



House of Representatives

General Assembly

File No. 746

January Session, 2001

Substitute House Bill No. 6231

House of Representatives, May 10, 2001

The Committee on Finance, Revenue and Bonding reported through REP. MCDONALD of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CREATING A TAX EXEMPTION FOR LAND AND UNINHABITABLE STRUCTURES BEING DEVELOPED BY NONPROFIT CORPORATIONS FOR AFFORDABLE HOUSING.

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

1 Subdivision (7) of section 12-81 of the general statutes is repealed
2 and the following is substituted in lieu thereof:

3 (7) Subject to the provisions of sections 12-87 and 12-88, the real
4 property of, or held in trust for, a corporation organized exclusively for
5 scientific, educational, literary, historical or charitable purposes or for
6 two or more such purposes and used exclusively for carrying out one
7 or more of such purposes and the personal property of, or held in trust
8 for, any such corporation, provided (A) any officer, member or
9 employee thereof does not receive or at any future time shall not
10 receive any pecuniary profit from the operations thereof, except
11 reasonable compensation for services in effecting one or more of such
12 purposes or as proper beneficiary of its strictly charitable purposes,

13 and provided (B) in 1965, and quadrennially thereafter, a statement
 14 shall be filed on or before the first day of November with the assessor
 15 or board of assessors of any town, consolidated town and city or
 16 consolidated town and borough, in which any of its property claimed
 17 to be exempt is situated. Such statement shall be filed on a form
 18 provided by such assessor or board of assessors. Such real property
 19 may include vacant land or uninhabitable structures that are being
 20 developed by such corporation for housing for persons or families of
 21 low and moderate income, until such time as a certificate of occupancy
 22 is granted for structures on such real property or until five years after
 23 the date such statement was filed, whichever is sooner. On and after
 24 July 1, 1967, housing subsidized, in whole or in part, by federal, state
 25 or local government and housing for persons or families of low and
 26 moderate income shall not constitute a charitable purpose under this
 27 section.

HSG	<i>Joint Favorable Subst. C/R</i>	PD
PD	<i>Joint Favorable C/R</i>	FIN
FIN	<i>Joint Favorable Subst.</i>	

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: None

Municipal Impact: Temporary Grand List Reduction, Minimal Workload Increase

Explanation

Municipal Impact:

The bill results in a temporary grand list reduction as a consequence of exempting vacant land or uninhabitable structures while they are being developed as low and moderate-income housing by nonprofit organizations. A Municipality will only realize a temporary reduction in their grand list because once a certificate of occupancy is issued for the new development the property is taxable.

There would also be some minimal workload increase to town assessors to determine that the ultimate use of the property will be used for low and moderate-income housing

OLR Bill Analysis

sHB 6231

AN ACT CREATING A TAX EXEMPTION FOR LAND AND UNINHABITABLE STRUCTURES BEING DEVELOPED BY NONPROFIT CORPORATIONS FOR AFFORDABLE HOUSING.

SUMMARY:

This bill exempts certain types of nonprofit organizations from paying property taxes on vacant land or uninhabitable structures while they are being developed for low- and moderate-income housing. The exemption applies to organizations setup exclusively for scientific, educational, literary, historical, or charitable purposes. The law already exempts the organizations from paying taxes on real and personal property used to fulfill these purposes, which explicitly do not include operating publicly subsidized housing.

The organizations must include property being developed for low- and moderate-income housing in the list of exempted properties, which the law requires them to submit to tax assessors by November 1 every four years. The new exemption lasts until the building official certifies that people can safely occupy the structures or five years after the organization submitted its last list of exempted properties, whichever occurs first.

EFFECTIVE DATE: October 1, 2001

COMMITTEE ACTION

Select Committee on Housing

Joint Favorable Substitute Change of Reference

Yea 8 Nay 4

Planning and Development Committee

Joint Favorable Change of Reference

Yea 17 Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 44 Nay 2