



General Assembly

Substitute Bill No. 5383

February Session, 2004

* HB05383FIN 033004 *

AN ACT ESTABLISHING PILOT PROGRAMS TO ENCOURAGE MIXED INCOME HOUSING AND CONCERNING THE PROPERTY TAX EXEMPTION FOR CHARITABLE ORGANIZATIONS.

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

1 Section 1. (NEW) (*Effective July 1, 2004, and applicable to income years*
2 *commencing on or after January 1, 2005*) Notwithstanding the provisions
3 of section 8-395 of the general statutes, the Connecticut Housing
4 Finance Authority shall establish a three-year pilot program under
5 which the authority shall have a goal of allocating at least thirty per
6 cent of the value of tax credits awarded by the authority under said
7 section 8-395 to business firms that make cash contributions to housing
8 programs developed, sponsored or managed by nonprofit
9 corporations in municipalities that have the least amount of mixed
10 income housing in the state, for the purpose of providing for a more
11 equitable distribution of mixed income housing projects in the state.
12 The pilot program shall apply to tax credits awarded for income years
13 of business firms commencing on or after January 1, 2005, but not later
14 than December 31, 2007. The authority may modify the system of
15 ranking housing programs under subsection (k) of said section 8-395
16 for the purposes of the pilot program.

17 Sec. 2. (NEW) (*Effective July 1, 2004, and applicable to income years*
18 *commencing on or after January 1, 2005*) To the extent allowed under
19 federal law, the Connecticut Housing Finance Authority shall establish

20 a three-year pilot program under which the authority shall have a goal
21 of allocating at least thirty per cent of the value of tax credits awarded
22 by the authority under the low income housing tax credit program
23 pursuant to section 26 USC 42 to businesses investing in low income
24 housing tax credit properties in municipalities that have the least
25 amount of mixed income housing in the state, for the purpose of
26 providing for a more equitable distribution of mixed income housing
27 projects in the state. The pilot program shall apply to tax credits
28 awarded for income years of business firms commencing on or after
29 January 1, 2005, but not later than December 31, 2007.

30 Sec. 3. (NEW) (*Effective July 1, 2004*) The Connecticut Housing
31 Finance Authority shall submit an interim report on its progress in
32 implementing the pilot programs established in sections 1 and 2 of this
33 act to the select committee of the General Assembly having cognizance
34 of matters relating to housing, not later than January 1, 2006. Said
35 authority shall submit a final report on the pilot programs, including
36 its findings, recommendations and any necessary legislation, to said
37 select committee not later than January 1, 2009. The authority shall
38 submit said reports in accordance with section 11-4a of the general
39 statutes.

40 Sec. 4. Subdivision (7) of section 12-81 of the general statutes, as
41 amended by section 1 of public act 03-270, is repealed and the
42 following is substituted in lieu thereof (*Effective October 1, 2002, and*
43 *applicable to assessment years commencing on or after October 1, 2002*):

44 (7) Subject to the provisions of sections 12-87 and 12-88, the real
45 property of, or held in trust for, a corporation organized exclusively for
46 scientific, educational, literary, historical or charitable purposes or for
47 two or more such purposes and used exclusively for carrying out one
48 or more of such purposes and the personal property of, or held in trust
49 for, any such corporation, provided (A) any officer, member or
50 employee thereof does not receive or at any future time shall not
51 receive any pecuniary profit from the operations thereof, except
52 reasonable compensation for services in effecting one or more of such

53 purposes or as proper beneficiary of its strictly charitable purposes,
 54 and (B) in 1965, and quadrennially thereafter, a statement shall be filed
 55 on or before the first day of November with the assessor or board of
 56 assessors of any town, consolidated town and city or consolidated
 57 town and borough, in which any of its property claimed to be exempt
 58 is situated. Such statement shall be filed on a form provided by such
 59 assessor or board of assessors. On and after July 1, 1967, housing
 60 subsidized, in whole or in part, by federal, state or local government
 61 and housing for persons or families of low and moderate income shall
 62 not constitute a charitable purpose under this section. As used in this
 63 subdivision, "housing" shall not include real property used for
 64 temporary housing belonging to, or held in trust for, any corporation
 65 organized exclusively for charitable purposes and exempt from
 66 taxation for federal income tax purposes, the primary use of which
 67 property is one or more of the following: (i) An orphanage; (ii) [A] a
 68 drug or alcohol treatment or rehabilitation facility; (iii) [Housing]
 69 housing for homeless, retarded or mentally or physically handicapped
 70 individuals, or for battered or abused women and children; (iv)
 71 [Housing] housing for ex-offenders or for individuals participating in a
 72 program sponsored by the state Department of Correction or judicial
 73 branch; and (v) [Short-term] short-term housing operated by a
 74 charitable organization where the average length of stay is less than six
 75 months. The operation of such housing, including the receipt of any
 76 rental payments, by such charitable organization shall be deemed to be
 77 an exclusively charitable purpose.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004, and applicable to income years commencing on or after January 1, 2005</i>
Sec. 2	<i>July 1, 2004, and applicable to income years commencing on or after January 1, 2005</i>
Sec. 3	<i>July 1, 2004</i>
Sec. 4	<i>October 1, 2002, and applicable to assessment years commencing on or after October 1, 2002</i>

Statement of Legislative Commissioners:

In section 3, the sentence requiring the reports to be submitted in accordance with section 11-4a of the general statutes was added for statutory consistency.

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