

Marsha Standish

From: Steve Hodgetts [stvhdtts@aol.com]
Sent: Thursday, July 17, 2014 2:09 PM
To: Marsha Standish
Subject: Local Option Elderly
Attachments: Prop Freeze Ord2.doc; Draft_Ordinance_v4.doc

Hi Marsha,

Middlefield has both the local option senior program and the tax freeze program.

Both use the same income limits as the state, and have a 10 year residency requirement.

The senior program has both the deferral option and a state matching benefit program.

The state matching benefit does not have to be paid back. The deferral and the freeze are both repaid upon sale or death, along with a modest simple interest (currently 3%).

I have attached both of the ordinances.

Steve.

Model Sec. 1-1. Property tax relief program.

(a) **Purpose.** Provide property tax relief for homeowners pursuant to the authority granted under Connecticut General Statutes § 12-129n for individuals with a demonstrated need for such relief to help them remain resident homeowners in the Town of Middlefield.

(b) Definitions.

(1) **Applicant.** An individual or married couple who applies for property tax relief under this section.

(2) **Assessor.** The assessor of the Town of Middlefield.

(3) **Cut-off date.** The cut-off date shall be May 15 of the year in which the application is filed, but if May 15 falls on a date or at a time when the town offices are closed, then the cut-off date is the next business day after May 15 when the town offices are open.

(4) **Married couple applicant.** A married couple who reside together and who apply for property tax relief under this section.

(5) **Tax collector.** The tax collector for the Town of Middlefield

(6) **Ordinance beneficiary.** An applicant or married couple applicant who have qualified for tax benefits under this section for any given tax year.

(7) **Qualified property.** Real property for which an applicant or married couple applicant receives tax benefits under this ordinance.

(8) **Qualified spouse.** A spouse who receives qualified property by sale or transfer including probate distribution and who has either (a) already qualified as an ordinance beneficiary for the property or (b) becomes eligible after the transfer to qualify for benefits under this ordinance.

(9) **Tax year.** The year beginning with October 1 of a calendar year and ending on September 30 of the next calendar year.

(10) Terminating transfer. A sale or conveyance of qualified property with the result that the ordinance beneficiary no longer both (a) occupies the property as the ordinance beneficiary's principal residence and (b) owns the property or retains the obligation to pay real property taxes on the property. Terminating transfers shall include without limitation probate distributions of qualified property to someone other than a qualified spouse. The date of a terminating transfer shall be the earlier of (a) the date the instrument of sale or conveyance, including probate distribution, is recorded or (b) fourteen (14) days from the date of the instrument's execution.

(c) Eligibility. Applicants satisfying the following conditions are eligible for tax relief under this section:

(1) The applicant, at least one member of a married couple applicant, or the applicant's spouse must have been a resident of the Town of Middlefield for a period of not less than ten (10) years as of the date of the application.

(2) No applicant, or spousal member of a married couple applicant, shall owe delinquent property taxes of any kind to the Town of Middlefield.

(3) At the cut-off date, the applicant, whether filing singly or as a married couple, must also qualify for the State of Connecticut tax credit relief set forth in General Statute §12-170aa, as amended, Chapter 204a of the General Statutes of the State of Connecticut.

(d) Tax relief provided.

(1) Subject to any applicable limitations set forth in this section, applicants who have qualified for the State of Connecticut tax credit relief program set forth in Chapter 204a of the General Statutes of the State of Connecticut shall receive the same dollar amount of tax relief upon qualified property under this section as he, she or they receive under the State of Connecticut tax credit relief program set forth in Chapter 204a of the General Statutes of the State of Connecticut.

(2) Tax relief provided under this section together with all other tax benefits or relief provided to the applicant(s) in connection with his, her or their qualified property shall not exceed seventy-five (75) percent of the real property tax for which the applicant(s) would have been liable except for the benefits under this section.

(3) Subject to any applicable limitations set forth in this section, the real property tax relief provided under this section shall be in addition to all other tax benefits provided to the applicant(s) in connection with his, her or their qualified property.

(e) Forfeiture of and limitations upon benefits.

(1) Any ordinance beneficiary who is found to be ineligible after filing what is later determined to be a false affidavit or presenting materially false information on the application for benefits will be liable to reimburse the Town of Middlefield for all benefits received plus interest and penalties. The amounts to be reimbursed will be treated as unpaid taxes from the date the taxes would have been due as if no application had been filed, and will be subject to interest and penalties as prescribed by law.

(2) In any tax year in which a terminating transfer of qualified property occurs, benefits under this section shall end and the tax due shall be calculated according to the provisions set forth in Connecticut General Statutes § 12-170aa(i).

(3) **Cap.** Total tax benefits granted under this ordinance in any tax year shall not exceed the lesser amount of \$45,000.00 dollars or the limitation set forth in Connecticut General Statutes § 12-129n(c). Currently, Connecticut General Statutes § 12-129n(c) requires that the total tax benefits in any tax year not exceed ten (10) percent of the total real property tax assessed by the Town of Middlefield in the preceding tax year. If the total tax benefits provided under this section exceeds this cap in any tax year, then the tax relief provided to all ordinance beneficiaries shall be a percentage calculated where the numerator is either the lesser amount of \$45,000.00 dollars or the limitation set forth in Connecticut General Statutes § 12-129n(c), and the denominator is the total sum of all such tax benefits calculated as if there were no such cap.

(f) Optional tax deferral.

(1) In lieu of seeking tax relief, applicants may apply for a deferral of the tax under this section.

(2) The board of finance shall set the deferred tax interest rate annually at no greater than one-percent (1%) above the prime rate then existing at the time the board of finance sets said interest rate. Interest shall accrue and be assessed on the aggregate amount of the deferred tax. Interest assessed for purposes of tax deferral shall not be compounded and shall not be assessed on interest but only upon the tax deferred.

(3) Property owners electing tax deferral must consent to accepting a lien on the property to cover the deferral plus accrued interest.

(4) All taxes so deferred and accrued interest thereon shall be paid upon the occurrence of a terminating transfer.

(5) If expenses are incurred to collect any such lien, the town shall be entitled to any legal fees and costs, including reasonable attorneys' fees, as may be allowed by law.

(g) Applications.

(1) All applications for tax relief or tax deferral under this section shall be filed with the assessor for the Town of Middlefield. The form and content of applications filed under this section shall be established by the assessor. The period within which the application must be filed shall be the same as the application period under the State of Connecticut tax relief program set forth in Chapter 204a of the General Statutes, which period is currently set as February 1 to May 15 of the year in which the application is filed. However, if the terminal date of the application period falls on a date or at a time when the town offices are closed, then the terminal date is the business day after May 15 of that year when the town offices are open.

(2) Any person aggrieved by the decision of the assessor may appeal to the board of assessment appeals in accordance with the provisions of Sections 12-111 and 12-112 of the Connecticut General Statutes.

(3) Documents included in the application for tax relief or tax deferral which are exempt from public disclosure pursuant to Connecticut General Statutes §§1-201(b) and 1-217 shall not be disclosed unless otherwise required by law.

(h) Amendment. Unless otherwise required by state statute or the Charter for the Town of Middlefield, once this section takes effect it may be rescinded or amended by vote at a town meeting on recommendation of the board of finance without complying with the requirements of Connecticut General Statutes § 12-129n(b) applicable to the section's initial approval.

Model Sec. ____-____. Property tax freeze relief program.

(1)(a) Effective July 1st, 2009, and applicable to assessment years commencing on or after October 1st, 2008, any qualified owner of real property or any tenant for life or for a term of years if such tenant is liable for the payment of real property taxes to the Town of Middlefield, shall be entitled to pay the tax levied on such real property, calculated in accordance with subsection (b) of this section for the first year the claim for such tax relief is filed and approved in accordance with the provisions of section 2 of this ordinance, and such person shall be entitled to continue to pay the amount of such tax or lesser amount as may be levied in any year, during each subsequent year that such person meets such qualifications, and the surviving spouse of such owner or tenant, qualified in accordance with the requirements pertaining to a surviving spouse in this subsection, or any owner or tenant possessing a joint interest in such property with such owner at the time of such owner's death and qualified at such time in accordance with the requirements of this subsection, shall be entitled to continue to pay the amount of such tax or such lesser amount as may be levied in any year, as it becomes due each year following the death of such owner for as long as such surviving spouse or joint owner or joint tenant is qualified in accordance with the requirements in this subsection. After the first year a claim for such tax relief is filed and approved, application for such tax relief shall be filed biennially on a form prepared for such purpose by the assessor of the Town of Middlefield. Any such owner or tenant who is qualified in accordance with this section and any such surviving spouse or joint owner or joint tenant surviving upon the death of such owner or tenant, shall be entitled to pay such tax in the amount as provided in this section for so long as such owner or tenant or such surviving spouse or joint owner or joint tenant continues to be so qualified. To qualify for the tax relief provided in this section a taxpayer shall meet all the following requirements: (1) On December thirty-first of the calendar year preceding the year in which a claim is filed, be (A) seventy years of age or over, (B) the spouse of a person, seventy years of age or over, provided such spouse is domiciled with such person, or (C) sixty-two years of age or over and the surviving spouse of a taxpayer who at the time of such taxpayer's death had qualified and was entitled to tax relief under this section, provided such surviving spouse was domiciled with such taxpayer at the time of the taxpayer's death, (2) occupy such real property as his or her home, (3) either spouse shall have resided within the Town of Middlefield for at least ten (10) years before filing the claim under this section and section 2 of this ordinance, (4) the taxable and nontaxable income of such taxpayer, the total of which shall hereinafter be called "qualifying income", in the tax year of such homeowner ending immediately preceding the date of application for benefits under the program in this section, was not in excess of limits set forth in section 12-170aa of the 2006 supplement to the general statutes, as adjusted annually, evidence of which income shall be submitted to the assessor for the Town of Middlefield in such form and manner as the assessor may prescribe. The amount of any Medicaid payments made on behalf of such homeowner or the spouse of such homeowner shall not constitute

income. The income of the spouse of such homeowner shall not be included in the qualifying income of such homeowner for purposes of determining eligibility for tax relief under this section, if such spouse is a resident of a health care or nursing home facility in this state, and such facility received payment related to such spouse under the Title XIX Medicaid program.

(b) The tax on the real property for which the benefits under this section are claimed shall be the lower of: The tax due with respect to the homeowner's residence for the assessment year commencing October first of the year immediately preceding the year in which the initial claim for tax relief is made, or the tax due for any subsequent assessment year. If title to real property is recorded in the name of the person or the spouse making a claim and qualifying under this section and any other person or persons, the claimant hereunder shall be entitled to pay the claimant's fractional share of the tax on such property calculated in accordance with the provisions of this section, and such other person or persons shall pay the person's or persons' fractional share of the tax without regard for the provisions of this section. For the purpose of this section, a "mobile manufactured home", as defined in section 12-63a of the general statutes, shall be deemed to be real property.

(c) If any person with respect to whom a claim for tax relief in accordance with this section and section 2 of this ordinance has been approved for any assessment year transfers, assigns, grants or otherwise conveys subsequent to the first day of October, but prior to the first day of August in such assessment year the interest in real property to which such claim for tax relief is related, regardless of whether such transfer, assignment, grant or conveyance is voluntary or involuntary, the amount of such tax relief benefit, determined as the amount by which the tax payable without benefit of this section exceeds the tax payable under the provisions of this section, shall be a pro rata portion of the amount otherwise applicable in such assessment year to be determined by a fraction the numerator of which shall be the number of full months from the first day of October in such assessment year to the date of such conveyance and the denominator of which shall be twelve. If such conveyance occurs in the month of October the grantor shall be disqualified for such tax relief in such assessment year. The grantee shall be required within a period not exceeding ten days immediately following the date of such conveyance to notify the assessor of the Town of Middlefield thereof, or in the absence of such notice, upon determination by the assessor of the Town of Middlefield that such transfer, assignment, grant or conveyance has occurred, the assessor shall determine the amount of tax relief benefit to which the grantor is entitled for such assessment year with respect to the interest in real property conveyed and notify the tax collector of the Town of Middlefield of the reduced amount of such benefit. Upon receipt of such notice from the assessor, the tax collector shall, if such notice is received after the tax due date in the municipality, no later than ten days thereafter mail or hand a bill to the grantee stating the additional amount of tax due as determined by the assessor. Such tax shall be due and payable and collectible as other property

taxes and subject to the same liens and processes of collection, provided such tax shall be due and payable in an initial or single installment not sooner than thirty days after the date such bill is mailed or handed to the grantee and in equal amounts in any remaining regular installments as the same are due and payable.

(2)(a) Effective February 1st 2009, and applicable to assessment years commencing on or after October 1st 2008, no claim shall be accepted under section 1 of this ordinance unless the taxpayer or authorized agent of such taxpayer files an application with the assessor of the Town of Middlefield in which the property is located, in such form and manner as the assessor may prescribe, during the period from February first to and including May fifteenth of any year in which benefits are first claimed, including such information as is necessary to substantiate such claim in accordance with requirements in such application. A taxpayer may make application to the assessor prior to August fifteenth of the claim year for an extension of the application period. The assessor may grant such extension in the case of extenuating circumstance due to illness or incapacitation as evidenced by a physician's certificate to that extent, or if the assessor determines there is good cause for doing so. The taxpayer shall present to the assessor a copy of such taxpayer's federal income tax return and the federal income tax return of taxpayer's spouse, if filed separately, for such taxpayer's taxable year ending immediately prior to the submission of the taxpayer's application, or if not required to file a federal income tax return, such other evidence of qualifying income in respect to such taxable year as the assessor may require. Each such application, together with the federal income tax return and any other information submitted in relation thereto, shall be examined by the assessor and a determination shall be made as to whether the application is approved. Upon determination by the assessor that the applying homeowner is entitled to tax relief in accordance with the provisions of section 1 of this ordinance and this section, the assessor for the Town of Middlefield shall notify the homeowner and the tax collector of the approval of such application. The tax collector of the Town of Middlefield shall determine the maximum amount of the tax due with respect to such homeowner's residence and thereafter the property tax with respect to such homeowner's residence shall not exceed such amount. After a taxpayer's claim for the first year has been filed and approved such taxpayer shall file such an application biennially. In respect to such application required after the filing and approval for the first year the assessor in the Town of Middlefield shall notify each such taxpayer concerning application requirements by regular mail not later than February first of the assessment year in which such taxpayer is required to reapply, enclosing a copy of the required application form. Such taxpayer may submit such application to the assessor by mail provided it is received by the assessor not later than March fifteenth in the assessment year with respect to which such tax relief is claimed. Not later than April first of such year the assessor shall notify, by certified mail, any such taxpayer for whom such application was not received by said March fifteenth concerning application requirements and such taxpayer shall submit not later

than May fifteenth such application personally or for reasonable cause, by a person acting in behalf of such taxpayer as approved by the assessor.

(b) Any person knowingly making a false application for the purpose of claiming property tax relief under section 1 of this ordinance shall be fined not more than five hundred dollars. Any person who fails to disclose all matters relating thereto or with intent to defraud makes a false statement shall refund to the Town of Middlefield all tax relief improperly taken, plus interest compounded annually at a rate of 18% per year. For purposes of this subsection, a year shall constitute 365 calendar days.

(c) The Town of Middlefield shall establish a lien on such property for which property tax relief is approved under sections 1 and 2 of this ordinance, in the amount of the total tax relief granted, plus interest applicable to the total of unpaid taxes represented by such tax relief. The board of finance for the Town of Middlefield shall set the interest rate annually at no greater than one-percent (1%) above the prime rate then existing at the time the board of finance sets said interest rate. Interest shall accrue and be assessed on the aggregate amount of the tax relief approved. Interest assessed for purposes of establishing a lien under this subsection shall not accrue and shall not be assessed on interest but only upon the tax deferred. Any such lien shall have a priority in the settlement of such person's estate.

(d) Any such property tax relief granted to any such resident in accordance with the provisions of section 1 of this ordinance and this section shall not disqualify such resident with respect to any benefits for which such resident shall be eligible under the provisions of sections 12-129b to 12-129d, inclusive, of the 2006 supplement to the general statutes, section 12-129n and section 12-170aa of the 2006 supplement to the general statutes and any such property tax relief provided under this section shall be in addition to any such benefits for which such resident shall be eligible under said sections 12-129b to 12-129d, inclusive, and sections 12-129n and 12-170aa.

Model Sec. 1-1. Property tax relief program.

(a) **Purpose.** Provide property tax relief for homeowners pursuant to the authority granted under Connecticut General Statutes § 12-129n for individuals with a demonstrated need for such relief to help them remain resident homeowners in the Town of Middlefield.

(b) Definitions.

(1) **Applicant.** An individual or married couple who applies for property tax relief under this section.

(2) **Assessor.** The assessor of the Town of Middlefield.

(3) **Cut-off date.** The cut-off date shall be May 15 of the year in which the application is filed, but if May 15 falls on a date or at a time when the town offices are closed, then the cut-off date is the next business day after May 15 when the town offices are open.

(4) **Married couple applicant.** A married couple who reside together and who apply for property tax relief under this section.

(5) **Tax collector.** The tax collector for the Town of Middlefield

(6) **Ordinance beneficiary.** An applicant or married couple applicant who have qualified for tax benefits under this section for any given tax year.

(7) **Qualified property.** Real property for which an applicant or married couple applicant receives tax benefits under this ordinance.

(8) **Qualified spouse.** A spouse who receives qualified property by sale or transfer including probate distribution and who has either (a) already qualified as an ordinance beneficiary for the property or (b) becomes eligible after the transfer to qualify for benefits under this ordinance.

(9) **Tax year.** The year beginning with October 1 of a calendar year and ending on September 30 of the next calendar year.

(10) Terminating transfer. A sale or conveyance of qualified property with the result that the ordinance beneficiary no longer both (a) occupies the property as the ordinance beneficiary's principal residence and (b) owns the property or retains the obligation to pay real property taxes on the property. Terminating transfers shall include without limitation probate distributions of qualified property to someone other than a qualified spouse. The date of a terminating transfer shall be the earlier of (a) the date the instrument of sale or conveyance, including probate distribution, is recorded or (b) fourteen (14) days from the date of the instrument's execution.

(c) Eligibility. Applicants satisfying the following conditions are eligible for tax relief under this section:

(1) The applicant, at least one member of a married couple applicant, or the applicant's spouse must have been a resident of the Town of Middlefield for a period of not less than ten (10) years as of the date of the application.

(2) No applicant, or spousal member of a married couple applicant, shall owe delinquent property taxes of any kind to the Town of Middlefield.

(3) At the cut-off date, the applicant, whether filing singly or as a married couple, must also qualify for the State of Connecticut tax credit relief set forth in General Statute §12-170aa, as amended, Chapter 204a of the General Statutes of the State of Connecticut.

(d) Tax relief provided.

(1) Subject to any applicable limitations set forth in this section, applicants who have qualified for the State of Connecticut tax credit relief program set forth in Chapter 204a of the General Statutes of the State of Connecticut shall receive the same dollar amount of tax relief upon qualified property under this section as he, she or they receive under the State of Connecticut tax credit relief program set forth in Chapter 204a of the General Statutes of the State of Connecticut.

(2) Tax relief provided under this section together with all other tax benefits or relief provided to the applicant(s) in connection with his, her or their qualified property shall not exceed seventy-five (75) percent of the real property tax for which the applicant(s) would have been liable except for the benefits under this section.

(3) Subject to any applicable limitations set forth in this section, the real property tax relief provided under this section shall be in addition to all other tax benefits provided to the applicant(s) in connection with his, her or their qualified property.

(e) Forfeiture of and limitations upon benefits.

(1) Any ordinance beneficiary who is found to be ineligible after filing what is later determined to be a false affidavit or presenting materially false information on the application for benefits will be liable to reimburse the Town of Middlefield for all benefits received plus interest and penalties. The amounts to be reimbursed will be treated as unpaid taxes from the date the taxes would have been due as if no application had been filed, and will be subject to interest and penalties as prescribed by law.

(2) In any tax year in which a terminating transfer of qualified property occurs, benefits under this section shall end and the tax due shall be calculated according to the provisions set forth in Connecticut General Statutes § 12-170aa(i).

(3) **Cap.** Total tax benefits granted under this ordinance in any tax year shall not exceed the lesser amount of \$45,000.00 dollars or the limitation set forth in Connecticut General Statutes § 12-129n(c). Currently, Connecticut General Statutes § 12-129n(c) requires that the total tax benefits in any tax year not exceed ten (10) percent of the total real property tax assessed by the Town of Middlefield in the preceding tax year. If the total tax benefits provided under this section exceeds this cap in any tax year, then the tax relief provided to all ordinance beneficiaries shall be a percentage calculated where the numerator is either the lesser amount of \$45,000.00 dollars or the limitation set forth in Connecticut General Statutes § 12-129n(c), and the denominator is the total sum of all such tax benefits calculated as if there were no such cap.

(f) Optional tax deferral.

(1) In lieu of seeking tax relief, applicants may apply for a deferral of the tax under this section.

(2) The board of finance shall set the deferred tax interest rate annually at no greater than one-percent (1%) above the prime rate then existing at the time the board of finance sets said interest rate. Interest shall accrue and be assessed on the aggregate amount of the deferred tax. Interest assessed for purposes of tax deferral shall not be compounded and shall not be assessed on interest but only upon the tax deferred.

(3) Property owners electing tax deferral must consent to accepting a lien on the property to cover the deferral plus accrued interest.

(4) All taxes so deferred and accrued interest thereon shall be paid upon the occurrence of a terminating transfer.

(5) If expenses are incurred to collect any such lien, the town shall be entitled to any legal fees and costs, including reasonable attorneys' fees, as may be allowed by law.

(g) Applications.

(1) All applications for tax relief or tax deferral under this section shall be filed with the assessor for the Town of Middlefield. The form and content of applications filed under this section shall be established by the assessor. The period within which the application must be filed shall be the same as the application period under the State of Connecticut tax relief program set forth in Chapter 204a of the General Statutes, which period is currently set as February 1 to May 15 of the year in which the application is filed. However, if the terminal date of the application period falls on a date or at a time when the town offices are closed, then the terminal date is the business day after May 15 of that year when the town offices are open.

(2) Any person aggrieved by the decision of the assessor may appeal to the board of assessment appeals in accordance with the provisions of Sections 12-111 and 12-112 of the Connecticut General Statutes.

(3) Documents included in the application for tax relief or tax deferral which are exempt from public disclosure pursuant to Connecticut General Statutes §§1-201(b) and 1-217 shall not be disclosed unless otherwise required by law.

(h) Amendment. Unless otherwise required by state statute or the Charter for the Town of Middlefield, once this section takes effect it may be rescinded or amended by vote at a town meeting on recommendation of the board of finance without complying with the requirements of Connecticut General Statutes § 12-129n(b) applicable to the section's initial approval.