



General Assembly

January Session, 2015

Raised Bill No. 6965

LCO No. 4664



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

AN ACT CONCERNING THE PRESERVATION OF MUNICIPAL TAX BASES.

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

1 Section 1. (NEW) (*Effective July 1, 2015*) Notwithstanding any
2 provision of the general statutes, any property, real or personal,
3 acquired on or after July 1, 2016, by any of the following entities, as
4 defined or described in section 12-20a of the general statutes, as
5 amended by this act: (1) A private nonprofit institution of higher
6 learning, (2) nonprofit general hospital facility, (3) freestanding chronic
7 disease hospital, or (4) urgent care facility that operates for at least
8 twelve hours a day and had been the location of a nonprofit general
9 hospital for at least a portion of calendar year 1996, shall be taxable by
10 a municipality pursuant to the provisions of chapters 201, 203 and 204
11 of the general statutes, as applicable.

12 Sec. 2. Subsection (a) of section 12-20a of the general statutes is
13 repealed and the following is substituted in lieu thereof (*Effective July*
14 *1, 2015*):

15 (a) On or before January first, annually, the Secretary of the Office of
16 Policy and Management shall determine the amount due to each
17 municipality in the state, in accordance with this section, as a state
18 grant in lieu of taxes with respect to real property acquired prior to
19 July 1, 2015, and owned by any private nonprofit institution of higher
20 learning or any nonprofit general hospital facility or freestanding
21 chronic disease hospital or an urgent care facility that operates for at
22 least twelve hours a day and that had been the location of a nonprofit
23 general hospital for at least a portion of calendar year 1996 to receive
24 payments in lieu of taxes for such property, exclusive of any such
25 facility operated by the federal government, except a campus of the
26 United States Department of Veterans Affairs Connecticut Healthcare
27 Systems, or the state of Connecticut or any subdivision thereof. As
28 used in this section "private nonprofit institution of higher learning"
29 means any such institution, as defined in subsection (a) of section 10a-
30 34, or any independent institution of higher education, as defined in
31 subsection (a) of section 10a-173, that is engaged primarily in
32 education beyond the high school level, and offers courses of
33 instruction for which college or university-level credit may be given or
34 may be received by transfer, the property of which is exempt from
35 property tax under any of the subdivisions of section 12-81; "nonprofit
36 general hospital facility" means any such facility that is used primarily
37 for the purpose of general medical care and treatment, exclusive of any
38 hospital facility used primarily for the care and treatment of special
39 types of disease or physical or mental conditions; and "freestanding
40 chronic disease hospital" means a facility that provides for the care and
41 treatment of chronic diseases, excluding any such facility having an
42 ownership affiliation with and operated in the same location as a
43 chronic and convalescent nursing home.

44 Sec. 3. Subdivision (7) of section 12-81 of the general statutes is
45 repealed and the following is substituted in lieu thereof (*Effective*
46 *October 1, 2016, and applicable to assessment years commencing on or after*
47 *October 1, 2016*):

48 (7) (A) Subject to the provisions of section 1 of this act and sections
49 12-87 and 12-88, the real property of, or held in trust for, a corporation
50 organized exclusively for scientific, educational, literary, historical or
51 charitable purposes or for two or more such purposes and used
52 exclusively for carrying out one or more of such purposes or for the
53 purpose of preserving open space land, as defined in section 12-107b,
54 for any of the uses specified in said section, that is owned by any such
55 corporation, and the personal property of, or held in trust for, any such
56 corporation, provided (i) any officer, member or employee thereof
57 does not receive or at any future time shall not receive any pecuniary
58 profit from the operations thereof, except reasonable compensation for
59 services in effecting one or more of such purposes or as proper
60 beneficiary of its strictly charitable purposes, and (ii) in 1965, and
61 quadrennially thereafter, a statement shall be filed on or before the first
62 day of November with the assessor or board of assessors of any town,
63 consolidated town and city or consolidated town and borough, in
64 which any of its property claimed to be exempt is situated. Such
65 statement shall be filed on a form provided by such assessor or board
66 of assessors. The real property shall be eligible for the exemption
67 regardless of whether it is used by another corporation organized
68 exclusively for scientific, educational, literary, historical or charitable
69 purposes or for two or more such purposes;

70 (B) On and after July 1, 1967, housing subsidized, in whole or in
71 part, by federal, state or local government and housing for persons or
72 families of low and moderate income shall not constitute a charitable
73 purpose under this section. As used in this subdivision, "housing" shall
74 not include real property used for temporary housing belonging to, or
75 held in trust for, any corporation organized exclusively for charitable
76 purposes and exempt from taxation for federal income tax purposes,
77 the primary use of which property is one or more of the following: (i)
78 An orphanage; (ii) a drug or alcohol treatment or rehabilitation facility;
79 (iii) housing for homeless individuals, mentally or physically
80 handicapped individuals or persons with intellectual disability, or for

81 victims of domestic violence; (iv) housing for ex-offenders or for
 82 individuals participating in a program sponsored by the state
 83 Department of Correction or Judicial Branch; and (v) short-term
 84 housing operated by a charitable organization where the average
 85 length of stay is less than six months. The operation of such housing,
 86 including the receipt of any rental payments, by such charitable
 87 organization shall be deemed to be an exclusively charitable purpose;

88 Sec. 4. Subdivision (16) of section 12-81 of the general statutes is
 89 repealed and the following is substituted in lieu thereof (*Effective*
 90 *October 1, 2016, and applicable to assessment years commencing on or after*
 91 *October 1, 2016*):

92 (16) Subject to the provisions of section 1 of this act and section 12-
 93 88, all property of, or held in trust for, any Connecticut hospital society
 94 or corporation or sanatorium, provided (A) no officer, member or
 95 employee thereof receives or, at any future time, shall receive any
 96 pecuniary profit from the operations thereof, except reasonable
 97 compensation for services in the conduct of its affairs, and (B) in 1967,
 98 and quadrennially thereafter, a statement shall be filed by such
 99 hospital society, corporation or sanatorium on or before the first day of
 100 November with the assessor or board of assessors of any town,
 101 consolidated town and city or consolidated town and borough, in
 102 which any of its property claimed to be exempt is situated. Such
 103 statement shall be filed on a form provided by such assessor or board
 104 of assessors;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	New section
Sec. 2	<i>July 1, 2015</i>	12-20a(a)
Sec. 3	<i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i>	12-81(7)

Sec. 4	<i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i>	12-81(16)
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Statement of Purpose:

To preserve municipal tax bases by allowing municipalities to tax any real and personal property acquired after July 1, 2016, by private nonprofit institutions of higher learning, nonprofit general hospital facilities, freestanding chronic disease hospitals and certain urgent care facilities.

[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.]