

# **Bond Case Briefs**

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## **TAX - CONNECTICUT**

### **William W. Backus Hospital v. Town of Stonington**

**Supreme Court of Connecticut - July 12, 2024 - A.3d - 2024 WL 3405653**

Taxpayer, a general hospital and wholly owned subsidiary of healthcare delivery system formed for charitable purposes, appealed decision of town's Board of Assessment Appeals, which denied taxpayer's application for tax exemption for certain personal property it used to provide outpatient medical rehabilitation services at subleased facility for two taxable years at issue.

The Superior Court granted taxpayer's motion for summary judgment. Town appealed.

The Supreme Court held that:

- Term "acquire," as used in statute governing taxation by municipality of real and personal property acquired, held by or on behalf of health system, did not exclude property obtained via lease from taxation, and
- Taxpayer was not entitled to tax exemption for personal property.

Term "acquire," as used in statute governing taxation by municipality of real and personal property acquired, held by or on behalf of health system, broadly referred to both possession and control as well as ownership, and did not exclude property obtained via lease from taxation.

Taxpayer, a general hospital and wholly owned subsidiary of healthcare delivery system formed for charitable purposes, was "acquired" by entity and, thus, was not entitled to tax exemption for certain personal property it used to provide outpatient medical rehabilitation services at facility it subleased from entity for two taxable years at issue, despite contention it was not "health system" under statute governing taxation by municipality of real and personal property acquired, held by or on behalf of health system but was, instead, a singular hospital affiliated with a health system; statute's definition of "health system" included health system itself as well as any affiliated hospitals or entities, and facility was located in suite, subleased to taxpayer, of building system acquired by lease.