



Senate

General Assembly

File No. 725

January Session, 2003

Substitute Senate Bill No. 1099

Senate, May 19, 2003

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING A PROPERTY TAX EXEMPTION FOR CHARITABLE HOUSING.

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

1 Section 1. Subdivision (7) of section 12-81 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage and applicable to assessment years commencing on or after October 1,*
4 *2003*):

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

13 reasonable compensation for services in effecting one or more of such
 14 purposes or as proper beneficiary of its strictly charitable purposes,
 15 and [provided] (B) in 1965, and quadrennially thereafter, a statement
 16 shall be filed on or before the first day of November with the assessor
 17 or board of assessors of any town, consolidated town and city or
 18 consolidated town and borough, in which any of its property claimed
 19 to be exempt is situated. Such statement shall be filed on a form
 20 provided by such assessor or board of assessors. On and after July 1,
 21 1967, housing subsidized, in whole or in part, by federal, state or local
 22 government and housing for persons or families of low and moderate
 23 income shall not constitute a charitable purpose under this section. As
 24 used in this subdivision, "housing" shall not include real property
 25 belonging to, or held in trust for, any corporation organized
 26 exclusively for charitable purposes if such real property is so held for
 27 such charitable purposes and from which real property no rents,
 28 profits or income are derived, other than as are reasonably necessary
 29 for such corporation to carry out its charitable purposes.

This act shall take effect as follows:	
Section 1	<i>from passage and applicable to assessment years commencing on or after October 1, 2003</i>

FIN *Joint Favorable Subst.*

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

Municipal Impact:

Municipalities	Effect	FY 04 \$	FY 05 \$
Various Municipalities	Grand List Impact	See Below	See Below

Explanation

The bill will potentially result in a municipal grand list decrease in some cases and preclude a municipal grand list increase in other cases.

OLR Bill Analysis

sSB 1099

AN ACT CONCERNING A PROPERTY TAX EXEMPTION FOR CHARITABLE HOUSING**SUMMARY:**

By law, real property owned by or held in trust for a corporation organized exclusively for charitable purposes, and used exclusively for those purposes, is not subject to local property taxes. But the charitable exemption explicitly excludes housing that is (1) government subsidized or (2) for low- and moderate-income people. The Connecticut Supreme Court has ruled that the charitable tax exemption does not apply to housing owned by a charitable corporation, if the corporation collects rent from people living there (*The Fanny J. Crosby Memorial, Inc. v. City of Bridgeport*, 262 Conn. 213 (December 2002)).

This bill specifies that the tax exemption applies to a charitable corporation's real property as long as the corporation (1) holds the property for its charitable purposes and (2) receives only as much rent, profit, or income from the property as it reasonably needs to carry out those purposes.

EFFECTIVE DATE: Upon passage and applicable to assessment years beginning on or after October 1, 2003.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 40 Nay 4