



## City of Bristol

RESPICE, ADSPICE, PROSPICE

*Look to the Past, Look to the Present, Look to the Future*

ARTHUR J. WARD  
MAYOR

March 1, 2011

To: Senator Jason Welch  
Representative Elizabeth Boukus  
Representative Frank Nicaastro, Sr.  
Representative Christopher Wright  
Representative Whit Betts

Re: Bill SB 80 - A Delinquent Property Tax Amnesty Program

As we are all aware, the state of our economy is wreaking havoc with many aspects of our daily lives. One such aspect that affects not only the taxpayers but each municipality is the ability of each taxpayer to pay municipal property taxes. Many residents are finding themselves with no work or reduced hours. Rising health care costs compound the problem. Many of our elderly only receive one check each month. When faced with the decision to either purchase necessary medication or pay municipal taxes, most residents are opting for the medication and incurring an 18% annual interest rate on the unpaid taxes. Many municipalities are then forced to struggle with lower collection rates and higher mill rates for the following fiscal year.

In an attempt to provide taxpayers with an incentive to fulfill their municipal tax obligation, local governments would benefit from having the option to extend an amnesty program to taxpayers that meet certain criteria. Such an amnesty program was authorized with Senate Bill #1200 and corresponding Public Act 08-2 but unfortunately may have been passed and since expired a bit too early. The economic situation has gotten even worse since then and many municipalities that originally did not opt to participate in the amnesty program may very well reconsider now that many more taxpayers are expressing an inability to fulfill their tax obligation.

The language of the original amnesty program read similar to something as follows: On or before December 31, any municipality, by ordinance adopted by its legislative body, may establish a one-time amnesty program for persons owing any tax, assessment, fee, fine or other payment to such municipality. Such program may (1) apply to any unpaid or partially paid taxes, fees, assessments, including those for special districts, fines,

including those for alleged violations of any municipal ordinance, or other payments required to be paid to such municipality, (2) provide for full or partial forgiveness of interest, penalties, fines, costs or other fees due on such unpaid or partially paid taxes, fees, assessments, fines or other payments, (3) limit the applicability of such program to a time period prior to the institution of such program during which such unpaid or partially paid taxes, fees, assessments, fines or other payments were levied by such municipality, (4) provide exclusions for persons who fail to meet criteria that such municipality may set for eligibility for such program, and (5) establish such other terms as such municipality may deem necessary to conduct such program effectively and efficiently.

(c) No municipality may make such program available for a period of time in excess of ninety calendar days. Such municipality shall apply the terms of such program in the same manner to each person owing any tax, assessment, fee, fine or other payment to such municipality.

For example: Taxes in the amount of \$3000 are outstanding. Over one year's time, that tax amount has accrued interest in the amount of \$540. If the outstanding taxes are paid within a 3 month period, 25% of the accrued interest will be abated (\$135 savings to the taxpayer). The minimum tax due amount as well as the percentage of interest abated could be decided through a local option.

Many residents in the State of Connecticut are struggling financially. This affects the ability of each local government to collect outstanding taxes. Given the possibility that an amnesty program may encourage residents to pay taxes that would otherwise go unpaid for one or two years, passing such legislation can only be a positive thing.

Thank you for your consideration of this legislation.



Arthur J. Ward  
Mayor  
City of Bristol, CT  
111 North Main Street  
Bristol, CT 06010