



General Assembly

February Session, 2008

**Committee Bill No. 184**

LCO No. 1669

\*01669SB00184AGE\*

Referred to Committee on Select Committee on Aging

Introduced by:  
(AGE)

**AN ACT CONCERNING THE INCOME LIMITS AND STATE REIMBURSEMENT FOR THE ELDERLY PROPERTY TAX FREEZE PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-170v of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2008, and*  
3 *applicable to assessment years commencing on or after October 1, 2008*):

4 (a) (1) Any municipality, upon approval of its legislative body may  
5 provide that an owner of real property or any tenant for life or for a  
6 term of years liable for property taxes under section 12-48 who meets  
7 the qualifications stated in this subsection shall be entitled to pay the  
8 tax levied on such property, calculated in accordance with the  
9 provisions of subsection (b) of this section for the first year the claim  
10 for such tax relief is filed and approved in accordance with the  
11 provisions of section 12-170w, as amended by this act, and such person  
12 shall be entitled to continue to pay the amount of such tax or such  
13 lesser amount as may be levied in any year, during each subsequent  
14 year that such person meets such qualifications, and the surviving  
15 spouse of such owner or tenant, qualified in accordance with the

16 requirements pertaining to a surviving spouse in this subsection, or  
17 any owner or tenant possessing a joint interest in such property with  
18 such owner at the time of such owner's death and qualified at such  
19 time in accordance with the requirements in this subsection, shall be  
20 entitled to continue to pay the amount of such tax or such lesser  
21 amount as may be levied in any year, as it becomes due each year  
22 following the death of such owner for as long as such surviving spouse  
23 or joint owner or joint tenant is qualified in accordance with the  
24 requirements in this subsection. After the first year a claim for such tax  
25 relief is filed and approved, application for such tax relief shall be filed  
26 biennially on a form prepared for such purpose by [the assessor of  
27 such municipality] the Secretary of the Office of Policy and  
28 Management. Any such owner or tenant who is qualified in  
29 accordance with this section and any such surviving spouse or joint  
30 owner or joint tenant surviving upon the death of such owner or  
31 tenant, shall be entitled to pay such tax in the amount as provided in  
32 this section for so long as such owner or tenant or such surviving  
33 spouse or joint owner or joint tenant continues to be so qualified. To  
34 qualify for the tax relief provided in this section a taxpayer shall meet  
35 all the following requirements: [(1)] (A) On December thirty-first of the  
36 calendar year preceding the year in which a claim is filed, be [(A)] (i)  
37 seventy years of age or over, [(B)] (ii) the spouse of a person, seventy  
38 years of age or over, provided such spouse is domiciled with such  
39 person, or [(C)] (iii) sixty-two years of age or over and the surviving  
40 spouse of a taxpayer who at the time of such taxpayer's death had  
41 qualified and was entitled to tax relief under this section, provided  
42 such surviving spouse was domiciled with such taxpayer at the time of  
43 the taxpayer's death, [(2)] (B) occupy such real property as his or her  
44 home, [(3)] (C) either spouse shall have resided within this state for at  
45 least one year before filing the claim under this section and section 12-  
46 170w, [(4)] as amended by this act, and (D) the taxable and nontaxable  
47 income of such taxpayer, the total of which shall hereinafter be called  
48 "qualifying income", in the tax year of such homeowner ending  
49 immediately preceding the date of application for benefits under the

50 program in this section, was not in excess of limits set forth in section  
51 [12-170aa, as] 17b-492, and adjusted, annually, in accordance with  
52 subdivision (2) of this subsection, evidence of which income shall be  
53 submitted to the assessor in the municipality in which application for  
54 benefits under this section is filed in such form and manner as the  
55 assessor may prescribe.

56 (2) The amounts of qualifying income as provided in this section  
57 shall be adjusted annually in a uniform manner to reflect the annual  
58 inflation adjustment in Social Security income, with each such  
59 adjustment of qualifying income determined to the nearest one  
60 hundred dollars. Each such adjustment of qualifying income shall be  
61 prepared by the Secretary of the Office of Policy and Management in  
62 relation to the annual inflation adjustment in Social Security, if any,  
63 becoming effective at any time during the twelve-month period  
64 immediately preceding October first each year. The secretary shall  
65 notify the assessors in each municipality of the amount of such  
66 adjustment not later than the thirty-first day of December next  
67 following.

68 (3) The amount of any Medicaid payments made on behalf of such  
69 homeowner or the spouse of such homeowner shall not constitute  
70 income. The income of the spouse of such homeowner shall not be  
71 included in the qualifying income of such homeowner for purposes of  
72 determining eligibility for tax relief under this section, if such spouse is  
73 a resident of a health care or nursing home facility in this state, and  
74 such facility receives payment related to such spouse under the Title  
75 XIX Medicaid program. [In addition to the eligibility requirements  
76 prescribed in this subsection, any municipality that provides tax relief  
77 in accordance with the provisions of this section may impose asset  
78 limits as a condition of eligibility for such tax relief.]

79 (b) The tax on the real property for which the benefits under this  
80 section are claimed shall be the lower of: The tax due with respect to  
81 the homeowner's residence for the assessment year commencing

82 October first of the year immediately preceding the year in which the  
83 initial claim for tax relief is made, or the tax due for any subsequent  
84 assessment year. If title to real property is recorded in the name of the  
85 person or the spouse making a claim and qualifying under this section  
86 and any other person or persons, the claimant hereunder shall be  
87 entitled to pay the claimant's fractional share of the tax on such  
88 property calculated in accordance with the provisions of this section,  
89 and such other person or persons shall pay the person's or persons'  
90 fractional share of the tax without regard for the provisions of this  
91 section. For the purposes of this section, a "mobile manufactured  
92 home", as defined in section 12-63a, shall be deemed to be real  
93 property.

94 (c) If any person with respect to whom a claim for tax relief in  
95 accordance with this section and section 12-170w, as amended by this  
96 act, has been approved for any assessment year transfers, assigns,  
97 grants or otherwise conveys subsequent to the first day of October, but  
98 prior to the first day of August in such assessment year the interest in  
99 real property to which such claim for tax relief is related, regardless of  
100 whether such transfer, assignment, grant or conveyance is voluntary or  
101 involuntary, the amount of such tax relief benefit, determined as the  
102 amount by which the tax payable without benefit of this section  
103 exceeds the tax payable under the provisions of this section, shall be a  
104 pro rata portion of the amount otherwise applicable in such  
105 assessment year to be determined by a fraction the numerator of which  
106 shall be the number of full months from the first day of October in  
107 such assessment year to the date of such conveyance and the  
108 denominator of which shall be twelve. If such conveyance occurs in the  
109 month of October the grantor shall be disqualified for such tax relief in  
110 such assessment year. The grantee shall be required within a period  
111 not exceeding ten days immediately following the date of such  
112 conveyance to notify the assessor thereof, or in the absence of such  
113 notice, upon determination by the assessor that such transfer,  
114 assignment, grant or conveyance has occurred, the assessor shall  
115 determine the amount of tax relief benefit to which the grantor is

116 entitled for such assessment year with respect to the interest in real  
117 property conveyed and notify the tax collector of the reduced amount  
118 of such benefit. Upon receipt of such notice from the assessor, the tax  
119 collector shall, if such notice is received after the tax due date in the  
120 municipality, no later than ten days thereafter mail or hand a bill to the  
121 grantee stating the additional amount of tax due as determined by the  
122 assessor. Such tax shall be due and payable and collectible as other  
123 property taxes and subject to the same liens and processes of  
124 collection, provided such tax shall be due and payable in an initial or  
125 single installment not sooner than thirty days after the date such bill is  
126 mailed or handed to the grantee and in equal amounts in any  
127 remaining, regular installments as the same are due and payable. The  
128 assessor shall notify the Secretary of the Office of Policy and  
129 Management, on or before the October first immediately following the  
130 end of the assessment year in which such conveyance occurs, of the  
131 reduction in such tax relief benefit for purposes of a corresponding  
132 adjustment in the amount of state payment to the municipality next  
133 following as reimbursement for the revenue loss related to such tax  
134 relief. Any municipality which neglects to notify the Secretary of the  
135 Office of Policy and Management of the reduction, as required by this  
136 subsection, shall forfeit two hundred fifty dollars to the state unless  
137 such forfeiture qualifies for a waiver pursuant to subsection (d) of this  
138 section.

139 (d) The Secretary of the Office of Policy and Management may  
140 adopt regulations, in accordance with chapter 54, to establish  
141 standards and procedures for waivers under subsection (c) of this  
142 section and subsection (c) of section 12-170w, as amended by this act.

143 Sec. 2. Section 12-170w of the general statutes is repealed and the  
144 following is substituted in lieu thereof (*Effective October 1, 2008, and*  
145 *applicable to assessment years commencing on or after October 1, 2008*):

146 (a) No claim shall be accepted under section 12-170v, as amended by  
147 this act, unless the taxpayer or authorized agent of such taxpayer files

148 an application with the assessor of the municipality in which the  
149 property is located, [in such form and manner as the assessor may  
150 prescribe] on a form prescribed by the Secretary of the Office of Policy  
151 and Management, during the period from February first to and  
152 including May fifteenth of any year in which benefits are first claimed,  
153 including such information as is necessary to substantiate such claim  
154 in accordance with requirements in such application. A taxpayer may  
155 make application to the assessor prior to August fifteenth of the claim  
156 year for an extension of the application period. The assessor may grant  
157 such extension in the case of extenuating circumstance due to illness or  
158 incapacitation as evidenced by a physician's certificate to that extent,  
159 or if the assessor determines there is good cause for doing so. The  
160 taxpayer shall present to the assessor a copy of such taxpayer's federal  
161 income tax return and the federal income tax return of such taxpayer's  
162 spouse, if filed separately, for such taxpayer's taxable year ending  
163 immediately prior to the submission of the taxpayer's application, or if  
164 not required to file a federal income tax return, such other evidence of  
165 qualifying income in respect to such taxable year as the assessor may  
166 require. Each such application, together with the federal income tax  
167 return and any other information submitted in relation thereto, shall be  
168 examined by the assessor and a determination shall be made as to  
169 whether the application is approved. Upon determination by the  
170 assessor that the applying homeowner is entitled to tax relief in  
171 accordance with the provisions of section 12-170v, as amended by this  
172 act, and this section, the assessor shall notify the homeowner and the  
173 municipal tax collector of the approval of such application, and shall  
174 forward such application to the Secretary of the Office of Policy and  
175 Management. The municipal tax collector shall determine the  
176 maximum amount of the tax due with respect to such homeowner's  
177 residence and thereafter the property tax with respect to such  
178 homeowner's residence shall not exceed such amount. The amount of  
179 tax relief approved shall be applied to the real property tax payable by  
180 the taxpayer for the assessment year in which such application is  
181 submitted and approved. If any such taxpayer has qualified for tax

182 relief under section 12-170v, as amended by this act, and this section,  
183 the tax relief benefit determined shall, when possible, be applied and  
184 prorated uniformly over the number of installments in which the real  
185 property tax is due and payable to the municipality in which the  
186 taxpayer resides. In the event that a taxpayer has paid in full the  
187 amount of property tax applicable to such homeowner's residence,  
188 regardless of whether the municipality requires the payment of  
189 property taxes in one or more installments, such municipality shall  
190 make payment to such taxpayer in the amount of the tax relief benefit  
191 allowed. The municipality shall be reimbursed for the amount of such  
192 payment in accordance with subsection (c) of this section.

193 (b) After a taxpayer's claim for the first year has been filed and  
194 approved such taxpayer shall file such an application biennially. In  
195 respect to such application required after the filing and approval for  
196 the first year the assessor in each municipality shall notify each such  
197 taxpayer concerning application requirements by regular mail not later  
198 than February first of the assessment year in which such taxpayer is  
199 required to reapply, enclosing a copy of the required application form.  
200 Such taxpayer may submit such application to the assessor by mail  
201 provided it is received by the assessor not later than March fifteenth in  
202 the assessment year with respect to which such tax relief is claimed.  
203 Not later than April first of such year the assessor shall notify, by  
204 certified mail, any such taxpayer for whom such application was not  
205 received by said March fifteenth concerning application requirements  
206 and such taxpayer shall submit not later than May fifteenth such  
207 application personally or for reasonable cause, by a person acting in  
208 behalf of such taxpayer as approved by the assessor.

209 (c) On or before July first, annually, each municipality shall submit  
210 to the Secretary of the Office of Policy and Management a claim for the  
211 tax relief approved under section 12-170v, as amended by this act, and  
212 this section in relation to the assessment list of the October first  
213 immediately preceding. Any municipality which neglects to transmit  
214 to the secretary the claim as required by this subsection shall forfeit

215 two hundred fifty dollars to the state unless such forfeiture qualifies  
216 for a waiver pursuant to subsection (d) of section 12-170v, as amended  
217 by this act. Subject to procedures for review and approval of such data  
218 pursuant to section 12-120b, as amended by this act, the secretary shall,  
219 on or before December fifteenth next following, certify to the  
220 Comptroller the amount due each municipality as reimbursement for  
221 loss of property tax revenue related to the tax relief allowed under  
222 section 12-170v, as amended by this act, and this section. The  
223 Comptroller shall draw an order on the Treasurer on or before the fifth  
224 business day following December fifteenth and the Treasurer shall pay  
225 the amount due each municipality not later than the thirty-first day of  
226 December. Any claimant aggrieved by the results of the secretary's  
227 review shall have the rights of appeal as set forth in section 12-120b, as  
228 amended by this act. The amount of the reimbursement for loss of  
229 property tax revenue payable to each municipality in any year in  
230 accordance with this section shall be reduced proportionately in the  
231 event that the total reimbursement for loss of property tax revenue  
232 payable to municipalities in such year exceeds the amount  
233 appropriated for the purposes of this section with respect to such year.

234 (d) If the Secretary of the Office of Policy and Management makes  
235 any adjustments to the amount that the secretary has certified to the  
236 Comptroller as due to the municipality for loss of property tax revenue  
237 claimed under this section, the amount of such adjustment shall be  
238 reflected in the next payment that the Treasurer makes to such  
239 municipality pursuant to this section.

240 (e) Any municipality, upon approval of its legislative body, may  
241 provide property tax relief to persons who otherwise satisfy the  
242 eligibility requirements prescribed in subsection (a) of section 12-170v,  
243 as amended by this act, but who have income that exceeds the  
244 eligibility limits prescribed in said subsection (a). Any property tax  
245 relief provided by a municipality pursuant to this subsection shall not  
246 qualify for reimbursement from the state.

247 [(b)] (f) Any person knowingly making a false application for the  
248 purpose of claiming property tax relief under section 12-170v, as  
249 amended by this act, and this section shall be fined not more than five  
250 hundred dollars. Any person who fails to disclose all matters relating  
251 thereto or with intent to defraud makes a false statement shall refund  
252 to the municipality all tax relief improperly taken.

253 [(c)] (g) Any municipality providing property tax relief under  
254 section 12-170v, as amended by this act, and this section may establish  
255 a lien on such property in the amount of the total tax relief granted,  
256 plus interest applicable to the total of unpaid taxes represented by such  
257 tax relief, at a rate to be determined by such municipality. Any such  
258 lien shall have a priority in the settlement of such person's estate.

259 [(d)] (h) Any such property tax relief granted to any such resident in  
260 accordance with the provisions of section 12-170v, as amended by this  
261 act, and this section shall not disqualify such resident with respect to  
262 any benefits for which such resident shall be eligible under the  
263 provisions of sections 12-129b to 12-129d, inclusive, 12-129n of the 2008  
264 supplement to the general statutes and 12-170aa and any such  
265 property tax relief provided under this section shall be in addition to  
266 any such benefits for which such resident shall be eligible under  
267 sections 12-129b to 12-129d, inclusive, 12-129n of the 2008 supplement  
268 to the general statutes and 12-170aa.

269 Sec. 3. Subsection (a) of section 12-120b of the general statutes is  
270 repealed and the following is substituted in lieu thereof (*Effective*  
271 *October 1, 2008, and applicable to assessment years commencing on or after*  
272 *October 1, 2008*):

273 (a) As used in this section:

274 (1) "Claimant" means a person, company, limited liability company,  
275 firm, association, corporation or other business entity having received  
276 approval for financial assistance from a town's assessor or a municipal  
277 official;

278 (2) "Financial assistance" means a property tax exemption, property  
 279 tax credit or rental rebate for which the state of Connecticut provides  
 280 direct or indirect reimbursement; and

281 (3) "Program" means (A) property tax exemptions under section 12-  
 282 81g or subdivision (55), (59), (60), (70), (72) or (74) of section 12-81, (B)  
 283 tax relief pursuant to section 12-129d, 12-170v, as amended by this act,  
 284 or 12-170aa, and (C) rebates under section 12-170d.

285 Sec. 4. Section 12-170cc of the general statutes is repealed and the  
 286 following is substituted in lieu thereof (*Effective October 1, 2008, and*  
 287 *applicable to assessment years commencing on or after October 1, 2008*):

288 Any person aggrieved by the action of the assessor or assessors in  
 289 fixing the amount of a credit under subsection (b) of section 12-170v, as  
 290 amended by this act, subsection (f) of section 12-170aa or in  
 291 disapproving the claim therefor may appeal to the Secretary of the  
 292 Office of Policy and Management, in writing, within thirty business  
 293 days from the date of notice given to such person by the assessor or  
 294 assessors, giving notice of such grievance. The secretary shall promptly  
 295 consider such notice and may grant or deny the relief requested,  
 296 provided such decision shall be made not later than thirty business  
 297 days after the receipt of such notice. If the relief is denied, the applicant  
 298 shall be notified forthwith and may appeal the decision of the secretary  
 299 in accordance with the provisions of section 12-120b, as amended by  
 300 this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2008</i>	12-170v

Sec. 2	<i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2008</i>	12-170w
Sec. 3	<i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2008</i>	12-120b(a)
Sec. 4	<i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2008</i>	12-170cc

**Statement of Purpose:**

To provide state reimbursement to towns for lost tax revenues and to raise eligibility limits for the local property tax freeze program for elderly persons.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors: SEN. CALIGIURI, 16th Dist.

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