



General Assembly

**Substitute Bill No. 928**

January Session, 2019



**AN ACT CONCERNING THE TAX EXEMPTION FOR REAL PROPERTY  
USED FOR CERTAIN PURPOSES.**

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 general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2019, and applicable to assessment years commencing on or after*  
4 *October 1, 2019*):

5 (7) (A) Subject to the provisions of sections 12-87 and 12-88, as  
6 amended by this act, the real property of, or held in trust for, a  
7 corporation organized exclusively for scientific, educational, literary,  
8 historical or charitable purposes or for two or more such purposes and  
9 used exclusively for carrying out one or more of such purposes or for  
10 the purpose of preserving open space land, as defined in section 12-  
11 107b, for any of the uses specified in said section, that is owned by any  
12 such corporation, and the personal property of, or held in trust for, any  
13 such corporation, provided (i) any officer, member or employee  
14 thereof does not receive or at any future time shall not receive any  
15 pecuniary profit from the operations thereof, except reasonable  
16 compensation for services in effecting one or more of such purposes or  
17 as proper beneficiary of its strictly charitable purposes, and (ii) in 1965,  
18 and quadrennially thereafter, a statement shall be filed on or before the  
19 first day of November with the assessor or board of assessors of any

20 town, consolidated town and city or consolidated town and borough,  
21 in which any of its property claimed to be exempt is situated. Such  
22 statement shall be filed on a form provided by such assessor or board  
23 of assessors. The real property shall be eligible for the exemption  
24 regardless of whether it is used by another corporation organized  
25 exclusively for scientific, educational, literary, historical or charitable  
26 purposes or for two or more such purposes;

27 (B) On and after [July 1, 1967] October 1, 2019, housing subsidized,  
28 in whole or in part, by federal, state or local government and housing  
29 for persons or families of low and moderate income shall not constitute  
30 a charitable purpose under this section. As used in this subdivision,  
31 "housing" shall not include real property used for [temporary] housing  
32 belonging to, or held in trust for, any corporation organized  
33 exclusively for charitable purposes and exempt from taxation for  
34 federal income tax purposes, the primary use of which property is one  
35 or more of the following: (i) An orphanage; (ii) a drug or alcohol  
36 treatment or rehabilitation facility; (iii) housing for persons who are  
37 homeless, persons with a mental health disorder, persons with  
38 intellectual or physical disability or victims of domestic violence; (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] or (v) short-term housing operated by a charitable organization  
42 where the average length of stay is less than six months. The operation  
43 of such housing, including the receipt of any rental payments, by such  
44 charitable organization shall be deemed to be an exclusively charitable  
45 purpose;

46 Sec. 2. Section 12-88 of the general statutes is repealed and the  
47 following is substituted in lieu thereof (*Effective October 1, 2019, and*  
48 *applicable to assessment years commencing on or after October 1, 2019*):

49 Real property belonging to, or held in trust for, any organization  
50 mentioned in subdivision (7), (10), (11), (13), (14), (15), (16) or (18) of  
51 section 12-81, as amended by this act, which real property is so held for  
52 one or more of the purposes stated in the applicable subdivision, and

53 from which real property no rents, profits or income are derived, shall  
54 be exempt from taxation though not in actual use therefor by reason of  
55 the absence of suitable buildings and improvements thereon, if the  
56 construction of such buildings or improvements is in progress. The  
57 real property belonging to, or held in trust for, any such organization,  
58 not used exclusively for carrying out one or more of such purposes but  
59 leased, rented or otherwise used for other purposes, shall not be  
60 exempt. If a portion only of any lot or building belonging to, or held in  
61 trust for, any such organization is used exclusively for carrying out one  
62 or more of such purposes, such lot or building shall be so exempt only  
63 to the extent of the portion so used and the remaining portion shall be  
64 subject to taxation. Any lot or building or portion of a lot or building  
65 belonging to, or held in trust for, any such organization, used for  
66 carrying out one or more of such purposes shall be exempt only as to  
67 the periods of time during which such lot or building or portion of  
68 such lot or building is unused or used exclusively for carrying out one  
69 or more of such purposes.

70 Sec. 3. Section 12-89 of the general statutes is repealed and the  
71 following is substituted in lieu thereof (*Effective October 1, 2019, and*  
72 *applicable to assessment years commencing on or after October 1, 2019*):

73 The board of assessors of each town, consolidated town and city or  
74 consolidated town and borough shall inspect the statements filed with  
75 it and required by sections 12-81, as amended by this act, and 12-87  
76 from scientific, educational, literary, historical, charitable, agricultural  
77 and cemetery organizations, shall determine what part, if any, of the  
78 property claimed to be exempt by the organization shall be in fact  
79 exempt and shall place a valuation upon all such property, if any, as is  
80 found to be taxable, provided any property acquired by any tax-  
81 exempt organization after the first day of October shall first become  
82 exempt on the assessment date next succeeding the date of acquisition.  
83 Whenever the board of assessors determines that all or part of the  
84 property claimed to be exempt under subdivision (7) of section 12-81,  
85 as amended by this act, by an organization is taxable, the board shall

86 state upon its records the reason for its decision. Any organization  
87 filing a tax-exempt statement, aggrieved at the action of the assessor or  
88 board of assessors, may appeal, within the time prescribed by law for  
89 such appeals, to the board of assessment appeals. Any such  
90 organization claiming to be aggrieved by the action of the board of  
91 assessment appeals may, within two months from the time of such  
92 action, make application in the nature of an appeal therefrom to the  
93 superior court for the judicial district in which such property is  
94 situated.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019, and applicable to assessment years commencing on or after October 1, 2019</i>	12-81(7)
Sec. 2	<i>October 1, 2019, and applicable to assessment years commencing on or after October 1, 2019</i>	12-88
Sec. 3	<i>October 1, 2019, and applicable to assessment years commencing on or after October 1, 2019</i>	12-89

**PD**      *Joint Favorable Subst.*

**FIN**      *Joint Favorable*