



Substitute House Bill No. 5873

Public Act No. 08-174

AN ACT CONCERNING THE FACE OF CONNECTICUT STEERING COMMITTEE, THE PRESERVATION OF FARMLAND, A MUNICIPAL GRANT PROGRAM FOR DEVELOPMENT PROJECTS, LOANS FOR BROWNFIELD PURCHASERS AND TAX EXEMPTIONS FOR OPEN SPACE LAND HELD BY OR FOR CERTAIN CORPORATIONS.

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

Section 1. (NEW) (*Effective from passage*) There is established an account to be known as the "Face of Connecticut account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account and contributions from any source, public or private. Any moneys in the account shall be expended by the Commissioner of Environmental Protection, as directed by the Face of Connecticut Steering Committee established pursuant to section 2 of this act for the acquisition, restoration or stewardship of properties, each of which such properties, when acquired or restored, will serve not less than two of the following objectives: (1) The conservation of open space land, as defined in section 12-107b of the 2008 supplement to the general statutes; (2) the renovation and enhancement of urban parks; (3) the preservation of active agricultural land; or (4) the restoration or reuse of historic resources.

Sec. 2. (NEW) (*Effective from passage*) (a) There is established the Face

Substitute House Bill No. 5873

of Connecticut Steering Committee, which shall be within the Department of Environmental Protection for administrative purposes only. Such committee shall direct the expenditure of any funds deposited in the Face of Connecticut account created under section 1 of this act. The committee shall consist of the Commissioner of Environmental Protection, the Commissioner of Economic and Community Development, or the commissioner's designee, the Commissioner of Agriculture, the executive director of the Connecticut Commission on Culture and Tourism, the Secretary of the Office of Policy and Management and ten members as follows: (1) A representative of a local organization involved in historic preservation, appointed by the speaker of the House of Representatives; (2) a representative of a nonprofit organization involved in farmland preservation, appointed by the president pro tempore of the Senate; (3) a representative of a local or regional nonprofit organization involved in the preservation of open space, appointed by the majority leader of the House of Representatives; (4) a representative of a water company actively involved in land preservation, appointed by the majority leader of the Senate; (5) a representative of the agricultural industry, appointed by the minority leader of the House of Representatives; (6) a representative of a state-wide nonprofit involved in the preservation of open space, appointed by the minority leader of the Senate; (7) a representative of a state-wide nonprofit organization involved in historic preservation, appointed by the Governor; (8) a representative of an organization involved with community redevelopment, appointed by the Governor; (9) a representative of the legislative Brownfields Task Force, appointed by the speaker of the House of Representatives; and (10) a representative of the environmental law section of the Connecticut Bar Association who is involved with brownfields remediation, appointed by the president pro tempore of the Senate.

(b) All initial appointments to the committee shall be made not later

Substitute House Bill No. 5873

than September 1, 2008. The term of each appointed member of the steering committee shall be coterminous with the term of the appointing authority or until a successor is chosen, whichever is later. The Commissioner of Environmental Protection shall serve as the chairperson of the committee for the two years following the appointment of the committee, followed first by the Commissioner of Agriculture for two years and subsequently by the executive director of the Connecticut Commission on Culture and Tourism for two years and subsequently by the Commissioner of Economic and Community development or said commissioner's designee for two years. Such rotation shall repeat every two years thereafter in the order specified in this subsection, except that if there is a vacancy in one of said positions, one of the other commissioners or the executive director may serve as chairperson until the vacancy is filled.

(c) The committee shall meet quarterly.

Sec. 3. Section 22-26gg of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2008*):

The commissioner shall, in consultation with the Farmland Preservation Advisory Board established under section 22-26ll of the 2008 supplement to the general statutes, adopt, in accordance with chapter 54, such regulations as [he] the commissioner deems necessary to carry out the purposes of this chapter. Such regulations shall provide that individual landowners applying for such program shall be eligible to receive not more than twenty thousand dollars per acre for development rights, and the schedule of the state's contribution for joint ownership projects initiated by municipalities shall be increased accordingly.

Sec. 4. (NEW) (*Effective from passage*) (a) The Commissioner of Agriculture may establish a community farms program for the preservation of farmland that does not meet the criteria of the

Substitute House Bill No. 5873

farmland preservation program established pursuant to section 22-26cc of the general statutes for reasons of size, soil quality or location but that may contribute to local economic activity through agricultural production. The commissioner may purchase up to one hundred per cent of the value of development rights directly from an eligible owner, or may acquire development rights on qualifying farmland jointly with a municipality, subject to the appraisal and review required by the regulations adopted pursuant to this section. For the purposes of this section, "development rights" and "owner" shall have the same meaning as in section 22-26bb of the general statutes.

(b) If the Commissioner of Agriculture establishes a program in accordance with subsection (a) of this subsection, the commissioner shall, in consultation with the Farmland Preservation Advisory Board established under section 22a-26ll of the 2008 supplement to the general statutes, establish criteria for said program. Such criteria shall give preference to farms that produce food or fiber, and at a minimum shall consider (1) the probability that the land will be sold for nonagricultural purposes, (2) the current productivity of the land and the likelihood of continued productivity of such land, (3) the suitability of the land for agricultural use, including whether the soil is classified as locally important soils by the United States Department of Agriculture, and (4) the demonstrated level of community support for preservation of the parcel. The commissioner shall, in consultation with said board, consider mechanisms that encourage continuation of the land in agricultural production to maintain its long-term availability and affordability for future generations of farmers, including, but not limited to, deed restrictions or stewardship requirements.

Sec. 5. Section 32-9kk of the 2008 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2008*):

Substitute House Bill No. 5873

(a) As used in subsections (b) to [(i)] (k), inclusive, of this section:

(1) "Brownfield" means any abandoned or underutilized site where redevelopment and reuse has not occurred due to the presence or potential presence of pollution in the buildings, soil or groundwater that requires remediation before or in conjunction with the restoration, redevelopment and reuse of the property;

(2) "Commissioner" means the Commissioner of Economic and Community Development;

(3) "Department" means the Department of Economic and Community Development;

(4) "Eligible applicant" means any municipality, a for-profit or nonprofit organization or entity, a local or regional economic development entity acting on behalf of a municipality or any combination thereof;

(5) "Financial assistance" means grants, extensions of credit, loans or loan guarantees, participation interests in loans made to eligible applicants by the Connecticut Development Authority or combinations thereof;

(6) "Municipality" means a town, city, consolidated town and city or consolidated town and borough;

(7) "Eligible brownfield project" means the foreclosure, investigation, assessment, remediation and development of a brownfield undertaken pursuant to this subsection and subsections (b) to [(i)] (k), inclusive, of this section;

(8) "Project area" means the area within which a brownfield development project is located;

(9) "Real property" means land, buildings and other structures and

Substitute House Bill No. 5873

improvements thereto, subterranean or subsurface rights, any and all easements, air rights and franchises of any kind or nature; [and]

(10) "State" means the state of Connecticut; and

(11) "Eligible grant recipients" means municipalities, economic development authorities, regional economic development authorities, or qualified nonprofit community and economic development corporations.

(b) Subject to the availability of funds, the Commissioner of Economic and Community Development may, in consultation with the Commissioner of Environmental Protection, provide financial assistance pursuant to subsections (e) and (f) of this section in support of eligible brownfield projects, as defined in subdivision (7) of subsection (a) of this section.

(c) An eligible applicant, as defined in subdivision (4) of subsection (a) of this section, shall submit an application for financial assistance to the Commissioner of Economic and Community Development on forms provided by said commissioner and with such information said commissioner deems necessary, including, but not limited to: (1) A description of the proposed project; (2) an explanation of the expected benefits of the project in relation to the purposes of subsections (a) to (i), inclusive, of this section; (3) information concerning the financial and technical capacity of the eligible applicant to undertake the proposed project; (4) a project budget; (5) a description of the condition of the property involved including the results of any environmental assessment of the property; and (6) the names of any persons known to be liable for the remediation of the property.

(d) The commissioner may approve, reject or modify any application properly submitted. In reviewing an application and determining the type and amount of financial assistance, if any, to be

Substitute House Bill No. 5873

provided, the commissioner shall consider the following criteria: (1) The availability of funds; (2) the estimated costs of assessing and remediating the site, if known; (3) the relative economic condition of the municipality; (4) the relative need of the eligible project for financial assistance; (5) the degree to which financial assistance is necessary as an inducement to the eligible applicant to undertake the project; (6) the public health and environmental benefits of the project; (7) relative economic benefits of the project to the municipality, the region and the state, including, but not limited to, the extent to which the project will likely result in a contribution to the municipality's tax base and the retention and creation of jobs; (8) the time frame in which the contamination occurred; (9) the relationship of the applicant to the person or entity that caused the contamination; ~~(10) the length of time the property has been abandoned~~; (11) ~~the taxes owed and the projected revenues that may be restored to the community~~; (12) ~~the type of financial assistance requested pursuant to this section~~; and [(10)] (13) such other criteria as the commissioner may establish consistent with the purposes of subsection (a) to [(i)] (k), inclusive, of this section.

(e) (1) There is established a remedial action and redevelopment municipal grant program to be administered by the Department of Economic and Community Development for the purpose of providing financial assistance in the form of grants to eligible grant recipients. Eligible grant recipients may use grant funds for any development project, including manufacturing, retail, residential, municipal, educational, parks, community centers and mixed-use development, and the project's associated costs, including (A) soil, groundwater and infrastructure investigation, (B) assessment, (C) remediation, (D) abatement, (E) hazardous materials or waste disposal, (F) long-term groundwater or natural attenuation monitoring, (G) environmental land use restrictions, (H) attorneys' fees, (I) planning, engineering and environmental consulting, and (J) building and structural issues,

Substitute House Bill No. 5873

including demolition, asbestos abatement, polychlorinated biphenyls removal, contaminated wood or paint removal, and other infrastructure remedial activities.

(2) The Commissioner of Economic and Community Development shall award grants on a competitive basis, based at a minimum on an annual request for applications, the first of which shall be issued on October 1, 2008, and the following to be issued on June first each year, with awards being made by the following January first. The commissioner, at the commissioner's discretion, may increase the frequency of requests for applications and awards depending upon the number of applicants and the availability of funding.

(3) A grant awarded pursuant to this section shall not exceed four million dollars. If the eligible costs exceed four million dollars, the commissioner may request and seek funding through other state programs.

(4) If the eligible grant recipient develops and sells the property, such applicant shall return any money received pursuant to this subsection, to the brownfield remediation and development account established pursuant to subsection (1) of this section, minus twenty per cent, which such eligible grant recipient shall retain to cover costs of oversight, administration, development and, if applicable, lost tax revenue.

(5) Any eligible grant recipient shall be immune from liability to the extent provided in subsection (a) of section 32-9ee.

(6) The eligible grant recipient may make low-interest loans to a redeveloper, if the future reuse is known and an agreement with the redeveloper is in place and the private party is a coapplicant. Loan principal and interest payments shall be returned to the brownfield remediation and development account established pursuant to

Substitute House Bill No. 5873

subsection (l) of this section, minus twenty per cent of the principal, which the eligible grant recipient shall retain. If the eligible grant recipient provides a loan, such loan may be secured by a state or municipal lien on the property.

(7) Any eligible grant recipients that provide a loan pursuant to subdivision (6) of this subsection shall require the loan recipient to enter a voluntary program pursuant to section 22a-133x or 22a-133y with the Commissioner of Environmental Protection for brownfield remediation. The commissioner may use not more than five per cent of eligible grant or loan proceeds for reasonable administrative expenses.

(8) Notwithstanding section 22a-134a, the eligible grant recipient may acquire and convey its interest in the property without such recipient or the subsequent purchaser incurring liability, including any such liability incurred pursuant to section 22a-134a, provided the property was remediated pursuant to section 22a-133x or 22a-133y or pursuant to an order issued by the Commissioner of Environmental Protection and such remediation was performed in accordance with the standards adopted pursuant to section 22a-133k as determined by said commissioner or, if authorized by said commissioner, verified by a licensed environmental professional unless such verification has been rejected by said commissioner subsequent to an audit conducted by said commissioner and provided the subsequent purchaser has no direct or related liability for the site conditions.

(f) (1) The Department of Economic and Community Development shall develop a targeted brownfield development loan program to provide financial assistance in the form of low-interest loans to eligible applicants who are potential brownfield purchasers who have no direct or related liability for the site conditions and eligible applicants who are existing property owners who (A) are currently in good standing and otherwise compliant with the Department of Environmental Protection's regulatory programs, (B) demonstrate an

Substitute House Bill No. 5873

inability to fund the investigation and clean-up themselves, and (C) cannot retain or expand jobs due to the costs associated with the investigating and remediating of the contamination.

(2) The commissioner shall provide low-interest loans to eligible applicants who are purchasers or existing property owners pursuant to this section who seek to develop property for purposes of retaining or expanding jobs in the state or for developing housing to serve the needs of first-time home buyers. Loans shall be available to manufacturing, retail, residential or mixed-use developments, expansions or reuses. The commissioner shall provide loans based upon project merit and viability, the economic and community development opportunity, municipal support, contribution to the community's tax base, number of jobs, past experience of the applicant, compliance history and ability to pay.

(3) Any loan recipient who is a brownfields purchaser and who (A) receives a loan in excess of thirty thousand dollars, or (B) uses loan proceeds to perform a Phase II environmental investigation, shall be subject to section 22a-134a or shall enter a voluntary program for remediation of the property with the Department of Environmental Protection. Any loan recipient who is an existing property owner shall enter a voluntary program with the Department of Environmental Protection.

(4) Loans made pursuant to this subsection shall have such terms and conditions and shall be subject to such eligibility, loan approval and criteria, as determined by the commissioner. Such conditions shall include, but not be limited to, performance requirements and commitments to maintain or retain jobs. Loan repayment shall coincide with the restoration of the site to a productive use or the completion of the expansion. Such loans shall be for a period not to exceed twenty years.

Substitute House Bill No. 5873

(5) If the property is sold before loan repayment, the loan is payable upon closing, with interest, unless the commissioner agrees otherwise. The commissioner may carry the loan forward as an encumbrance to the purchaser with the same terms and conditions as the original loan.

(6) Loans made pursuant to this subsection may be used for any purpose, including the present or past costs of investigation, assessment, remediation, abatement, hazardous materials or waste disposal, long-term groundwater or natural attenuation monitoring, costs associated with an environmental land use restriction, attorneys' fees, planning, engineering and environmental consulting costs, and building and structural issues, including demolition, asbestos abatement, polychlorinated biphenyls removal, contaminated wood or paint removal, and other infrastructure remedial activities.

(7) For any loan made pursuant to this subsection that is greater than fifty thousand dollars, the applicant shall submit a redevelopment plan that describes how the property will be used or reused for commercial, industrial or mixed-use development and how it will result in jobs and private investment in the community. For any residential development loan pursuant to this subsection, the developer shall agree that the development will provide the housing needs reasonable and appropriate for first-time home buyers or recent college graduates looking to remain in this state.

(8) The loan program established pursuant to this subsection shall be available to all qualified new and existing property owners. Recipients who use loans for commercial, industrial or mixed-use development shall agree to retain or add jobs, during the term of the loan, unless otherwise agreed to by the Department of Economic and Community Development, the Connecticut Development Authority and the Connecticut Brownfield Redevelopment Authority. The residential developer shall agree to retire the loan upon sale of the units unless the development will be apartments.

Substitute House Bill No. 5873

(9) Each loan recipient pursuant to this subsection may be eligible for up to two million dollars per year for up to two years, subject to agency underwriting and reasonable and customary requirements to assure performance. If additional funds are needed, the Commissioner of Economic and Community Development may recommend that the project be funded through the State Bond Commission.

[(e)] (g) The Commissioner of Economic and Community Development shall approve applications submitted in accordance with subsection (c) of this section before awarding any financial assistance to an eligible applicant or purchasing any participation interest in a loan made by the Connecticut Development Authority for the benefit of an eligible applicant. Notwithstanding any other provision of this section, if the applicant's request for financial assistance involves the department purchasing a participation interest in a loan made by the Connecticut Development Authority, such authority may submit such application and other information as is required of eligible applicants under subsection (c) of this section on behalf of such eligible applicant and no further application shall be required of such eligible applicant. No financial assistance shall exceed fifty per cent of the total project cost, provided in the case of (1) planning or site evaluation projects, and (2) financial assistance to any project in a targeted investment community, such assistance shall not exceed ninety per cent of the project cost. Upon approval of the commissioner, a nonstate share of the total project cost, if any, may be satisfied entirely or partially from noncash contributions, including contributions of real property, from private sources or, to the extent permitted by federal law, from moneys received by the municipality under any federal grant program.

[(f)] (h) Financial assistance may be made available for (1) site investigation and assessment, (2) planning and engineering, including, but not limited to, the reasonable cost of environmental consultants, laboratory analysis, investigatory and remedial contractors, architects,

Substitute House Bill No. 5873

attorneys' fees, feasibility studies, appraisals, market studies and related activities, (3) the acquisition of real property, provided financial assistance for such acquisition shall not exceed fair market value as appraised as if clean, (4) the construction of site and infrastructure improvements related to the site remediation, (5) demolition, asbestos abatement, hazardous waste removal, PCB removal and related infrastructure remedial activities, (6) remediation, groundwater monitoring, including, but not limited to, natural attenuation groundwater monitoring and costs associated with filing an environmental land use restriction, (7) environmental insurance, and (8) other reasonable expenses the commissioner determines are necessary or appropriate for the initiation, implementation and completion of the project. The department may purchase participation interests in loans made by the Connecticut Development Authority for the foregoing purposes.

[(g)] (i) The commissioner may establish the terms and conditions of any financial assistance provided pursuant to subsections (a) to [(i)] (k), inclusive, of this section. The commissioner may make any stipulation in connection with an offer of financial assistance the commissioner deems necessary to implement the policies and purposes of such sections, including, but not limited to the following: (1) Providing assurances that the eligible applicant will discharge its obligations in connection with the project; and (2) requiring that the eligible applicant provide the department with appropriate security for such financial assistance, including, but not limited to, a letter of credit, a lien on real property or a security interest in goods, equipment, inventory or other property of any kind.

[(h)] (j) The commissioner may use any available funds for financial assistance under the provisions of subsections (a) to [(i)] (k), inclusive, of this section.

[(i)] (k) Whenever funds are used pursuant to subsections (a) to [(i)]

Substitute House Bill No. 5873

(k), inclusive, of this section for purposes of environmental assessments or remediation of a brownfield, the Commissioner of Environmental Protection may seek reimbursement of the costs and expenses incurred by requesting the Attorney General to bring a civil action to recover such costs and expenses from any party responsible for such pollution provided no such action shall be brought separately from any action to recover costs and expenses incurred by the Commissioner of Environmental Protection in pursuing action to contain, remove or mitigate any pollution on such site. The costs and expenses recovered may include, but shall not be limited to, (1) the actual cost of identifying, evaluating, planning for and undertaking the remediation of the site; (2) any administrative costs not exceeding ten per cent of the actual costs; (3) the costs of recovering the reimbursement; and (4) interest on the actual costs at a rate of ten per cent a year from the date such expenses were paid. The defendant in any civil action brought pursuant to this subsection shall have no cause of action or claim for contribution against any person with whom the Commissioner of Environmental Protection has entered into a covenant not to sue pursuant to sections 22a-133aa of the 2008 supplement to the general statutes and 22a-133bb with respect to pollution on or emanating from the property that is the subject of said civil action. Funds recovered pursuant to this section shall be deposited in the brownfield remediation and development account established pursuant to subsections [(j)] (l) to [(m)] (o), inclusive, of this section. The provisions of this subsection shall be in addition to any other remedies provided by law.

[(j)] (l) There is established a separate nonlapsing account within the General Fund to be known as the "brownfield remediation and development account". There shall be deposited in the account: (1) The proceeds of bonds issued by the state for deposit into said account and used in accordance with this section; (2) repayments of assistance provided pursuant to subsection (c) of section 22a-133u of the 2008

Substitute House Bill No. 5873

supplement to the general statutes; (3) interest or other income earned on the investment of moneys in the account; (4) funds recovered pursuant to subsection (i) of this section; and (5) all funds required by law to be deposited in the account. Repayment of principal and interest on loans made pursuant to subsections (a) to [(i)] (k), inclusive, of this section shall be credited to such account and shall become part of the assets of the account. Any balance remaining in such account at the end of any fiscal year shall be carried forward in the account for the fiscal year next succeeding.

[(k)] (m) All moneys received in consideration of financial assistance, including payments of principal and interest on any loans, shall be credited to the account. At the discretion of the Commissioner of Economic and Community Development and subject to the approval of the Secretary of the Office of Policy and Management, any federal, private or other moneys received by the state in connection with projects undertaken pursuant to subsections (a) to [(i)] (k), inclusive, of this section shall be credited to the assets of the account.

[(l)] (n) Notwithstanding any provision of law, proceeds from the sale of bonds available pursuant to subdivision (1) of subsection (b) of section 4-66c of the 2008 supplement to the general statutes may, with the approval of the Governor and the State Bond Commission, be used to capitalize the brownfield remediation and development account created by subsections [(j)] (l) to [(m)] (o), inclusive, of this section.

[(m)] (o) The commissioner may, with the approval of the Secretary of the Office of Policy and Management, provide financial assistance pursuant to subsections (a) to [(i)] (k), inclusive, of this section from the account established under subsection [(j)] (l) to [(m)] (o), inclusive, of this section.

Sec. 6. Section 22a-133dd of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Substitute House Bill No. 5873

(a) Any municipality or licensed environmental professional employed or retained by a municipality may enter, without liability to any person other than the Commissioner of Environmental Protection, upon any property within such municipality for the purpose of performing an environmental site assessment or investigation on behalf of the municipality if: (1) The owner of such property cannot be located; [or] (2) such property is encumbered by a lien for taxes due such municipality; [or] (3) upon a filing of a notice of eminent domain; (4) the municipality's legislative body finds that such investigation is in the public interest to determine if the property is underutilized or should be included in any undertaking of development, redevelopment or remediation pursuant to chapter 130, 132, 445 or 581; or (5) any official of the municipality reasonably finds such investigation necessary to determine if such property presents a risk to the safety, health or welfare of the public or a risk to the environment. The municipality shall give at least forty-five days' notice of such entry before the first such entry by certified mail to the property owner's last known address of record.

(b) A municipality accessing or entering a property to perform an investigation pursuant to this section shall not incur any liability pursuant to section 22a-432 of the general statutes for any preexisting contamination or pollution on such property, provided, however, a municipality may be liable for any pollution or contamination resulting from a negligent or reckless investigation.

(c) The owner of the property may object to such access and entry by the municipality by filing an action in the Superior Court not later than thirty days after receipt of the notice provided pursuant to subsection (a) of this section, provided any objection be limited to the owner affirmatively representing that it is diligently investigating the site in a timely manner and that any municipal taxes owed will be paid in full.

Substitute House Bill No. 5873

Sec. 7. Section 11 of public act 06-184, as amended by section 15 of public act 07-233, is amended to read as follows (*Effective July 1, 2008*):

(a) There is established a task force to study strategies for providing long-term solutions for the state's brownfields.

(b) The task force shall consist of the following eleven members, each of whom shall have expertise in brownfield redevelopment either in environmental law, engineering, finance, development, consulting, insurance or other relevant experience:

(1) Two appointed by the Governor;

(2) One appointed by the president pro tempore of the Senate;

(3) One appointed by the speaker of the House of Representatives;

(4) One appointed by the majority leader of the Senate;

(5) One appointed by the majority leader of the House of Representatives;

(6) One appointed by the minority leader of the Senate;

(7) One appointed by the minority leader of the House of Representatives;

(8) The Commissioner of Economic and Community Development, or the commissioner's designee;

(9) The Commissioner of Environmental Protection, or the commissioner's designee; and

(10) The Secretary of the Office of Policy and Management, or the secretary's designee.

(c) Any member of the task force appointed under subdivision (1),

Substitute House Bill No. 5873

(2), (3), (4), (5), (6) or (7) of subsection (b) of this section may be a member of the General Assembly. At least one member shall be an employee.

(d) All appointments to the task force shall be made no later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.

(e) The speaker of the House of Representatives and the president pro tempore of the Senate shall select the chairpersons of the task force [.] from among the members of the task force. Such chairpersons shall schedule the first meeting of the task force, which shall be held no later than sixty days after the effective date of this section.

(f) Not later than [February 1, 2008] January 1, 2009, the task force shall submit a report on its findings and recommendations to the joint standing committees of the General Assembly having cognizance of matters relating to environment and commerce, in accordance with the provisions of section 11-4a of the general statutes. The task force shall terminate on the date that it submits such report or [February 1, 2008] January 1, 2009, whichever is later.

Sec. 8. Subdivision (7) of section 12-81 of the 2008 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage, and applicable to assessment years commencing on and after October 1, 2007*):

(7) (A) Subject to the provisions of sections 12-87 and 12-88, the real property of, or held in trust for, a corporation organized exclusively for scientific, educational, literary, historical or charitable purposes or for two or more such purposes and used exclusively for carrying out one or more of such purposes or for the purpose of preserving open space land, as defined in section 12-107b, for any of the uses specified in said section, that is owned by any such corporation, and the personal

Substitute House Bill No. 5873

property of, or held in trust for, any such corporation, provided [(A)] (i) any officer, member or employee thereof does not receive or at any future time shall not receive any pecuniary profit from the operations thereof, except reasonable compensation for services in effecting one or more of such purposes or as proper beneficiary of its strictly charitable purposes, and [(B)] (ii) in 1965, and quadrennially thereafter, a statement shall be filed on or before the first day of November with the assessor or board of assessors of any town, consolidated town and city or consolidated town and borough, in which any of its property claimed to be exempt is situated. Such statement shall be filed on a form provided by such assessor or board of assessors. The real property shall be eligible for the exemption regardless of whether it is used by another corporation organized exclusively for scientific, educational, literary, historical or charitable purposes or for two or more such purposes.

(B) On and after July 1, 1967, housing subsidized, in whole or in part, by federal, state or local government and housing for persons or families of low and moderate income shall not constitute a charitable purpose under this section. As used in this subdivision, "housing" shall not include real property used for temporary housing belonging to, or held in trust for, any corporation organized exclusively for charitable purposes and exempt from taxation for federal income tax purposes, the primary use of which property is one or more of the following: (i) An orphanage; (ii) a drug or alcohol treatment or rehabilitation facility; (iii) housing for homeless, retarded or mentally or physically handicapped individuals, or for battered or abused women and children; (iv) housing for ex-offenders or for individuals participating in a program sponsored by the state Department of Correction or judicial branch; and (v) short-term housing operated by a charitable organization where the average length of stay is less than six months. The operation of such housing, including the receipt of any rental payments, by such charitable organization shall be deemed to be an

Substitute House Bill No. 5873

exclusively charitable purpose.

Sec. 9. (NEW) (*Effective from passage*) Nothing in subparagraph (A) of subdivision (7) of section 12-81 of the 2008 supplement to the general statutes, as amended by this act, shall be construed to affect the terms of any stipulated judgment with regard to the imposition of property taxes.

Approved June 13, 2008