



General Assembly

Substitute Bill No. 6645

January Session, 2007

* HB06645HSGPD_030607 *

AN ACT CONCERNING THE PROMOTION OF SMART GROWTH AND AFFORDABLE HOUSING.

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

1 Section 1. Section 12-494 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2007*):

3 (a) There is imposed a tax on each deed, instrument or writing,
4 whereby any lands, tenements or other realty is granted, assigned,
5 transferred or otherwise conveyed to, or vested in, the purchaser, or
6 any other person by his direction, when the consideration for the
7 interest or property conveyed equals or exceeds two thousand dollars,
8 (1) subject to the provisions of subsection (b) of this section, at the rate
9 of five-tenths of one per cent of the consideration for the interest in real
10 property conveyed by such deed, instrument or writing, the revenue
11 from which shall be remitted by the town clerk of the municipality in
12 which such tax is paid, not later than ten days following receipt
13 thereof, to the Commissioner of Revenue Services for deposit to the
14 credit of the state General Fund, and (2) at the rate of one-fourth of one
15 per cent of the consideration for the interest in real property conveyed
16 by such deed, instrument or writing, and on and after July 1, 2007, at
17 the rate of eleven one-hundredths of one per cent of the consideration
18 for the interest in real property conveyed by such deed, instrument or

19 writing, provided the amount imposed under this subdivision shall
20 become part of the general revenue of the municipality in accordance
21 with section 12-499.

22 (b) The rate of tax imposed under subdivision (1) of subsection (a) of
23 this section shall, in lieu of the rate under said subdivision (1), be
24 imposed on certain conveyances as follows: (1) In the case of any
25 conveyance of real property which at the time of such conveyance is
26 used for any purpose other than residential use, except unimproved
27 land, the tax under said subdivision (1) shall be imposed at the rate of
28 one per cent of the consideration for the interest in real property
29 conveyed; (2) in the case of any conveyance in which the real property
30 conveyed is a residential estate, including a primary dwelling and any
31 auxiliary housing or structures, regardless of the number of deeds,
32 instruments or writings used to convey such residential real estate, for
33 which the consideration or aggregate consideration, as the case may
34 be, in such conveyance is eight hundred thousand dollars or more, the
35 tax under said subdivision (1) shall be imposed (A) at the rate of one-
36 half of one per cent on that portion of such consideration up to and
37 including the amount of eight hundred thousand dollars, and (B) at the
38 rate of one per cent on that portion of such consideration in excess of
39 eight hundred thousand dollars; and (3) in the case of any conveyance
40 in which real property on which mortgage payments have been
41 delinquent for not less than six months is conveyed to a financial
42 institution or its subsidiary which holds such a delinquent mortgage
43 on such property, the tax under said subdivision (1) shall be imposed
44 at the rate of one-half of one per cent of the consideration for the
45 interest in real property conveyed.

46 (c) In addition to the tax imposed under subsection (a) of this
47 section, any targeted investment community, as defined in section 32-
48 222, or any municipality in which properties designated as
49 manufacturing plants under section 32-75c are located, may, on or after
50 March 15, 2003, impose an additional tax on each deed, instrument or
51 writing, whereby any lands, tenements or other realty is granted,
52 assigned, transferred or otherwise conveyed to, or vested in, the

53 purchaser, or any other person by his direction, when the
54 consideration for the interest or property conveyed equals or exceeds
55 two thousand dollars, which additional tax shall be at a rate of up to
56 one-fourth of one per cent of the consideration for the interest in real
57 property conveyed by such deed, instrument or writing. The revenue
58 from such additional tax shall become part of the general revenue of
59 the municipality in accordance with section 12-499.

60 (d) Notwithstanding the provisions of subsection (b) of this section,
61 in any municipality meeting the criteria for affordable housing
62 provided for in subsection (k) of section 8-30g, the rate of tax imposed
63 under subdivision (1) of subsection (a) of this section shall, in lieu of
64 the rate under said subdivision (1), be imposed on certain conveyances
65 as follows: Subject to the provisions of subsection (b) of this section, at
66 the rate of one-quarter of one per cent of the consideration for the
67 interest in real property conveyed by any deed, instrument or writing.

68 (e) Notwithstanding the provisions of subsection (b) of this section,
69 any municipality that does not meet the criteria for affordable housing
70 provided for in subsection (k) of section 8-30g, shall continue to receive
71 the revenue under subdivision (1) of subsection (a) of this section only
72 if such revenue is used to promote affordable housing in accordance
73 with this subsection. Such municipality shall continue to receive such
74 revenue upon approval of the Commissioner of Economic and
75 Community Development of a plan submitted by the municipality for
76 the use of such funds. The plan may include, but is not limited to,
77 provisions for (1) adoption of an ordinance by the legislative body
78 under section 12-81bb providing property tax credits for affordable
79 housing deed restrictions, (2) awarding of grants and loans for the
80 development of affordable housing in the municipality, (3) joint
81 agreements with other municipalities for the development of
82 affordable housing, and (4) guidelines for development of affordable
83 housing, which may include a right of first refusal for residents of the
84 municipal and priority for municipal employees, police, firefighters
85 and teachers.

86 Sec. 2. Section 12-499 of the general statutes is repealed and the
87 following is substituted in lieu thereof (*Effective July 1, 2007*):

88 The tax imposed by section 12-494, as amended by this act, and the
89 revenues produced thereby shall, after remitting the portion thereof
90 payable to the Commissioner of Revenue Services as provided in said
91 section 12-494, become part of the general revenue of the municipality
92 in which the tax is paid except that [,] (1) in municipalities where the
93 town clerk is paid from fees, such town clerk shall retain one dollar of
94 the tax for each deed, instrument or writing recorded, the value of the
95 property or interest of which is two thousand dollars or more, and (2)
96 any municipality receiving revenue under subsection (e) of said section
97 12-494, shall establish a special fund under section 3 of this act for
98 deposit of such revenue. Each town clerk shall remit at least monthly
99 all revenues due to the municipality under this chapter.

100 Sec. 3. (NEW) (*Effective July 1, 2007*) (a) Any municipality, by vote of
101 its legislative body, may establish a special fund, which shall be known
102 as the Affordable Housing Fund. There shall be deposited in said fund
103 (1) all moneys received by the municipality under subsection (e) of
104 section 12-494 of the general statutes, as amended by this act; (2) all
105 moneys received by the municipality, from whatever source and by
106 whatever means, as grants or loans for affordable housing purposes;
107 and (3) all moneys appropriated to said fund by the municipality.

108 (b) Said fund shall be in the custody of the treasurer or other officer
109 in charge of funds of the municipality. All or any part of the moneys in
110 said fund may, from time to time, be invested in any securities in
111 which public funds may lawfully be invested. All income derived from
112 such investments shall be paid into the fund and become a part
113 thereof. The moneys so invested shall at all times be subject to
114 withdrawal from such investment for use as provided in subsection (e)
115 of section 12-494 of the general statutes, as amended by this act.

116 (c) Annually, the treasurer or other officer having custody of said
117 fund shall submit to the legislative body of the municipality a

118 complete and detailed report of the condition of said fund, which
119 report shall be made a part of the annual municipal report.

120 (d) Upon authorization of the body in such municipality having the
121 power of appropriation, the moneys in said fund may be used by the
122 municipality for activities pursuant to the plan approved by the
123 Commissioner of Economic and Community Development under
124 subsection (e) of section 12-494 of the general statutes, as amended by
125 this act. Any funds not used for affordable housing activities pursuant
126 to such plan shall be paid to the regional planning organization in the
127 planning region in which the municipality is located and distributed
128 by such regional planning organization equally to each municipality
129 that is a member of the regional planning for use solely for affordable
130 housing activities.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	12-494
Sec. 2	<i>July 1, 2007</i>	12-499
Sec. 3	<i>July 1, 2007</i>	New section

HSG

Joint Favorable Subst. C/R

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