

## **Local Tax Relief Program for Permanently Disabled and Senior Residents**

### **§ \_\_\_\_-1. Statutory authority and purpose.**

Pursuant to section 12-129n of the Connecticut General Statutes, the Town of Tolland hereby creates a tax relief program for disabled and elderly homeowners. This program is intended to replace the current program known as Local Tax Relief Program, Chapter 136, Article VI of the Code of the Town of Tolland.

### **§ \_\_\_\_-2. Title.**

This program shall be entitled "Tolland Tax Relief Program."

### **§ \_\_\_\_-3. Review.**

This program shall be reviewed by the Town Council every five years or in the year following property revaluation.

### **§ \_\_\_\_-4. Applicability.**

This article is effective October 9, 2007. For purposes of determining prospective benefits under this article, benefits received pursuant to Article VI, Local Tax Relief Program [Ordinance 60] of the Code of the Town of Tolland by households for the period preceding the effective date of this article shall be treated as though received pursuant to this article. Eligibility and benefits received pursuant to Article VI shall remain in effect for individuals determined eligible pursuant to Article VI, for the two year period of such eligibility or until a change in circumstances renders the individual ineligible, whichever is earlier.

### **§ \_\_\_\_-5. Eligibility.**

In order to be eligible to receive benefits available under the Tolland Tax Relief Program, an individual must meet all of the following criteria:

- a. The individual or his or her spouse or civil union partner must have been a taxpayer of Tolland for at least one year immediately preceding receipt of benefits under this program.
- b. The individual must reside in a home or a cooperative, condominium or other common interest ownership dwelling in Tolland which such individual or his or her spouse or civil union partner owns or for which such individual or his or her spouse or civil union partner have a deeded life use which requires payment of the property taxes.
- c. The residence must be occupied as a principle residence by the individual. To be considered a principle residence for purposes of this program, the residence must be occupied at least seven months of the year by an individual who qualifies by

age or disability to participate in the program or by that individual's surviving spouse or civil union partner who meets the criteria for disability in subsection d.3. or 4. of this section or is at least sixty years of age at the time of the individual's death. Absences due to time spent in hospitals or other institutions for purpose of treatment or rehabilitation, shall be treated as periods the individual occupied the residence unless such period exceeds seven months in any one year period or that individual's spouse or civil union partner who is at least sixty years of age or meets the criteria for disability in subsection d.3. or 4. of this section, continues to reside in the home during such absence. A principle residence includes the house and so much of the parcel on which the house is situated as does not include excess acreage, as that term is hereafter defined. Excess acreage is defined as acreage owned by the qualifying individual or his or her spouse or civil union partner which is in excess of the minimum lot size as defined by the revaluation guidelines and lot size requirements for the residential zone in which the property is located, in effect at the time the individual is determined eligible.

- d. By the December 31 preceding the year in which an application for this program is filed, the individual or his or her spouse or civil union partner must:
1. be at least sixty-five years of age; or
  2. be under age sixty-five and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under Social Security; or
  3. be under age sixty-five and not have been engaged in employment covered by Social Security and accordingly have not qualified for benefits thereunder, but have 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 teacher's retirement plan, in which requirements with respect to qualifications for such permanent total disability benefits are comparable to such requirements under Social Security; or
  4. the surviving spouse or civil union partner who is at least sixty years of age at the death of an individual whose age or disability qualified the household to receive the benefits of this program, provided the household received the benefits of this program in the year immediately preceding the application for this program.
- e. Maximum household income during the calendar year preceding the year in which the application for this program is filed is the low median income in Hartford County as determined by the United States Department of Housing and Urban Development for the previous year. Household income includes, but is not limited to, all gross income or payments received by or paid on behalf of a member of the household, earned and unearned income, alimony or child support, retirement or disability benefits regardless of source, worker's compensation

benefits, unemployment compensation benefits, interest on bank accounts, interest from stocks, bonds or other investments, gains on sales of investments or property of any type, distributions from Retirement Savings Accounts such as a 401 (k) or Individual Retirement Account, payouts to or on behalf of a household member by a trust, and cumulative gifts exceeding \$10,000 in any calendar year. The income of all members of the household of the property for which this program's benefits are sought is included in determining household income, except:

1. the income of a full-time caretaker residing in the dwelling is not counted in determining eligibility unless such caretaker is legally liable for another person residing in the household, and if such income is not counted for the caretaker, then the caretaker is not counted in determining household size; and
  2. income which may not be counted pursuant to law or is exempt pursuant to the terms of this program.
- f. The cumulative value of assets held by or available to the individual or his or her spouse or civil union partner or other members of the household may not exceed ten times the annual income limit for program eligibility, except the assets of a full-time caretaker residing in the dwelling are not counted in determining eligibility unless such caretaker is legally liable for another person residing in the household. For purposes of this article, assets do not include: the house occupied by the individual and his or her spouse or civil union partner and the portion of the lot on which the house is situated that does not include excess acreage; household furnishings; tools of the trade necessary to allow a member of the household to earn money; or the primary vehicle for the individual and his or her spouse or civil union partner, except a recreational vehicle may not be considered a primary vehicle. Countable assets include, but are not limited to: businesses and business assets; bank accounts; certificates of deposit; stocks; bonds; revocable trusts established by the individual or his or her spouse or civil union partner; trusts for which the individual, his or her spouse or civil union partner is a beneficiary and from which distribution is available to meet household expenses; Retirement Savings Accounts; tax exempt investments available to meet living expenses; real property other than the principle residence occupied by the individual and his or her spouse or civil union partner; excess acreage for the principle residence occupied by the individual and his or her spouse or civil union partner; vehicles other than the primary vehicle; lump sums; and life insurance policies with a cash value.

**§ \_\_\_\_-6. Applications, ongoing eligibility and reporting changes in circumstances.**

- a. New applications may be filed each year from February 1 through May 15 with either the Tax Assessor's or the Human Services' office on forms provided for that purpose. After each two years of eligibility, a renewal application must be filed from February 1 through May 15 with either the Tax Assessor's or the

Human Services' office on forms provided for that purpose to re-establish eligibility.

b. The application shall:

1. contain a sworn statement regarding the accuracy of the information contained in the application signed by the applicant, the applicant's spouse or civil union partner, the applicant's guardian or conservator, or the applicant's power of attorney;
2. authorize the Town of Tolland to verify any information provided in the application including provision by the applicant of any requested documentation;
3. require the applicant to report in writing to the Tax Assessor's office any change in circumstances that may affect eligibility or benefits within 30 days of such change in circumstances;
4. indicate agreement that intentional misrepresentations in the application or reports of changes in circumstances or fraud will result in retroactive loss of program eligibility to the date of the misrepresentation or fraud or the first date of the benefit, whichever is later, any unpaid taxes resulting from such termination shall be due within 30 days of the notice of the underpaid amount, and if not timely paid, will result in establishment of a lien on the property for the unpaid amount at an interest rate of 6% per annum; and
5. assure confidentiality of information contained in the application and submissions and records related to determining eligibility to the extent allowed by law, except for referrals to law enforcement or to allow the Town of Tolland to collect any debt due from the taxpayer.

- c. Applications may be filed by an individual who qualifies a household to receive the benefits of this program by reason of age or disability, his or her spouse, civil union partner, guardian, conservator or power of attorney.
- d. Applicants must apply for all state funded tax relief benefits applicable to the property for which this program provides relief for which the household may be eligible.
- e. Upon the death of a qualified applicant, or upon the recording of any instrument with the Tolland Town Clerk indicating that the qualified applicant is no longer the primary recipient of the local tax relief benefit (such as a transfer of the title of the property) and that there is no surviving spouse or civil union partner eligible to assume continuation of the benefit, the tax relief status shall be removed and the current assessment for that assessment year shall be prorated for the current fiscal year. For purposes of this article, the fiscal year shall be July 1 through June 30.

**§ \_\_\_\_-7. Benefit.**

- a. The amount of tax due on property occupied by an eligible individual shall be the amount of taxes due on such property on the Tolland Grand List in the year preceding the application for such benefits. This tax due shall remain in effect for two years and for any subsequent period after reapplication for additional periods provided that the applicant continues to be qualified, except such amount shall be adjusted as follows:
  1. In the event of a revaluation, if the tax owed on the property is less than the amount due under this program, the tax due shall be the lesser amount due as a result of the revaluation.
  2. If there are alterations to the property resulting in a change in its assessed value, the property shall be reevaluated prospectively at the rate applicable at the most recent application filed by the individual for the benefits of this program to determine the tax due.
  3. If there is a change in circumstances of the household affecting eligibility or the amount of benefit for which the beneficiary qualifies, the amount of tax due shall be adjusted to the amount for which the household qualifies effective the month following the month of the change in household circumstances.
- b. If the dwelling for which the benefits of this program are sought includes parties on the recorded deed other than the individual and his or her spouse or civil union partner, the benefits of this program shall be prorated. To calculate the benefits available, the percentage ownership of the eligible individual and his or her spouse or civil union partner reflected on the deed shall equal the portion of the total tax assessment on the property to which the benefits of this program apply. If the deed does not indicate such percentage of ownership, the total tax assessment on the property shall be divided by the number of parties on the deed, and the benefits of this program shall only be provided to the pro rata portion of the total tax assessment so determined that is attributable to the individual and his or her spouse or civil union partner.
- c. If the total benefit from this program, when combined with tax relief for which an individual may be eligible pursuant to Connecticut General Statutes §§ 12-129b to 12-129d, inclusive [state freeze program] and 12-170aa [state circuit breaker program], and pursuant to Article IV, Tax Deferral for Senior Citizens [Ordinance 25] of the Code of the Town of Tolland, exceeds seventy-five per cent of the property tax for which the individual would be liable, a lien on the property occupied by such individual for which relief has been provided shall be established for the amount of total tax relief exceeding seventy-five per cent of the property tax for which the individual would be liable, plus interest at the rate of 6% per annum. Any such lien shall have a priority in the settlement of such individual's estate.

- d. The total of all benefits granted under the provisions of this article for any tax year shall not exceed an amount equal to .5% of Tolland's current operating budget in effect as of February 1. In the event total benefits, if provided, would exceed .5% of such budget, the benefit provided to eligible individuals shall be uniformly prorated by the percentage necessary for the total benefits to equal the maximum allowable percentage of such budget.

The following formula will be employed to determine the proration:

$$\text{Prorate \%} = \frac{.5\% \text{ of } 1\% \text{ of Total Operation Budget}}{\text{Total Cost of Unprorated Program}}$$

**§ \_\_\_\_-8. Error correction.**

In any case where there is a retroactive adjustment regarding the taxes due under this program, the Collector of Revenues shall:

- a. in the case of an overpayment of taxes due under this program, apply the overpayment to any overdue taxes on the property, and once such taxes are satisfied, refund any balance to the individual;
- b. in the case of intentional misrepresentation in the application or in reporting of any change of circumstances, or fraud, terminate the benefit of this program effective the date of misrepresentation or fraud or the first date of the benefit, whichever is later, and require any unpaid taxes resulting from such termination be paid within 30 days of the notice of the underpaid amount sent by the Collector of Revenues, and if not timely paid, the Town of Tolland shall establish a lien on the property for the unpaid amount at an interest rate of 6% per annum, except any unpaid taxes shall be due on transfer of the property in the event of a transfer occurring before the due date of such payment.
- c. if there has been an underpayment of taxes due under this program in situations other than intentional misrepresentation in the application or in reporting of any change of circumstances, or fraud, and:
  1. the underpayment is due to the intentional failure of the individual or his or her spouse or civil union partner to timely report a change in circumstances, require the underpaid amount be paid within 30 days of the notice of the underpayment sent by the Collector of Revenues, and if not timely paid, the Town of Tolland shall establish a lien on the property for the unpaid amount at an interest rate of 6% per annum, except any unpaid taxes shall be due on transfer of the property in the event of a transfer occurring before the due date of such payment; or
  2. the underpayment is due to good faith error on the part of the individual or his or her spouse or civil union partner or a retroactive adjustment due to administrative error unrelated to action or inaction on the part of the individual, require the underpaid amount be paid within six months of the

notice of the underpayment sent by the Collector of Revenues, and if not timely paid, the Town of Tolland shall establish a lien on the property for the unpaid amount at an interest rate of 6% per annum, except any unpaid taxes shall be due on transfer of the property in the event of a transfer occurring before the due date of such payment.

**§ \_\_\_\_-9. Notice.**

The Tax Assessor shall provide written notice to applicants to this program regarding any determination of eligibility and tax assessment, within 30 days after the end of the application period. The Collector of Revenues shall provide written notice to applicants and beneficiaries of this program within 30 days after any determination of a change in tax liability, and whenever recoupment or tax adjustment recovery is sought, and other determinations within the purview of the Collector of Revenues.

**§ \_\_\_\_-10. Severability.**

If any section, clause, provision or portion of this article is held to be invalid by any court of any competent jurisdiction, such holdings shall not affect or impair any other section, clause, provision or portion of this article.

**§ \_\_\_\_-11. Review Process.**

- a. Persons aggrieved by any act or determination of the Tax Assessor or Collector of Revenues under this article may request a review of said determination by the Town Manager by filing a written request for review with the Town Manager within three months of such act or determination.
- b. The request for review shall indicate the matter being reviewed and the basis of aggrievement, and may include supporting documentation. The request for review shall be signed by the applicant, the applicant's spouse or civil union partner, the applicant's guardian or conservator, or the applicant's power of attorney. Such request shall be made on a form available at the Tax Assessor's or the Human Services' office.
- c. The Town Manager shall schedule a hearing to be held not later than 30 days after the receipt of such written request for review by the Town Manager, and provide the requestor with written notice of the date, time and location of such hearing at least two weeks prior to such hearing.
- d. The Tax Assessor or Collector of Revenues, or his or her designee, depending on which official's act or determination is reviewed, shall appear at the hearing and shall articulate the basis of the act or determination of said Tax Assessor or Collector of Revenues. The requestor or his or her representative may present

evidence and make argument to support the request for review. All witnesses shall testify under oath.

- e. Not later than two months after such hearing, the Town Manager shall render a final decision based solely upon the evidence introduced before it, applying pertinent provisions of law, and such final decision shall supersede the decision being reviewed. Notice of such final decision shall be given to the appellant by mailing him or her a copy within three business day of its rendition.