

Article VI

**Colchester's Tax Relief Program for Homeowners who are Elderly or Permanently and Totally Disabled
[Adopted 10-28-1993. Amendments noted where applicable.]**

§ 129-19. Adoption of article.

The following article shall be adopted by the Town of Colchester.

§ 129-20. Tax relief for homeowners who are elderly or permanently and totally disabled. [Amended 6-19-2008]

The Town of Colchester (the "town") hereby provides real property tax relief for eligible elderly town residents and eligible permanently and totally disabled town residents ("tax relief") pursuant to C.G.S. § 12-129n, commencing with the Grand List of October 1, 2007, and thereafter, on the terms and conditions provided herein.

§ 129-21. Eligibility. [Amended 6-19-2008]

- A. Any person who owns real property in the town, or who is liable for taxes on real property pursuant to C.G.S. § 12-48, and who occupies said real property as his or her principal residence, shall be entitled to tax relief, provided that such person meets the eligibility criteria of clause (1)(a) and clauses (2) and (3) below or clause (1)(b) and clauses (2) and (3) below:
- (1) (a) Elderly Criteria: Such person is 65 years of age or over, or whose spouse, living with them, is 65 years of age or over or 60 years of age or over and the surviving spouse of a taxpayer qualified under this article at the time of his or her death.
- OR
- (b) Disability Criteria: Such person is under age 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's income does not exceed the income limitations for the tax relief program pursuant to C.G.S. § 12-170aa, as amended from time to time, by more than \$5,000.00.
- (3) Such person or his or her spouse has, for one year immediately preceding the receipt of tax relief under this article, been a taxpayer of the town.
- B. Notwithstanding the foregoing, no otherwise eligible person shall be deemed ineligible for tax relief solely because said person or his or her spouse has resided in a health care facility for a period of up to one year. Persons who reside in such a facility for a period longer than one year shall be ineligible for tax relief for the period exceeding said one year.

§ 129-22. Limitations. [Amended 6-19-2008]

- A. The tax relief shall be limited to the principal residence of the taxpayer, including the dwelling, the primary lot upon which the residence is located and any accessory buildings located upon such lot (the "eligible property"), as determined by the town assessor (the "assessor"); provided, however, that in the case of a cooperative, the assessor shall determine the tax relief in accordance with the procedure set forth in C.G.S. § 12-129n(g).

- B. The taxpayer's total tax relief shall not exceed the limitations set forth in C.G.S. § 12-129n(a).
- C. The town's total abatement of property tax revenue, based on an estimate in any tax year by the Colchester Board of Finance, which may be granted in such tax year by the town pursuant to this article, shall be subject to the limitations of C.G.S. § 12-129n(c).
- D. With respect to each taxpayer receiving tax relief pursuant to this article, the total amount of such tax relief granted to such taxpayer over time including interest as provided in § 129-25A hereof shall not exceed 50% of the market value of the eligible property. In any case where title to the eligible property is recorded in the name of the taxpayer or his or her spouse and any other person or persons, such total tax relief including interest shall not exceed 50% of market value of the fractional interest of such taxpayer or spouse in the eligible property. For purposes of this section, the assessor shall determine market values.

§ 129-23. Application; filing period; re-filing annually. [Amended 6-19-2008]

- A. Application for tax relief shall be made on forms provided by the assessor and shall be accompanied by a copy of the applicant's most recent federal income tax return or such other documentation of eligibility as may be required by the assessor.
- B. The application must be filed annually with the assessor during the period of February 1 through August 1, inclusive.

§ 129-24. Computation of tax relief. [Amended 6-19-2008]

- A. The assessor shall compute the amount of tax relief to which the taxpayer is entitled and advise the town tax collector thereof.
- B. The tax relief shall, in any case where title to the eligible 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.
- C. The tax relief shall, in any case where the eligible property is a multifamily dwelling, be prorated to reflect the fractional portion of eligible property occupied by the taxpayer.
- D. If a recipient of tax relief dies or transfers, grants or otherwise conveys his or her interest in the eligible property, the tax relief previously allowed shall be disallowed to the extent of the portion of the tax year remaining following such death or transfer, except where the surviving spouse of the recipient, otherwise eligible under § 129-21A(1) hereof, acquires the interest formerly held by the recipient.

§ 129-25. Lien on eligible property; Repayment. [Amended 6-19-2008]

- A. The town shall have a lien on the eligible property as provided in C.G.S. § 12-129n(f), which lien shall include interest on the amount of the tax relief granted at an annual rate of 3%.
- B. This lien is not assumable.
- C. The interest rate on the amount of the tax relief granted that remains unpaid 12 months from the date the recipient of tax relief dies shall be the interest rate charged by the town for delinquent taxes, except where the surviving spouse of the recipient, otherwise eligible under § 129-21A(1) hereof, acquires the interest formerly held by the recipient.
- D. If a recipient of tax relief shall transfer or otherwise convey his or her entire interest in the eligible property, such recipient shall, at the time of such transfer or conveyance, repay to the town the aggregate tax relief granted to such taxpayer, including interest. If a recipient of tax relief shall transfer or otherwise convey a portion of his or her interest in the eligible property, such recipient shall, at the time of such partial transfer or conveyance, repay to the town the sum equal to the percentage interest of the transferred or conveyed portion times the aggregate relief granted to such taxpayer, including interest.

- E. For the purposes of this section, the transfer by a recipient of tax relief, while retaining a life estate in the eligible property, shall be considered a 100% transfer of the eligible property.
- F. The Board of Selectmen may adjust the interest rate in § 129-25A hereof no more frequently than annually to reflect the then prevailing market conditions.

§ 129-26. Administration. [Amended 6-19-2008]

- A. The assessor is hereby authorized to administer this program. The assessor may designate agents to act in the assessor's name in collecting applications for this program.
- B. Beginning with the Grand List year 2012 and every five years thereafter, the Board of Selectmen shall form a "local option property tax relief task force", consisting of at least one member of the Board of Selectmen, one member of the Board of Finance, one member of the town Commission on Aging and four members of the general public to review this local option and the annual percentage rate being charged for the interest while the taxes are deferred.