

BOROUGH OF NAUGATUCK

BE IT ORDAINED, by the Board of Mayor and Burgesses, in a meeting duly assembled on November 1, 2016 that the following ordinance is adopted, hereby creating a new **Article III – Senior Tax Deferral Program in Chapter 17 – Taxation**, of the Code of Ordinances of the Borough of Naugatuck, Connecticut and it reads as follows:

ORDINANCE # 128

Chapter 17, Taxation, Article III, Senior Tax Deferral Program, §§ 17-30 – 17-31 of the Code of Ordinances of the Borough of Naugatuck, Connecticut is hereby as follows:

Sec. 17-30. Purpose.

The purpose of the Naugatuck Tax Deferral Program, hereinafter referred to as the “Program”, is to assist those taxpayers in the greatest need of financial assistance by deferring payment of real estate taxes for qualifying taxpayers as described below until the property is transferred or the taxpayer dies without a qualified surviving spouse. This Program is intended as an alternate form of tax relief to the “freeze” program, and replaces all other “freeze” programs that were previously offered by the Borough.

Sec. 17-31. Eligibility- Age, disability, residency and income requirements.

1. Subject to the limitations hereinafter set forth, real property tax deferral benefits shall be available with respect to real property located in the Borough of Naugatuck owned and occupied as a principal residence by residents of Naugatuck, provided they meet the eligibility criteria set forth in this ordinance.
2. For the purpose of this ordinance, a qualified applicant is a person who:
 - a. on December 31st of the calendar year preceding the year in which an application is filed, be (1) sixty-five (65) years of age or older, or whose spouses, living with them, are sixty-five (65) years of age or over or sixty years of age or over and the surviving spouse of a taxpayer qualified in such municipality under this section at the time of his or her death or with respect to real property on which such residents or their spouses are liable for taxes under Section 12-48 of the Connecticut General Statutes, or (2) under age sixty-five and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under Social Security, or have not 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, provided such residents or their spouses under subdivisions (1) or (2) above have been taxpayers of such municipality for five (5) years immediately preceding their receipt of tax benefits under this section, and meet the requirements which may be established by such municipality with respect to maximum income allowable during the calendar year preceding the year in which application

is made for the tax relief provided in this section. No such property tax relief, together with any relief received by any such resident under the provisions of section 12-129b to 12-129d, inclusive, and 12-170aa shall exceed, in the aggregate the total amount of the tax which would, except for said sections 12-129b to 12-129d, inclusive, 12-170aa and this section, be laid against the taxpayer.

- b. is a resident of the Borough of Naugatuck for at least five (5) years immediately preceding the application;
 - c. resides in the home for at least three hundred (300) days per calendar year;
 - d. has paid all taxes due to the Borough of Naugatuck for the preceding five (5) years;
3. All such qualified applicants must meet the state tax relief program qualifying income limits as set forth in Connecticut General Statutes Section 12-170aa. Qualifying income is defined as total income, and includes taxable and nontaxable income including but not limited to all income derived from wages, Social Security (retirement or disability benefits), bank interest, interest and dividends from stocks and bonds.
4. All such residents or spouses who may qualify for tax relief under Connecticut General Statutes Section 12-129b through 12-129d, inclusive, 12-129h and/or 12-170aa must apply for and be included in such program or programs as a condition precedent to qualifying for and receiving benefits under this Program.
5. A qualified applicant who otherwise meets the above qualifications for the Program but whose principal residence is assessed at Two Hundred Thousand (\$200,000.00) Dollars or greater shall not be eligible to apply for or participate in the Program.
6. No local renter's tax relief will be offered.

Sec. 17-32. Interest, Lien, Repayment.

1. The Borough shall establish a lien on the subject property each year that such taxes are deferred in the amount of the relief granted. This lien shall have priority in the settlement of the applicant's estate.
2. All tax deferments granted under the Program shall bear interest from the date said deferred taxes become due (July 1 and January 1 of each year) and compound annually until paid in full. The rate of interest payable on such deferred taxes shall be set annually by the Board of Finance and Borough of Mayor and Burgesses at its first regular meeting in January each year and will be guided by the Prime Rate.
3. The lien will be for the amount of tax annually deferred.
4. As a condition precedent to receiving the tax deferral benefit under the Program, applicant shall execute a tax deferral lien, on a form provided by the Assessor, in favor of the Borough of Naugatuck at the time of application for benefits hereunder is made, to be recorded on the Naugatuck Land Records by the Naugatuck Tax Collector upon the approval of such application by the Naugatuck Assessor.
5. Taxes deferred under the Program shall be due and payable, together with accumulated interest thereon, at such time as the real property in question is sold and conveyed, whether or not for value, or title is transferred or upon the death of such taxpayer (unless a spouse qualified under this section hereof survives), whichever even first occurs.

Sec. 17-33. Application.

1. Any resident believing himself or herself entitled to tax deferment under the Program for any assessment year shall make application on a form prepared for such purpose by the Assessor of the Borough of Naugatuck and submit the same for approval to the Borough Assessor at any time from February 1 to and including May 15 of the year for which the tax deferment benefit is claimed. The tax deferment will be applied to the tax bills for the fiscal year starting July 1 of the year the application is filed. In making such application, the applicant shall present to the Assessor, in substantiation of his or her application, a copy of such applicant's federal income tax return including a copy of a Social Security statement or 1099 of earnings for such applicant and that of such applicant's spouse, if filed separately, for such applicant's taxable year ending immediately prior to the submission of such application or, if not required to file a return, such other evidence of qualifying income in respect to such taxable year as may be required by the Assessor, as well as documentation that evidences the applicant's acceptance into the State programs offered under Connecticut General Statutes Section 12-129b through 12-129d, inclusive, 12-129h and/or 12-170aa.
2. Approved applicants shall be required to certify continuing eligibility every two (2) years by submitting a new application to the Assessor.
3. Failure to file an application by May 15th will constitute a waiver of the right to claim local real property tax relief under the Program.
4. When the Assessor is satisfied that the applicant is entitled to the tax deferment applicable in accordance with eligibility requirements, the Assessor shall issue a certificate of tax deferment showing the amount of the taxes deferred to the applicant and deliver a copy of said certificate of deferment, together with the executed tax deferred lien, to the Naugatuck Tax Collector.

Sec. 17-34. Maximum Amount of Tax Deferral.

1. In no event will the total of all tax deferred through any tax relief program, state or local, exceed seventy-five (75) percent of the annual tax due, in the aggregate. In the event the aggregate assistance received is greater than seventy-five (75) percent of the annual tax due, the amount deferred under the Program shall be reduced accordingly.
2. The local tax deferral amount shall be one half (1/2) of the amount of tax relief as determined by the sliding scale utilized by the State tax relief ("circuit breaker") program.
3. The Assessor shall determine the maximum amount of the tax due with respect to the applicant's residence and thereafter the property tax.

Sec. 17-35. Coordination with other tax relief programs.

1. Any such property tax relief granted pursuant to the Program shall not disqualify eligible taxpayers from any other benefits to which they may be entitled as provided by law.

Sec. 17-36. Applicability.

1. The Program shall apply to annual real property taxes as are due and payable for the grand list year beginning October 1, 2016 and all subsequent grand list years.

Sec. 17-37. Discretion of Assessor, Confidentiality, Appeals.

1. The Assessor and Tax Collector shall prescribe, with regard to his or her respective duties under his or her division, such forms and procedures as may be necessary to implement the provisions of this Ordinance. The Assessor, in addition, shall satisfy himself or herself as to the qualifying income of an applicant for benefits under the Program by requesting and reviewing such evidence of qualifying income as he or she may deem pertinent.
2. All applications, federal income tax returns filed therewith and any additional evidence of qualifying income which the Assessor may require shall be kept confidential and not open to public inspection.
3. Persons aggrieved by any act or determination of the Assessor or Tax Collector under this Ordinance may appeal to the Board of Assessment Appeals.
4. After each revaluation, the Assessor shall have the option to recommend to the Joint Boards of Mayor and Burgesses and Finance that this Ordinance be reviewed if it is deemed that the revaluation may have caused substantial unanticipated changes to the program. The Assessor shall have one (1) year after the new revaluation is implemented to make this recommendation.

Sec. 17-38. Cessation of Benefits, Penalties.

1. Any benefits accruing under the Program shall cease immediately upon the death of the eligible taxpayer, provided that the eligible taxpayer's spouse does not qualify for relief under this Program, and shall be prorated for the year in which the taxpayer dies. Any person knowingly making a false application for the purpose of claiming property tax relief under the Program shall be fined not more than five hundred (\$500) dollars. Any person who fails to disclose all matters relating thereto or with intent to defraud makes a false statement shall refund to the municipality all tax relief improperly taken, which shall include all accumulated interest.

Nancy K. DiMeo, Borough Clerk

Adopted November 1, 2016