



ORDINANCE

CITY OF DANBURY, STATE OF CONNECTICUT

CITY COUNCIL

_____ A.D. 2020

Be it ordained by the City Council of the City of Danbury:

Sec. 44-53 Tax freeze for elderly homeowners.

(a) The City of Danbury hereby re-enacts a tax freeze for elderly homeowners, pursuant to §12-129n of the Connecticut General Statutes, for specified, eligible residents of the City of Danbury on the terms and conditions provided herein. This section is enacted for the purpose of assisting elderly homeowners with a portion of the cost of property taxation commencing with the Assessment List of October 1, 2012.

(b) Any person who owns real property in the City of Danbury or is liable for the payment of taxes thereon, pursuant to §12-48 of the Connecticut General Statutes, and who occupies the property as a principal residence may elect to apply for a freeze under which such applicant shall pay the gross tax levied on applicable property calculated for the first year the application is granted (the "freeze amount") and shall be entitled to continue to pay no more than the freeze amount for each subsequent year in which the applicant, or his surviving spouse, continues to meet such qualifications and those as herein set forth.

(1) a. Such person is sixty five (65) years of age or over at the close of the previous calendar year, or his or her spouse is sixty five (65) years of age or over at the close of the previous calendar year and resides with such person, or such person is sixty-five (65) years of age or is over and is the surviving spouse of a taxpayer qualified for tax freeze under this section at the time of his or her death; or

b. Such person is under age sixty five (65) and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under Social Security, or has not been engaged in employment covered by Social Security and accordingly has not qualified for benefits thereunder, but has 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.

(2) Such person must have a principal residence located in Danbury and must have paid taxes in Danbury for one (1) year immediately preceding his or her receipt of tax benefits hereunder.

(3) The property for which the freeze is claimed must be the primary legal residence of such person and occupied more than one hundred eighty-three (183) days of each calendar year.

(4) Applications must be filed with the assessor's office between February 1 and May 15 in the year following the list year with respect to which benefits are claimed hereunder, in triplicate, one (1) copy going to the taxpayer, one (1) to the tax collector and one (1) to the assessor. The applicant must reapply every two (2) years in order to continue eligibility for relief hereunder.

(5) No tax freeze shall be provided under this section to any persons who owe delinquent taxes to the City of Danbury. The applicant shall submit a certificate from the tax collector to the effect that no such delinquent taxes are owed.

(6) No property tax relief authorized hereunder, together with any relief received by any such resident under provisions of the Connecticut General Statutes, §§ 12-129b to 12-129d, inclusive, 12-129h, and 12-170aa, shall exceed, in the aggregate, seventy-five (75) per cent of the tax which would, except for said §§ 12-129b to 12-129d, inclusive, 12-129h, 12-170aa and this section, be laid against the taxpayer.

(7) The freeze program will be based on income guidelines and standards as set forth in Section (j) hereunder.

(c) The tax freeze for real property as provided herein shall apply to only the residence itself and the lot on which the residence is located, but shall not apply to more than the minimum lot size permitted by the zoning ordinances of the City of Danbury.

(d) The assessor shall determine whether each applying taxpayer is entitled to tax freeze under this section and shall compute the amount of said freeze to which each qualified taxpayer is entitled and cause a certificate of tax freeze to be issued in such form as to permit the tax collector to reduce the amount of tax levied against the taxpayer. The tax freeze shall be applied proportionately to the tax payments.

(e) The tax freeze shall be allowed for each parcel of land eligible for the freeze under this section. In any case where title to such real property is recorded in the name of the taxpayer or his or her spouse, who are eligible and any other person or persons, the amount shall be prorated to allow a freeze equivalent to the fractional share in the property of such taxpayer or spouse, and if such property is a multiple-family dwelling, such credit shall be prorated to reflect the fractional portion of such property occupied by the taxpayer, as provided by state statutes, as they may be amended. Persons not otherwise eligible shall not receive any tax credit. No tax credit shall be allowed hereunder if such dwelling is used for more than four (4) families.

(f) The tax freeze allowed hereunder shall not apply to any water rent, water use charge, water tax, sewer tax or sewer use charge which may be levied against real property in the City of Danbury.

(g) If a taxpayer has qualified and received tax relief under the provision: of this section and subsequently becomes disqualified for any reason, he or she shall notify the tax assessor on or before February 1 of the year in which he or she becomes disqualified and his or her exemption shall cease for such fiscal year and such disqualification shall continue until he or she becomes eligible again and has filed a new application.

(h) In the event that the applicant shall make improvement to his property resulting in an increase in his assessment, an amount calculated by multiplying the increase in taxpayer's assessment attributable to the improvement by the mill rate in effect in the year such reassessment takes place shall be added to the freeze amount then applicable to obtain a revised freeze amount which will be the freeze amount for subsequent assessments years.

(i) If any person with respect to whom a claim for a tax freeze in accordance with this section has been approved for any assessment year transfers, assigns, grants or otherwise conveys in such assessment year the interest in real property to which such claim for tax freeze is related, regardless of whether such transfer, assignment, grant or conveyance is voluntary or involuntary, the amount of such tax freeze shall be a pro rata portion of the amount otherwise applicable in such assessment year to be determined by a fraction the numerator of which shall be the number of full months from the first day of October in such assessment year to the date of such conveyance and the denominator of which shall be twelve (12). If such conveyance occurs in the month of October, the grantor shall be disqualified for tax credit in such assessment year. The grantee shall be required within a period not exceeding ten (10) days immediately following the date of such conveyance to notify the assessor thereof, whereupon the assessor shall determine the amount of tax credit to which the grantor is entitled for such assessment year with respect to the interest in real property conveyed and notify the tax collector of the reduced amount of tax credit applicable to such interest. Upon receipt of such notice from the assessor, the tax collector shall, if such notice is received after the tax due date in the municipality, within ten (10) days thereafter mail or hand a bill to the grantee stating the additional amount of tax due as determined by the assessor. Such tax shall be due and payable and collectible as other property taxes and subject to the same liens and processes of collection, provided such tax shall be due and payable in an initial or single installment not sooner than thirty (30) days after the date such bill is mailed or handed to the grantee and in equal amounts in any remaining, regular installments as the same are due and payable.

(j) *Income.* The purpose of this article is to provide tax relief based upon the total income available to the applicant(s) in the home without regard to the exclusion of certain income or to certain deductions which might otherwise be allowable by the Internal Revenue Service Code of 1986, as may be amended from time to time. Such person(s) shall have individually, if unmarried, or jointly, if married, qualifying income in an amount not to exceed limits described below for the tax year ending immediately preceding the application for tax relief benefits. Accordingly, qualifying income is defined as set forth below.

(1) Income is the total income in the home shown on line 22 of the current IRS form 1040 [or line 15 of the current IRS form 1040A] plus nontaxable income received from Social Security plus federally tax exempt interest or other income and includes income paid to or given to the applicant or his or her eligible spouse by persons living in the home.

(2) In determining the total income in the home there shall be no allowance for: (a) business losses in excess of business gains [current IRS form 1040 Schedule C or Schedule C-EZ]; (b) losses in excess of gains on current IRS form 1040 Schedule E (page 1 line 17) (rental real estate, royalties, partnerships, S-corps, trusts, etc.); and/or (c) negative income on current IRS form line 21.

(3) The reference to current IRS forms shall include comparable data as contained in any revised IRS forms.

(4) Where an applicant does not file an IRS form, the information used to calculate total income in the home, shall be the information which would have been included on an IRS form, had one been filed, i.e., SSA-1099; 1099-Div.; 1099-Int.; 1099-R; etc.

(5) Each applicant shall sign an affidavit (Town application) and IRS Form 4506, allowing the Town to verify the prior two (2) years' tax returns, certifying that the information provided with respect to such applicants' total income in the home is true and accurate to the best of the knowledge of the applicant.

(6) In the event of a question with respect to income or a claimed exemption of income, or deduction from income, not specifically referred to in this section, the Assessor shall make a determination based upon the purposes of this article. Any dispute on this section, or any other section, may be appealed to the Board of Assessment Appeals.

(7) In any case where title to the real property is recorded in the name of the taxpayer or his spouse and/or any other person or persons, the tax relief granted herein shall be prorated to reflect the fractional share of such taxpayer or spouse; and, furthermore, if such property is occupied as a multiple-family dwelling, such relief shall be prorated to reflect the fractional portion of such property occupied by the taxpayer.

(8) Any person entitled to the tax relief pursuant to this article is required to file biennially for the benefit; however, if the taxpayer's income exceeds or changes under sub-section (j) hereof as set forth, said person shall be required to reapply.

(9) Such person/persons shall not have received qualifying income during the calendar year preceding the fiscal year for which tax relief is claimed in excess of fifty three thousand dollars (\$53,000.00) if single and sixty thousand one hundred dollars (\$60,100.00) if married. The freeze amount will be calculated based on taxes paid for the October 1, 2011 grand list.

(k) *Sunset.* This program is intended to sunset with the filing of the October 1, 2020 Grand List, unless specifically renewed by the adoption of an amended Ordinance Sec. 44-53.

EFFECTIVE DATE: This Ordinance shall take effect thirty days (30) days after adoption and publication, as provided by law and section 3-10 of the Charter of the City of Danbury.

Adopted by the City Council – June 2, 2020

Approved by Mayor Mark D. Boughton – June 5, 2020

ATTEST: S/S JEAN A. NATALE
JEAN A. NATALE, Legislative Assistant