



Senate

General Assembly

File No. 517

February Session, 2016

Senate Bill No. 419

Senate, April 6, 2016

The Committee on Planning and Development reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING PROPERTY TAXES FOR NONPROFIT GROUP HOMES.

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

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2 the general statutes is repealed and the following is substituted in lieu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

5 (7) (A) Subject to the provisions of sections 12-87 and 12-88, the real
6 property of, or held in trust for, a corporation organized exclusively for
7 scientific, educational, literary, historical or charitable purposes or for
8 two or more such purposes and used exclusively for carrying out one
9 or more of such purposes or for the purpose of preserving open space
10 land, as defined in section 12-107b, for any of the uses specified in said
11 section, that is owned by any such corporation, and the personal
12 property of, or held in trust for, any such corporation, provided (i) any
13 officer, member or employee thereof does not receive or at any future
14 time shall not receive any pecuniary profit from the operations thereof,

15 except reasonable compensation for services in effecting one or more of
16 such purposes or as proper beneficiary of its strictly charitable
17 purposes, and (ii) in 1965, and quadrennially thereafter, a statement
18 shall be filed on or before the first day of November with the assessor
19 or board of assessors of any town, consolidated town and city or
20 consolidated town and borough, in which any of its property claimed
21 to be exempt is situated. Such statement shall be filed on a form
22 provided by such assessor or board of assessors. The real property
23 shall be eligible for the exemption regardless of whether it is used by
24 another corporation organized exclusively for scientific, educational,
25 literary, historical or charitable purposes or for two or more such
26 purposes;

27 (B) On and after July 1, 1967, housing subsidized, in whole or in
28 part, by federal, state or local government and housing for persons or
29 families of low and moderate income shall not constitute a charitable
30 purpose under this section. As used in this subdivision, "housing" shall
31 not include (i) real property used for temporary housing belonging to,
32 or held in trust for, any corporation organized exclusively for
33 charitable purposes and exempt from taxation for federal income tax
34 purposes, the primary use of which property is one or more of the
35 following: [(i)] (I) An orphanage; [(ii)] (II) a drug or alcohol treatment
36 or rehabilitation facility; [(iii)] (III) housing for homeless individuals,
37 mentally or physically handicapped individuals or persons with
38 intellectual disability, or for victims of domestic violence; [(iv)] (IV)
39 housing for ex-offenders or for individuals participating in a program
40 sponsored by the state Department of Correction or Judicial Branch;
41 and [(v)] (V) short-term housing operated by a charitable organization
42 where the average length of stay is less than six months; and (ii) real
43 property used for permanent housing belonging to, or held in trust for,
44 any corporation organized exclusively for charitable purposes and
45 exempt from taxation for federal income tax purposes, and for which
46 the primary use is housing for mentally or physically handicapped
47 individuals or persons with intellectual disability, provided the
48 municipality in which such property is located treated such property
49 as exempt from taxation pursuant to this subdivision on or before the

50 effective date of this section. The operation of such housing, including
51 the receipt of any rental payments, by such charitable organization
52 shall be deemed to be an exclusively charitable purpose;

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 and after October 1, 2016</i>	12-81(7)

PD *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill exempts certain types of group homes in certain municipalities from property taxes. This has no fiscal impact, as it is codifying current practice.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**SB 419*****AN ACT CONCERNING PROPERTY TAXES FOR NONPROFIT GROUP HOMES.*****SUMMARY:**

The bill exempts from property taxes specified real property used for permanent housing owned by, or held in trust for, federally tax-exempt organizations organized exclusively for charitable purposes. The exemption applies to property primarily used to house individuals with mental or physical handicaps or intellectual disabilities in municipalities that exempted the property on or before October 1, 2016 under the state's general tax exemption for nonprofit organization property (CGS § 12-81(7)).

EFFECTIVE DATE: October 1, 2016 and applicable to assessment years beginning on or after that date.

BACKGROUND***Exemption for Nonprofit Organizations (CGS § 12-81(7))***

State law exempts from property taxes property owned, or held in trust for, any corporation organized exclusively for scientific, educational, literary, historical, or charitable purposes. The exemption applies to real and personal property used exclusively for carrying out one or more of these purposes or for preserving open space land. By law, only specified government-subsidized and low- and moderate-income housing qualifies as a charitable purpose (e.g., temporary housing for homeless individuals, recovering addicts, or individuals with mental or physical handicaps or intellectual disabilities).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 18 Nay 1 (03/18/2016)