

Legislative History for Connecticut Act

SB 330	PA 435	Fay	1982
Plan + Dev	519-520	SCAN	(2)
House	6672-6676		(3)
Senate	2400-2406, 2518		(8)
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Joint Standing Committee hearings, Planning & Development. 1982:pt.2  
Proceedings / Connecticut General Assembly, House. 1982 v.25:pt.21  
Proceedings / Connecticut General Assembly, Senate. 1982 v.25:pt.8

MS. PRICE: Yes.

REP. FARRICIELLI: Thank you. Are there any questions from any members of the committee? Thank you very much. Our next speaker will be Ron VanWinkle.

RON VAN WINKLE: Good afternoon, Representative Farricielli, members of the Planning & Development Committee. My name is Ronald VanWinkle. I'm with the Department of Economic Development and representing Commissioner John Carson. Let me say for the State agencies, we are happy to relinquish our seats to the general public. It gave new meaning to what a standing committee (LAUGHTER). I want to make very brief comments on five short bills that are before the committee.

The first is Senate Bill 266, An Act Concerning the Definition of Small Contractors and Various Economic Development Programs. This bill raises the eligibility of a small business from a business which does \$1,000,000 in annual revenues to \$1,500,000. That provision is merely to reflect the inflation over the past four years since the bill was passed and the increase in the cost of contracts and revenues for those individual businesses. Are there any questions on that?

The second bill is Senate Bill 330 or House Bill 5528 which is An Act Making Certain Changes in the Enterprise Zone Program. That bill is the department's submittal to this committee. We provided testimony to the committee concerning the changes which we are attempting to institute in the Enterprise Zone Program. Most of those changes are technical in nature and it is the department's position that the Enterprise Zone Program should not be expanded before it is implemented. There are some other bills concerning Enterprise Zones which substantially expand the program. We feel that we should put the program into place before expanding it. Some minor changes to the program may be necessary. Any questions on that?

REP. FARRICIELLI: I'm sorry. In the implementation of it, can you tell us what was your department's position again?

MR. VAN WINKLE: Certainly. On Senate Bill 330 or House Bill 5528, That is the department's bill concerning Enterprise Zone. It makes technical amendments to what criteria we would use to fit with the census data. It makes amendments to the way the towns would phase in -- there are several other bills before

MR. VAN WINKLE: (continued)

the committee concerning Enterprise Zones which would allow the commissioner to designate as many zones as he wished which would allow more than one zone to exist in the city. We feel that expansion of the program is unwise at this time since it has not yet been put into place.

REP. FARRICIELLI: Okay. So the department then feels that it should be put into place on a limited basis before it's expanded?

MR. VAN WINKLE: Exactly.

REP. FARRICIELLI: Fine. Thank you.

MR. VAN WINKLE: Senate Bill 560, An Act Concerning Powers of the Connecticut Development Authority Effecting the Issuance of Bonds, Employees and the Use of Funds. Like the CHFA, this bill allows the Connecticut Development Authority to issue taxable bonds. Our industrial revenue bond, small business program called the Umbrella Program, has been destroyed by the IRS. We no longer can make bond issues to small businesses. The taxable bond program is an effort to get around that ruling to allow us to issue bonds of unfortunately higher interest but still at lower interest than they would obtain from the normal market through the taxable system.

The second change in that bill is to take the Connecticut Development Authority out of the authority of State personnel practices. We passed a bill last year concerning the Connecticut Zone Authority which did this, but, unfortunately, the lawyers felt that it needed further clarification to do so. This bill does that.

The third portion of this bill is at the request of the Treasury Department, that the Connecticut Development Authority get out of their hair and administer their own funds. Now, apparently, other authorities in the State do administer their own funds, issue their own checks, take care of their own bank accounts. The Connecticut Development Authority is very lucky to have the Treasury Department do that for him, but they have asked us to take them out of that department. It's done at State cost now. The Development Authority's very willing to do that.

And I'd like to offer an amendment to our Employment Incentive

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plus 5 million others in New York State. If there is no objection, Mr. President, I move the Bill be placed on the Consent Calendar.

THE CHAIR:

Any objection to placing the item on Consent?

Hearing, the matter is placed on Consent.

THE CLERK:

Calendar 501, File 721, Substitute for Senate Bill 246, AN ACT CONCERNING BENEFIT PAYMENTS UNDER WORKERS COMPENSATION, with a Favorable Report of the Committee on Appropriations.

THE CHAIR:

Senator Fahey.

SENATOR FAHEY:

Mr. President, can we PT that please?

THE CHAIR:

Is there any objection to passing this matter temporarily? Hearing none, it's so ordered.

THE CLERK:

Calendar 502, File 723, Substitute for Senate Bill 330, AN ACT MAKING CERTAIN CHANGES IN THE ENTERPRISE ZONES PROGRAM, with a Favorable Report of the Committee on

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Finance, Revenue and Bonding.

THE CHAIR:

Senator Wilber Smith.

SENATOR WILBER SMITH:

Mr. President, I move acceptance of the Committee's Favorable Report and passage of the Bill.

THE CHAIR:

Will you remark, Senator?

SENATOR SMITH:

Yes. Mr. President and to this Circle, as we know Connecticut adopted the first state version, comprehensive version of an Enterprise Zone last session making it effective July 1st, 1982. In the interim, many, many meetings have been held with task forces and chambers of commerce and also with neighborhood organizations, municipalities and also with officials in Washington related to the recommendations which have just been submitted to the Congress by the President concerning federal Enterprise Zone. As a consequence, we have, in order to increase the potential competition among cities, although we retain the

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number of zones at least contained to the six number in the last Bill, we are offering some revisions to make a good Bill a better one. I'd like to call the Circle's attention that we have changed the requirements of 25 percent, rather the three criteria, in the first portion of the Bill in Section one, to make it 200 percent above the present level of employment in the State as opposed to 25 percent unemployment. It was discovered that that figure certainly was too high and unemployment did not range that greatly in any one particular area. It may in some of the urban areas, but some of the other smaller cities that also have some depressed areas, it would not suit that criteria.

So consequently, listening to the municipalities we have also revised that section calling for 100 percent tax--property tax deferral for a 7 year period. We have created a section which would do it in stages, deferring the property taxes for the first two years 100 percent, decreasing at a 10 percent level until the 7th year. We also at least initially we were not positively sure when the 1980 Census was going to be reported out and we revised

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the measure to allow the signing of the zones by the Department of Economic Development based on the most recent United States Census. However, as of last week, we understand from the Department of Economic Development that the 1980 Census has been reported.

Also, we dealt with the problem that some other municipalities were dealing with and that is what would be done concerning a city that had an enterprise zone attracting businesses from other communities that may be in just as much need of their businesses as did the cities having enterprise zones. And I'd like to call your attention to a new section in the Bill, Section 6, where the revision states that no business facility would be eligible to receive the benefits allowed under the enterprise zone if such facility has relocated from an area that meets the eligibility criteria stated in Section 1 of the Act. In other words, no business could relocate from one city to the other just to take advantage of the enterprise zone. However, a business may wish--that wishes to expand to add to its employment, add to its capability, they would be able to do so.



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Also, in Section of this Bill, no business that has been attracted to the State under our present statutes administered by the Department of Economic Development and funded or assisted by the Connecticut Development Authority may take advantage of the enterprise zone.

Another feature anticipating the Congressional passage of an enterprise zone soon, we have allowed in this Bill, what we call a figuring mechanism and that is contingent upon the passage of any federal legislation the Commissioner of the Department of Economic Development would have the authority to designate any additional area as an enterprise zone if that area is designated as an enterprise zone pursuant to any federal legislation. That was put into the Bill to keep Connecticut ahead in the event that we may find ourselves out of session at the time the Congress may act.

We have also done some cleaning up on the contiguous portions. As you know, the present Bill allows one but not more than two contiguous census tracks and it was discovered that some census tracks ran down the boundaries or the middle of some streets and so we have--we are allowing

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the inclusion of that portion of the census track that borders the other side of the--to take into the property fronting those boundary lines. And also another major effort that we're trying to undertake is--and this is also to try to assist those cities such as Norwalk where some of the census tracks next to some redevelopment areas, the redevelopment areas however not qualifying, we would allow the commissioer of economic development to approve on application such activities so that again, to increase the potential capabilities of smaller towns that did not meet this in the past.

As one of the co-sponsors along with Senator Post, last year, although our Bill would not take effect until July 1st, 1980, we are very, very proud to report that some sections of the administration's proposals which were made by the Reagan administration and recommended to Congress on two or three weeks ago, contained many of the features of our Bill. I think we were instrumental in assuring that some attention would be paid to job training programs, that monies would be kept in for the purposes of affording or allowing rather, capital venture loans to

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small businesses and the like and we have been very, very instrumental in Connecticut in taking the lead in enterprise zone legislation and still remain ahead and we would hope for passage of this Bill.

THE CHAIR:

Will you remark further? Is there a motion to place on Consent?

SENATOR SMITH:

Yes Mr. President. If there is no objection, we can move it to Consent.

THE CHAIR:

Any objection to placing the item on Consent? Hearing none, so ordered.

THE CLERK:

Moving along to the top of page 21, Calendar 503, File 726, Substitute for Senate Bill 490, AN ACT CONCERNING FUNDS APPROPRIATED IN THE SPECIAL ACT 81-22, FOR SIX COLLECTIVE BARGAINING UNIT AGREEMENTS, with a Favorable Report of the Committee on Appropriations.

THE CHAIR:

Senator Fahey.

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SENATOR LABRIOLA:

The one Dr. Zinsser addressed himself to.

THE CHAIR:

Okay. We're going to do the Consent Calendar and then we'll do that Bill and then the Bill that Senator Serrani objected to. The issue before the chamber now is the Consent Calendar as the Clerk read it with the two exceptions; one removed by Senator Zinsser and one by Senator Serrani. The machine is open.

This is to remind the chamber that we're going to have two votes immediately after the conclusion of the Consent Calendar. Senator Morton. I believe everyone has voted that is here. The machine will be closed and locked.

		<u>SB 556, SB 423, SB 253, SB 262, SB 372, SB 486, SB 576,</u>
TOTAL VOTING	35	<u>SB 22, SB 173, SB 199, SB 305,</u>
		<u>SB 147, SB 516, SB 21, SB 116,</u>
YEAS	35	<u>SB 190, SB 240, SB 60, SB 250,</u>
		<u>SB 61, SB 212, SB 246, SB 330,</u>
		<u>SB 613, SB 474, SB 121, SB 404.</u>

The Consent Calendar is adopted. The Clerk will

call the first item that was removed at the request of Senator Zinsser.

THE CLERK:

SB 57, SB 365

The first item to be called to be removed from

6572

kbb

House of Representatives

Monday, May 3, 1982

opened.

The House of Representatives is now voting by roll. Would the members please return to the Chamber. There is a roll call vote pending in the Hall of the House. Would the members return to the Chamber immediately.

Have all the members voted? If so, the machine will be locked. The Clerk will please take a tally.

Would the Clerk please announce the tally?

CLERK:

Senate Bill No. 49

Total number voting	129
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Necessary for passage	65
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Those voting yea	81
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Those voting nay	48
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Absent not voting	22
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DEPUTY SPEAKER FRANKEL:

The bill is passed.

CLERK:

Calendar No. 616, Substitute for Senate Bill No.

330, AN ACT MAKING CERTAIN CHANGES IN THE ENTERPRISE

ZONES PROGRAM. Favorable Report of the Committee on Finance, Revenue and Bonding.

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House of Representatives

Monday, May 3, 1982

REP. GARAVEL: (110th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Garavel.

REP. GARAVEL: (110th)

Mr. Speaker, I move acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate.

DEPUTY SPEAKER FRANKEL:

The question is on acceptance and passage in concurrence with the Senate. Will you remark, sir?

REP. GARAVEL: (110th)

Yes, thank you, Mr. Speaker. This bill would make a number of substantive changes to the enterprize zone program established during the 1981 session of the general assembly. Some of these changes include changing the required unemployment criteria and eligible area from 25% unemployment among the labor force to 200% of the state's average unemployment.

Another change would be the manner in the criteria under which zone boundaries are determined. Another change would reduce the property tax deferment by about 50%. And, the fourth change would establish a number of conditions under which businesses would be ineligible to receive benefits under this program.

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kbb

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Mr. Speaker, the Planning and Development Committee felt that these changes were necessary for the Commissioner of Economic Development to implement this program. Mr. Speaker, I would urge passage of this bill.

DEPUTY SPEAKER FRANKEL:

Will you remark further?

REP. RUDOLF: (139th)

Mr. Speaker.

REP. RUDOLF: (139th)

Rep. Rudolf.

REP. RUDOLF: (139th)

Mr. Speaker, I rise in support of this bill. We found during the last session that some of the communities could not qualify under the criteria that were established at 15%. We brought this to the attention of Planning and Development and through the study and concern of the members of the General Assembly, the criteria was lowered to 15% which allowed my community to conform to the existing law as it's written.

I urge my colleagues to support this piece of legislation for the good of those communities in Connecticut that wish to bring about those depressed areas and help them bring about jobs, take people off the welfare rolls, and better a community as a whole. I urge the adoption of this.

DEPUTY SPEAKER FRANKEL:

Will you remark further? If not, would the staff and

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House of Representatives

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guests please come to the well. Would the members please be seated. The machine will be opened.

The House of Representatives is now voting by roll. Would the members please return to the Chamber. There is a roll call vote pending in the Hall of the House. Would the members return to the Chamber immediately.

Have all the members voted? Have all the members voted? If so, the machine will be locked and the Clerk will take a tally.

REP. MOYNIHAN: (10th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Moynihan.

REP. MOYNIHAN: (10th)

Mr. Speaker, in the affirmative.

DEPUTY SPEAKER FRANKEL:

Rep. Moynihan casts his vote in the affirmative.

REP. ZARNOWSKI: (115th)

Mr. Speaker, in the affirmative.

DEPUTY SPEAKER FRANKEL:

Rep. Zarnowski.

REP. ZARNOWSKI: (115th)

In the affirmative please.

DEPUTY SPEAKER FRANKEL:

Rep. Zarnowski casts his vote in the affirmative

Will the Clerk please announce the tally.



kpt

House of Representatives

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CLERK:

Senate Bill 330.

Total number voting 133

Necessary for passage 67

Those voting yea 133

Those voting nay 0

Those absent and not voting 18

DEPUTY SPEAKER FRANKEL:

The bill is passed.

At this time the Chair will entertain announcements and points of personal privilege.

REP. LUPPI: (88th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Howard Luppi.

REP. LUPPI: (88th)

Mr. Speaker, for purposes of introduction. This morning we have visiting with us 2 very lovely ladies who are sitting in the gallery. One is the daughter Cindy Abercrombie, of Rep. Abercrombie and a friend.

Would they please stand and have the Assembly here recognize them.

REP. LYONS: (146th)

Mr. Speaker.