April 13, 2020

TO: Thomas J. Byrne
    Moderator RTM

FROM: Heather Smeriglio
    Tax Collector

RE: Tax Programs for Covid-19

Please find a package of information that was prepared for the Representative Town Meeting to assist them in their deliberations relating to the adoption of either the Deferment Program or Low-interest Program which appears on the April call.

I will be available to the RTM Committee members taking up this item to answer any questions that they may have.

I hope that you find this information helpful and that the decision making process is a smooth one.
OVERVIEW OF
GOVERNOR LAMONT'S EXECUTIVE ORDERS 7S/7W
AND
TAX COLLECTOR/TOWN COMPTROLLER
ANALYSIS OF
THE DEFERRAL PROGRAM
AND
LOW-INTEREST RATE PROGRAM
AS IT
RELATES TO THE
TOWN OF GREENWICH
Explanation of Potential Impact to the Town of Greenwich of Executive Order 7S on Tax Collection

General Overview

- Governor Lamont issued Executive Order 7S on April 1, 2020

- Executive Order 7S requires the legislative body to authorize a town to participate in one or both programs that either defers tax collection or reduces the amount of interest paid on late tax payments

- In Greenwich, the RTM is the legislative body that is responsible for adopting one or both programs

- The Governor has stated that these programs are intended to offer support to eligible taxpayers, businesses, nonprofits and residents economically affected by the COVID-19 pandemic

- The two programs are referred to as the “Deferment Program” and the “Low Interest Rate Program”

- The Secretary of the Office of Policy and Management must be notified no later than April 25, 2020 as to what program(s) the town chooses to participate in

- Taxpayers who pay their property taxes through a financial institutions or mortgage servicers are not eligible for the Deferment and Low Interest Rate Programs so long as they are current on their mortgage or are in a forbearance or deferment program even if they might otherwise be eligible for these programs

- Nothing in Executive Order 7S affects any provision of the Connecticut General Statutes relating to continuing, recording and releasing property tax liens and the precedence and the enforcement of taxes, rates, charges and assessments remains applicable to any deferred tax, rate, charge or assessment or installment or any portion thereof.
Deferment Program

- For taxes due on March 10, 2020 through and including July 1, 2020, eligible taxpayers, businesses, nonprofits and residents would be able to defer tax payment by 90 days.

- Interest on late payment will be zero for any tax or charged owed so long as it’s paid within 90 days from the original due date.

- Taxes includes real property, personal property or motor vehicles.

- Taxes also include municipal water, sewer, and electric rates, charges or assessments for such tax, rate, charge or assessment.

- Does not apply to water, sewer and electrical charges by private providers – taxes and charges must be paid normally.

- Secretary of the Office of Policy and Management is to issue guidance about who is considered eligible.

- RTM can approve the town extending eligibility for the deferment program to other categories of taxpayers, businesses, nonprofits and residents.
  - For example – town can decide that eligible taxpayers are those that have seen a reduction of income of at least 20% due to COVID-19 or
  - For example – town can decide everyone is eligible for the deferral.

- Eligible taxpayers, businesses, nonprofits, and residents are those that
  - attest to or document significant economic impact by COVID-19, and/or
  - document they are providing relief to those significantly affected by the COVID-19 pandemic.

- A landlord, or any taxpayer that rents or leases to any commercial, residential, or institutional tenant or lessee, must provide documentation to the town that the parcel has or will suffer a significant income decline or that commensurate forbearance was offered to their tenants or lessees.
  - Commensurate forbearance means either
    - A deferral of 25% of rent (approximating the property tax portion of rent) for the 90 days from the due date;
    - A deferral of one month’s rent to be paid over the 90 day period; or
    - Forebearance substantially similar to either of the above as determined by the tax collector.
  - Landlords are subject to auditing.
  - Landlords may be asked to provide tenants; names and contact information or other information to confirm eligibility.

- Applications and any required documentation must be submitted to the town no later than July 1, 2020 – the town can determine the method – either in person, by mail and/or electronically.
**Low Interest Rate Program**

- For taxes due on March 10, 2020 through and including July 1, 2020 those taxpayers who are delinquent in paying their taxes would be subjected to interest at the rate of 3% per annum for 90 days from the time when it became due and payable until the date it is paid
  - If taxes are not paid after 90 days the portion that remains delinquent would revert back to the interest rate as established by State Statute

- Taxes include real property, personal property or motor vehicles, or municipal water, sewer and electric charges or assessments or part thereof

- Taxes delinquent on or prior to March 10 are subject to interest at a rate of 3% per year for 90 days from April 1, 2020 unless the delinquent portion is subject to interest and penalties less than 3% per year
  - Following the 90-day period interest and penalties on the delinquent portion reverts back to what were previously established by State statute
  - Following the 90-day period interest and penalties on the delinquent portion reverts back to what were previously established by State statute

- Interest which had already accrued on late payments before April 1, 2020 remains unaffected

- Example 1 – for a tax that had come due on July 1, 2019 and was paid in mid-May 2020, under this program the town would charge 9 months of interest at 1.5% per month plus two months of interest at 0.25% per month

- Example 2 – for a tax due on July 1, 2019 and is paid in mid-August 2020, the town would charge 14 months of interest at 1.5% per month – no portion would be entitled to the 0.25% per month interest rate

- Any taxpayer that rents or leases to any commercial, residential, or institutional tenant or lessee shall only be eligible for the Low Interest Rate Program if said landlord offers commensurate forbearance to tenants or lessees, upon their request
  - Under this program no documentation must be submitted
  - Landlords are subject to auditing when requested to show that they complied with the requirements
  - Commensurate forbearance means either
    - A deferral of 25% of rent (approximating the property tax portion of rent) for the 90 days from the due date;
    - A deferral of one month’s rent to be paid over the 90 day period; or
    - Forebearance substantially similar to either of the above as determined by the tax collector
Impact of Deferment Program to Town

- For taxes due July 1, 2020, although this is technically a 90-day deferral program, it is actually effectively a 60-day deferral program.
- The bulk of taxes that are due July 1st each are received closer to the grace period due date of August 1 (the date is August 3rd for this year)
- The bulk of payment activity would be shifted from late July, early August to late September, with the new due date of October 1st.
- A review of General Fund balances as of August 31st for the last three years (which reflects the large receipt of tax receipts that come shortly after July 31st to allow for the grace period) were:
  - 2019 $193,812,122
  - 2018 $192,499,773
  - 2017 $184,776,497
- Based on the above noted cash balances for August 31 of each year, the town can safely absorb a deferral of at least $150,000,000 million to late September, early October
- Escrowed payments from banks are not included in the deferral program, which would lessen the cash deferral shift.
- The amount received from escrowed payments in 2019 was $50,000,000.
- Greenwich is very well positioned with cash reserves in the other funds that could be tapped in an emergency (i.e. Sewer Improvement, Sewer Maintenance, Capital Projects, etc.)
  - At June 30, 2019, Greenwich had about $70 million in these funds that could be temporarily used and replenished later.
- The annual pension and OPEB contributions could be deferred until October, if needed.
  - These contributions amount to $29,550,000 million.
- **Table 1 summarizes the potential tax revenue that is expected to be deferred until October 1st**

Advantages:
- No loss of revenue by the town – revenue is deferred for 90-days (effectively deferred for 60-days with the 30-day grace period)
- No penalty to the taxpayer if tax payment is made by October 1st
- Town must still file a lien on property subject to the delinquent payment – this could discourage homeowners from deferring payment
- Offers some relief to taxpayers who have suffered economic loss due to COVID-19

Disadvantages:
- Approximately $200,000,000 in revenue may be deferred for a period of 90-days (the town will continue to receive approximately $50,000,000 in revenue from those taxpayers who pay through a financial institution)
- If eligibility criteria are established by the RTM, applications and supporting documentation must be received by the Tax Collector which will utilize resources in the Tax Collector’s Office
- Follow-up audits may be required by the Tax Collector in certain circumstances
Low Interest Rate Program

- Not all taxpayers pay their taxes in a timely manner
- Prior to the Executive Order for taxes due July 1, 2020 interest of 1 ½% per month or any portion of the month is added to the taxes due
- The Executive Order reduces the interest to 3% per year or 0.25% per month
- In 2019 the town had a total of $5,800,000 in unpaid taxes after the 30-day grace period. However, since that time delinquent taxes were collected.

Advantages:
- Additional revenue of 0.0025% per month would be collected during the 90-day period that accounts are delinquent
  - This amount is hard to estimate and an exact number cannot be determined.

Disadvantages:
- Higher valued property owners may defer payment for the entire 90-days to take advantage of the low interest rates
  - Example: For a tax installment of $10,000
    - The reduced tax penalty of 0.25% per month would be $25 per month, for a total penalty of $50 over 60-days (30-days would be penalty free due to the grace period)
    - Without the reduced tax penalty the penalty would be 1.5% per month or $150 per month for a total penalty of $300 over 60-days (30-days would be penalty free due to the grace period)
  - In the example above the tax penalty savings would be $250
Table 1

Option #1 Deferment Program

<table>
<thead>
<tr>
<th>Total tax payment</th>
<th>215,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Escrow Payments</td>
<td>50,000,000</td>
</tr>
<tr>
<td>Exposure</td>
<td>165,000,000</td>
</tr>
</tbody>
</table>

Investment Loss

(0.5% per annum=0.0042 per mo)

Assumptions

<table>
<thead>
<tr>
<th>Paid</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>If 25% of people pay in July</td>
<td>41,250,000 123,750,000 ($ 519,750)</td>
</tr>
<tr>
<td>If 20% of people pay in August</td>
<td>33,000,000 90,750,000 ($ 381,150)</td>
</tr>
</tbody>
</table>

Option #2 Low Interest Program

<table>
<thead>
<tr>
<th>Total tax payment</th>
<th>215,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Escrow payments</td>
<td>50,000,000</td>
</tr>
<tr>
<td>Exposure</td>
<td>165,000,000</td>
</tr>
</tbody>
</table>

Interest Earned

On Assumptions Below At
3% annum/.25 month

Assumptions:

<table>
<thead>
<tr>
<th>Paid</th>
<th>Outstanding</th>
<th>No interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>If 25% of people pay in July</td>
<td>41,250,000 123,750,000</td>
<td>$ 226,875</td>
</tr>
<tr>
<td>If 20% of people pay in August</td>
<td>33,000,000 90,750,000</td>
<td>$ 226,875</td>
</tr>
</tbody>
</table>

If no additional payments are made for late in August then the same interest as August would apply*

For the months of August and September the town would earn interest of $ 453,750

*This assumption does not include those taxpayers in arrears prior to the Governor’s order taking effect
References

Executive Order 7S: The relevant part of this order is Section 6.
https://portal.ct.gov/-/media/Office-of-the-Governor/Executive-Orders/Lamont-Executive-Orders/Executive-Order-No-7S.pdf?la=en

PLEASE NOTE – Although EO 7 requires that tax relief be made available to persons and entities that have been negatively impacted by the pandemic, Greenwich is free to extend the benefits to all persons and entities.

Executive Order 7W: Section 1 of this order modifies Section 6 of EO 7S, but probably not in a way that will affect Item 4 of the Call.
https://portal.ct.gov/-/media/Office-of-the-Governor/Executive-Orders/Lamont-Executive-Orders/Executive-Order-No-7W.pdf

OFFICE OF POLICY AND MANAGEMENT GUIDANCE Executive Order No. 7S
Explanation of Purpose and Intent: This document explains in some detail how EO 7S is to be interpreted and implemented. Another guide follows it and offers guidance on tax programs pursuant to Sections 6 and 11 of EO 7S.

Fairfield RTM Agenda: The Town of Fairfield will be responding to EO 7S this coming Monday. Here is a link to the RTM agenda that shows the language Fairfield is considering.

Greenwich RTM Explanos: These were issued by the Tax Collector on April 13, 2020 to the RTM Moderator, the First Selectman and Chair of the Board of Estimate and Taxation

04-13-2020 Final
ANSWERS TO QUESTIONS
SUBMITTED
BY
RTM MEMBERS
TO
THE TAX COLLECTOR
Responses from Tax Collector, Town of Greenwich, to RTM Questions Regarding Executive Order 7S

1. It appears that the Governor’s Executive Order 7S gives the town 3 choices from which to choose: an outright deferment of 90 days with no interest, a deferment of 90 days with interest, or interest but no deferment. Is that correct?

The Governor requires towns to choose one or both of two options (not three). Without the Executive Order taxpayers who are late in paying their taxes are charged interest at a rate of 1.5% a month after a grace period of 30 days from the due date (for the July 1, 2020 due date a taxpayer is delinquent after 30 days from July 1, 2020 – this year because August 1st is a Saturday the last due date is August 3rd, so interest would start to accumulate on August 4th).

The Governor’s Executive Order would extend the July 1, 2020 payment from August 3rd to October 1, 2020.

The order gives towns the options to choose one of two programs or the option to choose both programs. These programs include a Deferment Program and a Low-Interest Program. The Deferment Program defers the last day to pay without interest. So instead of August 3rd being the last day to make payment without penalty, the last day would be 90 days from July 1, 2020 or October 1, 2020. No interest would be accrued during that time period. Interest would start at the statutory rate of 1.5% on October 2, 2020.

For the Low-Interest Program, the statutory rate of 1.5% per month is reduced to 0.25% per month (or 3% per year). This interest is charged after the original grace period of thirty days on August 4, 2020 and is in effect for the next 60 days ending on October 1, 2020. On October 2, 2020 any taxes not paid would go back to accruing 1.5% interest per day.

It is important to note that any taxpayer who pays their mortgage through a financial institution and has their taxes escrowed are not eligible for either program so the town will derive a revenue stream from those taxpayers under either of those programs.

2. Benchmark estimates on percentage of taxpayers who may qualify and/or seek to avail themselves of the program. That may be very difficult to quantify. It’s been often stated that this pandemic spares no one and that is true socioeconomically too, though to different degrees and relativities. If the town might expect to receive X amount less property tax revenue in the first quarter of the new fiscal year that would be important to know.

A review of General Fund balances as of August 31st for the last three years (which reflects the large receipt of tax receipts that come shortly after July 31st to allow for the grace period) were:

- 2019 $193,812,122
- 2018 $192,499,773

04-13-2020 - Final
It is the opinion of the Town Comptroller, based on the above noted cash balances for August 31 for 2017-2018, the town can safely absorb a deferral of up to $150,000,000 million to late September, early October.

For the July to August 2019 tax collection period, the Town collected approximately $215,000,00 of General Fund, Sewer Maintenance and Sewer Improvement Fund tax collection receipts.

Escrowed payments from banks are not included in the deferral program, which would lessen the cash deferral shift. The amount received from escrowed payments in 2019 was $50,000,000.

The annual pension and OPEB contributions, amounting to $29,550,000, could be deferred until October, if needed when the deferred tax receipts are received.

3. **What is the stringency of eligibility requirements to ensure that only the truly compromised are accommodated. (I understand OPM has not yet outlined.)**

The RTM may adopt the OPM's eligibility requirements or it can amend the eligibility requirements (for example, the RTM may decide that there are no eligibility requirements and that all taxpayers are eligible for deferment). OPM has defined eligible taxpayers for the Deferment Program. If the RTM adopts eligibility requirements (it is not mandated that it does so), to be eligible for the deferral program, taxpayers, businesses, nonprofits and residents (that covers everybody) are those that attest to (sign under penalty of perjury) or document (provide documentation) significant economic impact by COVID-19 and/or those that document they are providing relief to those significantly affected by COVID-19. Guidance about eligibility is on the application form for the program. For the deferral program a resident must attest that their household has suffered a reduction in income of at least 20% due to COVID-19 and that since March 10, 2020 they have either (1) been furloughed without pay or (2) had their hours significantly reduced, or (3) are unemployed. For a business they must attest that their revenue is expected to decrease at least 30% in the March to June 2020 period verse the March to June 2019 period.

Landlords must request deferral and must attach documentation proving that the property has or will suffer a significant revenue decline or attach documentation proving that commensurate forbearance was offered to tenants or lessees.

A copy of the OPM application is included in the package being sent to the RTM as a reference.
4. Seniors already participating in our property tax-relief program. Will they be granted the 90-day extension automatically? The order allows for municipalities to include other groups. Seniors already demonstrated economic constraints for upcoming taxes due as they are required to annually. To have them apply for this additionally might be redundant.

Governor Lamont’s Executive Order 7S, Paragraph 8 addresses those Seniors participating in the Greenwich property tax-relief program. Pursuant to his Executive Order, any taxpayers who were granted the benefit for the Grand List year 2017 and who is required to recertify for the Grand List year 2019, are suspended and such taxpayers shall automatically maintain their benefits for the next biennial cycle ending in Grand List year 2021.

With respect to their qualification for either the Deferment Program or the Lost Income Program those living on social security, pensions and savings are likely not going to qualify for this program, since they generally are not facing lost income. However, if they do claim lost income they would potentially be eligible for either program adopted by the RTM.

5. Flexibility for municipalities to alter the rate (as it is written there is not that allowance.) Currently we charge 1.5% per month on delinquencies over 30 days. What if we wanted to reduce it to .75% for the 90 days, rather than .25%, is there even that option?

No, that is not an option. If the Low-Interest Rate option is chosen the interest rate that must be charged is 0.25%. A municipality cannot change that rate.

6. It seems clear in the case of outright Deferment that the 90-day extension starts from the original July 1, thereby moving it to October 1.

That is correct

7. It is less clear to me in the case of interest rate reduction when the 90-day extension would go into effect. Greenwich already has a 30-day extension to pay without penalty of interest. When would we start counting?

You are correct in your observation that there is a 30-day grace period for the payment of taxes due on July 1, 2020. If the Executive Order was not in place that would mean that the statutory interest would start accruing on August 3, 2020. If the Low-Interest Rate Program is chosen by the RTM then the interest rate of 0.25% per day would start on August 4, 2020 and accrue at that daily rate of 0.25% per day through October 1, 2020. On October 2, 2020, unless there is another Executive Order extending that rate, the interest rate charged would revert back to the statutory rate of 1.5% per day for any unpaid taxes or portion thereof.
8. Regardless of what passes and we must choose something, how will taxpayers be notified of this program?

Taxpayers will be notified through the newspapers and on the Greenwich town website. Individual notices will not be sent out through the mail.

9. It would be helpful to hear how deferments would affect town revenue and how the deferred revenue stream would impact payments the town has to make. Will the reserve fund be adequate to cover payments until the deferred revenue stream comes in. If not, do we have an open credit line for payments the town has to make – at what interest rate?

See answer to Question 2 above. It is anticipated that the town has sufficient funds to cover payments until the deferred revenue stream comes in.
OPINION ISSUED

BY

TOWN ATTORNEY

REGARDING

GOVERNOR LAMONT'S EXECUTIVE ORDERS 7S/7W
To: Heather Smeriglio, Tax Collector

From: Vincent M. Marino, Esq., Town Attorney

Re: Legal Opinion Regarding Executive Order No. 7S, section 6, Amended by Executive Order No. 7W, section 1

The Law Department was asked to provide a legal opinion on Executive Order No. 7S, section 6, as amended by Executive Order No. 7W, section 1.

On April 1, 2020, Governor Lamont issued Executive Order No. 7S to provide tax relief to eligible taxpayers, businesses, nonprofits and residents who has been economically affected by the COVID-19 pandemic. Section 6 of Executive Order 7S creates two municipal property tax relief programs, the “Deferment Program” and the “Low Interest Rate Program.” The legislative body of each municipality must adopt one or both of these programs on or before April 25, 2020. The municipality must notify the Office of Policy and Management of the decision by April 25, 2020.

I. Deferment Program

The “Deferment Program” provides eligible taxpayers, businesses, nonprofits and residents a three month\(^1\) deferment of any municipal taxes on real property, personal property or motor vehicles, or municipal utility rate, charge, or assessment provided the taxpayer is significantly economically impacted by COVID-19 or is providing relief to people or entities who are significantly affected by the pandemic. Under this program, the tax is not deferred, but rather the deadline to pay the tax without penalty for three months, instead of the usual thirty (30) days. Any tax that comes due between March 10, 2020 and July 1, 2020, inclusive, can be covered by this plan.

This plan covers installments that come due up through and including July 1, 2020. For the July 1, 2020 installment, instead of the last day to pay being August 3, 2020 (August 1 falls on a Saturday), the last day to pay will instead be October 1, 2020 (90 days from July 1) because the last day to pay is being deferred, or the grace period is being extended. The plan covers any real estate, motor vehicle or personal property tax, and any municipal water, sewer or electric rate, charge or assessment.

A Municipality may extend eligibility to other categories of taxpayers, businesses, nonprofits and residents, upon approval of the legislative body. This means the town is free to ‘open up’ the extended grace period to others not specifically mentioned in the EO. For example, a municipality could decide to offer the extended grace period to ALL taxpayers, period, without distinction. This is a decision up to the towns. If a municipality decides to “open up” the eligibility, the need for applications may be moot.

\(^1\) Executive Order No. 7W, section 1 (b) amended the ninety (90) day period referred to in Executive Order No. 7S, section 6 to three (3) months, and
This program does not address taxes that are already past due. It is not an amnesty or waiver of interest or other charges on taxes that are already delinquent.

II. **Low Interest Rate Program**

The second option to consider under section 6 of Executive Order No. 7S is the Low Interest Rate Program. This program can be offered in conjunction with the deferment program, or instead of it. This program does not provide a grace period to the taxpayer, but rather reduces the rate if interest to be charged on a delinquent or past due bill. Interest is normally charged at the rate of 1.5% per month, 18% per year from the due date of the tax, with a portion of a month being considered a full month. However, this program will allow for a lower rate of interest: .25% per month, or 3% per year, from the due date of the tax, for a period of up to three (3) months only.

Any tax, or municipal water, sewer, or electricity charge that comes due at any time between March 10, 2020 and July 1, 2020, inclusive, can be covered by this plan.

This plan covers installments that come due up through and including July 1, 2020. For the July 1, 2020 installment, the last day to pay will be August 3, 2020 (August 1 is a Saturday) but if the taxpayer pays on August 4 or later, they will not be paying 1.5% per month interest, but rather only .25% per month interest. On August 4, 2020 the interest charged would not be 3%, but rather .25 x 2 months or .5%. This plan would remain in force only for 90 days from the due date of July 1; it would end on October 2, 2020.

If a bill was already delinquent on or before March 10, 2020, it shall be subject to .25% per month, 3% per year interest for a period of three (3) months. For the time period from April 1, 2020 (the date of the EO) to July 1, 2020, the delinquent taxpayer pays .25% per month or portion thereof instead of the normal 1.5% per month – but ONLY on those last three months, and only if they are making a payment. Unless the Executive Order is extended, on July 1, 2020, the interest rate return to the statutory rate of 1.5% per month from the due date.

The plan covers any real estate, motor vehicle or personal property tax, and any municipal water, sewer or electric rate, charge or assessment.

Please note that the Executive Order provides that if there is a case where any tax, charge etc. is already subject to an interest rate that is less than 3% per year, then that lower rate will apply instead.

III. **Eligibility of Landlords**

The Executive Order states that in order to be eligible for the extended grace period/deferral program, a “landlord,” or any taxpayer that rents or leases to tenants or lessees, must provide documentation to the municipality that the property being taxed has, or will, suffer a significant income decline, or that commensurate forbearance was offered to the tenants or lessees.
The Executive Order states that in order to be eligible for the lower/reduced interest rate program, the landlord must offer ‘commensurate forbearance’ to tenants or lessees upon their request.

IV. Escrow Payments

An individual taxpayer’s eligibility for either program is irrelevant if the taxes on the property are paid on their behalf by an escrow agent, financial institution, mortgage service agent or bank. The escrow agents are still expected to remit tax payments on behalf of their customers according to the regular timetable – in other words, by August 3 for semiannual and annual towns. The EO states this is the case ‘so long as the borrower remains current on their mortgage or is in a forbearance or deferment program.’ The EO does not address what the expectation is if the borrower is not current or is not in such a program.

V. Tax Liens

The Executive Order does not affect any provision of the Connecticut General Statutes relating to the continuing, recording and releasing of property tax liens. Intent to lien notices are to be sent. Lien continuing certificates are still to be filed in the land records on the regular timetable. Liens are still to be released according to the regular timetable.

Even if a tax is deferred according to the program the priority/precedence of that property tax remains in effect, is not lessened or reduced by virtue of participation in the extended grace period program, and will be subject to normal collection.
OPINION

OF

TOWN OF GREENWICH COMPTROLLER

REGARDING

TAX COLLECTOR'S RECOMMENDATION TO RTM
On April 1, 2020, Connecticut Governor Lamont has issued Executive Order 7S, clarified in Executive Order 7W on April 9, 2020, which is intended to provide relief from certain municipal tax collection deadlines to those taxpayers affected by the severe economic conditions created by the COVID-19 pandemic. This pandemic has created undue hardship to many taxpayers through, for example, a loss of jobs, which can have a direct impact on their ability to pay their taxes in a timely manner.

Governor Lamont's Executive Order requires municipalities to enact by a vote of its legislative body, the RTM, one of two short-term relief options. The Towns must select at least one. These programs are described briefly as follows:

**Deferment Program (Option 1)** For taxes due on March 10, 2020 through and including July 1, 2020 eligible taxpayers, businesses, nonprofits and residents would be able to defer tax payment by 90 days. Interest on late payment will be zero for any tax or charge owed so long as it's paid within 90 days from the original due date. Taxes includes real property, personal property or motor vehicles. Taxes also include municipal water, sewer, and electric rates, charges or assessments for such tax, rate, charge or assessment. The deferment does not apply to water, sewer and electrical charges by private providers – taxes and charges must be paid normally.

The Secretary of the Office of Policy and Management (OPM) is to issue guidance about who is considered eligible. The RTM can approve the town extending eligibility for the deferment program to other categories of taxpayers, businesses, nonprofits and residents. For example, the Greenwich RTM can decide that eligible taxpayers are those that have seen a reduction of income of at least 20% due to COVID-19 or the RTM can decide everyone is eligible for the deferral. If the RTM chooses to limit the program to eligible taxpayers the OPM has defined "eligible" as businesses, nonprofits, and residents are those that attest to or document significant economic...
impact by CO VID-19, and/or document they are providing relief to those significantly affected by the COVID-19 pandemic. For a landlord, or any taxpayer that rents or leases to any commercial, residential, or institutional tenant or lessee, to be eligible for deferral they must provide documentation to the town that the parcel has or will suffer a significant income decline or that commensurate forbearance was offered to their tenants or lessees. Commensurate forbearance means either a deferral of 25% of rent (approximating the property tax portion of rent) for the 90 days from the due date; a deferral of one month’s rent to be paid over the 90-day period; or forbearance substantially like either of the above as determined by the tax collector.

Per the Executive Order, Landlords are subject to auditing and may be asked by the Tax Collector to provide tenants; names and contact information or other information to confirm eligibility. Applications and any required documentation must be submitted to the town no later than July 1, 2020 – the town can determine the method – either in person, by mail and/or electronically.

**Potential Impact of Deferment Program to Town Finances**

For taxes due July 1, 2020, although this is technically a 90-day deferral program, it is effectively a 60-day deferral program. This is because there is a 30 day “grace period” by state statute. Thus, the bulk of taxes that are due July 1st each year are received closer to the grace period due date of August 1 (the date is August 3rd for this year).

If the Deferment Program is chosen by the RTM, the bulk of payment activity would be shifted from late July, early August to late September, with the new due date of October 1st.

A review of General Fund balances as of August 31st for the last three years (which reflects the large receipt of tax receipts that come shortly after July 31st to allow for the grace period) were:

- 2019 $193,812,122
- 2018 $192,499,773
- 2017 $184,776,497

A review of current balances shows the Town trending well despite lower expected revenues in the next six months from conveyance taxes, building permits, loss of Parks and Recreation program, etc.

**Comptroller’s Conclusion on the Deferment Program**

If the RTM opted to select the Deferment Program Option, it is anticipated that the Town would likely not experience cash flow issues. As such, there should not be a need to seek outside funding, such as the issuance of Tax Anticipation Notes (TANs) or to seek an open line of credit. Based on the above noted cash balances for August 31st of each year, it is anticipated that the town can safely absorb a deferral of up to $150,000,000 million into late September, early October.

For the July to August 2019 tax collection period, the Town collected approximately $215,000,000 of General Fund, Sewer Maintenance and Sewer Improvement Fund tax collection receipts.

It should also be noted that escrowed payments from banks are not included in the deferral program, which would lessen the cash deferral shift. The amount received from escrowed
payments in 2019 was approximately $50,000,000. Therefore, the potential shift of tax collections for an eight to ten-week period, under a worse case scenario, could reach over $100 million with a potential of up to $150 million if everyone elected to pay as late as possible.

Even under a worst case scenario, Greenwich is very well positioned with cash reserves in the other funds that could be tapped in an emergency (i.e. Sewer Improvement, Sewer Maintenance, Capital Projects, etc.). At June 30, 2019, Greenwich had about $70 million in these funds that could be temporarily used and replenished at a later date.

Additionally, Capital Projects spending would not impacted at all since Capital Projects funding comes from the issuance of Bond Anticipation Notes and General Obligation Bonds, not tax collection receipts.

Finally, the annual pension and OPEB contributions could be deferred until October, if needed, when the deferred tax receipts are received. These contributions amount to $29,550,000 million.

Advantages of the Deferment Program:
There is no penalty to the taxpayer if taxpayment is made by October 1. The Town must still file a lien on property subject to the delinquent payment – this could discourage homeowners from deferring payment. It does offer some relief to taxpayers who have suffered economic loss due to COVID-19, even though it is temporary.

Disadvantages of the Deferment Program:
There will be a loss of revenue to the Town. If approximately $100 million in collections are deferred for a period of 90 days, the Town will lose the use of those funds for investments purposes. One of the most significant negative impacts to the Town budget is the loss of interest income overall, due to the severe reduction of interest rates. In this case, the Town could lose approximately $40,000 to $50,000 per month under a worst-case scenario.

If the Town did not elect to offer this program with across the broad eligibility to all, applications and supporting documentation that must be received by the Tax Collector by July 1st could overwhelm the Tax Collector’s Office to process such materials.

Follow-up audits may be required by the Tax Collector in certain circumstances.

Low Interest Rate Program (Option 2)
For taxes due on March 10, 2020 through and including July 1, 2020 those taxpayers who are delinquent in paying their taxes would be subjected to interest at the rate of 3% per annum for 90 days from the time when it became due and payable until the date it is paid. If taxes are not paid after 90 days, the portion that remains delinquent would revert to the interest rate as established by State Statute. Taxes include real property, personal property or motor vehicles, or municipal water, sewer and electric charges or assessments or part thereof. Taxes delinquent on or prior to March 10 are subject to interest at a rate of 3% per year for 90 days from April 1, 2020 unless the delinquent portion is subject to interest and penalties less than 3% per year. Following the 90-day period interest and penalties on the delinquent portion reverts to what were previously established by State statute.
Interest which had already accrued on late payments before April 1, 2020 remains unaffected.

**Comptroller’s Conclusion on the Low Interest Rate Program**

Not all taxpayers pay their taxes in a timely manner. As of June 30, 2019, the Town had property tax receivables for the General Fund, Sewer Maintenance and Sewer Improvement Funds of $6,384,956 and accrued interest of $5,790,570. Prior to the Executive Order for taxes due July 1, 2020 interest of 1 ½% per month or any portion of the month is added to the taxes due. The Executive Order reduces the interest to 3% per year or 0.25% per month.

**Advantages of the Low Interest Program:**

An advantage is that there will be additional revenues to the Town by collecting back taxes owed by delinquent taxpayers. However, this would be very hard to estimate. The rationale being that, if a delinquent taxpayer couldn’t afford to pay their taxes before the Executive Order, the drop in the interest rate coupled with added financial hardships would not be an incentive to bring their balances current.

**Disadvantages of the Low Interest Program:**

The Town would lose an amount of monies from reducing the interest rates from 1.5% to 0.25%. Higher valued property owners may defer payment for the entire 90-days to take advantage of the low interest rates

**Recommendation of Comptroller**

Based on the above, I am in support of the Tax Collector’s recommendation that the RTM adopt the Deferment Program without restricting taxpayer eligibility,
EXECUTIVE ORDERS 7S AND 7W
WHEREAS, on March 10, 2020, I issued a declaration of public health and civil preparedness emergencies, proclaiming a state of emergency throughout the State of Connecticut as a result of the coronavirus disease 2019 (COVID-19) outbreak in the United States and confirmed spread in Connecticut; and

WHEREAS, pursuant to such declaration, I have issued seventeen (17) executive orders to suspend or modify statutes and to take other actions necessary to protect public health and safety and to mitigate the effects of the COVID-19 pandemic; and

WHEREAS, COVID-19 is a respiratory disease that spreads easily from person to person and may result in serious illness or death; and

WHEREAS, the World Health Organization has declared the COVID-19 outbreak a pandemic; and

WHEREAS, the risk of severe illness and death from COVID-19 appears to be higher for individuals who are 60 years of age or older and for those who have chronic health conditions; and

WHEREAS, to reduce the spread of COVID-19, the United States Centers for Disease Control and Prevention and the Connecticut Department of Public Health recommend implementation of community mitigation strategies to increase containment of the virus and to slow transmission of the virus, including cancellation of gatherings of ten people or more and social distancing in smaller gatherings; and

WHEREAS, my Executive Order No. 7N imposed certain safety restrictions and mandates on retail establishments in order to limit the spread of COVID-19 among customers, employees, and others entering such establishments; and

WHEREAS, there exists a compelling state interest in a consistent and easily understandable statewide approach to reducing the risk of transmission of COVID-19 among customers, staff, and other persons entering retail establishments, to limit community transmission of COVID-19 statewide, and to ensure the continuity of essential retail services and safe conduct of permitted non-essential retail services; and
WHEREAS, widespread financial hardship caused by the COVID-19 pandemic and necessary responses to it may prevent policyholders from timely payment of insurance premiums, and any resulting penalties, including cancellation or non-renewal of policies, create additional hardship, cause further damage to the economy, and endanger property and public health; and

WHEREAS, to encourage social distancing and protect public health and safety, my Executive Order 7D, dated March 16, 2020 and Executive Order 7G, dated March 19, 2020, closed bars and restaurants to all on-premise service of food and beverages; and

WHEREAS, many businesses may be experiencing lost revenue from the prohibition of on-premise food and beverage sales, which will hinder their ability to make timely payments to their creditors; and

WHEREAS, the State of Connecticut serves many elders and disabled individuals through multiple home and community based services waivers and Medicaid state plan benefits under the Medicaid program, including clients of the Department of Social Services, Department of Mental Health and Addiction Services and the Department of Developmental Services, who rely upon these home-based services to remain in their homes, avoid institutionalization and achieve maximum independence and functioning, and certain adjustments to the provision of services under these various waivers are necessary to ensure continuity of services and provide greater flexibility during COVID-19;

WHEREAS, the Centers for Medicare & Medicaid Services has advised the Department of Social Services that it may, on an expedited basis, and without providing a notice and comment period, take advantage of opportunities included in Appendix K to the Home and Community Based Waivers under Section 1915(c), as well as Sections 1115 (a) and 1135, of the Social Security Act, and also including, as applicable, amendments to Medicaid state plan provisions under other relevant provisions, such as sections 1915(i), 1915(k) and 1945 of the Social Security Act, in order to act quickly to address critical health needs of Medicaid beneficiaries and others in Connecticut in response to COVID-19; and

WHEREAS, Chapter 204 of the Connecticut General Statutes sets forth tax collection deadlines that will be difficult for residential and commercial property owners to meet in light of the significant job and economic losses experienced by Connecticut residents and businesses; and

WHEREAS, municipalities have sought relief on behalf of taxpayers who are struggling due to business operations being suspended or ceased, layoffs and other complications due to the COVID-19 pandemic; and

WHEREAS, certain municipal charters, ordinances or resolutions require critical town fiscal and budgetary decisions to be voted on by referendum or town meeting that create a risk to public health; and

WHEREAS, Sections 12-170aa(e) and (f) and Sections 12-129b and 12-129c of the Connecticut General Statutes require municipalities to conduct specific duties, including but not limited to processing tax relief claims that require in-person meetings and application filing requirements for taxpayers who have attained age sixty-five or over or are totally disabled; and
WHEREAS, Section 12-62 of the Connecticut General Statutes requires municipalities to conduct in-person inspections which will create increased risk of transmission of COVID-19; and

WHEREAS, Section 12-63c of the Connecticut General Statutes requires taxpayer filings based on information in Income and Expense Statements by Assessors, which were previously extended under Executive Order 7I, Section 15; and

WHEREAS, it will promote the public health and safety of all Connecticut residents to prohibit evictions during the public health and civil preparedness emergency; and

WHEREAS, the Judicial Branch has suspended all evictions and ejectment proceedings and Executive Order No. 7G suspended non-critical court operations;

NOW, THEREFORE, I, NED LAMONT, Governor of the State of Connecticut, by virtue of the authority vested in me by the Constitution and the laws of the State of Connecticut, do hereby ORDER AND DIRECT:

1. Safe Stores Mandatory Statewide Rules, Amending Executive Order No. 7N, Sec. 3. Effective upon the opening of each retail establishment for the first time on April 3, 2020, every retail establishment in the State of Connecticut shall take additional protective measures to reduce the risk of transmission of COVID-19 between and among customers, employees, and other persons such as delivery drivers or maintenance people. The Commissioner of Economic and Community Development, in consultation with the Commissioner of Public Health, shall issue mandatory statewide rules prescribing such additional protective measures no later than 11:59 p.m. on April 1, 2020. Such rules shall be mandatory throughout the state and shall supersede any current or future municipal order and shall supersede the requirements of Executive Order No. 7N, Sec. 3, providing that nothing in this order shall eliminate or reduce the requirements of Executive Order No. 7N, Sec. 3 regarding firearms transactions.

2. 60-Day Grace Period for Premium Payments, Policy Cancellations and Non-Renewals of Insurance Policies. Beginning on April 1, 2020, for a period of sixty (60) calendar days ending on June 1, 2020, no insurer may, without a court order, lapse, terminate or cause to be forfeited a covered insurance policy because a covered policyholder does not pay a premium or interest or indebtedness on a premium under the policy that is due except as provided hereunder. This grace period shall apply to entities licensed or regulated by the Insurance Department including admitted and non-admitted insurance companies that provide any insurance coverage in Connecticut including, life, health, auto, property, casualty and other types of insurance as follows:

   a. Insurers shall provide such 60-day grace period to individuals that have individual insurance policies who, as a result of the COVID-19 pandemic, were laid off, furloughed, or fired from employment or otherwise sustained a significant loss in revenue. Such individuals may be required to provide an affidavit or other statement acceptable to their insurance carrier, explaining that as a result of the COVID-19 pandemic they were laid
off, furloughed, or fired from employment or otherwise sustained a significant loss in revenue.

b. Insurers shall provide such 60-day grace period to businesses that are group policyholders, have group insurance and/or have property/casualty insurance that were required to close or significantly reduce operations or suffered significant revenue loss as a result of the COVID-19 pandemic. Such businesses may be required to provide an affidavit or other statement acceptable to their insurance carriers, explaining that as a result of the COVID-19 pandemic, they were required to close or significantly reduce their business operations or suffered a significant revenue loss.

c. This 60-day grace period is not automatic. To be eligible, affected policyholders must provide the information outlined above in an affidavit or other statement acceptable to their insurance carriers. Carriers shall provide instructions on how policyholders are to provide such information.

d. Policyholders are advised that this grace period is not a waiver or forgiveness of the premium; it is only an extension of time in which to pay premiums. Policyholders are advised that they may be subject to restrictions if they are in receipt of state or federal stimulus funding relating to COVID-19.

e. Individuals or businesses that do not meet the criteria for the 60-day grace period set forth above, will need to contact their insurance carrier should they wish to discuss a premium deferral.

f. This order does not apply to self-funded health plans.

g. If a carrier has already provided a policyholder with a 60-day grace period for March and April 2020 premiums, or offers to provide a 60-day grace period for that time frame and it is accepted, the carrier will be deemed to have satisfied the requirements of this Executive Order with respect to that policyholder.

h. This 60-day grace period shall only apply to policyholders that were in good standing with their insurance carrier on March 12, 2020, and shall only apply to premiums due after the initial premium has been made to secure coverage.

i. This 60-day grace period applies only to cancellation or non-renewals attributed to a failure to pay premiums during the applicable 60-day grace period. If a policy is to be cancelled or non-renewed for any other allowable reason, the cancellation or non-renewal may be made pursuant to statutory notice requirements and for legally recognized reasons.

3. Extension of 30-Day Period of Credit for Liquor Permittees. Section 30-48(b) of the Connecticut General Statutes and Sections 30-6-A36 and 30-6-A37a of the Regulations of Connecticut State Agencies, which permit no more than a thirty-day period of credit, from
manufacturers, wholesalers, or others specified in such statute and regulations, is modified so that the maximum period of credit shall be ninety days after the date of delivery for all permittees prohibited from engaging in on-premise sales per Executive Order No. 7D, as amended by Executive Order No. 7H. The extension of credit shall not apply to permits that were delinquent at the time Executive Order No. 7D became effective on March 16, 2020. The period of delinquency shall begin on the ninety-first day after the date of delivery. All other requirements under the above-referenced statute and regulations shall apply, except as modified to reflect the increased period of credit, and the standard thirty-day period of credit shall continue to apply to all permittees whose businesses who were not engaging in on-premise sales at the time Executive Order No. 7D became effective. The credit extension shall remain in effect for any delivery made prior to the time Executive Order No. 7D expires or is terminated, or if extended or renewed, through any period of extension or renewal.

4. **Daily Payment of Certain Taxes Changed to Weekly.** Section 12-575 (h) of the Connecticut General Statutes is modified so that the licensee authorized to operate off-track betting in Connecticut shall file with the Department of Consumer Protection: a daily electronic report of the amount of wagers collected; and, no later than 12:00 PM every Tuesday, the tax filing and payment for the week preceding.

5. **Flexibility to Amend Medicaid Waivers and State Plan.** Section 17b-8 of the Connecticut General Statutes, to the extent that it requires: the submission of proposed applications to submit waivers or make certain amendments to Medicaid waivers or the Medicaid state plan (for such amendments that would have required a waiver but for the Affordable Care Act) to the joint standing committees having cognizance of matters relating to human services and appropriations; a 30-day public notice and comment period prior to submission of the proposed amendments to said committees; the holding of a public hearing by said committees; and the approval of the applications for amendment by said committees, is modified retroactive to the declaration of public health and civil preparedness emergency on March 10, 2020, to authorize the Commissioner of Social Services, on an expedited basis, to exercise the waiver flexibilities provided in response to COVID-19 and afforded by Appendix K to the Home and Community Based Waivers under Section 1915(c), as well as Sections 1115 (a) and 1135, of the Social Security Act and also including, as applicable and in response to COVID-19, amendments to Medicaid state plan provisions under other relevant provisions, such as sections 1915(i), 1915(k) and 1945 of the Social Security Act. The suspension of the aforesaid requirements is limited solely to emergency waivers related to the COVID-19 declared public health and civil preparedness emergencies.

6. **Suspension and Modification of Tax Deadlines and Collection Efforts.** Notwithstanding any contrary provisions of Chapter 204 of the Connecticut General Statutes or of any special act, charter, home-rule ordinance, local ordinance or other local law, there shall be established two programs to offer support to eligible taxpayers, businesses, nonprofits, and residents who have been economically affected by the COVID-19 pandemic. Such programs shall be known as the “Deferment Program” and the “Low Interest Rate Program.” Each
municipality, as defined in section 7-148 of the general statutes, by determination of its local legislative body, or, in any town in which the legislative body is a town meeting, by a vote of the board of selectmen, shall participate in one or both programs and shall notify the Secretary of the Office of Policy and Management no later than April 25, 2020, about which program or programs it is electing to participate in.

a. **Deferment Program.** During the period of March 10, 2020, the date that I declared the public health and civil preparedness emergency, through and including July 1, 2020, municipalities participating in the Deferment Program shall offer to eligible taxpayers, businesses, nonprofits, and residents a deferment by ninety (90) days of any taxes on real property, personal property or motor vehicles, or municipal water, sewer and electric rates, charges or assessments for such tax, rate, charge, or assessment from the time that it became due and payable. Eligible taxpayers, businesses, nonprofits, and residents are those that attest to or document significant economic impact by COVID-19, and/or those that document they are providing relief to those significantly affected by the COVID-19 pandemic. The Secretary of the Office of Policy and Management shall issue guidance as to which taxpayers, businesses, nonprofits, and residents shall be considered eligible for the Deferment Program, but participating municipalities may, upon approval of its local legislative body, or, in any town in which the legislative body is a town meeting, by a vote of the board of selectmen, extend eligibility for the deferment program to other categories of taxpayers, businesses, nonprofits, and residents.

b. **Low Interest Rate Program.** For municipalities participating in the Low Interest Rate Program, notwithstanding Section 12-146 of the General Statutes, (i) the delinquent portion of the principal of any taxes on real property, personal property or motor vehicles, or municipal water, sewer and electric charges or assessments or part thereof shall be subject to interest at the rate of three (3) per cent per annum for ninety days from the time when it became due and payable until the same is paid, for any such tax, rate, charge, or assessment due and payable from March 10 through and including July 1, 2020, unless such delinquent portion is subject to interest and penalties at less than three (3) per cent per annum. Following the ninety days, the portion that remains delinquent shall be subject to interest and penalties as previously established; and (ii) any portion of the principal of any taxes on real property, personal property or motor vehicles, or municipal water, sewer and electric rates, charges or assessments or part thereof that had been delinquent on or prior to March 10, shall be subject to interest at the rate of three (3) per cent per annum for ninety days from this Order, unless such delinquent portion is subject to interest and penalties at less than three (3) per cent per annum. Following the ninety (90) days, the portion that remains delinquent shall be subject to interest and penalties as previously established.

c. **Eligibility of Landlords.** In order for a landlord, or any taxpayer that rents or leases to any commercial, residential, or institutional tenant or lessee, to be eligible for the Deferment Program, said landlord must provide documentation to the municipality that the parcel has or will suffer a significant income decline or that commensurate
forbearance was offered to their tenants or lessees. Any taxpayer that rents or leases to any commercial, residential, or institutional tenant or lessee shall only be eligible for the Low Interest Rate Program if said landlord offers commensurate forbearance to tenants or lessees, upon their request.

d. Escrow Payments. Financial institutions and mortgage servicers that hold property tax payments in escrow on behalf of a borrower shall continue to remit property taxes to the municipality, so long as the borrower remains current on their mortgage or is in a forbearance or deferment program, irrespective of the borrower's eligibility for or participation in the Deferment Program or the Low Interest Rate Program.

e. Liens Remain Valid. Nothing in this order affects any provision of the Connecticut General Statutes relating to continuing, recording and releasing property tax liens and the precedence and enforcement of taxes, rates, charges and assessments shall remain applicable to any deferred tax, rate, charge or assessment or installment or portion thereof.

7. Allowance of Suspension of In-Person Voting Requirements for Critical and Time Sensitive Municipal Fiscal Deadlines. Notwithstanding any contrary provision of the Connecticut General Statutes, including Title 7, or any special act, municipal charter, ordinance or resolution that conflicts with this order, the legislative body of a municipality, or in a municipality where the legislative body is a town meeting other than a representative town meeting, the board of selectmen, and the budget-making authority of said municipality if different from the legislative body or board of selectmen, by majority vote of each such body, as applicable, may authorize (i) any supplemental, additional or special appropriations under Section 7-348 of the Connecticut General Statutes or comparable provisions of any special act, municipal charter or ordinance, (ii) any tax anticipation notes to be issued under Section 7-405a of the Connecticut General Statutes or comparable provisions of any special act, municipal charter or ordinance, or (iii) municipal general obligation bonds or notes to be issued in anticipation of such bonds to be issued pursuant to Chapter 109 of the Connecticut General Statutes for capital improvement purposes, without complying with any requirements for in-person approval by electors or taxpayers, including but not limited to, annual or special town meetings requiring votes or referenda. Notwithstanding the foregoing, if the legislative body and budget-making authority, if they are separate entities, are taking any action specified in (ii) or (iii) above, or any action under (i) above, which involves an appropriation in an amount in excess of 1% of the current year’s total municipal budget without complying with any in-person approval requirements normally required by statute, special act, municipal charter, ordinance or resolution, such body(ies) shall make specific findings that such actions are necessary to permit the orderly operation of the municipality and that there is a need to act immediately and during the duration of the public health and civil preparedness emergency in order to avoid endangering public health and welfare, prevent significant financial loss, or that action is otherwise necessary for the protection of persons and property within the municipality. In so acting, the legislative body and, if different from the legislative body, the budget-making
authority of the municipality, shall comply with open meeting requirements set forth in Executive Order No. 7B. All conditions precedent to any such approval, including without limitation, public notices, hearings or presentations, shall proceed in a manner as closely consistent with the applicable statutes, special acts, town charters, municipal ordinances, resolutions or procedures as possible, and in compliance with the open meeting provisions set forth in Executive Order 7B. Nothing in this order shall be construed to prohibit a municipality from conducting any in-person meeting, approval process, or referendum, provided such municipality first consults with local or state public health officials and conducts such meeting, approval process, or referendum in a way that significantly reduces the risk of transmission of COVID-19.

8. Suspension of Reapplication Filing Requirement for the Homeowners’ Elderly/Disabled Circuit Breaker Tax Relief Program and for the Homeowners’ Elderly/Disabled Freeze Tax Relief Program. The biennial filing requirements under Sections 12-170aa(e) and (f) and Sections 12-129b and 12-129c of the Connecticut General Statutes for any taxpayers who were granted the benefit for the Grand List year 2017 and who is required to recertify for the Grand List year 2019, are suspended and such taxpayers shall automatically maintain their benefits for the next biennial cycle ending in Grand List year 2021.

9. Substitution of Full Inspection Requirements Pertaining to October 1, 2020 Grand List Revaluations. The requirement set forth under Section 12-62 of the Connecticut General Statutes pertaining to October 1, 2020 Grand List revaluations that require a full interior inspection of property, for which such interior inspection that has not yet been completed, is suspended and replaced with the alternative requirement to send a questionnaire to the owner as outlined in Section 12-62(b)(4).


11. Suspension of Non-Judicial Tax Sales. Notwithstanding any contrary provision of the Connecticut General Statutes, including but not limited to Section 12-157 or Section 7-258, or any special act, municipal charter or ordinance that conflicts with this order, (1) no municipality nor water pollution control authority may conduct any sale pursuant to General Statutes Section 12-157 or Section 7-258, until thirty days after the end of the public health and civil preparedness emergency, including any period of renewal or extension of such emergency. Any sale for which notice had been filed prior to March 10, 2020 shall be adjourned by operation of law to a date to be determined by the tax collector. Such adjourned date shall be no earlier than thirty days after the end of the public health and civil preparedness emergency; and (2) For any sales held under Section 12-157 or Section 7-258 that were conducted prior to March 10, 2020, any six-month redemption period in General Statutes Section 12-157 shall be extended for the number of calendar days the public health and civil preparedness emergency remains in effect. The time period from March 10, 2020 to the end of the emergency shall be considered a
“holding period.” Redemption interest during said holding period shall be charged at a monthly rate equivalent to three per cent per annum.

Unless otherwise specified herein, this order shall take effect immediately and shall remain in effect for the duration of the public health and civil preparedness emergency, unless earlier modified or terminated by me.

Dated at Hartford, Connecticut, this 1st day of April, 2020.

Ned Lamont
Governor

By His Excellency’s Command

Denise W. Merrill
Secretary of the State
STATE OF CONNECTICUT
BY HIS EXCELLENCY
NED LAMONT
EXECUTIVE ORDER NO. 7W
PROTECTION OF PUBLIC HEALTH AND SAFETY DURING COVID-19
PANDEMIC AND RESPONSE – MUNICIPAL TAX RELIEF CLARIFICATIONS,
UNEMPLOYMENT EXPERIENCE RATINGS, ADMINISTRATIVE
REQUIREMENTS FOR LIQUOR PERMITTEES

WHEREAS, on March 10, 2020, I issued a declaration of public health and civil
preparedness emergencies, proclaiming a state of emergency throughout the State of
Connecticut as a result of the coronavirus disease 2019 (COVID-19) outbreak in the United
States and confirmed spread in Connecticut; and

WHEREAS, pursuant to such declaration, I have issued twenty-three (23) executive orders
to suspend or modify statutes and to take other actions necessary to protect public health
and safety and to mitigate the effects of the COVID-19 pandemic; and

WHEREAS, COVID-19 is a respiratory disease that spreads easily from person to person
and may result in serious illness or death; and

WHEREAS, the World Health Organization has declared the COVID-19 outbreak a
pandemic; and

WHEREAS, the risk of severe illness and death from COVID-19 appears to be higher for
individuals who are 60 years of age or older and for those who have chronic health
conditions; and

WHEREAS, to reduce the spread of COVID-19, the United States Centers for Disease
Control and Prevention and the Connecticut Department of Public Health recommend
implementation of community mitigation strategies to increase containment of the virus
and to slow transmission of the virus, including cancellation of gatherings of ten people or
more and social distancing in smaller gatherings; and

WHEREAS, quasi-municipal entities, including special taxing districts and participants in
the Connecticut Green Bank C-Pace program have sought relief on behalf of taxpayers
affected by the economic effects of the COVID-19 pandemic; and

WHEREAS, as a result of the dire economic effects of the necessary public health
protective measures enacted in response to the COVID-19 pandemic, an unprecedented
number of Connecticut residents have filed for unemployment benefits; and
WHEREAS, to avoid imposing an undue burden on contributing employers whose employees have had to file unemployment claims as a result of the extraordinary effects of the COVID-19 pandemic, it is necessary to relieve those employers of charges to their experience accounts; and

WHEREAS, provisional permits must be approved by the Liquor Control Commissioner, which is not holding meetings during this state of emergency; and

WHEREAS, Executive Order No. 7D provided that any location licensed for on-premise consumption of alcoholic liquor “shall only serve food or non-alcoholic beverages for off-premises consumption,” thereby preventing on-premise liquor permittees from enjoying the full benefit of their liquor permit; and

WHEREAS, certain statutory and regulatory provisions regarding the sale and consumption of alcoholic beverages may make required distancing and other safety measures difficult or impossible while local and state government offices have limited accessibility, or may create undue hardship to businesses during the period when they are not selling alcoholic liquor for on-premise consumption;

NOW, THEREFORE, I, NED LAMONT, Governor of the State of Connecticut, by virtue of the authority vested in me by the Constitution and the laws of the State of Connecticut, do hereby ORDER AND DIRECT:


   a. Application to Quasi-Municipal Corporations. The provisions of Executive Order No. 7S, Section 6 regarding tax deferral and interest-rate reduction programs to offer support to eligible taxpayers, businesses, nonprofits and residents who have been economically affected by the COVID-19 pandemic shall apply to all taxes and water, sewer, or electric charges for which a municipality, as defined in section 7-148 of the general statutes, collects for all other quasi-municipal corporations, whether created by statute, ordinance, charter, or special act, including but not limited to any town, city or borough, whether consolidated or unconsolidated, any village, school, sewer, fire, lighting, special services or special taxing districts, beach or improvement association, any regional water or resource recovery authority or any other political subdivision of the state or of any municipality having the power to make appropriations or to levy assessments or taxes (“quasi-municipal corporations”). Every quasi-municipal corporation which collects its own taxes or water, sewer, or electric charges and is located wholly within a municipality shall offer the same program or programs that the municipality offers, must accept the status of the taxpayer as determined by the municipality,
and shall not be subject to the notification requirement to the Secretary of the Office of Policy and Management under Executive Order No. 7S Section 6. Every quasi-municipal corporation which collects any taxes or water, sewer, or electric charges and is located in multiple municipalities shall make its own determination as to which program or programs it shall elect, which may be either uniform for the whole quasi-municipality or be the same as those chosen by the respective forum municipalities, and shall provide the notice to the Secretary of the Office of Policy and Management as required for municipalities under Executive Order No. 7S Section 6. The provisions of Executive Order No. 7S, Section 6 regarding tax deferral and interest-rate reduction programs to offer support to eligible taxpayers, businesses, nonprofits and residents who have been economically affected by the COVID-19 Pandemic shall apply to benefit assessments under Connecticut General Statute Section 16a-40g.

b. Clarification of Time Periods. Because interest on past due taxes and water, sewer, or electric charges are calculated by the month, not by the day, and principal is typically due on the first of the month, not the tenth, the ninety (90) day periods referred to in Executive Order No. 7S, Section 6 are amended to three (3) months, and the references to due dates and delinquency dates on or prior to March 10 are amended to April 1.

2. No Increased Experience Rating Based on COVID-19 Unemployment Claims. Section 31-225a(c)(1) of the Connecticut General Statutes is modified to additionally provide, "(L) No base period contributing employer's account shall be charged with respect to benefits paid to a claimant due to partial or total unemployment that the Commissioner of Labor or his designee determines are attributable to COVID-19, including but not limited to benefits paid to a claimant who, through no fault of his or her own, becomes either partially or fully unemployed during the public health and civil preparedness emergency declared on March 10, 2020, and any period of extension or renewal." The Commissioner of Labor may issue any implementing orders that he deems necessary to effectuate this order.

3. Coil Cleaning Requirements Modified. Section 30-6-A23(b) of the Regulations of Connecticut State Agencies is modified so that premises that normally are permitted to sell beer or wine for on-premises consumption need not clean beer or wine pipe lines on a weekly basis while the premise is closed pursuant to Executive Order No. 7D, unless growlers for off-premise consumption are sold pursuant to Executive Orders No. 7G or 7T. Any premise not cleaning lines on a weekly basis shall not begin serving draught beer or wine after Executive Order No. 7D is lifted until a coil and line cleaning occurs and is recorded on the premise’s cleaning card.
4. **Delivery Signature Requirement Suspended.** Sections 30-16(e)(3), 30-18(b), 30-18a(b), 30-19f(c), 30-37q, and 30-93a of the Connecticut General Statutes are modified so that a consumer need not sign upon receipt of alcoholic beverages for delivery or curbside pick-up, provided that the age of the consumer receiving the alcoholic beverages is verified to be age twenty-one or older and the consumer is not intoxicated. The Commissioner of Consumer Protection may issue any implementing orders or guidance that she deems necessary to effectuate the purposes of this order.

5. **Return of Permit Not Necessary for Temporary Closures Pursuant to Executive Order No. 7D.** Section 30-6-A6 of the Regulations of Connecticut State Agencies is modified to waive the requirement that permittees must notify the Department of Consumer Protection of business closures for sixty days or less if said closure is a result of Executive Order No. 7D. Section 30-6-A6 is further modified to waive the requirement that a permittee return the permit to the Department of Consumer Protection if the business is closed for more than 60 days if said closure is a result of Executive Order No. 7D so long as the business intends to reopen following the termination of Executive Order No. 7D.

6. **Ninety-day Provisional Permits.** Section 30-35b of the Connecticut General Statutes is modified to authorize the Commissioner of Consumer Protection, or her designee, to review and approve the issuance of provisional permits, the renewal of such permits and any follow-up review, which would otherwise have been reviewed and approved by the Liquor Control Commission. Any such decisions shall be made public by posting them on the Commission’s web site and including them on the agenda for the next regularly scheduled meeting of the Liquor Control Commission. The Commissioner of Consumer Protection may issue any implementing orders and guidance that she deems necessary to implement this order.

7. **Renewal Date of On-Premise Liquor Permits to Be Extended.** Section 30-14(a) of the Connecticut General Statutes and Section 30-6-A3 of the Regulations of Connecticut State Agencies are modified to provide that all on-premise liquor permits in active status when Executive Order No. 7D went into effect on March 16, 2020 shall be extended by four months, including any business whose permit expired between March 16 and the effective date of this Order. The Commissioner of Consumer Protection may issue any implementing orders and guidance that she deems necessary to implement this order.

8. **Permit Need Not Be Recorded with Town Clerk.** Section 30-53 of the Connecticut General Statutes and Section 30-6-A7 of the Regulations of
Connecticut State Agencies are suspended in all towns where the town clerk’s office is closed or so reduced in hours that it makes it unreasonable to have the permit recorded. Permits shall be recorded as soon as the relevant town clerk’s office is reopened and staffed for routine business.

Unless otherwise specified herein, this order shall take effect immediately and shall remain in effect for the duration of the public health and civil preparedness emergency, unless earlier modified or terminated by me.

Dated at Hartford, Connecticut, this 9th day of April, 2020.

By His Excellency’s Command

Ned Lamont
Governor

Denise W. Merrill
Secretary of the State
OFFICE OF POLICY AND MANAGEMENT

GUIDANCE

EXECUTIVE ORDER 7S
Section 6, Executive Order 7S
Suspension and Modification of Tax Deadlines and Collection Efforts

Property taxation is a state function granted within certain parameters to local municipalities. Due to COVID-19 the state deems it necessary to make some changes to the normal deadlines and procedures. There will be two programs designed to offer support to eligible taxpayers who have been affected by COVID-19. The state has established the “Deferment Program” and the “Low Interest Rate Program.”

The EO defines “municipality” as indicated in 7-148. This means only towns, cities and boroughs, and does not include special taxing districts and special services districts. Unless and until the EO is amended these programs and procedures apply only to “municipalities” as defined above, and NOT to special taxing districts.

The legislative body of each municipality must determine if they will offer one plan, or both plans. Municipalities can offer either plan or both but must offer at least one. In municipalities where the legislative body is the town meeting, the board of selectmen decides which program to offer. Towns must notify OPM by April 25 of their choice.

Section a: “Deferment Program”

Think of this program as an extended grace period program. What is “deferred” is not a tax but rather the last day to pay without interest. The deadline is deferred, not the tax. Eligible taxpayers (“eligible” will be defined later) are entitled to defer their payment deadline until 90 days from the tax due date, instead of the usual 30 days.

This will have different applications depending on when taxes or other charges (municipal sewer, utility, etc.) are ‘due’ in a given municipality. Any tax that comes due between March 10, 2020 and July 1, 2020, inclusive, can be covered by this plan.

For semiannual and annual towns: the next installment comes due on July 1, 2020. This plan covers installments that come due up through and including July 1, 2020. For the July 1, 2020 installment, instead of the last day to pay being August 3, 2020 (August 1 falls on a Saturday), the last day to pay will instead be October 1, 2020 (90 days from July 1) because the last day to pay is being deferred, or the grace period is being extended.
The plan covers any real estate, motor vehicle or personal property tax, and any municipal water, sewer or electric rate, charge or assessment.

For towns that have taxes or other charges coming due between March 10 and July 1 (quarterly billing towns, and towns that bill other charges between March and July): those bills are covered by this plan. For example, if an installment or bill became due and payable on April 1, 2020, instead of the last day to pay being May 1, 2020, the grace period would be extended for 90 days instead of 30, and the last day to pay would instead be July 1, 2020.

“Eligible” taxpayers, businesses, nonprofits, and residents (that covers everybody) are those that “attest to or document significant economic impact by COVID-19, and / or those that document they are providing relief to those significantly affected by COVID-19.” There is separate guidance about eligibility for this program and is detailed on the application forms provided by OPM.

Municipalities may extend eligibility to other categories of taxpayers, businesses, nonprofits and residents, upon approval of the legislative body or by the Board of Selectmen in towns where the town meeting is the legislative body. This means the town is free to ‘open up’ the extended grace period to others not specifically mentioned in the EO. For example, a municipality could decide to offer the extended grace period to ALL taxpayers, period, without distinction. This is a decision up to the towns. If a municipality decides to “open up” the eligibility, the need for applications may be moot.

This program does not address taxes that are already past due. It is not an amnesty or waiver of interest or other charges on taxes that are already delinquent.

Section b: “Low Interest Rate Program”

This is another option for towns to consider. It can be offered in conjunction with the deferment program, or instead of it. This program does not say a taxpayer can have an extended grace period with no interest at all. Rather, it addresses the rate of interest that is to be charged on a delinquent or past due bill. Interest is normally charged at the rate of 1.5% per month, 18% per year from the due date of the tax, with a portion of a month being considered a full month. However, this program will allow for a lower rate of interest: .25% per month, or 3% per year, from the due date of the tax, for a period of up to 90 days only.

This program provides a ‘window’ of 90 days from the due date where taxpayers would be able to pay at a reduced interest rate. They would not have an extended grace period, but they would be paying significantly less interest if they pay late.
Any tax, or municipal water, sewer, or electricity charge that comes due at any time between March 10, 2020 and July 1, 2020, inclusive, can be covered by this plan (section i).

For semiannual and annual towns: the next installment comes due on July 1, 2020. This plan covers installments that come due up through and including July 1, 2020. For the July 1, 2020 installment, the last day to pay will (still) be August 3, 2020 (August 1 is a Saturday) but if the taxpayer pays on August 4 or later, they will not be paying 1.5% per month interest, but rather only .25% per month interest. On August 4, 2020 the interest charged would not be 3%, but rather .25 x 2 months or .5%. This plan would remain in force only for 90 days from the due date of July 1; it would end on October 2, 2020.

The plan covers any real estate, motor vehicle or personal property tax, and any municipal water, sewer or electric rate, charge or assessment.

For towns that have taxes or other charges coming due between March 10 and July 1 (quarterly billing towns, and towns that bill other charges between March and July): those bills are covered by this plan. For example, if an installment or bill became due and payable on April 1, 2020, the last day to pay will (still) be May 1, 2020, but if the taxpayer pays on May 2 or later, they will not be paying 1.5% per month interest but rather only .25 % per month interest. On May 2, the interest charged would not be 3% but rather .25 x 2 months, or .5%. This plan would remain in force only for 90 days from the due date of the tax or charge. Once the 90 days was up, the plan would no longer be in effect.

This program does not require taxpayers to qualify based upon eligibility criteria as with the deferment program. However, please refer to eligibility of landlords in Section c, below.

The EO provides that if there is a case where any tax, charge etc. is already subject to an interest rate that is less than 3% per year, then that lower rate will apply instead.

The EO also addresses past due charges that were already delinquent on March 10, 2020 (section ii). If a bill was already delinquent on or before March 10, 2020, it shall be subject to .25% per month, 3% per year interest for a period of 90 days from the EO (until July 1, 2020) only. For the time period from April 1, 2020 (the date of the EO) to July 1, 2020, the delinquent taxpayer pays .25% per month or portion thereof instead of the normal 1.5% per month – but ONLY on those last three months, and only if they are making a payment.

On July 2, 2020, unless this EO is extended or other directives are subsequently given, the ‘window’ closes, and interest once again goes back to the statutory rate of 1.5% per month from due date. (“Following the 90 days, the portion that remains delinquent shall be subject to interest and penalties as previously established.”)
If a taxpayer has made a partial payment between April 1 and July 1, 2020, but has not paid in full, interest goes back to the former rate. If a taxpayer has not made any payment at all during that time, they lose the benefit of the ‘window’ and all of their interest is calculated at the rate of 1.5% per month from the due date, as if the opportunity for the reduced rate had not ever existed. (“Following the 90 days, the portion that remains delinquent shall be subject to interest and penalties as previously established.”)

Section c: Eligibility of Landlords

The EO states that in order to be eligible for the extended grace period/deferral program, a “landlord,” or any taxpayer that rents or leases to tenants or lessees, must provide documentation to the municipality that the property being taxed has, or will, suffer a significant income decline, or that commensurate forbearance was offered to the tenants or lessees.

The EO states that in order to be eligible for the lower/reduced interest rate program, the landlord must offer ‘commensurate forbearance’ to tenants or lessees upon their request.

The application forms provided by OPM have more detail about this section and contains specific sections to be completed by landlords.

Section d: Escrow Payments

This section of the EO states that an individual taxpayer’s eligibility for either program is irrelevant if the taxes on the property are paid on their behalf by an escrow agent, financial institution, mortgage service agent or bank. The escrow agents are still expected to remit tax payments on behalf of their customers according to the regular timetable – in other words, by August 3 for semiannual and annual towns. The EO states this is the case ‘so long as the borrower remains current on their mortgage or is in a forbearance or deferment program.’ The EO does not address what the expectation is if the borrower is NOT current or is NOT in such a program.

Section e: Liens Remain Valid

Nothing in the EO affects ANY PROVISION of the Connecticut General Statutes relating to the continuing, recording and releasing of property tax liens. Tax collectors still rely on the existence of the inchoate lien as of the date of assessment. Intent to lien notices are to be sent. Lien continuing certificates are still to be filed in the land records on the regular timetable. Liens are still to be released according to the regular timetable.
Finally, “…the precedence and enforcement of taxes, rates, charges and assessments shall remain applicable to any deferred tax, rate, charge or assessment or installment or portion thereof.” Take this to mean ‘deferred’ as defined in section a. Even if a tax is deferred according to the program (extended grace period granted) the priority/precedence of that property tax remains in effect, is not lessened or reduced by virtue of participation in the extended grace period program, and will be subject to normal collection enforcement procedures once the ‘deferment’ (extended grace period) has concluded.

Section 11, Executive Order 7S
Suspension of Non-Judicial Tax Sales

Section 11 postpones all pending tax sales and redemption deadlines. Effective on April 1, 2020, any upcoming tax sales are automatically postponed for the duration of the emergency and can be rescheduled by the tax collector no sooner than thirty (30) days after the Governor declares the emergency has ended. Tax sale notices which went out before the EO remain valid. Adjournment notices can go out by first-class mail in the meantime, but the return-receipt notices and newspaper advertising required by General Statutes 12-157(a) should not be resumed until the new auction date is known, and their timing will be calculated from the new date.

Section 11 also extends any six-month redemption deadline pending at the time the EO was signed, which was 9:00 p.m. on April 1, 2020. The length of the extension is equal to the number of days that the emergency is in effect, which will be March 10, 2020 through until whatever date the Governor declares it has ended. The interest rate the purchaser earns during the extended portion of the redemption period is 0.25% per month but remains at 1.5% per month for the regular part of the redemption period. The EO does not reinstate any redemption period which had already expired. This means any tax sale conducted before October 2, 2019 is not affected by EO unless its redemption period was extended by a bankruptcy filing or other law. Deeds and affidavits can still be recorded for tax sales whose redemption deadlines expired before then.
1. What kinds of municipalities do the tax programs apply to?

Section 6 applies to all towns, cities, boroughs in Connecticut including their water pollution control authorities. These municipalities must adopt either or both programs created in the Order.

Note that a future EO may expand these programs to apply to all municipalities and quasi-municipal corporations, whether created by statute, ordinance, charter, legislative or special act, including but not limited to any town, city or borough, whether consolidated or unconsolidated, any village, school, sewer, fire, lighting, special services or special taxing districts, beach or improvement association, any regional water or resource recovery authority or any other political subdivision of the state or of any municipality having the power to make appropriations or to levy assessments or taxes. OPM is receiving input on this expansion and will update this guidance if the program is expanded to apply to quasi-municipal corporations.

2. What kinds of taxes and charges does Section 6 apply to?

Section 6 applies to unescrowed taxes on real estate, motor vehicles, and personal property as well as unescrowed municipal water, sewer, and electric charges.

Section 6 does not apply to trash and sanitation charges, landlord rental fees, fines, and other kinds of municipal assessments, penalties, and charges regardless of when they come due. It also does not apply to water, sewer, and electrical charges by private providers. All of these taxes and charges must therefore be paid normally.

3. What is the difference between the two Programs in Section 6?

Section 6 creates two Programs for relief from certain taxes and charges. Two programs are offered to provide municipalities flexibility, but also to ensure that all taxpayers have some type of tax relief available during the COVID-19 pandemic.

The Deferment Program effectively delays certain pay by dates (the last day to pay) by ninety (90) days for eligible taxpayers who apply and are approved as meeting the guidelines set forth by the Office of Policy and Management. All other
taxpayers who do not apply or who are not approved would remain responsible to pay their taxes and charges normally, unless a municipality votes to extend eligibility to such taxpayers. The EO makes clear that a municipality may extend eligibility to other categories of taxpayers, businesses, nonprofits and residents. Therefore it is up to each town whether to use the "Application for Municipal Tax Relief" available on OPM’s website, or choose to create a different form reflecting eligibility standards approved by its local legislative body, except that landlords participating in the deferral program must provide documentation to the municipality that the relevant parcel has or will suffer a significant income decline or that commensurate forbearance was offered to their tenants or lessees in either case.

The Low Interest Program would reduce the interest rate for a three-month window to three (3) per cent for all taxpayers owing taxes and charges automatically.

Every town, city, and borough must adopt either Program, or both Programs and notify the Office of Policy and Management by filling out the OPM Certification Form, no later than April 25, 2020.

4. **What are the requirements for landlords?**

Landlords are not eligible for either Program for relief from taxes and charges on their rental or leased properties unless they pass on "commensurate forbearance" to their tenants or lessees.

Commensurate forbearance, for purposes of both programs, means either a) a deferral of 25% of rent (approximating the property tax portion of rent) for the ninety (90) days from the due date; b) a deferral of one month’s rent to be paid over the 90 day period; or c) forbearance substantially similar to (a) or (b) as determined by the tax collector.

For the Deferment Program, the landlord must provide documentation that the property will suffer a significant revenue decline related to the COVID-19 emergency, or that commensurate forbearance was offered to tenants or lessees. Landlords are subject to auditing and may be asked by their municipality to provide their tenants' names and contact information, or other information identified by the municipality to confirm eligibility.

For the Low Interest Program, there is no documentation requirement for ease of administration, but landlords are subject to auditing and should not take advantage of this program unless they pass along to the tenants commensurate forbearance, when requested.
5. When does the taxpayer have to submit their application?

Deferment Program applications and any required documentation or related information must be submitted to the municipality no later than July 1, 2020 in any manner the municipality specifies, which may be in person, by mail and/or electronically. Each municipality shall utilize the guidance provided by the Office of Policy and Management for determining eligibility.

6. How is interest calculated under the Programs?

If a municipality adopts the Deferment Program, the interest will be zero for any tax or charge owed by an approved taxpayer which would otherwise come due between March 10 and July 1, 2020, inclusive so long as it is paid within ninety (90) days of the original due date. The practical effect of this Program is simply to extend the usual interest-free grace period to ninety (90) days. It would be as though the phrases “the first day of the month next succeeding the month in which” and “the same date of the month next succeeding the month corresponding to that of the month on which” in General Statutes 12-146 were both replaced with “the ninetieth day after.” For water and sewer charges, it would be as though the words “thirty days” in General Statutes 7-239(b), 7-254(a), and 7-258(a) were replaced with “ninety days.”

If a municipality adopts the Low Interest Program, interest is reduced automatically for everyone from 1.5% per month to a maximum of 0.25% per month on taxes and charges which come due between March 10 and July 1, 2020, inclusive. (If any tax or charge would otherwise accrue interest at a rate of less than 3% per annum, the lower rate continues to apply.) This Program also imposes the same cap on any delinquent taxes and charges which came due before March 10, 2020 and remain unpaid, but only to the extent of the interest which accrues on them between April 1, 2020 and July 1, 2020. Interest which had already accrued on delinquencies before April 1, 2020 remains unaffected. For example, if a tax which had previously come due on July 1, 2019 is paid in mid-May 2020, a municipality which adopted this Program would charge nine months of interest at 1.5% each plus two months of interest at 0.25% each. Regardless of whether a tax or charge was due before or after March 10, 2020, any portion not paid by July 1, 2020 accrues interest as it normally would, both within and outside the low-interest period. For example, if a tax due on July 1, 2019 is paid in mid-August 2020, the municipality would charge 14 months of interest at 1.5% each; no portion of the tax would remain entitled to the 0.25% per month interest rate. A tax due on July 1, 2020, however, would remain entitled to the normal one-month grace period which would apply normally (or 30 days for a sewer charge).
7. Do the programs require refunding payments which the municipality has already received?

Neither program requires any municipality to refund any payment, regardless of when it was made or how it was affected by either Program. If a payment is made which exceeds the correct amount due as affected by either Program, the normal overpayment procedures in General Statutes 12-129 apply.

8. How does the suspension of tax sales in Section 11 affect notices of tax sales previously issued for auctions which were to take place after the date of the Order?

Section 11 does not invalidate any notice issued under General Statutes Section 12-157 before the Order was signed. Although the Order itself postpones all pending tax sale auctions by operation of law, the municipality may issue adjournment notices in accordance with the second sentence of General Statutes Section 12-157(b) which state that the auction will be rescheduled to a date to be determined. In the interim, the other pre-auction notices which would otherwise be required by General Statutes Section 12-157(a) should not be issued. After the Governor declares the COVID-19 emergency to have ended, the tax collector may select a new auction date which is no less than 30 days later and issue any remaining pre-auction notices required by General Statutes Section 12-157(a) as calculated from that new date. If all three pre-auction notices required by General Statutes Section 12-157(a) had already been issued before the Order was signed, notice of the new auction date should be issued in accordance with the second sentence of General Statutes Section 12-157(b).

9. Which tax sale redemption periods are extended by Section 11?

Section 11 extends every six-month redemption period under General Statutes Section 12-157(f) which was in effect at the time the Order was signed. It does not reinstate any redemption deadline which had already expired before the Order was issued at 9:00 p.m. on April 1, 2020. This means that no tax sale which occurred before October 2, 2019 is affected by the Order except those for which the redemption deadline had already been extended by 11 U.S.C. Section 108 of the Bankruptcy Code or by another law or court order. For any tax sale procedure for which the redemption period expired before the Order was issued, Section 11 does not prohibit municipalities from depositing excess funds with the Superior Court under General Statutes Section 12-157(i), recording deeds or affidavits as provided in General Statutes Sections 12-157(f) or 12-167(a), or otherwise concluding the procedure as provided by law.
APPLICATION FOR MUNICIPAL TAX RELIEF DEFERRAL PROGRAM UNDER EXECUTIVE ORDER 7S
For deferral of real estate, motor vehicle, and personal property taxes and/or municipal electric, water and sewer charges due
to a town, city, and/or borough between and including March 10, 2020 and July 1, 2020.

1. PROPERTY OWNER NAME | LAST | FIRST | MIDDLE INITIAL | DATE OF BIRTH
2. IF YOU ARE NOT THE OWNER, YOUR AUTHORITY TO MAKE THIS APPLICATION ON THE OWNER'S BEHALF
   (E.G., BUSINESS'S MANAGER, INDIVIDUAL POWER-OF-ATTORNEY, ETC.)
3. MAILING ADDRESS | NUMBER AND STREET | MUNICIPALITY | STATE | ZIP CODE
4. DAYTIME TELEPHONE | WITH AREA CODE | EMAIL ADDRESS
5. PROPERTY FOR WHICH DEFERRAL IS REQUESTED
   ADDRESS(ES) OF REAL ESTATE:
   YEAR, MAKE, MODEL OF VEHICLE(S):
   TYPE(S) OF PERSONAL PROPERTY:

DEFERRAL PROGRAM: □ I request that the applicable real estate, motor vehicle, and personal property taxes and any municipal
electric, water or sewer charges or assessments on the property identified above, which would otherwise be due between and
including March 10, 2020 and July 1, 2020, be deferred until ninety (90) days after the original due date of each without interest or
penalty. Deferral, for purposes of this program, means that the tax or charge can be paid up to 90 days after its due date without
interest or penalty.

CHECK PROPER ELIGIBILITY:
□ Resident: My household has suffered a reduction in income of at least 20% due to COVID-19.
□ Since March 10, 2020, I have been either (1) been furloughed without pay; (2) had my hours significantly reduced; or (3)
am unemployed. This has resulted in at least a 20% reduction in my household income.
□ Proof of Residency is attached (i.e. a copy of driver's license, utility bill, or other proof of residency)
□ Business/Non-Profit: Revenue is expected to decrease at least 30% in the March to June 2020 period versus the March to June
2019 period at this property.
□ Proof of Ownership is attached (i.e. copy of my business license, utility bill, Secretary of State listing, or other proof of
ownership)

LANDLORDS - Fill Out This Section only if you are the landlord of the real estate listed above.
□ Deferral Program. If the municipality has adopted the Deferral Program, I request that the applicable real estate taxes
and any municipal electric, water or sewer charges or assessments on the property identified above, which would otherwise be
due between and including March 10, 2020 and July 1, 2020, be deferred until ninety (90) days after the original due date of each
without interest or penalty.
□ I have attached documentation proving that the property has or will suffer a significant revenue decline, OR
□ I have attached documentation proving that commensurate forbearance was offered to the tenants or lessees.
   "Commensurate forbearance, for purposes of this program, means either a) a deferral of 25% of rent (approximating
   the property tax portion of rent) for the ninety (90) days after its due date; b) a deferral of one month's rent to be paid
   over the 90 day period, or c) forbearance substantially similar to (a) or (b) as determined by the tax collector.
   Documentation includes, but is not limited to, proof that some tenants or lessees have received forbearance or that the
   landlord has actively communicated with tenants or lessees to offer forbearance.
CERTIFICATION:

(A) I am aware of the amount and/or basis of the taxes, charges, and assessments that I am requesting to be deferred and I hereby irrevocably waive all rights to appeal or dispute them on any basis. I understand that the municipality's lien, priority, and enforcement rights will remain unaffected during and after this period.

(B) I understand that this request, if approved, will not defer any taxes, charges, fees, or assessments I may owe the municipality which came due before March 10, 2020 or after July 1, 2020 or the interest and penalties applicable to them, or any other debt I may owe the municipality at any time.

(C) I authorize the municipality and its agents to verify the statements above, and any certification information I have provided, from its records and other third parties. I consent to those third parties releasing relevant information to the municipality and its agents for this purpose upon the municipality's request and that a copy of this application shall be adequate evidence of my consent. I hold the municipality harmless in their collection of this data.

(D) I understand that I must pay all taxes, charges, and assessments deferred in full (i) within ninety (90) days after the original due date or (ii) immediately, if the municipality determines that I am not eligible for deferment. I understand that if I fail to make payments as noted in this section, all interest, fees, and penalties will be applied to all unpaid portions retroactive to the original due date.

<table>
<thead>
<tr>
<th>APPLICANT'S ATTESTATION</th>
<th>Under penalties of perjury, I hereby swear or affirm that that I have read and understood all of the statements above, that they are true and accurate, and that I have attached any and all additional information necessary to process my application herein. I attest that this application, and all attachments, are genuine and unaltered.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGNATURE OF APPLICANT X</td>
<td>Date signed (Mo., Day, Yr.)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STOP! DO NOT WRITE BELOW THIS LINE FOR TAX COLLECTOR'S USE ONLY

<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TAX COLLECTOR'S DETERMINATION</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>SIGNATURE OF TAX COLLECTOR OR MEMBER OF TAX COLLECTOR'S STAFF X</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>