

NEWS

March 2009

WIGGIN AND DANA

Counsellors at Law

Connecticut Supreme Court Issues Important Property Tax Decision in Wiggin and Dana Case

HARTFORD, CT – The Connecticut Supreme Court issued a decision this week in *St. Joseph's Living Center, Inc. v. Town of Windham* which will have important implications for nonprofit health care facilities and other charitable organizations in Connecticut. Wiggin and Dana represented St. Joseph's in the case.

The case addressed the eligibility of St. Joseph's, a non-profit nursing home in Windham, for exemption from property taxes as a charitable organization. The trial court had held that St. Joseph's was not entitled to exemption as a charitable organization because it provided care to private pay patients and was reimbursed by the state and federal governments for care rendered to Medicaid and Medicare patients, and because it did not lose money during the tax years in question.

The Supreme Court rejected those extreme positions, emphasizing the broad nature of what is considered "charitable" activity under Connecticut law. It also held that the chapel within St. Joseph's was exempt as a religious house of worship.

"A ruling that a non-profit health care organization must not accept payment for services it provides or must lose money in order to be considered 'charitable,' would have fundamentally altered Connecticut law and been at odds with the way our current health care system works," said Aaron Bayer, the appellate lawyer from Wiggin and Dana who argued the case for St. Joseph's.

The Court held on narrow grounds that the nursing home was nonetheless not exempt from property tax -- because it provided certain rehabilitative care that was not identified in its charter as one of its charitable purposes. The Court suggested, however, that St. Joseph's could amend its charter or limit its rehabilitative care program to obtain an exemption.

For more information on this case and its possible implications, please contact Partners **Aaron Bayer** at (860) 297-3759 (abayer@wiggin.com) or **BJ Bernblum** at (203) 498-4336 (bbernblum@wiggin.com).

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