



General Assembly

February Session, 2016

***Raised Bill No. 5399***

LCO No. 1924



Referred to Committee on HOUSING

Introduced by:  
(HSG)

***AN ACT CONCERNING STATE REIMBURSEMENT FOR TAX  
ABATEMENTS AND PAYMENTS IN LIEU OF TAXES.***

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

1 Section 1. Subsection (a) of section 8-216 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2016*):

4 (a) The state, acting by and in the discretion of the Commissioner of  
5 Housing, may enter into a contract with a municipality for state  
6 financial assistance for housing, or any part thereof, solely for low or  
7 moderate-income persons or families, or for housing or any part  
8 thereof, on property classified by the municipality pursuant to section  
9 8-215, for use for housing solely for low or moderate-income persons  
10 or families, in the form of reimbursement for tax abatements under  
11 said section, provided the construction or rehabilitation of such  
12 housing shall have been commenced after July 1, 1967, or, in the case of  
13 apartment buildings containing three or more stories, under  
14 construction on July 1, 1967. Such contract shall provide for state  
15 financial assistance in the form of a state grant-in-aid to the

16 municipality not to exceed the amount of taxes abated by the  
17 municipality pursuant to section 8-215, provided no payment shall be  
18 made to any municipality under any contract entered into on or after  
19 October 1, 1973, unless the assessment on such housing or part thereof  
20 is determined as provided in section 8-216a except when such contract  
21 is a modification, amendment, or replacement of a contract already in  
22 existence on or before October 1, 1973. In such contract, the  
23 commissioner may require assurances that the amount of tax  
24 abatement will be used for the purposes stated in section 8-215, and  
25 that the commissioner shall have the right of inspection to determine  
26 that such purposes are being achieved. With respect to housing for  
27 which tax abatement has been provided pursuant to [said] section 8-  
28 215, such grant-in-aid shall be paid to the municipality each year, in an  
29 amount not to exceed the tax abatement for such year, as long as the  
30 housing continues to fulfill the purposes stated in said section. No tax  
31 abatement provided pursuant to section 8-215 may be terminated by a  
32 municipality if the state fails to pay such grant-in-aid, unless the  
33 reason for the failure to pay is that the housing no longer fulfills the  
34 purposes stated in section 8-215.

35 Sec. 2. Section 8-71 of the general statutes is repealed and the  
36 following is substituted in lieu thereof (*Effective October 1, 2016*):

37 In lieu of real property taxes, special benefit assessments and  
38 sewerage system use charges otherwise payable to such municipality,  
39 except in such municipalities as, by special act or charter, on May 20,  
40 1957, had a sewer use charge, an authority shall pay each year to the  
41 municipality in which any of its moderate rental housing projects are  
42 located a sum to be determined by the municipality, with the approval  
43 of the Commissioner of Housing, not in excess of twelve and one-half  
44 per cent of the shelter rent per annum for each occupied dwelling unit  
45 in any such housing project; except that the amount of such payment  
46 shall not be so limited in any case where funds are made available for  
47 such payment by an agency or department of the United States  
48 government. [ , but no] No payment shall exceed the amount of taxes

49 which would be paid on the property were the property not exempt  
50 from taxation and no payment shall be due from the authority for any  
51 year in which the state did not make payment to the municipality for  
52 the sum contemplated in this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	8-216(a)
Sec. 2	<i>October 1, 2016</i>	8-71

***Statement of Purpose:***

To clarify the law related to tax abatements and payments by authorities.

*[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.]*