Ordinance # 200-005 (rev.1)

AN ORDINANCE
TO PROVIDE PROPERTY TAX RELIEF
FOR CERTAIN HOMEOWNERS AGE SIXTY-FIVE OR OVER
OR PERMANENTLY AND TOTALLY DISABLED

Be it ordained by the Town Council of the Town of Ledyard:

Section 1: Purpose

To amend an ordinance that provides property tax relief for residential property of certain homeowners age sixty-five or over or permanently and totally disabled under the provisions of Section 12-129n of the Connecticut General Statutes (General Statutes). Benefits under this Ordinance shall include either tax credits or tax deferrals, but not both. Each benefit is mutually exclusive and available only to qualified individuals.

Section 2: Effective Date

The effective date of this Ordinance shall be the Grand List of October 1, 2019.

Section 3: General Qualifications

Persons qualified for benefits under this Ordinance are those who own real property located in the Town of Ledyard, or who are liable for the payment of taxes thereon under Section 12-48 of the General Statutes, and who occupy that property as his or her principal residence at least 183 days of each year; such persons may be entitled to tax benefits in accordance with this Ordinance provided:

a. Such person is sixty-five (65) years of age or over; or whose spouse, living with him or her is sixty-five (65) years of age or over, or who is sixty (60) years of age or over and the surviving spouse of a taxpayer qualified for relief under this ordinance at the time of his or her death, provided such spouse was domiciled with such qualifying taxpayer at the time of his or her death, or

   Such person is under sixty-five (65) years of age and is eligible in accordance with applicable federal regulations to receive permanent total disability benefits under Social Security; or has not been engaged in employment covered by Social Security and, accordingly, has not qualified for benefits there under, but has become qualified for permanent total disability benefits under any federal, state or local government retirement or disability plan, including the Railroad Retirement Act and any government related teachers retirement plan, in which the requirements with respect to qualifications for such permanent total disability benefits are comparable to such requirements under Social Security Law;

b. Such person or spouse has been a real property taxpayer of the Town of Ledyard for at least 5 years immediately preceding the receipt of tax benefits.

c. No person who receives benefits from any other town or state, based on claimed principal residency in such other town or state, shall be eligible for benefits under this Ordinance. The Tax Assessor may require proof of residency as he or she deems appropriate.

d. Such person must not be delinquent in the payment of real property taxes, personal property taxes, or motor vehicle taxes for any prior tax year or the current tax year under which the applicant is applying.

e. Persons qualified for a tax credit or deferment benefits under this Ordinance are those whose maximum income during the calendar year preceding the year in which application is made for the tax credit does not exceed the -Qualifying Income Schedule, as hereby incorporated in the ordinance as though fully set forth herein. A copy of the approved *Qualifying Income Schedule* shall be filed with the Town Clerk when established and when amended. The income guidelines provided in the *Qualifying Income Schedule* (Appendix A) shall be adjusted to reflect a cost of living increase issued by the United States Social Security Administration, pending the approval of the Town Council Finance Committee prior to the first of January of the year of application.

The amount of reduction in property tax provided under this ordinance shall be determined in accordance with the *Qualifying Income Schedule*.

f. Qualified individuals shall elect to receive either a tax credit under Section 4 of this Ordinance or a tax deferral under Section 5 of this Ordinance. Under no circumstances may qualified individuals receive both tax deferrals and tax credits.

Section 4: Tax Credit Requirements/Provisions

a. The tax credit shall be limited to the principal residence of the taxpayer(s) as defined herein**,** and the standard minimum building lot for the zoning district in which the residence is located together with improvements, and shall not in any case be applied to taxes owed on excess acreage or other land beyond the aforementioned minimum building lot.

b. The tax credit shall, in any case where title to real property is recorded in the name of the taxpayer or his/her spouse and any other person or persons, be prorated to reflect the fractional share of such taxpayer or spouse or, if such property is a multiple family dwelling, such relief shall be prorated to reflect the fractional portion of such property occupied by the taxpayer.

c. Application for the tax credit shall be made on a form prescribed by the Tax Assessor, which shall be filed between February 1 and May 15 of the year as to which tax benefits are sought. Applications shall be re-filed biennially thereafter.

d. In respect to such biennially required application after the filing and approval for the first year, the Tax Assessor shall notify each such homeowner concerning application requirements. In the year immediately following any year in which such property owner has submitted application and qualified for tax benefit, such property owners shall be presumed, without filing application therefore, to be qualified for tax benefit in the subsequent year; but if any property owner has qualified and received a tax credit under this section, and in that subsequent calendar year has qualifying income in excess of the maximum provided by this Ordinance, he or she shall notify the Tax Assessor on or before the filing date for the second year, and shall be denied tax reduction under this Ordinance for such assessment year and for any subsequent year until he or she has reapplied and again qualified for the tax credit.

e. To the extent permitted by applicable State and federal law, applications filed under this Ordinance shall be afforded the same confidentiality by the Tax Assessor's office as is required under §1-210 of the General Statutes.

f. No tax credit, taken together with any benefits under the General Statutes shall exceed in the aggregate 75% of the total amount of property tax for which such taxpayer would be liable in the absence of such benefits.

g. The total abatement of property tax revenue, based on an estimate in any tax year by the Tax Assessor, which may be granted by the Town as a tax credit shall not exceed an amount equal to 10% of the total real property tax assessed by the town in the preceding tax year. If the total of all tax credits would exceed said limit, the tax credits shall be reduced and pro-rated so as not to exceed said limit.

h. The tax credit shall not disqualify such taxpayer with respect to any benefit for which such taxpayer shall be eligible under the provisions of Sections 12-129b through 12-129d, inclusive, and Section 12-170aa of the General Statutes, and any tax credit shall be in addition to any benefits for which such taxpayer shall be eligible under provisions of the General

Statutes, including, but not limited to, Sections 12-129b through 12-129d, inclusive, and Section 12-170aa.;

In the event that the qualifying property is sold, assigned or the qualifying taxpayer otherwise transfers ownership, in whole or in part, or in the event of the death of the qualifying taxpayer in the absence of a qualifying spouse, the tax credit shall be pro-rated for that year in accordance with the following table:

	Prorated Percentage				
Jan	25%	May	58.3%	Sept	91.7%
Feb	33.3%	Jun	66.7%	Oct	100%
Mar	41.7%	Jul	75%	Nov	8.3%
Apr	50%	Aug	83.3%	Dec	16.7%

j. Any person who, for the purpose of obtaining a tax credit, willfully fails to disclose all matters related thereto or with intent to defraud makes a false statement, shall refund all property tax credits improperly taken, with interest at the rate applicable to unpaid taxes, and shall be fined not more than two hundred and fifty dollars ($250.00).

Section 5: Tax Deferral Requirements/Provisions

a. In order to qualify for a tax deferral, each household must certify that is has no more than $75,000 in liquid assets, including cash, bank accounts and marketable securities but exclusive of IRS recognized retirement plans. Such certification shall be provided by affidavit on a form acceptable to the Tax Assessor.

b. The applicant's income must be at or below the maximum income standards set in *Qualifying Income Schedule* (Appendix).

c. The tax deferral shall be limited to the principal residence of the taxpayer(s) as defined herein**,** and the standard minimum building lot for the zoning district in which the residence is located together with improvements, and shall not in any case be applied to taxes owed on excess acreage or other land beyond the minimum building lot.

d. The tax deferral shall, in any case where title to real property is recorded in the name of the taxpayer or his/her spouse and any other person or persons, be prorated to reflect the fractional share of such taxpayer or spouse or, if such property is a multiple family dwelling, such relief shall be prorated to reflect the fractional portion of such property occupied by the taxpayer.

e. Application for a tax deferral shall be made on a form prescribed by the Tax Assessor, which shall be filed between February 1 and May 15 of the year as to which tax benefits are sought and applications shall be re-filed annually thereafter.

f. In respect to such annual application requirements, after the filing and approval for the first year, the Tax Assessor shall notify each homeowner by mail of the application period and documents needed to refile by February 1st each year. A second letter will be sent by certified mail by April 15th for applicants who have yet to comply with established application requirements.

g. To the extent permitted by applicable State and federal law, applications filed under this Ordinance shall be afforded the same confidentiality by the Tax Assessor's office as is required to be afforded to applications for tax benefits under §1-210 of the General Statutes.

h. The tax deferral shall be 50 percent of the remaining taxes due after all credits under the General Statutes have been applied. No tax deferral shall exceed in the aggregate 75% of the total amount of property tax for which such taxpayer would be liable in the absence of such benefits.

i. Interest on deferred taxes shall be accrued each tax year at a rate of 6%. Said interest rate shall remain constant throughout the duration of the lien.

j. The principal amount of such tax deferral benefit, excluding interest, shall constitute a lien on the property. The Tax Collector shall, as soon as possible following January 1 each year, file a tax lien on the land records for each tax deferral granted.

k. Tax deferral liens must be satisfied at any one of the following conditions: (i) upon the death of the applicant; (ii) upon conveyance of the property; or (iii) at such time that the subject property is no longer the applicant's primary residence.

In the case of joint ownership, if a surviving spouse does not continue to qualify for the tax deferral, repayment is due within 5 years of the spouse's date of death.

l. The total amount of all tax deferrals allowed on a single property may not exceed the assessed value of the property at any time.

m. Deferred taxes may be repaid at any time. A partial prepayment will be applied first to prepayment of interest on the oldest tax lien, then to principal on the oldest tax lien.

n. Any person who, for the purpose of obtaining a tax deferral under this Ordinance, willfully fails to disclose all matters related thereto or with intent to defraud makes a false statement, shall immediately be removed from the program and all deferred taxes will be collectable with interest calculated at the same rate charged by the Town for delinquent taxes.

Section 6: Severability

If any provision of this Ordinance shall be held invalid by a court having competent jurisdiction, such invalidity shall not affect any of the other provisions of this Ordinance that can be given effect without the invalid provision and for this purpose the provisions of this Ordinance are hereby declared severable.

Section 7: Cancellation of previous Ordinances.

This ordinance cancels and supersedes Ordinance # ~~96~~ 108 "*An Ordinance Amending an Ordinance to Provide Tax Relief for Certain Homeowners Age Sixty-Five or Over or Permanently and Totally Disabled*" adopted on January 10, 2007 and repeals Ordinance # 110 "*An Ordinance To Provide a Property Tax Cap for Certain Homeowners Age Seventy or Over*" adopted on January 10, 2007.

Section 8. Effective Date

In accordance with the Town Charter this ordinance shall become effective on the twenty-first (21) day after such publication following its final passage.

Adopted by the Ledyard Town Council on: December 11, 2019

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Linda C. Davis, Chairman

Approved/Disapproved on: _____ _____

Fred B. Allyn III, Mayor

Effective Date: _____ _____

Patricia A. Riley, Town Clerk

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Revisions: Ordinance #96 "*An Ordinance to Provide Tax Relief for Certain Homeowners Age Sixty-Five or Over or Permanently and Totally Disabled*" Adopted October 26, 2005; Ordinance 108 "*An Ordinance Amending an Ordinance to Provide Tax Relief for Certain Homeowners Age Sixty-Five or Over or Permanently and Totally Disabled*" adopted on January 10, 2007 and repeals Ordinance # 110 "*An Ordinance To Provide a Property Tax Cap for Certain Homeowners Age Seventy or Over*" adopted on January 10, 2007.

History: The Twenty-fourth Town Council (2017- 2019) Ordinance Update Initiative: renumbered Ordinance #108 "*An Ordinance Amending an Ordinance to Provide Tax Relief for Certain Homeowners Age Sixty-Five or Over or Permanently and Totally Disabled*" to Ordinance #200-005.

2005: Ordinance #96 "*An Ordinance to Provide Tax Relief for Certain Homeowners Age Sixty-Five or Over or Permanently and Totally Disabl*ed" was adopted to provide property tax abatement to homeowners age sixty-five years or older or permanently and totally disabled in accordance with some Connecticut laws.

2007: Ordinance #108 *"An Ordinance Amending An Ordinance to Provide Tax Relief for Certain Homeowners Age Sixty-Five or Over or Permanently and Totally Disabled*". Ordinance #96 was amended and took on a new number #110. The amendments were as follows: Section 3 Qualifications paragraph (d) deleted the following language " *The death of a property owner (unless survived by a qualified spouse as defined in paragraph 3.a) or the transfer by deed of the qualified person's interest in the subject property, shall terminate the credit provided herein"* Section 3 paragraph (i) revised the paragraph to read as follows: " *Any person who, for the purpose of obtaining a ~~tax~~* ***exemption*** *benefit under this Ordinance, ~~willfully~~ fails to disclose all matters related thereto or with intent to defraud makes false statement, shall refund* ***the amount of*** *~~all~~ property tax* ***loss related to the exemption*** *~~credits~~ improperly taken, with interest at the rate applicable to unpaid taxes,* ***Any person knowingly making a false application for the purpose of claiming a tax benefit under this Ordinance*** *~~and~~ shall be fined not more than five hundred dollars ($500)".*

2019: Section 1 Purpose – Added: "*Benefits under this Ordinance shall include either tax credits or tax deferrals, but not both. Each benefit is mutually exclusive and available only to qualified individuals".*

Section 3 General Qualifications – Paragraph (b) updated " 1" to "5".

Paragraph (c) Removed: "*Such person has maximum income during the calendar year preceding the year in which application is made for the tax benefit provided in this Ordinance in an amount not exceeding 1.25 times the annual income limit set by the State of Connecticut through its Office of Policy and Management for the application of tax credits under Section 12-170aa of the General Statutes"*

Replaced (paragraph (c)) with the following language: "*No person who receives benefits from any other town or state, based on claimed principal residency in such other town or state, shall be eligible for benefits under this Ordinance. The Tax Assessor may require proof of residency as he or she deems appropriate".*

New Paragraph (d) was added as follows: "*Such person must not be delinquent in the payment of real property taxes, personal property taxes, or motor vehicle taxes for any prior tax year or the current tax year under which the applicant is applying".*

New Paragraph (e) was added as follows*: Persons qualified for a tax credit or deferment benefits under this Ordinance are those whose maximum income during the calendar year preceding the year in which application is made for the tax credit does not exceed the –Qualifying Income Schedule, as hereby incorporated in the ordinance as though fully set forth herein. A copy of*

the approved Qualifying Income Schedule shall be filed with the Town Clerk when established and when amended. The income guidelines provided in the Qualifying Income Schedule (Appendix A) shall be adjusted to reflect a cost of living increase issued by the United States

Social Security Administration, pending the approval of the Town Council Finance Committee prior to the first of January of the year of application. The amount of reduction in property tax provided under this ordinance shall be determined in accordance with the Qualifying Income Schedule."

New Paragraph (f) was added as follows: *"Qualified individuals shall elect to receive either a tax credit under Section 4 of this Ordinance or a tax deferral under Section 5 of this Ordinance. Under no circumstances may qualified individual receive both tax deferrals and tax* credits".

Section 4 Tax Credit Requirements/Provisions
Paragraph (c) Added "*Applications shall be re-filed biennially thereafter."* Removed: *"shall at a minimum include the information and be subject to the limitations set forth in Section 12-170aa(e) of the General Statutes, and if such an application for state relief is filed, shall be filed simultaneously with such application. In the case of an original application for the tax credit, if a property owner qualifies after having applied for the Section 12-170aa of the General Statutes benefit in the previous year, he or she may file such application in the year following the state application, but the application for the tax credit shall be re-filed in the following year to be then and thereafter reviewed in conjunction with the state application".* Paragraph (d) removed: "*and conformity with the provisions of Section 12-170aa(e) of the General Statutes."*

Paragraph (e) Added: *" to be afforded to applications for tax benefits Section 12-170aa(f)*" and replaced the language with *"§1-210*".

Paragraph (f) Removed: "*The tax benefit afforded by this Ordinance shall be equal to 50% of the total real property tax owed on the qualifying property if the taxpayer's income does not exceed 1.00 times the annual income limit set by the State of Connecticut; or shall be equal to 25% of the total real property tax owed on the qualifying property if the taxpayer's income is more than 1.00 times but not exceeding 1.25 times the annual income limit set by the State of Connecticut". No property tax benefits afforded by this Ordinance, taken together with any benefits received by the provisions of Sections 12-129b through 12-129d, inclusive, and Section 12-170aa of the General Statutes, shall exceed in the aggregate 75% of the total amount of property tax for which such taxpayer would be liable in the absence of such benefits;"*

Paragraph (f) was replaced with the following language*:* "*No tax credit, taken together with any benefits under the General Statutes shall exceed in the aggregate 75% of the total amount of property tax for which such taxpayer would be liable in the absence of*

Paragraph (i) Removed paragraph.

New Paragraph (i) (previously paragraph (j) removed " *provisions of Section 12-170aa of the General Statutes."* Inserted "*following table:*

		Prorated Percentage			
Jan	*25%*	*May*	*58.3%*	*Sept*	*91.7%*
Feb	*33.3%*	*Jun*	*66.7%*	*Oct*	*100%*
Mar	*41.7%*	*Jul*	*75%*	*Nov*	*8.3%*
Apr	*50%*	*Aug*	*83.3%*	*Dec*	*16.7%"*

(NEW SECTION) Section 5 Tax Deferral Requirements/Provisions. With the addition of Section 5 the remaining Sections were renumbered accordingly.

Section 7 "Cancellation of Previous Ordinances" – Added language to repeal Ordinance #110 "*An Ordinance to Provide Property Tax Cap for Certain Homeowners Age Seventy or Over*" adopted on January 10, 2007.