



General Assembly

January Session, 2015

Governor's Bill No. 945

LCO No. 3826



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

REP. SHARKEY, 88th Dist.

REP. ARESIMOWICZ, 30th Dist.

AN ACT CONCERNING THE TAX EXEMPT STATUS OF CERTAIN HOSPITAL FACILITIES.

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

1 Section 1. Section 12-20a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015, and*
3 *applicable to assessment years commencing on or after said date*):

4 (a) On or before January first, annually, the Secretary of the Office of
5 Policy and Management shall determine the amount due to each
6 municipality in the state, in accordance with this section, as a state
7 grant in lieu of taxes with respect to real property owned by any (1)
8 private nonprofit institution of higher learning, [or any] (2) nonprofit
9 general hospital facility [or] that is operated in the same location as an
10 emergency department or federally-qualified health center, (3)
11 freestanding chronic disease hospital, or [an] (4) urgent care facility

12 that operates for at least twelve hours a day and that had been the
13 location of a nonprofit general hospital for at least a portion of
14 calendar year 1996 to receive payments in lieu of taxes for such
15 property, exclusive of any such facility operated by the federal
16 government, except a campus of the United States Department of
17 Veterans Affairs Connecticut Healthcare Systems, or the state of
18 Connecticut or any subdivision thereof. As used in this section "private
19 nonprofit institution of higher learning" means any such institution, as
20 defined in subsection (a) of section 10a-34, or any independent
21 institution of higher education, as defined in subsection (a) of section
22 10a-173, that is engaged primarily in education beyond the high school
23 level, and offers courses of instruction for which college or university-
24 level credit may be given or may be received by transfer, the property
25 of which is exempt from property tax under any of the subdivisions of
26 section 12-81, as amended by this act; "nonprofit general hospital
27 facility" means any such facility that is used primarily for the purpose
28 of general medical care and treatment, exclusive of any hospital facility
29 used primarily for the care and treatment of special types of disease or
30 physical or mental conditions; and "freestanding chronic disease
31 hospital" means a facility that provides for the care and treatment of
32 chronic diseases, excluding any such facility having an ownership
33 affiliation with and operated in the same location as a chronic and
34 convalescent nursing home.

35 (b) The grant payable to any municipality under the provisions of
36 this section in the state fiscal year commencing July 1, 1999, and in
37 each fiscal year thereafter, shall be equal to seventy-seven per cent of
38 the property taxes which, except for any exemption applicable to any
39 such institution of higher education or general hospital facility that is
40 operated in the same location as an emergency department or
41 federally-qualified health center under the provisions of section 12-81,
42 as amended by this act, would have been paid with respect to such
43 exempt real property on the assessment list in such municipality for
44 the assessment date two years prior to the commencement of the state

45 fiscal year in which such grant is payable. The amount of the grant
46 payable to each municipality in any year in accordance with this
47 section shall be reduced proportionately in the event that the total of
48 such grants in such year exceeds the amount appropriated for the
49 purposes of this section with respect to such year.

50 (c) Notwithstanding the provisions of subsection (b) of this section,
51 the amount of the grant payable to any municipality under the
52 provisions of this section with respect to a campus of the United States
53 Department of Veterans Affairs Connecticut Healthcare Systems shall
54 be as follows: (1) For the fiscal year ending June 30, 2007, twenty per
55 cent of the amount payable in accordance with said subsection (b); (2)
56 for the fiscal year ending June 30, 2008, forty per cent of such amount;
57 (3) for the fiscal year ending June 30, 2009, sixty per cent of such
58 amount; (4) for the fiscal year ending June 30, 2010, eighty per cent of
59 such amount; (5) for the fiscal year ending June 30, 2011, and each
60 fiscal year thereafter, one hundred per cent of such amount.

61 (d) As used in this section and section 12-20b, the word
62 "municipality" means any town, consolidated town and city,
63 consolidated town and borough, borough, district, as defined in
64 section 7-324, and any city not consolidated with a town.

65 Sec. 2. Subdivision (16) of section 12-81 of the general statutes is
66 repealed and the following is substituted in lieu thereof (*Effective*
67 *October 1, 2015, and applicable to assessment years commencing on or after*
68 *said date*):

69 (16) Subject to the provisions of section 12-88, [all] the property of,
70 or held in trust for, any Connecticut hospital society or corporation or
71 sanatorium where a nonprofit general hospital facility, as defined in
72 section 12-20a, as amended by this act, is operated in the same location
73 as an emergency department or federally-qualified health center,
74 provided (A) no officer, member or employee thereof receives or, at
75 any future time, shall receive any pecuniary profit from the operations

76 thereof, except reasonable compensation for services in the conduct of
77 its affairs, and (B) in 1967, and quadrennially thereafter, a statement
78 shall be filed by such hospital society, corporation or sanatorium on or
79 before the first day of November with the assessor or board of
80 assessors of any town, consolidated town and city or consolidated
81 town and borough, in which any of its property claimed to be exempt
82 is situated. Such statement shall be filed on a form provided by such
83 assessor or board of assessors;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015, and applicable to assessment years commencing on or after said date</i>	12-20a
Sec. 2	<i>October 1, 2015, and applicable to assessment years commencing on or after said date</i>	12-81(16)

Statement of Purpose:

To implement the Governor's budget recommendations.

[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.]