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## **OLR Bill Analysis**

### **sSB 626**

#### ***AN ACT ESTABLISHING AN ENTERPRISE ZONE IN THE TOWN OF PLYMOUTH.***

#### **SUMMARY**

This bill creates a new enterprise zone by requiring the Department of Economic and Community Development commissioner to approve the designation of a zone in Plymouth on or after July 1, 2021. The bill identifies Plymouth by it having the following features based on the 2010 federal census: (1) population between 12,200 and 12,300, (2) maximum total area of 22.34 square miles, and (3) maximum average population density of 559.3 people per square mile of land.

Generally, to designate an area as an enterprise zone, municipalities must have qualified as “distressed municipalities” as of February 1, 1986. The area must also meet certain poverty or unemployment criteria. The bill allows Plymouth to designate an enterprise zone without meeting these criteria.

Under the bill, the designated enterprise zone in Plymouth must be two contiguous census tracts, contiguous portions of these tracts, or all or part of an individual census tract, according to the most recent census. If a designated area is covered by zoning, part of the area must be zoned for commercial or industrial activity.

Businesses located in these zones may receive the same property tax benefits as those in existing enterprise zones, which include two benefits. First, businesses may receive a five-year, 80% property tax exemption for improving or acquiring “manufacturing facilities” and acquiring machinery and equipment. The state generally reimburses the municipality for half the forgone property tax revenue, depending on available funding (CGS § 12-81(59) & (60)). Second, they may receive a seven-year property tax exemption (100% in first two years,

50% in the third, and a decrease of 10 percentage points in each of the remaining four years), with no state reimbursement, for commercial and residential real property improvements that do not qualify for the 5-year, 80% exemption (other than manufacturing facility improvements) (CGS § 32-71).

EFFECTIVE DATE: July 1, 2021

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable

Yea 23 Nay 0 (03/18/2021)