



General Assembly

February Session, 2016

Governor's Bill No. 5047

LCO No. 643



* 0 0 6 4 3 *

Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:

REP. SHARKEY, 88th Dist.

REP. ARESIMOWICZ, 30th Dist.

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

AN ACT CONCERNING EXEMPTIONS UNDER THE PROPERTY TAX.

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

1 Section 1. Section 12-81 of the 2016 supplement to the general
2 statutes is amended by adding subdivision (78) as follows (*Effective*
3 *October 1, 2016, and applicable to assessment years commencing on or after*
4 *October 1, 2016*):

5 (NEW) (78) Personal property owned or leased by a business
6 organization whose personal property has a total assessed value of less
7 than ten thousand dollars. Any person claiming the exemption
8 provided under this subdivision for any assessment year shall
9 annually, on or before the first day of November, file a written
10 application for such exemption with the assessor or board of assessors
11 in the town in which such personal property is located. Failure to file
12 such an application in the manner and form provided by such assessor
13 or board of assessors or within the time limit prescribed shall

14 constitute a waiver of the right to the exemption for the assessment
15 year.

16 Sec. 2. (NEW) (*Effective October 1, 2016, and applicable to assessment*
17 *years commencing on or after October 1, 2016*) (a) Any hospital claiming
18 an exemption from the property tax on personal property pursuant to
19 subdivision (7) or (16) of section 12-81 of the general statutes as
20 amended by this act, with respect to any taxable year shall submit a
21 declaration of the tangible personal property, as described in sections
22 12-41 and 12-43 of the general statutes, and a statement in accordance
23 with section 12-49 of the general statutes. Such declaration shall be
24 submitted on or before October first or the extended filing date
25 granted pursuant to section 12-42 of the general statutes, as applicable,
26 to the assessor or board of assessors of the municipality in which the
27 hospital property claimed to be exempt is located. Commercial or
28 financial information in any declaration filed under this section shall
29 not be open to public inspection. The assessor or board of assessors, as
30 applicable, shall add taxable property to any such declaration if so
31 required by subsection (b) of section 12-53 of the general statutes.
32 Exemptions claimed pursuant to subdivision (7) or (16) of section 12-81
33 of the general statutes, as amended by this act, shall be deemed waived
34 for any assessment year in which a hospital fails to file a declaration in
35 the manner prescribed by this section. For the purposes of this section,
36 "personal property" includes all property subject to tax pursuant to
37 section 12-71 of the general statutes and "hospital" means any (1)
38 nonprofit general hospital facility, (2) ambulatory surgical center as
39 defined in section 12-263i of the general statutes, (3) freestanding
40 chronic disease hospital, or (4) any urgent care facility that operates for
41 at least twelve hours a day. "Hospital" does not include any such
42 facility, center or hospital operated by the federal government or the
43 state of Connecticut or any political subdivision thereof.

44 (b) Any assessor in receipt of a declaration filed pursuant to subsection
45 (a) of this section shall determine the present true and actual value of such
46 declared property pursuant to the requirements set forth in sections 12-63

47 and 12-71 of the general statutes. On or before January thirty-first,
48 annually, said assessor shall submit a report to the Secretary of the Office
49 of Policy and Management on such form as the secretary may prescribe
50 detailing the present true and actual value of such property, as
51 determined pursuant to the provisions of this subsection, for the
52 assessment year commencing on the October first immediately preceding.

53 (c) On or before March fifteenth, annually, the secretary shall submit a
54 report to the joint standing committee of the General Assembly having
55 cognizance of matters concerning finance, revenue and bonding, in
56 accordance with section 11-4a of the general statutes, detailing the present
57 true and actual value, by town, of the personal property declared
58 pursuant to this section.

59 Sec. 3. Section 12-42 of the general statutes is repealed and the
60 following is substituted in lieu thereof (*Effective October 1, 2016, and*
61 *applicable to assessment years commencing on or after October 1, 2016*):

62 The assessors may grant an extension of not more than forty-five
63 days to file the declaration required pursuant to section 12-41 or
64 section 2 of this act upon determination that there is good cause. If no
65 declaration is filed, the assessors shall fill out a declaration including
66 all property which the assessors have reason to believe is owned by the
67 person for whom such declaration is prepared, liable to taxation, at the
68 percentage of its actual valuation, as determined by the assessors in
69 accordance with the provisions of sections 12-63 and 12-71, from the
70 best information they can obtain, and add thereto twenty-five per cent
71 of such assessment. When the first day of November is a Saturday or
72 Sunday, the declaration may be filed or postmarked on the next
73 business day following.

74 Sec. 4. Subdivision (7) of section 12-81 of the 2016 supplement to the
75 general statutes is repealed and the following is substituted in lieu
76 thereof (*Effective October 1, 2016, and applicable to assessment years*
77 *commencing on or after October 1, 2016*):

78 (7) (A) Subject to the provisions of sections 12-87, [and] 12-88 and
79 section 2 of this act, the real property of, or held in trust for, a
80 corporation organized exclusively for scientific, educational, literary,
81 historical or charitable purposes or for two or more such purposes and
82 used exclusively for carrying out one or more of such purposes or for
83 the purpose of preserving open space land, as defined in section 12-
84 107b, for any of the uses specified in said section, that is owned by any
85 such corporation, and the personal property of, or held in trust for, any
86 such corporation, provided (i) any officer, member or employee
87 thereof does not receive or at any future time shall not receive any
88 pecuniary profit from the operations thereof, except reasonable
89 compensation for services in effecting one or more of such purposes or
90 as proper beneficiary of its strictly charitable purposes, and (ii) in 1965,
91 and quadrennially thereafter, a statement shall be filed on or before the
92 first day of November with the assessor or board of assessors of any
93 town, consolidated town and city or consolidated town and borough,
94 in which any of its property claimed to be exempt is situated. Such
95 statement shall be filed on a form provided by such assessor or board
96 of assessors. The real property shall be eligible for the exemption
97 regardless of whether it is used by another corporation organized
98 exclusively for scientific, educational, literary, historical or charitable
99 purposes or for two or more such purposes;

100 (B) On and after July 1, 1967, housing subsidized, in whole or in
101 part, by federal, state or local government and housing for persons or
102 families of low and moderate income shall not constitute a charitable
103 purpose under this section. As used in this subdivision, "housing" shall
104 not include real property used for temporary housing belonging to, or
105 held in trust for, any corporation organized exclusively for charitable
106 purposes and exempt from taxation for federal income tax purposes,
107 the primary use of which property is one or more of the following: (i)
108 An orphanage; (ii) a drug or alcohol treatment or rehabilitation facility;
109 (iii) housing for homeless individuals, mentally or physically
110 handicapped individuals or persons with intellectual disability, or for

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

118 Sec. 5. Subdivision (16) of section 12-81 of the 2016 supplement to
 119 the general statutes is repealed and the following is substituted in lieu
 120 thereof (*Effective October 1, 2016, and applicable to assessment years*
 121 *commencing on or after October 1, 2016*):

122 (16) Subject to the provisions of section 12-88 and section 2 of this
 123 act, all property of, or held in trust for, any Connecticut hospital
 124 society or corporation or sanatorium, provided (A) no officer, member
 125 or employee thereof receives or, at any future time, shall receive any
 126 pecuniary profit from the operations thereof, except reasonable
 127 compensation for services in the conduct of its affairs, and (B) in 1967,
 128 and quadrennially thereafter, a statement shall be filed by such
 129 hospital society, corporation or sanatorium on or before the first day of
 130 November with the assessor or board of assessors of any town,
 131 consolidated town and city or consolidated town and borough, in
 132 which any of its property claimed to be exempt is situated. Such
 133 statement shall be filed on a form provided by such assessor or board
 134 of assessors;

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-81 |

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| Sec. 2 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | New section |
| Sec. 3 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-42 |
| Sec. 4 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i> | 12-81(7) |
| Sec. 5 | <i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</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.]