

DURHAM SENIOR TAX DEFERRAL PROGRAM ORDINANCE

Purpose

The objective of the Durham Tax Deferral Program is to defer payment of real estate taxes for qualifying taxpayers as described below until the property is transferred or the claimant dies without a qualified surviving spouse. This program is intended as an alternate form of tax relief to the “freeze” program.

Eligibility for benefits; age, disability and income requirements

A. Subject to the limitations hereinafter set forth, real property tax deferral benefits shall be available with respect to real property located in the Town of Durham owned and occupied as their principal residence by residents of Durham who are:

(1) Sixty-five years of age and over or whose spouses, living with them, are 65 years of age or over; or 60 years of age or over and the surviving spouse of a taxpayer qualified under this plan at the time of his or her death; or with respect to real property located in the Town of Durham occupied as their principal residence on which such residents or their spouses are liable for taxes under Section 12-48 of the Connecticut General Statutes; or

(2) Under age 65 and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under social security or who 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 teachers' retirement plan in which requirements with respect to qualifications for such permanent total disability benefits are comparable to such requirements under social security.

B. All such residents or their spouses shall have been taxpayers of the Town of Durham and meet income and residency requirements as stated here:

5-10 Years of Residency - Income not to exceed maximum income levels set annually for single or married status, as applicable, by the Office of Policy and Management for State elderly/disabled tax relief programs;

11-20 Years of Residency-Income not to exceed 1.5 times the maximum income levels set annually for single or married status, as applicable, by the Office of Policy and Management for State elderly/disabled tax relief programs;

20+ Years of Residency-Income not to exceed 2.0 times the maximum income levels set annually for single or married status, as applicable, by the Office of Policy and Management for State elderly/disabled tax relief programs.

Coordination with other tax relief programs

Taxpayers shall be eligible to participate in only one local tax relief program, i.e., the Tax Deferral Program or the Senior Tax Relief Program. The benefits under either local program shall not be in lieu of benefits available under any state tax relief program.

Participation in state programs required

All such residents or spouses who may qualify for tax relief under Sections 12-129b through 12-129d, inclusive, 12-129h and/or 12-170aa of the Connecticut General Statutes must apply for and be included, if qualified, in such program or programs as a condition precedent to qualifying for and receiving benefits under the Durham Tax Deferral Program (DTDP).

Establishing cap and annual review

A. The Board of Finance shall establish a maximum amount, or "cap," for the aggregate amount of deferrals available under this program. After consultation with the Assessor, the Board of Finance shall determine whether the aggregate amount of tax deferral sought under this program exceeds the dollar amount of the cap. If the Board of Finance determines that the cap is exceeded, it shall direct the Assessor to prorate the benefits in accordance with provisions of this section. Excess requested deferral over the cap shall be prorated over all participants in the Senior Tax Deferral Program in accordance with the following formula:

Total dollar amount in excess of cap divided by total tax deferral amount requested by all program participants equals the percentage the requested deferrals will be reduced.

(1) "Excess of Cap" shall be defined as the amount of tax deferrals requested that exceeds the cap set by the Board of Finance.

(2) An example of the proposal would be:

Cap set by the Board of Finance: \$300,000

Total requested deferred tax of all participants: \$350,000

Excess of Cap: \$50,000

Sample tax deferral requested for participant (A): \$3,000

Excess Over Cap $(\$350,000 - \$300,000) = \$50,000 / \$350,000 = 14.3\% \times \$3,000 = \$429.00$. Deferral requested \$3,000 - \$429 = \$2,601.

Amount of taxes participant (A) could defer this year = \$2,601.00

Amount of taxes participant (A) must pay this year = \$429.00

Limitations on benefits

A. The total amount of tax deferral allowed under the Senior Tax Deferral Program to all qualified taxpayers shall be determined by the Board of Finance and shall not exceed one percent of the proposed tax levy to which the deferral is to be applied.

B. For those such residents or spouses receiving or eligible to receive benefits under the state tax relief program, the benefit available under DTDP shall not exceed, in the aggregate, 100% of the total amount of the tax which would, except for said Sections 12-129b through 12-129d, inclusive, 12-129h and 12-170aa of the Connecticut General Statutes and DTDP, be laid against the taxpayer for said real property. Thus, the tax deferral available to such residents or their spouses under DTDP shall be equal to the difference between the abatement afforded by such

state programs and 100% of the taxes (or the portion of the taxes permitted to be deferred based on the maximum benefit cap established by the Board of Finance) laid against the taxpayer for such real property. If benefits received under state programs exceed said 100% of the total taxes due, no tax deferment benefit shall be available under DTDP.

C. The total amount of tax deferment allowed against any single property under the Senior Tax Deferral Program shall not exceed, in the aggregate, the assessed value shown on the current Grand List of said property.

D. There shall be no tax deferment benefits available under DTDP where income exceeds defined limits.

Fractional interests or multiple-family dwellings

The real property tax deferral relief provided under DTDP may, in any case where title to the real property is recorded in the name of the taxpayer or his or her spouse and any other person or persons, be prorated to reflect the fractional share of such taxpayer or spouse, or, if such real property is a multiple-family dwelling, such relief may be prorated to reflect the fractional portion of such property occupied by the taxpayer.

Interest, lien and repayment

A. All tax deferments granted under DTDP shall bear interest from the date said deferred taxes become due (July 1 and January 1 of each year) and compound annually until fully paid. The rate of interest payable on such deferred taxes shall be set annually by the Durham Board of Finance at its first regular meeting in January of each year, to be applicable to the fiscal year commencing the following July 1.

B. As a condition precedent to receiving the tax deferral benefits under DTDP, an applicant shall execute a tax deferral lien, on a form provided by the Assessor, in favor of the Town of Durham at the time of application for benefits hereunder is made, to be recorded on the Durham land records by the Durham Tax Collector upon the approval of such application by the Durham Assessor.

C. Taxes deferred under DTDP 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 event first occurs.

Annual application process

A. Any resident believing himself or herself entitled to tax deferments under DTDP for any assessment year shall make application on a form prepared for such purpose by the Durham Assessor and submit the same for approval to the Durham Assessor at any time from February 1 to and including May 15 of the year for which the tax deferment benefit is claimed. 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 said security statement 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.

B. When the Assessor is satisfied that the applicant is entitled to the tax deferment applicable in accordance with DTDP, 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 Durham Tax Collector.

C. The amount of the tax deferment approved shall be applied to the real property tax payable by the resident taxpayer for the assessment year in which such application is submitted and approved. If any such resident taxpayer has qualified for a tax deferment under DTDP, the deferment shall be applied and prorated uniformly over the number of installments in which the real property tax is due.

Right of appeal

Any person aggrieved by the action of the Assessor in determining the amount of relief or in disapproving any such application under this article may appeal to the Board of Selectmen, in writing, within 14 days after the date of the written notification of the Assessor on such application. The Board of Selectmen shall promptly consider such appeal and may grant or deny the relief requested, or make such other modifications necessary to comply with the article.

Approved at Special Town Meeting, February 19, 2008.
In effect upon publication.