



General Assembly

February Session, 2006

Raised Bill No. 387

LCO No. 2036

02036_____PD_

Referred to Committee on Planning and Development

Introduced by:
(PD)

***AN ACT CONCERNING ASSESSMENT OF CERTAIN INCOME
RESTRICTED HOUSING.***

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

1 Section 1. (NEW) (*Effective October 1, 2006, and applicable to assessment*
2 *years commencing on or after October 1, 2006*) Notwithstanding the
3 provisions of the general statutes, the assessor or board of assessors in
4 any town, when determining the present true and actual value of real
5 property used for residential rental purposes where at least twenty per
6 cent of the residential units are subject to an agreement with a
7 municipality, the state, the federal government, or any instrumentality
8 thereof, restricting occupancy of such units to tenants who qualify in
9 accordance with an income test, shall determine such value using the
10 income approach applied to the actual net operating income of such
11 real property, after deducting reserves required pursuant to the
12 federal, state or municipal program under which the agreement was
13 entered into. The assessed valuation of such real property shall not
14 include federal, state or municipal income tax credits, subsidized
15 mortgage financing, or project grants used to offset the development
16 cost of such real property in order to lower initial rents, as determined

17 by regulations adopted by the Department of Economic and
18 Community Development under any program of the general statutes.
19 As used in this section, "net operating income" means actual or
20 anticipated net income remaining after all operating expenses are
21 deducted from effective gross income, but before mortgage debt
22 service and book depreciation are deducted.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006, and applicable to assessment years commencing on or after October 1, 2006</i>	New section

Statement of Purpose:

To revise assessment methods of government-assisted affordable so that valuation of such housing is fair and consistent.

[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.]