



General Assembly

**Amendment**

January Session, 2021

LCO No. 4286



Offered by:  
SEN. FLEXER, 29<sup>th</sup> Dist.

To: House Bill No. 6514

File No.

Cal. No. 45

**"AN ACT CONCERNING INCENTIVES FOR QUALIFIED DATA CENTERS TO LOCATE IN THE STATE."**

1 Strike subsection (c) of section 1 in its entirety and insert the following  
2 in lieu thereof:

3 "(c) (1) Any person described in subsection (b) of this section that  
4 seeks an exemption under subsection (b) of this section shall submit an  
5 application to the Commissioner of Economic and Community  
6 Development, in a manner and form prescribed by the commissioner. If  
7 the commissioner approves such application, the commissioner shall  
8 enter into an agreement with such person, provided such person  
9 demonstrates to the satisfaction of the commissioner that:

10 (A) The facility to be developed, acquired, constructed, rehabilitated,  
11 renovated, repaired or operated will be used as a qualified data center;

12 (B) The qualified data center will make, on or before the fifth  
13 anniversary of the date an agreement entered into pursuant to this  
14 section becomes effective, a qualified investment of at least (i) fifty

15 million dollars if such qualified data center is located in an enterprise  
16 zone designated pursuant to section 32-70 of the general statutes or a  
17 federal qualified opportunity zone designated pursuant to the Tax Cuts  
18 and Jobs Act of 2017, P.L. 115-97, as amended from time to time, or (ii)  
19 two hundred million dollars if such qualified data center is not located  
20 in an enterprise zone or a federal qualified opportunity zone;

21 (C) There is a prehire agreement in place covering the terms and  
22 conditions for all persons who will perform work for the development,  
23 construction, rehabilitation, renovation or repair of the facility that will  
24 be used as a qualified data center and such agreement complies with the  
25 requirements set forth in section 31-56b of the general statutes for project  
26 labor agreements;

27 (D) The qualified data center will install and use only fuel cell  
28 generators to provide backup power and no propane, diesel or gasoline-  
29 powered generators will be installed or used at the qualified data center;  
30 and

31 (E) The person has entered into an agreement with the Commissioner  
32 of Energy and Environmental Protection to participate in a program for  
33 the purchase of offsetting reductions and trading of emission credit.

34 (2) Any agreement entered into pursuant to this subsection shall:

35 (A) Be for a period of twenty years, unless extended under the  
36 provisions of subdivision (3) of this subsection, from the date an  
37 agreement entered into pursuant to this section becomes effective,  
38 which may be in the year in which the construction, rehabilitation,  
39 renovation or repair of a qualified data center commences;

40 (B) Include a five-year qualifying period, from the date an agreement  
41 entered into pursuant to this section becomes effective, for the  
42 applicable qualified investment amount set forth in subparagraph (B) of  
43 subdivision (1) of this subsection to be reached;

44 (C) Include the payment of an annual fee by the qualified data center,

45 to be determined annually by the commissioner and not to exceed fifty  
46 thousand dollars, for the administrative and operational costs of the  
47 Office of Data Infrastructure Administration and Security established  
48 under subdivision (4) of this subsection. Such fee shall be paid by the  
49 qualified data center to the commissioner during each year of such  
50 qualifying period or until the applicable qualified investment amount  
51 set forth in subparagraph (B) of subdivision (1) of this subsection is  
52 reached, whichever is sooner;

53 (D) Include a detailed description of the capital project that is the  
54 subject of the agreement;

55 (E) Provide that the provisions of the agreement shall be applicable,  
56 within the time period such agreement is effective and for the remaining  
57 duration of such time period, to any (i) subsequent owner of the  
58 qualified data center, (ii) operator or affiliate of the operator of the  
59 qualified data center, or (iii) colocation tenant, provided the facility  
60 continues to be used as a qualified data center; and

61 (F) Include provisions for the assessment and payment of the taxes  
62 exempted pursuant to such agreement and the rates or amounts of  
63 penalties and interest to be imposed thereon, if the commissioner  
64 determines that the requirements of the agreement or of a qualified data  
65 center are not being met or have not been met.

66 (3) If a qualified data center makes a qualified investment of at least  
67 (A) two hundred million dollars if such qualified data center is located  
68 in an enterprise zone designated pursuant to section 32-70 of the general  
69 statutes or a federal qualified opportunity zone designated pursuant to  
70 the Tax Cuts and Jobs Act of 2017, P.L. 115-97, as amended from time to  
71 time, or (B) four hundred million dollars if such qualified data center is  
72 not located in an enterprise zone or a federal qualified opportunity zone,  
73 the commissioner shall extend to thirty years the period for which an  
74 agreement entered into pursuant to this section is effective.

75 (4) There is established an Office of Data Infrastructure  
76 Administration and Security within the Department of Economic and

77 Community Development. The office shall (A) serve as the liaison  
78 between applicants and qualified data centers and other state agencies,  
79 (B) provide assistance to applicants and qualified data centers from the  
80 preapplication phase to the post-operational stage, and (C) seek to  
81 ensure coordinated, efficient and timely responses to applicants and  
82 qualified data centers."

83 After the last line, insert the following:

84 "(g) Notwithstanding the provisions of subsections (c) to (e),  
85 inclusive, of this section, no exemption from the taxes imposed under  
86 chapter 203 or 219 of the general statutes shall be effective until the  
87 Department of Energy and Environmental Protection has conducted a  
88 study of the potential environmental and health impacts of the proposed  
89 qualified data center, including, but not limited to, air quality and  
90 watercourses, quality of life, asthma rates, traffic, parking and noise and  
91 has notified the Commissioner of Economic and Community  
92 Development of the Department of Energy and Environmental  
93 Protection's approval of such qualified data center."