

General Assembly

January Session, 2019

Committee Bill No. 5123

LCO No. 6632

Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by: (PD)

AN ACT PROHIBITING THE USE OF EMINENT DOMAIN FOR CERTAIN COMMERCIAL PURPOSES.

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

Section 1. Subdivision (1) of subsection (a) of section 8-127a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019, and applicable to property acquired on or after October 1, 2019*):

5 (a) (1) No real property may be acquired by a redevelopment 6 agency by eminent domain pursuant to section 8-128 under a 7 redevelopment plan under this chapter <u>for the purpose of producing</u> 8 <u>income from such real property to a private entity or</u> for the primary 9 purpose of increasing local tax revenue.

10 Sec. 2. Subdivision (3) of section 8-125 of the general statutes is 11 repealed and the following is substituted in lieu thereof (*Effective* 12 *October 1, 2019, and applicable to property acquired on or after October 1,* 13 2019):

14 (3) A "redevelopment plan" means a plan that includes: (A) (i) A 15 description of the redevelopment area and the condition, type and use 16 of the structures therein, and (ii) specification of each parcel proposed 17 to be acquired, including parcels to be acquired by eminent domain; 18 (B) the location and extent of the land uses, other than the production 19 of income from any such parcel acquired by eminent domain to a 20 private entity, proposed for and within the redevelopment area, such 21 as housing, recreation, business, industry, schools, civic activities, open 22 spaces or other categories of public and private uses; (C) the location 23 and extent of streets and other public utilities, facilities and works 24 within the redevelopment area; (D) schedules showing the number of 25 families displaced by the proposed improvement, the method of 26 temporary relocation of such families and the availability of sufficient 27 suitable living accommodations at prices and rentals within the 28 financial reach of such families and located within a reasonable 29 distance of the area from which such families are displaced; (E) present 30 and proposed zoning regulations in the redevelopment area; (F) a 31 description of how the redevelopment area is deteriorated, 32 deteriorating, substandard or detrimental to the safety, health, morals 33 or welfare of the community; and (G) any other detail including 34 financial aspects of redevelopment which, in the judgment of the 35 redevelopment agency authorized herein, is necessary to give it 36 adequate information;

Sec. 3. Subsection (b) of section 8-127 of the general statutes is
repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

(b) Before approving any redevelopment plan, the redevelopment agency shall hold a public hearing on the plan, notice of which shall be published at least twice in a newspaper of general circulation in the municipality, the first publication of notice to be not less than two weeks before the date set for the hearing. At least thirty-five days prior to any public hearing, the redevelopment agency shall post the plan on the Internet web site of the redevelopment agency, if any. The 47 redevelopment agency may approve any such redevelopment plan if, 48 following such hearing, it finds that: (1) The area in which the 49 proposed redevelopment is to be located is a redevelopment area; (2) 50 the carrying out of the redevelopment plan will result in materially 51 such improving conditions in area: (3)sufficient living 52 accommodations are available within a reasonable distance of such 53 area or are provided for in the redevelopment plan for families 54 displaced by the proposed improvement, at prices or rentals within the 55 financial reach of such families; (4) the redevelopment plan is 56 satisfactory as to site planning, relation to the plan of conservation and 57 development of the municipality adopted under section 8-23 and, 58 except when the redevelopment agency has prepared the 59 redevelopment plan, the construction and financial ability of the 60 redeveloper to carry it out; (5) the planning agency has issued a 61 written opinion in accordance with subsection (a) of this section that 62 the redevelopment plan is consistent with the plan of conservation and 63 development of the municipality adopted under section 8-23; and (6) 64 (A) public benefits resulting from the redevelopment plan will 65 outweigh any private benefits; (B) existing use of the real property 66 cannot be feasibly integrated into the overall redevelopment plan for 67 the project; (C) acquisition by eminent domain is reasonably necessary 68 to successfully achieve the objectives of such redevelopment plan; and 69 (D) the redevelopment plan is not <u>for the purpose of producing income</u> 70 from such real property to a private entity or for the primary purpose 71 of increasing local tax revenues. No redevelopment plan for a project 72 that consists predominantly of residential facilities shall be approved 73 by the redevelopment agency in any municipality having a housing 74 authority organized under the provisions of chapter 128 except with 75 the approval of such housing authority.

Sec. 4. Subdivision (1) of subsection (b) of section 8-193 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019, and applicable to property acquired on or after October 1, 2019*):

80 (b) (1) The development agency may, with the approval of the 81 legislative body in accordance with this subsection, and in the name of 82 the municipality, acquire by eminent domain real property located 83 within the project area and real property and interests therein for 84 rights-of-way and other easements to and from the project area, in the 85 same manner that a redevelopment agency may acquire real property 86 under sections 8-128 to 8-133, inclusive, as if said sections specifically 87 applied to development agencies, except that no real property may be 88 acquired by eminent domain pursuant to this subsection for the 89 purpose of producing income from such real property to a private 90 entity or for the primary purpose of increasing local tax revenue.

91 Sec. 5. Section 8-187 of the general statutes is repealed and the
92 following is substituted in lieu thereof (*Effective October 1, 2019, and*93 *applicable to property acquired on or after October 1, 2019*):

94 As used in this chapter, (1) "municipality" means a town, city, 95 consolidated town and city or consolidated town and borough; (2) 96 "legislative body" means (A) the board of selectmen in a town that 97 does not have a charter, special act or home rule ordinance relating to 98 its government or (B) the council, board of aldermen, representative 99 town meeting, board of selectmen or other elected legislative body 100 described in a charter, special act or home rule ordinance relating to 101 government in a city, consolidated town and city, consolidated town 102 and borough or a town having a charter, special act, consolidation 103 ordinance or home rule ordinance relating to its government; (3) 104 "development agency" means the agency designated by a municipality under section 8-188 through which the municipality may exercise the 105 106 powers granted under this chapter; (4) "development project" means a 107 project conducted by a municipality for the assembly, improvement 108 and disposition of land or buildings or both to be used principally for 109 industrial or business purposes and includes vacated commercial 110 plants; (5) "vacated commercial plants" means buildings formerly used 111 principally for business or industrial purposes of which more than fifty 112 per cent of the usable floor space is, or which it is anticipated, within

113 eighteen months, shall be, unused or substantially underutilized; (6) 114 "project area" means the area within which the development project is 115 located; (7) "commissioner" means the Commissioner of Economic and 116 Community Development; (8) "planning commission" means the 117 planning and zoning commission designated pursuant to section 8-4a 118 or the planning commission created pursuant to section 8-19; (9) "real 119 property" means land, subterranean or subsurface rights, structures, 120 any and all easements, air rights and franchises and every estate, right 121 or interest therein; and (10) "business purpose" includes, but is not 122 limited to, any commercial, financial or retail enterprise, [and includes] 123 including any enterprise which promotes tourism, [and] but excludes 124 any property that produces income to a private entity.

Sec. 6. Subsection (a) of section 8-189 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019, and applicable to property acquired on or after October 1,* 2019):

129 (a) The development agency may initiate a development project by 130 preparing a project plan in accordance with regulations adopted by the 131 commissioner pursuant to section 8-198. The project plan shall meet an 132 identified public need and include: (1) A legal description of the land 133 within the project area; (2) a description of the present condition and 134 uses of such land or building; (3) a description of the process utilized 135 by the agency to prepare the plan and a description of alternative 136 approaches considered to achieve project objectives; (4) a description 137 of the types and locations of land uses or building uses proposed for 138 the project area; (5) a description of the types and locations of present 139 and proposed streets, sidewalks and sanitary, utility and other 140 facilities and the types and locations of other proposed site 141 improvements; (6) statements of the present and proposed zoning 142 classification and subdivision status of the project area and the areas 143 adjacent to the project area; (7) a plan for relocating project-area 144 occupants; (8) a financing plan; (9) an administrative plan; (10) a 145 marketability and proposed land-use study or building use study if

required by the commissioner; (11) appraisal reports and title searches; 146 147 (12) a description of the public benefits of the project including, but not 148 limited to, (A) the number of jobs which the development agency 149 anticipates would be created by the project; (B) the estimated property 150 tax benefits; (C) the number and types of existing housing units in the 151 municipality in which the project would be located, and in contiguous 152 municipalities, which would be available to employees filling such 153 jobs; (D) a general description of infrastructure improvements, 154 including public access, facilities or use, that the development agency 155 anticipates may be needed to implement the development plan; (E) a 156 general description of the development agency's goals for blight 157 remediation or, if known, environmental remediation; (F) a general 158 description of any aesthetic improvements that the development 159 agency anticipates may be generated by the project; (G) a general 160 description of the project's intended role in increasing or sustaining 161 market value of land in the municipality; (H) a general description of 162 the project's intended role in assisting residents of the municipality to improve their standard of living; and (I) a general statement of the 163 164 project's role in maintaining or enhancing the competitiveness of the 165 municipality; (13) findings that (A) the land and buildings within the 166 project area will be used principally for industrial or business 167 purposes; (B) the plan is in accordance with the plan of conservation 168 and development for the municipality adopted by its planning 169 commission under section 8-23, and the plan of development of the 170 regional council of governments adopted under section 8-35a, if any, 171 for the region within which the municipality is located; (C) the plan 172 was prepared giving due consideration to the state plan of 173 conservation and development adopted under chapter 297 and any 174 other state-wide planning program objectives of the state or state 175 agencies as coordinated by the Secretary of the Office of Policy and 176 Management; and (D) the project will contribute to the economic 177 welfare of the municipality and the state; and that to carry out and 178 administer the project, public action under this chapter is required; 179 and (14) a preliminary statement describing the proposed process for

180 acquiring each parcel of real property, including findings that (A) 181 public benefits resulting from the development plan will outweigh any 182 private benefits; (B) existing use of the real property cannot be feasibly 183 integrated into the overall development plan for the project; (C) 184 acquisition by eminent domain is reasonably necessary to successfully 185 achieve the objectives of such development plan; and (D) the 186 development plan is not for the purpose of producing income from 187 such real property to a private entity or for the primary purpose of 188 increasing local tax revenues. Any plan that has been prepared by a 189 redevelopment agency under chapter 130 may be submitted by the 190 development agency to the legislative body and to the commissioner 191 for approval in lieu of a plan initiated and prepared in accordance with 192 this section, provided all other requirements of this chapter for 193 obtaining the approval of the commissioner of the project plan are 194 satisfied.

Sec. 7. Subdivision (1) of subsection (i) of section 32-224 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019, and applicable to property acquired on or after October 1, 2019*):

199 (i) (1) The implementing agency may, with the approval of the 200 legislative body of the municipality, and in the name of the 201 municipality, condemn in accordance with section 8-128 to 8-133, 202 inclusive, any real property necessary or appropriate for the project as 203 identified in the development plan, including real property and 204 interests in land for rights-of-way and other easements to and from the project area, except that no real property may be condemned pursuant 205 206 to this subsection for the purpose of producing income from such real 207 property to a private entity or for the primary purpose of increasing 208 local tax revenue.

Sec. 8. Subsection (a) of section 32-222 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019, and applicable to property acquired on or after October 1,* 212 2019):

(a) "Business development project" means a project undertaken byan eligible applicant involving one or more of the following:

(1) The construction, substantial renovation, improvement orexpansion of a facility;

217 (2) The acquisition of new machinery and equipment;

(3) The acquisition, <u>other than by condemnation for the purpose of</u>
producing income to a private entity, improvement, demolition,
cultivation or disposition of real property, or combinations thereof, or
the remediation of contaminated real property;

(4) The creation at a facility, within twenty-four months of the
initiation of a hiring program, not less than ten new jobs or an increase
in the number of persons employed at the facility of twenty per cent,
whichever is greater;

(5) Economic diversification of the economy of an area of the state or
manufacturing or other economic base business where such area or
business is substantially reliant upon defense and related industry;

(6) Participation in the avoidance of an imminent plant closing or
relocation by a manufacturing or other economic base business or
assist or improve the economy of an area of the state which has been or
is likely to be significantly and adversely impacted by one or more
major plant closings or relocations;

(7) Support research and development or commercialization of
technologies, products, processes or techniques of a manufacturing or
other economic base business;

(8) Creation or support of organizations and activities specifically
leveraging federal resources that provide technical and engineering
assistance to small manufacturers or other economic base businesses to

| 240 | assist them with the design, testing, manufacture and marketing of | | | |
|-----|-----------------------------------------------------------------------------|--|--|--|
| 241 | new products, the exporting of state products and services, and the | | | |
| 242 | instruction and implementation of new techniques and technologies; | | | |
| 243 | (9) Support of substantial workforce development efforts; | | | |
| 244 | (10) Promotion of community conservation or development or | | | |
| 245 | improvement of the quality of life for urban residents of the state; | | | |
| 246 | (11) Promotion of the revitalization of underutilized, state-owned | | | |
| 247 | former railroad depots and areas adjacent to such depots; or | | | |
| 248 | (12) Promotion of export activities, including sponsorship of | | | |
| 249 | programs that support exportation, assistance to companies in | | | |
| 250 | accessing federal Department of Commerce services, and provision of | | | |
| 251 | marketing materials and web site improvements for exporters; | | | |
| 252 | Sec. 9. Subsection (b) of section 32-224 of the general statutes is | | | |
| 253 | repealed and the following is substituted in lieu thereof (Effective | | | |
| 254 | October 1, 2019, and applicable to property acquired on or after October 1, | | | |
| 255 | 2019): | | | |
| 256 | (b) The implementing agency may initiate a municipal development | | | |
| 257 | project by preparing and submitting a development plan to the | | | |
| 258 | commissioner. Such plan shall meet an identified public need and | | | |
| 259 | include: (1) A legal description of the real property within the | | | |
| 260 | boundaries of the project area; (2) a description of the present | | | |
| 261 | condition and uses of such real property; (3) a description of the | | | |
| 262 | process utilized by the agency to prepare the plan and a description of | | | |
| 263 | alternative approaches considered to achieve project objectives; (4) a | | | |
| 264 | description of the types and locations of land uses or building uses | | | |
| 265 | proposed for the project area; (5) a description of the types and | | | |
| 266 | locations of present and proposed streets, sidewalks and sanitary, | | | |
| 267 | utility and other facilities and the types and locations of other | | | |
| 268 | proposed project improvements; (6) statements of the present and | | | |
| 269 | proposed zoning classification and subdivision status of the project | | | |

270 area and the areas adjacent to the project area; (7) a plan for relocating 271 project area occupants; (8) a financing plan; (9) an administrative plan; 272 (10) an environmental analysis, marketability and proposed land use 273 study, or building use study if required by the commissioner; (11) 274 appraisal reports and title searches if required by the commissioner; 275 (12) a description of the public benefit of the project, including, but not 276 limited to, (A) the number of jobs which the implementing agency 277 anticipates would be created or retained by the project, (B) the 278 estimated property tax benefits, (C) the number and types of existing 279 housing units in the municipality in which the project would be 280 located, and in contiguous municipalities, which would be available to 281 employees filling such jobs, (D) a general description of infrastructure 282 improvements, including public access, facilities or use, that the 283 implementing agency anticipates may be needed to implement the 284 development plan, (E) a general description of the implementing 285 agency's goals for blight remediation or, if known, environmental 286 remediation, (F) a general description of any aesthetic improvements 287 that the implementing agency anticipates may be generated by the 288 project, (G) a general description of the project's intended role in 289 increasing or sustaining market value of land in the municipality, (H) a 290 general description of the project's intended role in assisting residents 291 of the municipality to improve their standard of living, and (I) a 292 general statement of the project's role in maintaining or enhancing the 293 competitiveness of the municipality; (13) a finding that (A) the land 294 and buildings within the boundaries of the project area will be used 295 principally for manufacturing or other economic base business 296 purposes or business support services; (B) the plan is in accordance 297 with the plan of conservation and development for the municipality, if 298 any, adopted by its planning commission under section 8-23, and the 299 plan of development of the regional council of governments adopted 300 under section 8-35a, if any, for the region within which the 301 municipality is located; (C) the plan was prepared giving due 302 consideration to the state plan of conservation and development 303 adopted under chapter 297 and other state-wide planning program

304 objectives of the state or state agencies as coordinated by the Secretary 305 of the Office of Policy and Management; and (D) the project will 306 contribute to the economic welfare of the municipality and the state 307 and that to carry out and administer the project, public action under 308 sections 32-220 to 32-234, inclusive, is required; and (14) a preliminary 309 statement describing the proposed process for acquiring each parcel of real property, including findings that (A) public benefits resulting 310 311 from the plan will outweigh any private benefits; (B) existing use of the 312 real property cannot be feasibly integrated into the overall plan for the 313 project; (C) acquisition by eminent domain is reasonably necessary to 314 successfully achieve the objectives of such plan; and (D) the plan is not 315 for the purpose of producing income from such parcel to a private 316 entity or for the primary purpose of increasing local tax revenues. The 317 provisions of this subsection with respect to submission of a 318 development plan to and approval by the commissioner and with 319 respect to a finding that the plan was prepared giving due 320 consideration to the state plan of conservation and development and 321 state-wide planning program objectives of the state or its agencies shall 322 not apply to a project for which no financial assistance has been given 323 and no application for financial assistance is to be made under section 324 32-223. Any plan that has been prepared under chapters 130, 132 or 325 588a may be submitted by the implementing agency to the legislative 326 body of the municipality and to the commissioner in lieu of a plan 327 initiated and prepared in accordance with this section, provided all 328 other requirements of sections 32-220 to 32-234, inclusive, for obtaining 329 the approval of the commissioner of the development plan are 330 satisfied. Any action taken in connection with the preparation and 331 adoption of such plan shall be deemed effective to the extent such 332 action satisfies the requirements of said sections.

This act shall take effect as follows and shall amend the following sections:

Committee Bill No. 5123

| Section 1 | October 1, 2019, and | 8-127a(a)(1) | |
|-----------|------------------------|--------------|--|
| | applicable to property | | |
| | acquired on or after | | |
| | October 1, 2019 | | |
| Sec. 2 | October 1, 2019, and | 8-125(3) | |
| | applicable to property | | |
| | acquired on or after | | |
| | October 1, 2019 | | |
| Sec. 3 | October 1, 2019 | 8-127(b) | |
| Sec. 4 | October 1, 2019, and | 8-193(b)(1) | |
| | applicable to property | | |
| | acquired on or after | | |
| | October 1, 2019 | | |
| Sec. 5 | October 1, 2019, and | 8-187 | |
| | applicable to property | | |
| | acquired on or after | | |
| | <i>October 1, 2019</i> | | |
| Sec. 6 | October 1, 2019, and | 8-189(a) | |
| | applicable to property | | |
| | acquired on or after | | |
| | October 1, 2019 | | |
| Sec. 7 | October 1, 2019, and | 32-224(i)(1) | |
| | applicable to property | | |
| | acquired on or after | | |
| | October 1, 2019 | | |
| Sec. 8 | October 1, 2019, and | 32-222(a) | |
| | applicable to property | | |
| | acquired on or after | | |
| | October 1, 2019 | | |
| Sec. 9 | October 1, 2019, and | 32-224(b) | |
| | applicable to property | | |
| | acquired on or after | | |
| | October 1, 2019 | | |

Statement of Purpose:

To prohibit state and municipal governments from exercising the use of eminent domain for certain commercial purposes.

[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.]

Co-Sponsors: REP. ZAWISTOWSKI, 61st Dist.; REP. FISHBEIN, 90th Dist.

REP. FRANCE, 42nd Dist.; SEN. SAMPSON, 16th Dist. REP. LAVIELLE, 143rd Dist.; REP. DELNICKI, 14th Dist.

<u>H.B. 5123</u>