

Ordinance Authorizing a Local Tax Relief Program

1. Statutory Authority: Purpose

The Town of Somers hereby enacts tax relief for elderly and disabled homeowners of the Town of Somers pursuant to Section 12-129n of the Connecticut General Statutes. This article is enacted for the purpose of assisting elderly and disabled homeowners with a portion of the costs of real property taxation on the terms and conditions provided herein.

2. Title

This article shall be known and may be cited as the 'Local Tax Relief Program'.

3. Requirements for Application

- a. All residents, who have been taxpayers in Somers for one year immediately preceding their receipt of tax benefits under this article and meet the other requirements in this article, may apply for the Somers Local Tax Relief Program on real property owned and occupied as their principle residence. Principle residence shall include the house and the house lot on which it is situated, but shall not include excess acreage as determined by the Assessor. Unit owners of a cooperative, condominium or other common interest ownership unit will also qualify if they meet the other requirements of this program.
- b. All applicants must be 65 years of age, by December 31 of the preceding year, or reside with spouses who are 65 years of age or older by December 31 of the preceding year, or be 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 there under, 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 such qualifications for such permanent total disability benefits are comparable to such requirements under Social Security as of December 31 of the year preceding application with the Town of Somers.
- c. All applicants must declare all sources of income, with income received during the prior calendar year as well as all assets as part of the application process. Total income shall include earned and unearned income, including but not limited to, all income derived from wages, Social Security, bank interest, interest from stocks and bonds, etc. and including imputed income from all non-income producing assets. Income from non-income producing assets shall be imputed at an annual rate of two percent (2%) of the value of the non-income producing assets. Notwithstanding the above, no imputed income shall be attributed to the applicant's principle residence.

The available tax relief shall be based upon the following income
Levels:

| | Income <u>From</u> | Income <u>To</u> | Married <u>% Max</u> | Unmarried <u>% Max</u> |
|--------|-----------------------|---------------------|-------------------------|---------------------------|
| Step 1 | 0 | 12,900 | 75 | 65 |
| Step 2 | 12,901 | 17,500 | 65 | 55 |
| Step 3 | 17,501 | 21,800 | 50 | 40 |
| Step 4 | 21,801 | 26,100 | 30 | 20 |
| Step 5 | 26,101 | 31,900 | 15 | 00 |

The income limits will be reviewed by the Tax Assessor, and adjusted each year in accordance with the State income levels determined pursuant to the General Statutes for tax relief for elderly and disabled individuals.

- d. In any case where title to real property is recorded in the name of the taxpayer or his or her spouse who is eligible for tax relief and any other person or persons, the tax relief under this article shall be prorated to allow tax relief equivalent to the fractional share in the property of such taxpayer or spouse, and the persons not otherwise eligible for tax relief shall not receive any tax relief.
- e. All property owners who wish to apply for this tax relief may do so from February 1 through May 15 annually by filing an application with the Town Assessor. Upon application, all applicants must complete all of the information on a form prepared by the Town Assessor and provide proof of all forms of income from the prior calendar year. All approved applicants will be required to re-file biennially with the Town Assessor.
- f. Applicants who are not the record owners of property but have a deeded life use to their residence which requires the applicant to pay the property taxes will qualify for a benefit under this program, provided that they comply with all other requirements.

4. Death of Primary Applicant

- a. Upon the death of a beneficiary of this program who is elderly, the surviving spouse may continue to receive this tax relief if he/she is 60 years of age or older as of the date of the primary applicants' death. The surviving spouse will be required to re-file biennially with the Town Assessor and to meet all other program eligibility guidelines. Once a surviving spouse does not qualify for the local tax relief option for any reason other than age, he/she shall not be eligible to continue with this tax relief.
- b. The surviving spouse may apply as a primary applicant if totally disabled prior to reaching age 65, or upon reaching age 65 as specified in Section 3 of this article.

5. Removal of Tax Credit

Upon the death of a qualified applicant, or upon the recording of any instrument with the Somers Town Clerk indicating that the Local Tax Relief Option beneficiary is no longer the primary recipient of the local tax relief benefit, (such as a transfer of the title of the property) and that there is no surviving spouse eligible to assume continuation of the benefit, the tax relief status shall be removed and the current assessment for that assessment year shall be prorated.

6. Determination of Eligibility; Calculation of Tax Liability

The Assessor shall determine the eligibility of each person who has applied for the program and shall calculate the tax liability for all eligible persons, except that a lesser deduction shall be made when and to the extent required to ensure that:

- a. No person shall receive a total tax relief, when combined with any such other tax relief for which such taxpayer may be eligible in accordance with Connecticut General Statutes Sections 12-129b, 12-129d, inclusive, 12-129h or 12-170aa which exceeds 75% of the property tax for which such taxpayer would be liable.
- b. The total of all relief granted under the provisions of this article for any tax year shall not exceed an amount equal to one-half percent of the Town of Somers' Current adopted operating budget in effect as of February 1. In the event it exceeds ½% of the budget, the tax relief given to eligible persons shall be prorated uniformly to keep the total amount of town tax relief within the statutory limit using the following formula:

$$\frac{1}{2} \text{ of } 1\% \text{ of Total Operating Budget} = \text{Prorate } \%$$

Cost of Program

The Board of Finance may impose an annual limit on the total amount of tax relief under this section.

7. Amount Stabilized

The amount of relief shall be determined by the taxes on the Grand List preceding the application period and remain in effect for two years unless one of the following occurs:

- a.** In the event that under a revaluation and by applying the current mill rate, the tax owned on a property under this article is less than the stabilized figure granted under this article, then the Assessor shall reset the stabilized tax at the lower figure
- b.** If there are improvements, changes, alterations, or additions that result in an increase in the assessed value of the stabilized residential property, the property shall be reevaluated at the stabilized mill rate.
- c.** In the event the relief of the taxes of all eligible residents exceeds an amount equal to one half percent of the total budget and a prorata is implemented as per Section 6, the tax relief will be adjusted to reflect the new amount.

8. Applicability

This article shall apply to annual real property taxes as are due and payable for the fiscal year beginning July 01, 2004 and subsequent years.

9. Severability

If any section, clause, provision or portion of this article shall be held to be invalid by any court of any competent jurisdiction, the remaining provisions shall remain valid.

Board of Selectmen

David A. Pinney, First Selectman
Kathleen Devlin, Selectman
Ernest J. Allsup, Selectman

Adopted: Special Town Meeting held on Monday, April 26, 2004
Publication: May 03, 2004
Effective Date: May 04, 2004