



General Assembly

February Session, 2008

Raised Bill No. 707

LCO No. 3493

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Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

AN ACT CONCERNING AN ELDERLY PROPERTY TAX FREEZE.

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 Section 12-170v of the general statutes is repealed and the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 said date*):

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

18 a joint interest in such property with such owner at the time of such
19 owner's death and qualified at such time in accordance with the
20 requirements in this subsection, shall be entitled to continue to pay the
21 amount of such tax or such lesser amount as may be levied in any year,
22 as it becomes due each year following the death of such owner for as
23 long as such surviving spouse or joint owner or joint tenant is qualified
24 in accordance with the requirements in [this] subsection (b) of this
25 section. After the first year a claim for such tax relief is filed and
26 approved, application for such tax relief shall be filed biennially on a
27 form prepared for such purpose by the assessor of such municipality.
28 Any such owner or tenant who is qualified in accordance with this
29 section and any such surviving spouse or joint owner or joint tenant
30 surviving upon the death of such owner or tenant, shall be entitled to
31 pay such tax in the amount as provided in this section for so long as
32 such owner or tenant or such surviving spouse or joint owner or joint
33 tenant continues to be so qualified.

34 (b) To qualify for the tax relief provided in this section a taxpayer
35 shall meet all the following requirements: (1) On December thirty-first
36 of the calendar year preceding the year in which a claim is filed, be (A)
37 [~~seventy~~] sixty-five years of age or over, (B) the spouse of a person,
38 [~~seventy~~] sixty-five years of age or over, provided such spouse is
39 domiciled with such person, or (C) sixty-two years of age or over and
40 the surviving spouse of a taxpayer who at the time of such taxpayer's
41 death had qualified and was entitled to tax relief under this section,
42 provided such surviving spouse was domiciled with such taxpayer at
43 the time of the taxpayer's death, (2) occupy such real property as his or
44 her home, (3) 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, as amended by this act, (4) the taxable and nontaxable income of
47 such taxpayer, the total of which shall hereinafter be called "qualifying
48 income", in the tax year of such homeowner ending immediately
49 preceding the date of application for benefits under the program in
50 this section, was not in excess of [limits set forth in section 12-170aa, as
51 adjusted annually] thirty-seven thousand five hundred dollars for each

52 individual taxpayer, or fifty thousand dollars for taxpayers filing a
53 joint return, evidence of which income shall be submitted to the
54 assessor in the municipality in which application for benefits under
55 this section is filed in such form and manner as the assessor may
56 prescribe. The amount of any Medicaid payments made on behalf of
57 such homeowner or the spouse of such homeowner shall not constitute
58 income. The income of the spouse of such homeowner shall not be
59 included in the qualifying income of such homeowner for purposes of
60 determining eligibility for tax relief under this section, if such spouse is
61 a resident of a health care or nursing home facility in this state, and
62 such facility receives payment related to such spouse under the Title
63 XIX Medicaid program. [In addition to the eligibility requirements
64 prescribed in this subsection, any municipality that provides tax relief
65 in accordance with the provisions of this section may impose asset
66 limits as a condition of eligibility for such tax relief.]

67 [(b)] (c) The tax on the real property for which the benefits under
68 this section are claimed shall be the lower of: The tax due with respect
69 to the homeowner's residence for the assessment year commencing
70 October first of the year immediately preceding the year in which the
71 initial claim for tax relief is made, or the tax due for any subsequent
72 assessment year. If title to real property is recorded in the name of the
73 person or the spouse making a claim and qualifying under this section
74 and any other person or persons, the claimant hereunder shall be
75 entitled to pay the claimant's fractional share of the tax on such
76 property calculated in accordance with the provisions of this section,
77 and such other person or persons shall pay the person's or persons'
78 fractional share of the tax without regard for the provisions of this
79 section. For the purposes of this section, a "mobile manufactured
80 home", as defined in section 12-63a, shall be deemed to be real
81 property.

82 [(c)] (d) If any person with respect to whom a claim for tax relief in
83 accordance with this section and section 12-170w, as amended by this
84 act, has been approved for any assessment year transfers, assigns,

85 grants or otherwise conveys subsequent to the first day of October, but
86 prior to the first day of August in such assessment year the interest in
87 real property to which such claim for tax relief is related, regardless of
88 whether such transfer, assignment, grant or conveyance is voluntary or
89 involuntary, the amount of such tax relief benefit, determined as the
90 amount by which the tax payable without benefit of this section
91 exceeds the tax payable under the provisions of this section, shall be a
92 pro rata portion of the amount otherwise applicable in such
93 assessment year to be determined by a fraction the numerator of which
94 shall be the number of full months from the first day of October in
95 such assessment year to the date of such conveyance and the
96 denominator of which shall be twelve. If such conveyance occurs in the
97 month of October the grantor shall be disqualified for such tax relief in
98 such assessment year. The grantee shall be required within a period
99 not exceeding ten days immediately following the date of such
100 conveyance to notify the assessor thereof, or in the absence of such
101 notice, upon determination by the assessor that such transfer,
102 assignment, grant or conveyance has occurred, the assessor shall
103 determine the amount of tax relief benefit to which the grantor is
104 entitled for such assessment year with respect to the interest in real
105 property conveyed and notify the tax collector of the reduced amount
106 of such benefit. Upon receipt of such notice from the assessor, the tax
107 collector shall, if such notice is received after the tax due date in the
108 municipality, no later than ten days thereafter mail or hand a bill to the
109 grantee stating the additional amount of tax due as determined by the
110 assessor. Such tax shall be due and payable and collectible as other
111 property taxes and subject to the same liens and processes of
112 collection, provided such tax shall be due and payable in an initial or
113 single installment not sooner than thirty days after the date such bill is
114 mailed or handed to the grantee and in equal amounts in any
115 remaining, regular installments as the same are due and payable.

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

119 (a) No claim shall be accepted under section 12-170v, as amended by
120 this act, unless the taxpayer or authorized agent of such taxpayer files
121 an application with the assessor of the municipality in which the
122 property is located, in such form and manner as the assessor may
123 prescribe, during the period from February first to and including May
124 fifteenth of any year in which benefits are first claimed, including such
125 information as is necessary to substantiate such claim in accordance
126 with requirements in such application. A taxpayer may make
127 application to the assessor prior to August fifteenth of the claim year
128 for an extension of the application period. The assessor may grant such
129 extension in the case of extenuating circumstance due to illness or
130 incapacitation as evidenced by a physician's certificate to that extent,
131 or if the assessor determines there is good cause for doing so. The
132 taxpayer shall present to the assessor a copy of such taxpayer's federal
133 income tax return and the federal income tax return of such taxpayer's
134 spouse, if filed separately, for such taxpayer's taxable year ending
135 immediately prior to the submission of the taxpayer's application, or if
136 not required to file a federal income tax return, such other evidence of
137 qualifying income in respect to such taxable year as the assessor may
138 require. Each such application, together with the federal income tax
139 return and any other information submitted in relation thereto, shall be
140 examined by the assessor and a determination shall be made as to
141 whether the application is approved. Upon determination by the
142 assessor that the applying homeowner is entitled to tax relief in
143 accordance with the provisions of section 12-170v, as amended by this
144 act, and this section, the assessor shall notify the homeowner and the
145 municipal tax collector of the approval of such application. The
146 municipal tax collector shall determine the maximum amount of the
147 tax due with respect to such homeowner's residence and thereafter the
148 property tax with respect to such homeowner's residence shall not
149 exceed such amount. After a taxpayer's claim for the first year has been
150 filed and approved such taxpayer shall file such an application
151 biennially. In respect to such application required after the filing and
152 approval for the first year the assessor in each municipality shall notify

153 each such taxpayer concerning application requirements by regular
154 mail not later than February first of the assessment year in which such
155 taxpayer is required to reapply, enclosing a copy of the required
156 application form. Such taxpayer may submit such application to the
157 assessor by mail provided it is received by the assessor not later than
158 March fifteenth in the assessment year with respect to which such tax
159 relief is claimed. Not later than April first of such year the assessor
160 shall notify, by certified mail, any such taxpayer for whom such
161 application was not received by said March fifteenth concerning
162 application requirements and such taxpayer shall submit not later than
163 May fifteenth such application personally or for reasonable cause, by a
164 person acting in behalf of such taxpayer as approved by the assessor.

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

171 (c) Any municipality providing property tax relief under section 12-
172 170v, as amended by this act, and this section may establish a lien on
173 such property in the amount of the total tax relief granted. [plus
174 interest applicable to the total of unpaid taxes represented by such tax
175 relief, at a rate to be determined by such municipality.] Any such lien
176 shall have a priority in the settlement of such person's estate.

177 (d) Any such property tax relief granted to any such resident in
178 accordance with the provisions of section 12-170v, as amended by this
179 act, and this section shall not disqualify such resident with respect to
180 any benefits for which such resident shall be eligible under the
181 provisions of sections 12-129b to 12-129d, inclusive, 12-129n of the 2008
182 supplement to the general statutes and 12-170aa and any such
183 property tax relief provided under this section shall be in addition to
184 any such benefits for which such resident shall be eligible under

185 sections 12-129b to 12-129d, inclusive, 12-129n of the 2008 supplement
186 to the general statutes and 12-170aa.

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 said date</i>	12-170v
Sec. 2	<i>October 1, 2008, and applicable to assessment years commencing on or after said date</i>	12-170w

Statement of Purpose:

To provide a property tax freeze for homeowners sixty-five years of age and older.

[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.]