means any reduction or transfer in military personnel or civilian
employment at one or more bases or plants in a municipality, which
occurred between July 1, 1989, and July 1, 1993, or is scheduled to
occur between July 1, 1993, and July 1, 1996, and exceeds two thousand
persons. Such employment figures shall be certified by the Labor
Department. (B) On or after October 1, 1993, the commissioner shall
approve the designation of three other areas as enterprise zones, one of
which shall be in a municipality with a population greater than eighty
thousand and two of which shall be in municipalities with a
population of less than eighty thousand. The census tracts in such
areas shall meet the eligibility criteria set forth under subsection (a) of
this section for enterprise zone designation. The commissioner shall
approve the designation of enterprise zones under this subparagraph
for those municipalities which he or she determines to have
experienced the largest increases in poverty from October 1, 1989, to
October 1, 1993, inclusive, based on a weighted average of the
unemployment rate, caseload under the temporary family assistance
program and per capita income of less than ninety per cent of the state
average between 1985 and 1989. In making his determination, the
commissioner may also consider the vacancy rates for commercial and
industrial facilities in a municipality and a municipality's program for
the implementation of an effective enterprise zone program. To the
extent appropriate, the commissioner shall use the Regional Economic
Models, Inc. (REMI) system in making the calculations for such
determination. (C) Notwithstanding the provisions of subsection (a) of
this section, municipalities that were not distressed municipalities
under the provisions of subsection (b) of section 32-9p on February 1,
1986, shall be eligible to designate areas as enterprise zones under
paragraph (A) or (B) of this subdivision.

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

(4) The commissioner shall not approve the designation of more
than one enterprise zone in any municipality. The commissioner shall
adopt regulations in accordance with chapter 54 concerning such
additional qualifications for an area to become an enterprise zone as he
or she deems necessary. The commissioner may remove the
designation of any area he or she has approved as an enterprise zone if
such area no longer meets the criteria for designation as such an area
set forth in this section or in regulations adopted pursuant to this
section, provided no such designation shall be removed less than ten
years from the original date of approval of such zone. The
commissioner may designate any additional area as an enterprise zone
if that area is designated as an enterprise zone, empowerment zone or
enterprise community pursuant to any federal legislation.

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

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

(f) (1) Any municipality that has an area designated as an enterprise
zone may, by vote of its legislative body or, in a municipality where
the legislative body is a town meeting, by vote of the board of
selectmen, opt out of the provisions of (A) subdivisions (59) and (60) of
section 12-81, as amended by this act, pertaining to an enterprise zone,
or (B) section 32-71, as amended by this act, or (C) both. Any such opt-
out shall be effective on the date the chief elected official of such
municipality notifies the Commissioner of Economic and Community
Development of such vote, provided such opt out shall not affect (i)
any enterprise zone preliminary or formal application approved for a
business by the Department of Economic and Community
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Development or enterprise zone eligibility certificate issued by said department prior to such date, (ii) any business receiving an exemption pertaining to an enterprise zone pursuant to subdivision (59) or (60) of section 12-81, as amended by this act, at the time of such notice, (iii) any real property that has its assessment fixed or deferred pursuant to subsection (a) or (c) of section 32-71, as amended by this act, at the time of such notice, or (iv) any real property planned to be constructed or personal property planned to be purchased, pursuant to an economic incentive agreement entered into by a business with the Department of Economic and Community Development, provided such agreement was executed on or before December 31, 2018.

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

Sec. 5. Subdivisions (59) and (60) of section 12-81 of the general statutes are repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(59) (a) With respect to assessment years commencing on or after October 1, 2012, any manufacturing facility, as defined in section 32-9p, acquired, constructed, substantially renovated or expanded on or after July 1, 1978, in a distressed municipality, as defined in said section, in a targeted investment community, as defined in section 32-222, in an enterprise zone designated pursuant to section 32-70, as amended by this act, provided, if the municipality in which an enterprise zone is located has opted out of the provisions of this subdivision and subdivision (60) of this section in accordance with subdivision (1) of subsection (f) of section 32-70, as amended by this act, the facility is eligible under said subsection (f), or in an airport development zone established pursuant to section 32-75d and for which an eligibility certificate has been issued by the Department of Economic and Community Development, and any manufacturing plant designated by the Commissioner of Economic and Community Development.
Development under subsection (a) of section 32-75c as follows: To the extent of eighty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the manufacturing facility is completed, except that a manufacturing facility having a North American Industrial Classification Code of 325411 or 325412 and having at least one thousand full-time employees, as defined in subsection (f) of section 32-9j, shall be eligible to have the assessment period extended for five additional years upon approval of the commissioner, in accordance with all applicable regulations, provided such full-time employees have not been relocated from another facility in the state operated by the same eligible applicant;

(b) Any service facility, as defined in section 32-9p, acquired, constructed, substantially renovated or expanded on or after July 1, 1996, and for which an eligibility certificate has been issued by the Department of Economic and Community Development, as follows: (i) In the case of an investment of twenty million dollars or more but not more than thirty-nine million dollars in the service facility, to the extent of forty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed; (ii) in the case of an investment of more than thirty-nine million dollars but not more than fifty-nine million dollars in the service facility, to the extent of fifty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed; (iii) in the case of an investment of more than fifty-nine million dollars but not more than seventy-nine million dollars in the service facility, to the extent of sixty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed; (iv) in the case of an investment of more than seventy-nine million dollars but
not more than ninety million dollars in the service facility, to the extent of seventy per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed; or (v) in the case of an investment of more than ninety million dollars in the service facility, to the extent of eighty per cent of its valuation for purposes of assessment in each of the five full assessment years following the assessment year in which the acquisition, construction, renovation or expansion of the service facility is completed, except that any financial institution, as defined in subsection (b) of section 32-236, having at least four thousand qualified employees, as determined in accordance with an agreement pursuant to subsection (b) of section 32-236, shall be eligible to have the assessment period extended for five additional years upon approval of the commissioner, in accordance with all applicable regulations, provided such full-time employees have not been relocated from another facility in the state operated by the same eligible applicant. In no event shall the definition of qualified employee be more favorable to the employer than the definition provided in subsection (b) of section 32-236;

(c) The completion date of a manufacturing facility, manufacturing plant or a service facility will be determined by the Department of Economic and Community Development taking into account the issuance of occupancy certificates and such other factors as it deems relevant. In the case of a manufacturing facility, manufacturing plant or a service facility which consists of a constructed, renovated or expanded portion of an existing plant, the assessed valuation of the facility or manufacturing plant is the difference between the assessed valuation of the plant prior to its being improved and the assessed valuation of the plant upon completion of the improvements. In the case of a manufacturing facility, manufacturing plant or a service facility which consists of an acquired portion of an existing plant, the assessed valuation of the facility or manufacturing plant is the assessed valuation of the portion acquired. This exemption shall be applicable during each such assessment year regardless of any change in the
ownership or occupancy of the facility or manufacturing plant. If
during any such assessment year, however, any facility for which an
eligibility certificate has been issued ceases to qualify as a
manufacturing facility, manufacturing plant or a service facility, the
entitlement to the exemption allowed by this subdivision shall
terminate for the assessment year following the date on which the
qualification ceases, and there shall not be a pro rata application of the
exemption. Any person who desires to claim the exemption provided
in this subdivision shall file annually with the assessor or board of
assessors in the distressed municipality, targeted investment
community, enterprise zone designated pursuant to section 32-70, as
amended by this act, provided, if the municipality in which an
enterprise zone is located has opted out of the provisions of this
subdivision and subdivision (60) of this section in accordance with
subdivision (1) of subsection (f) of section 32-70, as amended by this
act, the facility is eligible under said subsection (f), or in a town within
an airport development zone established pursuant to section 32-75d in
which the manufacturing facility or service facility is located, on or
before the first day of November, a written application claiming such
exemption on a form prescribed by the Secretary of the Office of Policy
and Management. Failure to file such application in this manner and
form within the time limit prescribed shall constitute a waiver of the
right to such exemption for such assessment year, unless (i) an
extension of time is allowed pursuant to section 12-81k, and upon
payment of the required fee for late filing, or (ii) the person claiming
such exemption received a certificate of eligibility on or after October
1, 2009, and is located in a municipality in New Haven County with a
population of not less than eighteen thousand five hundred and not
more than nineteen thousand five hundred, as enumerated in the 2010
federal decennial census;

   (60) (a) (1) Machinery and equipment which represents an addition
to the assessment or grand list of the municipality in which this
exemption is claimed and is installed in any manufacturing facility, as
defined in section 32-9p, which facility is or has been constructed, or
substantially renovated or expanded on or after July 1, 1978, in a
distressed municipality, targeted investment community, enterprise zone designated pursuant to section 32-70, as amended by this act, provided, if the municipality in which an enterprise zone is located has opted out of the provisions of this subdivision and subdivision (59) of this section in accordance with subdivision (1) of subsection (f) of section 32-70, as amended by this act, the facility or business is eligible under said subsection (f), or in an airport development zone established pursuant to section 32-75d, and for which an eligibility certificate has been issued by the Department of Economic and Community Development, concurrently with and directly attributable to such construction, renovation or expansion, (2) machinery and equipment which represents an addition to the assessment or grand list of the municipality in which this exemption is claimed and is installed, or machinery and equipment existing, in any manufacturing facility, as defined in section 32-9p, which facility is or has been acquired on or after July 1, 1978, in a distressed municipality, targeted investment community, enterprise zone designated pursuant to section 32-70, as amended by this act, provided, if the municipality in which an enterprise zone is located has opted out of the provisions of this subdivision and subdivision (59) of this section in accordance with subdivision (1) of subsection (f) of section 32-70, as amended by this act, the facility or business is eligible under said subsection (f), or in an airport development zone established pursuant to section 32-75d, and for which an eligibility certificate has been issued by the Department of Economic and Community Development, and (3) machinery and equipment acquired and installed on or after October 1, 1986, in a manufacturing facility that is or has at one time been certified as eligible for the exemption under this subparagraph in accordance with section 32-9r, as amended by this act, and which continues to be used for manufacturing purposes, provided such machinery and equipment is installed in conjunction with an expansion program that satisfies the requirements for a manufacturing facility, as defined in section 32-9p, and is contiguous to and represents an increase in square feet of floor space of not less than fifty per cent of the floor space in the certified manufacturing facility, as follows: To the extent of eighty per cent of its
valuation for purposes of assessment in each of the five full assessment
years for which the manufacturing facility in which it is installed
qualifies for an exemption under subdivision (59) of this section,
except that a facility having a code classification 2833 or 2834 in the
Standard Industrial Code Classification Manual, United States Office
of Management and Budget, 1987 edition, wherein at least one
thousand new full-time employees, as defined in subsection (f) of
section 32-9j, are employed, shall be eligible to have the assessment
period under this subdivision extended for five additional years upon
approval of the commissioner, provided the commissioner approves
an extension of the assessment period under subdivision (59) of this
section for said facility;

(b) (1) Machinery and equipment which represents an addition to
the assessment or grand list of the municipality in which this
exemption is claimed and is installed in any service facility, as defined
in section 32-9p, which facility is or has been constructed, or
substantially renovated or expanded on or after July 1, 1996, and for
which an eligibility certificate has been issued by the Department of
Economic and Community Development, concurrently with and
directly attributable to such construction, renovation or expansion, (2)
machinery and equipment which represents an addition to the
assessment or grand list of the municipality in which this exemption is
claimed and is installed, or machinery and equipment existing, in any
service facility, as defined in section 32-9p, which facility is or has been
acquired on or after July 1, 1996, and for which an eligibility certificate
has been issued by the department, and (3) machinery and equipment
acquired and installed on or after July 1, 1996, in a service facility that
is or has at one time been certified as eligible for the exemption under
this subparagraph in accordance with section 32-9r, as amended by
this act, and which continues to be used for service purposes, provided
such machinery and equipment is installed in conjunction with an
expansion program that satisfies the requirements for a service facility,
as defined in section 32-9p, and is contiguous to and represents an
increase in square feet of floor space of not less than fifty per cent of
the floor space in the certified service facility, as follows: (i) In the case
of an investment of twenty million dollars or more but not more than
thirty-nine million dollars in the service facility, to the extent of forty
per cent of its valuation for purposes of assessment in each of the five
full assessment years for which the service facility in which it is
installed qualifies for an exemption under subdivision (59) of this
section; (ii) in the case of an investment of more than thirty-nine
million dollars but not more than fifty-nine million dollars in the
service facility, to the extent of fifty per cent of its valuation for
purposes of assessment in each of the five full assessment years for
which the service facility in which it is installed qualifies for an
exemption under subdivision (59) of this section; (iii) in the case of an
investment of more than fifty-nine million dollars but not more than
seventy-nine million dollars in the service facility, to the extent of sixty
per cent of its valuation for purposes of assessment in each of the five
full assessment years for which the service facility in which it is
installed qualifies for an exemption under subdivision (59) of this
section; (iv) in the case of an investment of more than seventy-nine
million dollars but not more than ninety million dollars in the service
facility, to the extent of seventy per cent of its valuation for purposes of
assessment in each of the five full assessment years for which the
service facility in which it is installed qualifies for an exemption under
subdivision (59) of this section; or (v) in the case of an investment of
more than ninety million dollars in the service facility, to the extent of
eighty per cent of its valuation for purposes of assessment in each of
the five full assessment years for which the service facility in which it is
installed qualifies for an exemption under subdivision (59) of this
section, except that any financial institution, as defined in section 32-236,
having at least four thousand qualified employees, as determined
in accordance with an agreement pursuant to subsection (c) of section
32-236, shall be eligible to have the assessment period extended for five
additional years upon approval of the commissioner, in accordance
with all applicable regulations, provided such full-time employees
have not been relocated from another facility in the state operated by
the same eligible applicant. In no event shall the definition of qualified
employee be more favorable to the employer than the definition
provided in section 32-236;

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

Sec. 6. Section 32-9r of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) Any person may apply to the department for a determination as to whether the facility described in an application qualifies as a manufacturing facility or service facility. Applications for eligibility certificates are to be made on the forms and in the manner prescribed by the department. In evaluating each application the department may require the submission of all books, records, documents, drawings,
specifications, certifications and other evidentiary items which it
deems appropriate. No eligibility certificate shall be issued after March
1, 1991, for a manufacturing facility located in a distressed
municipality which does not qualify as a targeted investment
community unless the department has issued to the applicant a
commitment letter for such facility prior to March 1, 1991.
Notwithstanding the provisions of this subsection, an eligibility
certificate may be issued by the department after March 1, 1991, for a
qualified manufacturing facility acquired, constructed or substantially
renovated in a distressed municipality provided the commissioner
determines that such acquisition, construction or substantial
renovation was initiated prior to March 1, 1991, and was legitimately
induced by the prospect of assistance under section 12-217e and
subdivisions (59) and (60) of section 12-81, respectively. The
department may issue an eligibility certificate for a qualified
manufacturing facility or a qualified service facility located in a
targeted investment community upon determination by the
commissioner (A) that the acquisition, construction or substantial
renovation relating to the qualified manufacturing facility or qualified
service facility in such community was induced by the prospect of
assistance under subdivisions (59) and (60) of section 12-81, as
amended by this act; and (B) the applicant demonstrates an economic
need or there is an economic benefit to the state. The department shall
issue an eligibility certificate for a qualified manufacturing facility
located in an airport development zone established pursuant to section
32-75d, and may issue an eligibility certificate for a facility described in
subparagraph (D) of subdivision (2) of subsection (d) of section 32-9p,
upon determination by the department (i) that the acquisition,
construction or substantial renovation relating to the qualified
manufacturing facility or facility described in said subparagraph (D) in
the airport development zone was induced by the prospect of
assistance under subdivisions (59) and (60) of section 12-81, as
amended by this act; (ii) the applicant demonstrates an economic need
and there is an economic benefit to the state without causing an
economic detriment to or conflict with an existing zone; and (iii) that
the applicant serves an airport-related function or relies substantially
on airport services. The department shall issue an eligibility certificate
if the commissioner determines (1) that the manufacturing facility is
located in an enterprise zone designated pursuant to section 32-70, as
amended by this act, and is a qualified manufacturing facility, or (2)
that the facility is a plant, building, other real property improvement,
or part thereof, which is located in a municipality with an
entertainment district designated under section 32-76 or established
under section 2 of public act 93-311, and which qualifies as a
"manufacturing facility" under subsection (d) of section 32-9p in that it
is to be used in the production of entertainment products, including
multimedia products, or as part of the airing, display or provision of
live entertainment for stage or broadcast, including support services
such as set manufacturers, scenery makers, sound and video
equipment providers and manufacturers, stage and screen writers,
providers of capital for the entertainment industry and agents for
talent, writers, producers and music properties and technological
infrastructure support including, but not limited to, fiber optics,
necessary to support multimedia and other entertainment formats,
except entertainment provided by or shown at a gambling or gaming
facility or a facility whose primary business is the sale or serving of
alcoholic beverages.

(b) The department shall reach a determination as to the eligibility
of a facility within a reasonable time period, but may postpone the
determination to the extent required to verify to its satisfaction that
there is a high likelihood that any proposed facility will actually be
constructed, expanded, substantially renovated or acquired. Prior to
July 1, 2018, upon a favorable finding, the department shall issue to the
applicant a certificate to the effect that the facility concerned is a
manufacturing facility or a service facility and is eligible for assistance
under section 12-217e and subdivisions (59) and (60) of section 12-81,
as amended by this act. On and after July 1, 2018, upon a favorable
finding, the department shall issue to the applicant a certificate to the
effect that the facility concerned is a manufacturing facility or a service
facility and is eligible for assistance under subdivisions (59) and (60) of
section 12-81, as amended by this act, except that if the facility is located in an enterprise zone for which the municipality has opted out of the provisions of said subdivisions in accordance with subdivision (1) of subsection (f) of section 32-70, as amended by this act, the department shall only issue such certificate if the facility is eligible for such assistance under said subsection (f).

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

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

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

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

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

Sec. 7. Section 32-9s of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) The state shall make an annual grant payment to each municipality, to each district, as defined in section 7-325, which is located in a distressed municipality, targeted investment community, enterprise zone or municipality within an airport development zone established pursuant to section 32-75d and to each special services district created pursuant to chapter 105a which is located in a distressed municipality, targeted investment community or enterprise zone in the amount of fifty per cent of the amount of that tax revenue which the municipality or district would have received except for the provisions of subdivisions (59) and (60) of section 12-81, as amended by this act, or subdivision (70) of section 12-81.

(b) On or before the first day of August of each year, each
municipality and district shall file a claim with the Secretary of the
Office of Policy and Management for the amount of such grant
payment to which such municipality or district is entitled under this
section. The claim shall be made on forms prescribed by the secretary
and shall be accompanied by such supporting information as the
secretary may require. Any municipality or district which neglects to
transmit to the secretary such claim and supporting documentation as
required by this section shall forfeit two hundred fifty dollars to the
state, provided the secretary may waive such forfeiture in accordance
with procedures and standards adopted by regulation in accordance
with chapter 54. The secretary shall review each such claim as
provided in section 12-120b. Any claimant aggrieved by the results of
the secretary's review shall have the rights of appeal as set forth in
section 12-120b. The secretary shall, on or before the December
fifteenth next succeeding the deadline for the receipt of such claims,
certify to the Comptroller the amount due under this section, including
any modification of such claim made prior to December fifteenth, to
each municipality or district which has made a claim under the
provisions of this section. The Comptroller shall draw an order on the
Treasurer on or before the fifth business day following December
fifteenth, and the Treasurer shall pay the amount thereof to each such
municipality or district on or before the following December thirty-
first. If any modification is made as the result of the provisions of this
section on or after the December first following the date on which the
municipality or district has provided the amount of tax revenue in
question, any adjustment to the amount due to any municipality or
district for the period for which such modification was made shall be
made in the next payment the Treasurer shall make to such
municipality or district pursuant to this section. In the fiscal year
commencing July 1, 2003, and in each fiscal year thereafter, the amount
of the grant payable to each municipality and district in accordance
with this section shall be reduced proportionately in the event that the
total amount of the grants payable to all municipalities and districts
exceeds the amount appropriated.

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

Sec. 8. Section 32-71 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of Increase</th>
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<tbody>
<tr>
<td>T1</td>
<td>100</td>
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<tr>
<td>T2</td>
<td>100</td>
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<tr>
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<td>T9</td>
<td>10</td>
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</tbody>
</table>

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

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

(c) In the event of a general revaluation by any such municipality in
the year in which such improvement is completed, resulting in any
increase in the assessment on such property, only that portion of the
increase resulting from such improvement shall be deferred. In the
event of a general revaluation in any year after the year in which such
improvement is completed, such deferred assessment shall be
increased or decreased in proportion to the increase or decrease in the
total assessment on such property as a result of such revaluation.

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

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

<p>| This act shall take effect as follows and shall amend the following sections: |
|-----------------------------|---------------------|------------------|
| Section 1                   | July 1, 2019        | 22a-498          |
| Sec. 2                      | from passage        | New section      |</p>
<table>
<thead>
<tr>
<th>Sec.</th>
<th>from passage</th>
<th>New section</th>
</tr>
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<tbody>
<tr>
<td>Sec. 3</td>
<td>from passage</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 4</td>
<td>July 1, 2019</td>
<td>32-70</td>
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<tr>
<td>Sec. 5</td>
<td>July 1, 2019</td>
<td>12-81(59) and (60)</td>
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<td>Sec. 6</td>
<td>July 1, 2019</td>
<td>32-9r</td>
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<td>Sec. 7</td>
<td>July 1, 2019</td>
<td>32-9s</td>
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<td>Sec. 8</td>
<td>July 1, 2019</td>
<td>32-71</td>
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