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# CITY OF DANBURY

OFFICE OF THE MAYOR  
DANBURY, CONNECTICUT 06810

MARK D. BOUGHTON  
MAYOR

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April 29, 2008

Honorable Members of the Common Council  
City of Danbury, Connecticut

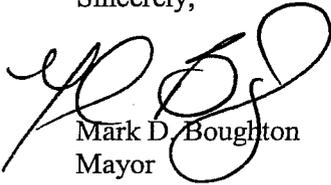
Dear Common Council Members:

Senior citizen residents of the City of Danbury, similar to seniors in many parts of the country, face many financial challenges with their cost of living in Connecticut. A common theme of responses to my senior citizen surveys indicates specific challenges with the high cost of property taxes on a fixed income. Most of our senior's major asset is the equity in their home, limiting their ability to afford increased living expenses.

I am writing to request an Ad Hoc Committee of the Common Council to consider enhancements to the Tax Deferral Program for Elderly Homeowners. I believe we can enhance the existing program to recruit more participants and provide more opportunities for seniors to afford their homes.

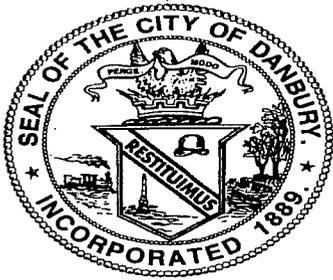
I look forward to working with the Common Council to develop a balanced and comprehensive Tax Deferral Program for Elderly Homeowners. Thank you for your attention to this matter.

Sincerely,



Mark D. Boughton  
Mayor

MDB/mm



4-1

# ORDINANCE

## CITY OF DANBURY, STATE OF CONNECTICUT

### COMMON COUNCIL

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

Sec. 18-12.1. Tax deferral program for elderly homeowners.

(a) The City of Danbury hereby enacts a tax deferral program for elderly homeowners, pursuant to Section 12-129n of the Connecticut General Statutes, for 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 2002.

(b) Any person who owns real property in the City of Danbury or is liable for the payment of taxes thereon, pursuant to Section 12-48 of the Connecticut General Statutes, and who occupies the property as a principal residence shall be entitled to defer twenty five (25) per cent of the real property tax on said residence remaining due after the application all city and state real property tax credits, provided the following conditions are complied with:

(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 (60) years of age or over and the surviving spouse of a taxpayer qualified for tax relief 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 tax deferral 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 annually with the assessor's office between February first and May fifteenth in the year following the assessment list date with respect to which benefits are claimed hereunder. All applications shall be filed 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 year in order to continue eligibility for relief hereunder.

(5) Such person shall not have received qualifying income during the calendar year preceding the fiscal year for which tax relief is claimed in excess of fifty two thousand five hundred dollars (\$52,500.00) if single, or fifty nine thousand two hundred dollars (\$59,200.00) if married. For purposes hereof, "qualifying income" shall be defined to include total adjusted gross income, tax-exempt interest, realized capital gains, and social security payments, as determined under the Internal Revenue Code of 1986, or any subsequent corresponding Internal Revenue Code of the United States, as from time to time amended.

(6) No property tax relief authorized hereunder shall be given 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.

(7) No property tax relief authorized hereunder, together with any relief received by any such resident under provisions of Section 18-12 of the Danbury Code of Ordinances or under Sections 12-129b to 12-129d, inclusive and 12-170aa of the Connecticut General Statutes, shall exceed, in the aggregate, seventy-five (75) per cent of the tax which would, except for said provisions, be laid against the taxpayer.

(8) The net assessment on real property subject to tax deferral hereunder, after all applicable tax exemptions have been applied, shall not exceed three hundred thousand dollars (\$300,000.00). The aggregate total tax deferred over the life of this program with respect to any parcel of property shall not exceed forty (40) per cent of the total assessed value of said property.

(c) Each tax deferral granted in accordance with the provisions of this section shall terminate upon the death of the taxpayer or upon the transfer, assignment, grant or conveyance of the property subject to tax deferral hereunder. Upon such termination the taxpayer or the taxpayer's estate shall reimburse the city for the full amount of the taxes deferred hereunder together with interest at the rate of one (1) per cent per annum.

(d) The city shall establish a lien on each property that is subject to tax deferral hereunder in the amount of the relief granted, together with interest at the rate of one (1) per cent per annum. Said lien shall have a priority in the settlement of the taxpayer's estate.

(e) The tax deferral provided for herein shall apply only to the residence itself and to 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.

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

(g) Only one (1) tax deferral shall be allowed for each parcel of real property eligible for tax deferral under this section. If title to such property is recorded in the name of an eligible taxpayer or his or her spouse and any other person or persons, the amount of the deferral shall be prorated to allow a tax deferral equivalent to the fractional share in the property of such taxpayer or spouse. If such property is a multiple-family dwelling, such deferral shall be prorated to reflect the fractional portion of such property occupied by the taxpayer.

(h) The tax deferral allowed hereunder shall not apply to any water use charge, sewer use charge or special utility tax assessments that may be levied against real property in the City of Danbury.

(i) If a taxpayer has qualified and received tax relief under the provisions of this section and subsequently becomes disqualified for any reason, he or she shall notify the tax assessor on or before the next assessment date and his or her exemption shall cease for such assessment year and such disqualification shall continue until he or she becomes eligible again and has filed a new application.

(j) The total of all tax deferrals granted under this section shall not exceed for each assessment year an amount equal to five (5) per cent of the total real estate property tax assessed in the City of Danbury during the preceding assessment year; tax deferrals given to eligible applicants hereunder shall be prorated in such a manner so that the total amount of city tax relief hereunder shall remain within the limits fixed herein.

(k) If any person with respect to whom a claim for tax relief 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 relief is related, regardless of whether such transfer, assignment, grant or conveyance is voluntary or involuntary, the amount of such tax deferral 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 relief 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 deferral 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 deferral 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.

Sec. 18-12.1. Tax deferral program for elderly homeowners.

(a) The City of Danbury hereby enacts a tax deferral program for elderly homeowners, pursuant to Section 12-129n of the Connecticut General Statutes, for 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 2002.

(b) Any person who owns real property in the City of Danbury or is liable for the payment of taxes thereon, pursuant to Section 12-48 of the Connecticut General Statutes, and who occupies the property as a principal residence shall be entitled to defer TWENTY FIVE (25) ~~fifteen (15)~~ per cent of the real property tax on said residence remaining due after the application all city and state real property tax credits, provided the following conditions are complied with:

(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 (60) years of age or over and the surviving spouse of a taxpayer qualified for tax relief 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 tax deferral 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) With respect to the Assessment List of 2002, applications must be filed with the assessor's office on or before September 15, 2003. Thereafter, a~~ Applications must be filed annually with the assessor's office between February first and May fifteenth in the year following the assessment list date with respect to which benefits are claimed hereunder. All applications shall be filed 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 year in order to continue eligibility for relief hereunder.

(5) Such person shall not have received qualifying income during the calendar year preceding the fiscal year for which tax relief is claimed in excess of FIFTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$52,500.00) ~~thirty six thousand, one hundred dollars (\$36,100.00)~~, if single, or FIFTY NINE THOUSAND TWO HUNDRED DOLLARS (\$59,200.00) ~~forty one thousand, nine hundred dollars (\$41,900.00)~~, if married. For purposes hereof, "qualifying income" shall be defined to include total adjusted gross income, tax-exempt interest, realized capital gains, and social security payments, as determined under the Internal Revenue Code of 1986, or any subsequent corresponding Internal Revenue Code of the United States, as from time to time amended.

(6) No property tax relief authorized hereunder shall be given 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.

(7) No property tax relief authorized hereunder, together with any relief received by any such resident under provisions of Section 18-12 of the Danbury Code of Ordinances or under Sections 12-129b to 12-129d, inclusive and 12-170aa of the Connecticut General Statutes, shall exceed, in the aggregate, seventy-five (75) per cent of the tax which would, except for said provisions, be laid against the taxpayer.

(8) The net assessment on real property subject to tax deferral hereunder, after all applicable tax exemptions have been applied, shall not exceed three hundred thousand dollars (\$300,000.00). The aggregate total tax deferred over the life of this program with respect to any parcel of property shall not exceed forty (40) per cent of the total assessed value of said property.

(c) Each tax deferral granted in accordance with the provisions of this section shall terminate upon the death of the taxpayer or upon the transfer, assignment, grant or conveyance of the property subject to tax deferral hereunder. Upon such termination the taxpayer or the taxpayer's estate shall reimburse the city for the full amount of the taxes deferred hereunder together with interest at the rate of ONE (1) ~~five (5)~~ per cent per annum.

(d) The city shall establish a lien on each property that is subject to tax deferral hereunder in the amount of the relief granted, together with interest at the rate of ONE (1) ~~five~~(5) per cent per annum. Said lien shall have a priority in the settlement of the taxpayer's estate.

(e) The tax deferral provided for herein shall apply only to the residence itself and to 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.

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

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(h) The tax deferral allowed hereunder shall not apply to any water use charge, sewer use charge or special utility tax assessments that may be levied against real property in the City of Danbury.

(i) If a taxpayer has qualified and received tax relief under the provisions of this section and subsequently becomes disqualified for any reason, he or she shall notify the tax assessor on or before the next assessment date and his or her exemption shall cease for such assessment year and such disqualification shall continue until he or she becomes eligible again and has filed a new application.

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(k) If any person with respect to whom a claim for tax relief 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 relief is related, regardless of whether such transfer, assignment, grant or conveyance is voluntary or involuntary, the amount of such tax deferral 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 relief 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 deferral 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 deferral 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.

Note: New language is indicated by CAPITALIZATION COMBINED WITH UNDERLINING except that capitalization is not utilized for the letters in parentheses which indicate subsections.

Deleted language is indicated by ~~strikeouts~~.