



General Assembly

February Session, 2016

Raised Bill No. 5282

LCO No. 160



Referred to Committee on AGING

Introduced by:
(AGE)

AN ACT ESTABLISHING A REVOLVING LOAN FUND TO ASSIST ELDERLY HOMEOWNERS.

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

1 Section 1. (NEW) (*Effective July 1, 2016*) (a) For purposes of this
2 section, "elderly homeowner" means any owner of real property liable
3 for property taxes under chapter 203 of the general statutes who (1) is
4 sixty-five years of age or older on the date of application for a loan
5 under this section, (2) has resided in the municipality levying such
6 property taxes for a period of not less than ten years before the date of
7 application for a loan under this section, and (3) has qualifying income
8 in the tax year immediately preceding the date of application for a loan
9 under this section that does not exceed the income limits set forth in
10 section 12-170aa of the general statutes, as adjusted annually.

11 (b) There is established a revolving loan fund to be known as the
12 "Elderly Homeowner Property Tax Revolving Loan Fund". Investment
13 earnings credited to the fund shall become part of the assets of the
14 fund. Any balance remaining in the fund at the end of any fiscal year
15 shall be carried forward in the fund for the next fiscal year. Payments

16 of principal or interest on a low interest loan made pursuant to this
17 section shall be paid to the State Treasurer for deposit in the fund. The
18 fund shall be used to make loans at the prevailing rate of interest, as
19 determined by the Secretary of the Office of Policy and Management,
20 pursuant to subsection (c) of this section and to pay reasonable and
21 necessary expenses incurred in administering loans under this section.

22 (c) (1) Notwithstanding section 12-172 of the general statutes, the
23 state, acting by and in the discretion of the Secretary of the Office of
24 Policy and Management, may provide financial assistance in the form
25 of loans at the prevailing rate of interest to elderly homeowners,
26 provided (A) the elderly homeowner has failed to pay taxes levied
27 against the elderly homeowner's property under chapter 203 of the
28 general statutes for not less than the two assessment years preceding
29 the date of application for a loan under this section, (B) the real
30 property subject to tax is not otherwise encumbered, and (C) the
31 principal amount of such loan does not exceed the amount of taxes
32 levied against the real property. The secretary may impose asset limits
33 as a condition of eligibility for loans provided pursuant to this section.

34 (2) If the state provides such financial assistance, the Secretary of the
35 Office of Policy and Management shall have a lien on the real property
36 subject to taxes in the amount of such financial assistance, plus interest
37 at the prevailing rate of interest as determined by the secretary. Such
38 lien shall have priority over all other liens on such real property except
39 a municipal property tax lien.

40 (3) Any financial assistance provided under this section shall not
41 disqualify the elderly homeowner receiving such assistance from any
42 benefits for which such elderly homeowner is eligible under the
43 provisions of sections 12-129b and 12-129c of the general statutes,
44 section 12-129n of the general statutes or section 12-170aa of the
45 general statutes.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2016</i> | New section |

Statement of Purpose:

To provide financial relief to elderly homeowners who fall behind on their tax payments.

[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.]