



General Assembly

January Session, 2023

***Raised Bill No. 1245***

LCO No. 6625



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

***AN ACT CONCERNING HIGH POVERTY-LOW OPPORTUNITY CENSUS TRACTS.***

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

1 Section 1. (NEW) (*Effective July 1, 2023*) (a) (1) As used in this section,  
2 "high poverty-low opportunity census tract" means a United States  
3 census tract in which forty per cent or more of the residents within such  
4 census tract have incomes below the federal poverty level, according to  
5 the most recent federal decennial census.

6 (2) The Secretary of the Office of Policy and Management shall  
7 compile a list of high poverty-low opportunity census tracts in the state  
8 and the municipalities in which such census tracts are located and shall,  
9 not later than July 1, 2023, submit such list to the General Assembly in  
10 accordance with the provisions of section 11-4a of the general statutes.  
11 The secretary shall post such list to the Internet web site of the Office of  
12 Policy and Management and shall review and update such list as  
13 necessary. Whenever the secretary updates such list, the secretary shall  
14 submit such updated list to the General Assembly in accordance with  
15 the provisions of section 11-4a of the general statutes.

16 (b) (1) For the purposes described in subdivision (2) of this  
17 subsection, the State Bond Commission shall have the power from time  
18 to time to authorize the issuance of bonds of the state in one or more  
19 series and in principal amounts not exceeding in the aggregate two  
20 billion five hundred million dollars, provided two hundred fifty million  
21 dollars shall be effective each fiscal year for the fiscal years commencing  
22 July 1, 2023, to July 1, 2033, inclusive, and provided further that the State  
23 Bond Commission shall include on at least one agenda for a meeting of  
24 said commission to authorize bonds during each said fiscal year, an  
25 authorization of bonds for any of the purposes described in subdivision  
26 (2) of this subsection in an aggregate amount of not less than two  
27 hundred fifty million dollars for each said fiscal year.

28 (2) The proceeds of the sale of such bonds, to the extent of the amount  
29 stated in subdivision (1) of this subsection, shall be used by the Office of  
30 Policy and Management for the following purposes within high  
31 poverty-low opportunity census tracts to benefit the residents within  
32 such census tracts: (A) Construction, renovation or rehabilitation of  
33 mixed-income housing; (B) the establishment or improvement of  
34 workforce development programs; (C) the establishment or  
35 improvement of preschool education, preschool enrichment or  
36 preschool day care programs; (D) the establishment or improvement of  
37 primary and secondary education programs; (E) construction,  
38 renovation or rehabilitation of public infrastructure; and (F) the  
39 establishment or improvement of early intervention programs to  
40 prevent and reduce gun violence.

41 (3) All provisions of section 3-20 of the general statutes, or the exercise  
42 of any right or power granted thereby, that are not inconsistent with the  
43 provisions of this subsection are hereby adopted and shall apply to all  
44 bonds authorized by the State Bond Commission pursuant to this  
45 section. Temporary notes in anticipation of the money to be derived  
46 from the sale of any such bonds so authorized may be issued in  
47 accordance with section 3-20 of the general statutes and from time to  
48 time renewed. Such bonds shall mature at such time or times not  
49 exceeding twenty years from their respective dates as may be provided

50 in or pursuant to the resolution or resolutions of the State Bond  
51 Commission authorizing such bonds. None of such bonds shall be  
52 authorized except upon a finding by the State Bond Commission that  
53 there has been filed with it a request for such authorization that is signed  
54 by or on behalf of the Secretary of the Office of Policy and Management  
55 and states such terms and conditions as said commission, in its  
56 discretion, may require. Such bonds issued pursuant to this subsection  
57 shall be general obligations of the state and the full faith and credit of  
58 the state of Connecticut are pledged for the payment of the principal of  
59 and interest on such bonds as the same become due, and accordingly  
60 and as part of the contract of the state with the holders of such bonds,  
61 appropriation of all amounts necessary for punctual payment of such  
62 principal and interest is hereby made, and the State Treasurer shall pay  
63 such principal and interest as the same become due.

64 Sec. 2. Subsection (i) of section 12-330*ll* of the general statutes is  
65 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
66 *2023*):

67 (i) The tax received by the state under this section shall be deposited  
68 as follows:

69 (1) For the fiscal years ending June 30, 2022, and June 30, 2023, in the  
70 cannabis regulatory and investment account established under section  
71 21a-420f;

72 (2) For the fiscal years ending June 30, 2024, June 30, 2025, and June  
73 30, 2026, sixty per cent of such tax received in the Social Equity and  
74 Innovation Fund established under section 21a-420f, of which twenty-  
75 five per cent of such amount shall be used for the purposes set forth in  
76 subdivision (2) of subsection (b) of section 1 of this act, twenty-five per  
77 cent of such tax received in the Prevention and Recovery Services Fund  
78 established under section 21a-420f and fifteen per cent in the General  
79 Fund;

80 (3) For the fiscal years ending June 30, 2027, and June 30, 2028, sixty-  
81 five per cent of such tax received in the Social Equity and Innovation

82 Fund established under section 21a-420f, of which twenty-five per cent  
83 of such amount shall be used for the purposes set forth in subdivision  
84 (2) of subsection (b) of section 1 of this act, twenty-five per cent of such  
85 tax received in the Prevention and Recovery Services Fund and ten per  
86 cent in the General Fund; and

87 (4) For the fiscal year ending June 30, 2029, and each fiscal year  
88 thereafter, seventy-five per cent of such tax received in the Social Equity  
89 and Innovation Fund established under section 21a-420f, of which  
90 twenty-five per cent of such amount shall be used for the purposes set  
91 forth in subdivision (2) of subsection (b) of section 1 of this act and  
92 twenty-five per cent of such tax received in the Prevention and Recovery  
93 Services Fund established under section 21a-420f.

94 Sec. 3. (NEW) (*Effective July 1, 2023, and applicable to taxable years*  
95 *commencing on or after January 1, 2023*) (a) For purposes of this section:

96 (1) "Eligible renter" means an individual leasing and occupying a  
97 dwelling unit as a primary residence;

98 (2) "Owner-occupied home" means a building containing three or  
99 fewer dwelling units, one of which units is occupied as a primary  
100 residence by the owner of the building or, with respect to a common  
101 interest community, as defined in section 47-202 of the general statutes,  
102 "owner-occupied home" means a dwelling unit occupied as a primary  
103 residence by the owner of the unit, within a common interest  
104 community containing three or fewer dwelling units;

105 (3) "Qualifying census tract" means a high poverty-low opportunity  
106 census tract, as defined in section 1 of this act; and

107 (4) "Qualifying resident" means an owner of an owner-occupied  
108 home or an eligible renter.

109 (b) (1) There is established a program that encourages  
110 homeownership and tenant retention in qualifying census tracts by  
111 providing an exemption from the personal income tax to qualifying

112 residents who reside in a qualifying census tract. Each municipality in  
113 which a qualifying census tract is located shall implement, in  
114 consultation with the Secretary of the Office of Policy and Management  
115 and the Commissioner of Revenue Services, an outreach program to  
116 publicize the program to such qualifying residents.

117 (2) The Department of Revenue Services shall exempt each qualifying  
118 resident from the tax imposed under chapter 229, other than the liability  
119 imposed by section 12-707 of the general statutes, (A) who has resided  
120 in a qualifying census tract for at least two years, and (B) whose federal  
121 adjusted gross income does not exceed (i) two hundred fifty thousand  
122 dollars for an individual who files a return under the federal income tax  
123 as an unmarried individual, a married individual filing separately or a  
124 head of household, or (ii) five hundred thousand dollars for individuals  
125 who file a return under the federal income tax as married individuals  
126 filing jointly.

127 (3) Any such qualifying resident shall continue to be eligible for the  
128 credit under section 12-704e of the general statutes in addition to the  
129 exemption provided under this section.

130 (4) Any such qualifying resident shall continue to be eligible for the  
131 exemption offered under this section as long as such resident continues  
132 to reside in a qualifying census tract for the entirety of a calendar year.  
133 Any qualifying resident that moves from one such census tract to  
134 another such census tract without an intervening break shall be deemed  
135 to be continuously residing in a qualifying census tract for purposes of  
136 calculating the residency period required under subparagraph (A) of  
137 subdivision (2) of this subsection.

138 (c) Any qualifying resident claiming the exemption under this section  
139 shall provide to the Commissioner of Revenue Services any information  
140 the commissioner may require to substantiate such resident's eligibility  
141 for the exemption under this section.

142 (d) Not later than July 1, 2024, and annually thereafter, the  
143 Commissioner of Revenue Services shall submit a report, in accordance

144 with the provisions of section 11-4a of the general statutes, to the joint  
145 standing committee of the General Assembly having cognizance of  
146 matters relating to revenue. Such report shall include a summary of the  
147 number of individuals claiming the exemption under this section, an  
148 estimate of the revenue loss resulting from such exemption, the  
149 municipalities in which qualifying residents claiming the exemption  
150 under this section reside and any other information the commissioner  
151 deems informative to assess the impact and effectiveness of the  
152 exemption under this section.

153 Sec. 4. Section 12-724a of the general statutes is repealed. (Effective July  
154 1, 2023)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	New section
Sec. 2	<i>July 1, 2023</i>	12-330ll(i)
Sec. 3	<i>July 1, 2023, and applicable to taxable years commencing on or after January 1, 2023</i>	New section
Sec. 4	<i>July 1, 2023</i>	Repealer section

**Statement of Purpose:**

To (1) authorize bonds of the state for various purposes within high poverty-low opportunity census tracts, (2) dedicate a portion of the cannabis tax revenue to be used for high poverty-low opportunity census tracts, and (3) establish a program to authorize the exemption of certain residents of such census tracts from the personal income tax.

*[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.]*