Substitute House Bill No. 5843

SPECIAL ACT NO. 75-93

AN ACT CREATING A CONNECTICUT TRUST FOR HISTORIC PRESERVATION.

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

Section 1. The general assembly finds that the historical and architectural heritage of Connecticut is a unique and irreplaceable cultural resource as well as a significant economic resource available for all to enjoy and use and it is in the public interest to charter as a quasi-public, nonprofit instrumentality a Connecticut trust for historic preservation to stimulate citizens throughout the private sector to preserve, restore, and reuse historic architecturally significant buildings and sites to their compatible ambience, so that present and future generations may live within and enjoy our common heritage.

Sec. 2. Harlan H. Griswold of Woodbury, Barbara S. Delaney of Chester, and John P. Reynolds, III of Middletown, all of Connecticut, are hereby named as incorporators and are authorized to associate themselves as a body politic and corporate as a charitable, educational, scientific, nonprofit corporation, said corporate body to be known as the Connecticut trust for historic preservation, hereinafter referred to as the trust.

Sec. 3. The affairs of the trust shall be under the general direction of a board of trustees composed of twenty-one members. The first board shall be selected as follows: Three members shall be appointed by the governor, one of whom shall serve for one year, one for two years, and one for three years. Eighteen members shall be elected by the incorporators herein named, six of whom shall serve for one year, six for two years, and six for three years. Thereafter, the governor shall annually appoint one member for a term of three years and the board of trustees shall elect six members for terms of three years to replace those members whose terms of office expire. Any vacancy which occurs shall be filled for the unexpired portion of the term by the same authority that made the original appointment. A trustee having served two consecutive terms of office shall not be eligible for appointment or election to the board of trustees except after the lapse of one year, provided a member of the original board of
trustees may serve two consecutive terms in addition to and immediately following such trustee's original term. At the first meeting of the board of trustees, and at its annual meeting thereafter, the board of trustees shall select from its members a chairman and a vice chairman who shall respectively serve for a term of one year or until their successors shall have been elected and duly qualified. If the office of any trustee elected by the board of trustees shall become vacant for any cause, the remaining trustees shall elect a successor to fill the unexpired term of such trustee. If the office of any trustee appointed by the governor shall become vacant for any cause, the governor shall select a successor to fill the unexpired term of such trustee. Trustees shall serve without compensation.

Sec. 4. The purposes of the trust shall be: (1) to stimulate preservation of historically and architecturally significant structures, sites and districts; (2) to expeditiously prevent demolition or defacement of such buildings; (3) to survey historic or architecturally important sites and to determine the cost of their rehabilitation or restoration as part of a balanced and effective program of historic and architectural preservation; (4) to assist state and local governments and private agencies in fostering the preservation of architecturally and historically significant structures and districts; (5) to develop techniques to preserve and restore architecture visible to the public; (6) to develop appropriate adaptive uses for historically and architecturally significant structures throughout Connecticut with particular emphasis on preserving neighborhoods in urban areas; (7) to promote private ownership of such structures; (8) to make maximum use of private funds in carrying out its activities; and (9) to operate exclusively for such charitable, educational and scientific purposes as will entitle the trust to an exemption from federal taxation under the provisions of the Internal Revenue Code as the same now exist or may hereafter be amended from time to time.

Sec. 5. The trust shall have, without limitation by the specification thereof, the following powers, all of which shall be exercised exclusively in connection with the promoting or carrying out of the purposes of the trust set forth in section 4 hereof: (1) To have continued
corporate existence until terminated by law; (2) to sue and be sued in its corporate name; (3) to adopt, alter and use a corporate seal which shall be judicially noticed; (4) to make such bylaws, rules and regulations, not inconsistent with the laws of the state, as it deems necessary for the administration of its functions, including bylaws, rules and regulations governing visitation to historic properties under its ownership or control, administration of trust funds and the organization and procedure of the board of trustees; (5) to accept, hold and administer grants, gifts and bequests of money, securities or other personal property of whatsoever character absolutely or in trust, for the purposes for which the trust is created, and unless otherwise restricted by the terms of a grant, gift or bequest, to sell, exchange or otherwise dispose of, and to invest or reinvest in such investments as it may determine from time to time, the money, securities, grants or other property given, granted or bequeathed to it; (6) to acquire by gift, devise, purchase or otherwise, absolutely or in trust, and to hold and, unless otherwise restricted by the terms of a gift or devise, to encumber, convey or otherwise dispose of any real property, or any estate or interest therein, as may be necessary and proper in carrying into effect the purposes of the trust; (7) to contract and make cooperative agreements with federal, state or local governments, corporations, associations or individuals, under such terms and conditions as it deems advisable, respecting the protection, preservation, maintenance or operation of any historic properties for public use, regardless of whether the trust has acquired title to such properties or any interest therein; (8) to receive grants to assist in carrying out its purposes from federal, state and local governments; (9) to stimulate the development of local historic trusts and commissions; (10) to enter into contracts generally, and to execute all instruments necessary or appropriate to carry out its corporate purposes, which instruments shall include, but not be limited to, concessions, contracts, leases or permits for the use of lands, buildings or other property deemed desirable either to accommodate the public or to facilitate administration; (11) to appoint and prescribe the duties of such officers, agents and employees as may be necessary to carry out its functions, and
to fix and pay compensation to them for their services; (12) to create a revolving fund, supported by private and governmental sources, to finance the purchase, stabilization and restoration of endangered buildings which may be sold to responsible buyers for contemporary use, including adaptation with covenants protecting features contributing to the historical and architectural heritage of Connecticut; (13) to undertake, either alone or in conjunction or cooperation with others, any lawful acts and things and engage in any and all lawful activities which may be necessary, useful, suitable or desirable for the furtherance, accomplishment, fostering or obtaining of any or all the purposes for which the trust is organized and to aid or assist other organizations, the activities of which are such as to further, accomplish or foster any of such purposes.

Sec. 6. It is hereby found, determined and declared that the creation of the trust and the carrying out of its purposes serves an essential public purpose and function for the benefit of the people of this state, and in furtherance of their welfare and prosperity, and the trust shall not be required to pay taxes or assessments upon any of the property acquired by it or under its jurisdiction and control, or upon its activities in the operation and maintenance of such properties or use of any moneys, revenues or other income received by the trust. All contributions of real or personal property made to the trust whether by grant, gift, devise or bequest shall qualify as deductions in computing the net taxable income of the donor for the purposes of any income tax imposed by the state or any political subdivision thereof.

Sec. 7. (a) The trust is nonprofit and no part of the trust's income is distributable to its trustees or officers, and the trust shall not have or issue shares of stock or pay dividends; (b) the trust is organized and, notwithstanding any other provisions of this special charter act, shall be operated exclusively for charitable, educational and scientific purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954, and the regulations thereunder, as the same now exist and may hereafter be amended from time to time; (c) in no event shall any part of the net earnings of the trust inure to the benefit of, or be distributable to, its trustees or officers or
to other private persons, except that the trust shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in section 4 of this act: (d) no substantial part of the activities of the trust shall be carried on of propaganda or otherwise attempting to influence legislation, nor shall the trust participate in, or intervene in, including the publishing or distributing of statements, any political campaign on behalf of any candidate for public office; (e) notwithstanding any other provision of this special charter act, the trust shall not carry on any other activities not permitted to be carried on by a corporation, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code of 1954, and the regulations thereunder, as the same now exist or may hereafter be amended from time to time; (f) if the trust shall be or become a private foundation as such term is defined by section 509 of said code, then the trust shall be required to distribute its income for each taxable year at such time and in such manner as not to subject it to tax under section 4942 of said code, and the trust shall be prohibited from engaging in any act of self-dealing, as defined in section 4947 (d) of said code, from retaining any excess business holdings, as defined in section 4943 (c) of said code, from making any investments in such manner as to subject the trust to tax under section 4944 of said code and from making any taxable expenditures, as defined in section 4945 (d) of said code. The statutory references in this subsection are to the Internal Revenue Code of 1954, and the regulations thereunder, as the same now exist and may be amended from time to time.

Sec. 8. In the event of the dissolution of the trust, all of its assets remaining, after the payment of all debts and obligations of the trust, shall be distributed to such one or more organizations which have purposes and objects similar to those of this corporation and are exempt from United States income taxes under the provisions of section 501 (c) (3) of the Internal Revenue Code of 1954, as the board of trustees may select, and if more than one, in such shares and proportions as the board of directors may determine, provided no termination and dissolution of the trust shall take effect as long as the
trust shall have bonds, notes and other obligations outstanding, unless adequate provisions have been made for the payment thereof in the documents securing the same.

Certified as correct by

Anton D. Lewis
Legislative Commissioner.

Maria E. Schoonbeek
Clerk of the Senate.

Clerk of the House.

Approved       1975.

Governor.