



Third Taxing District

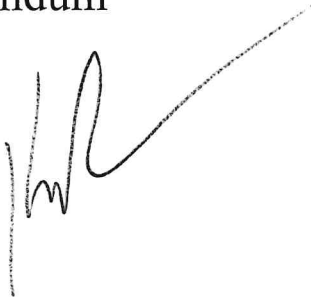
2 Second Street
East Norwalk, CT 06855

Tel: (203) 866-9271

Fax: (203) 866-9856

Memorandum

To: TTD Commissioners

From: Kevin Barber – General Manager 

Date: April 23, 2020

Subject: Connecticut Governor's Executive Orders 7S and 7W –
Municipality Program Election

Recently, Governor Lamont has signed two Executive Orders (EO), 7S and 7W, that require each municipality to elect the program(s) they will participate in to provide relief to customer's impacted by the COVID-19 pandemic.

Attached are copies of both executive orders and related documentation that provides additional information and examples on how the programs are designed to work. TTD was advised last evening these EOs do pertain to the Third Taxing District Electric Department. As such, were required to advise the CT Office of Policy and Management (OPM) of our election by Saturday, April 25, 2020. Because our next regular meeting is scheduled for Monday, April 27th, a special meeting is required.

The two programs are as follows:

- 1) **Deferment Program:** This program will require TTD to offer to eligible customers a ninety (90) day deferment on their electric bills. Eligible customers will need to attest to or document significant economic impact by COVID-19 and/or those that document they are providing relief to those significantly impacted by the COVID-19 pandemic.
- 2) **Low Interest Rate Program:** This program requires municipalities to charge a lower interest rate for past due balances for a period of ninety (90) days. TTD currently does not charge customers interest on past due balances and by default is following this program.

It is staff's recommendation that we elect to participate in both the Deferment and the Low Interest Rate Programs.

I will be happy to discuss these programs and the pros and cons at the meeting.

District Commissioners

Johnnie Mae Weldon	203-216-2652	Chairperson	Kevin Barber	203-866-9271	General Manager
Pamela Parkington	203-858-4261	Commissioner	Ron Scofield	203-866-9271	Assistant General Manager
Michele Sweeney	203-820-3107	Commissioner	Read Auerbach	203-451-7047	Treasurer



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

INTERGOVERNMENTAL POLICY AND PLANNING DIVISION

GOVERNOR'S EXECUTIVE ORDER 7S SECTION 6 MUNICIPALITY PROGRAM ELECTION

The municipality of _____ by determination of our local legislative body, or in any town in which the legislative body is a town meeting, by a vote of the board of selectmen, voted and approved on _____, that we will participate in the following program(s):

Deferment Program. During the period of March 10, 2020, the date that the Governor 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 CO VID-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.

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.

PROGRAM CONTACT:

Printed Name: _____ Title: _____

Email Address: _____ Phone: _____

CEO CERTIFICATION:

Dated this _____ day of April, 2020.

Printed Name: _____ Title: _____

Email Address: _____

Signature: _____

DUE TO OPM NO LATER THAN APRIL 25, 2020 ~ RETURN TO: Martin.Heft@ct.gov

STATE OF CONNECTICUT

BY HIS EXCELLENCY

NED LAMONT

EXECUTIVE ORDER NO. 7S

**PROTECTION OF PUBLIC HEALTH AND SAFETY DURING COVID-19 PANDEMIC AND
RESPONSE – SAFE STORES, RELIEF FOR POLICYHOLDERS, TAXPAYERS, AND
TENANTS**

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 and preempt 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).
10. **Extension of Deadline to File Income and Expense Statement.** The taxpayer filing deadline set forth under Section 12-63c of the Connecticut General Statutes is extended to August 15, 2020.
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
Ned Lamont
Governor

By His Excellency's Command



Denise W. Merrill
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**:

1. Applicability of Executive Order No. 7S, Section 6 and Quasi-Municipal Corporations and Clarification of Time Periods.

- 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.



Ned Lamont
Governor

By His Excellency's Command



Denise W. Merrill
Secretary of the State





OFFICE OF POLICY AND MANAGEMENT GUIDANCE
Executive Order No. 7S and No. 7W
Explanation of Purpose and Intent

**Section 6, Executive Order 7S and Section 1, Executive Order 7W
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 which means only towns, cities and boroughs, but also binds “quasi-municipal corporations” which include special taxing districts, special services districts, and all other entities which have the power to make appropriations or levy taxes or assessments.

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 3 months from the tax due date, instead of the usual one month (30 days for water and sewer charges).**

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 April 1, 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 (three months 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, as well as benefit assessments under the C-PACE program under C.G.S. § 16a-40g.

For towns that have taxes or other charges coming due between April 1 and July 1 (quarterly billing towns, and towns that bill other charges between April 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 three months instead of one, and the last day to pay would instead be July 1, 2020.

“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 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. However, please refer to eligibility of landlords in Section c, below.

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: 0.25% per month, or 3% per year, from the due date of the tax, for a period of three months only.**

This program provides a ‘window’ of three months from April 1, 2020 through July 1, 2020 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, or C-PACE benefit assessment that comes due at any time between April 1, 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 0.25% 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 three months 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, as well as benefit assessments under the C-PACE program under C.G.S. § 16a-40g.

For towns that have taxes or other charges coming due between April 1 and July 1 (quarterly billing towns, and towns that bill other charges between April 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 three months has expired, 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 minimum interest charge of \$2.00 for taxes (in C.G.S. § 12-146) and \$5.00 for sewer assessments (in C.G.S. § 7-254) should not be applied if they would result in a higher interest charge than the EO would allow.

The EO also addresses past due charges that were already delinquent on April 1, 2020 (section ii). If a bill was already delinquent on or before April 1, 2020, it shall be subject to 0.25% per month, 3% per year interest for a period of three months 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 0.25% 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. The program does not retroactively alter previous interest accruals; interest which had already been added at the 1.5% rate before April 1, 2020 for older delinquencies would remain fully payable. Interest at the 0.25% rate would only accrue on those older delinquencies for the months of April, May, and June in 2020 and only to the extent actually paid during those months.

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 [amended to three months], 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 [amended to three months], 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.

On April 10, 2020, Executive Order 7X extended the normal legal grace period for paying rent from 9 days after it is due to 60 days for April rent. Tenants can also get a 60-day grace period for May rent by requesting one from landlords within 9 days after the May rent is due. Landlords can satisfy the commensurate forbearance and income decline requirements for tax and other relief under EO 7S for residential properties simply by complying with EO 7X, and (for the deferment program) confirming they will do so in an e-mail to the tax collector. Landlords of commercial properties may satisfy these requirements with the documentation listed in the application form provided by OPM.

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, that is, 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.



**OFFICE OF POLICY AND MANAGEMENT GUIDANCE
ON TAX PROGRAMS PURSUANT TO SECTIONS 6 AND 11 of
EXECUTIVE ORDER 7S AND SECTION 1 of EXECUTIVE ORDER
7W**

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. The Order as amended by Executive Order 7W also imposes obligations on every special taxing district, special services district, and other quasi-municipal corporation that charges taxes or water, sewer, or electric charges or assessments. Specifically, each of these entities must follow the same program or programs and eligibility determinations as the town in which it is located, except that those located in multiple towns must either choose their own district-wide program or programs or instead follow those chosen by the towns for their respective portions and notify OPM of their decision by April 25, 2020.

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, and benefit assessments under the C-PACE program under C.G.S. § 16a-40g.

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 three months 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. (Residential landlords can satisfy this requirement simply by confirming in an e-mail to the Tax Collector that they will comply with the 60-day rent deferments required by Executive Order 7X.)

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, and every quasi-municipal corporation located in more than one town, 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 or, for the Deferment Program only, show that the property has or will suffer a significant income decline.

Commensurate forbearance, for purposes of both programs, means either a) for residential properties, an e-mail from the landlord confirming compliance with the 60-day rent extensions required by Executive Order 7X; or b) for commercial properties, either (i) a deferral of 25% of rent (approximating the property tax portion of rent) for three months from the due date, (ii) a deferral of one month’s rent to be paid over the three-month period; or (iii) 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. For residential properties, an e-mail from the landlord confirming compliance with the 60-day rent extensions required by Executive Order 7X will satisfy the revenue decline documentation. 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 April 1 and July 1, 2020, inclusive so long as it is paid within three months days of the original due date. The practical effect of this Program is simply to extend the usual interest-free grace period to three months. It effectively replaces the word "month" with the words "third month" in the phrases "the first day of the month" and "the same date of the month" in the interest statute, General Statutes 12-146. 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 "three months."

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 April 1 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 April 1, 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 April 1, 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). The minimum interest charge of \$2.00 for taxes (in C.G.S. § 12-146) and \$5.00 for sewer assessments (in C.G.S. § 7-254) should not be applied if they would result in a higher interest charge than the EO would allow.

- 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.



OFFICE OF POLICY AND MANAGEMENT GUIDANCE

Executive Orders 7S and 7W Tax Deferral/Low Interest Program FAQ

Question #1: How are Towns to notify the taxpayers of the relief program that has been adopted?

Answer: The Tax Collector and leadership must set up a program that works for their municipality. Some options could be posting to the municipal website, article in the town newspaper or press release, email blasts, flyers, social media, reverse 9-1-1 calls to taxpayers, and inserts in the June billing statements (if mailed out early enough, since the application deadline is July 1st)

Question #2: How and when does the town collect the forms from taxpayers and/or landlords?

Answer: The Tax Collector and leadership must set up a procedure that works for their municipality. Some options could be using email, postal mail, drop offs, etc.

Question #3: Is there a deadline for filing the form?

Answer: Yes, they must be filed no later than July 1, 2020

Question #4: Interest Program: 3-Part Scenario:

Part 1) Taxpayer billed \$1,000.00 on 7/1/19 and they paid \$200.00 on 4/15 (13.5% interest from July 2019-March 2020 at 1.5% interest per month; April 2020 interest .25%) The back interest must be paid first so -\$135.00 (13.5% of \$1,000.00). Leaving \$65.00 to go toward the .25% interest and then the tax balance, \$65.00 - \$2.50 (.25% interest of \$1,000.00) = \$62.50. This \$62.50 will come off the tax balance leaving a total due of \$937.50 in tax.

Answer: Correct!

Part 2) Then if they pay another \$200.00 in May, they will pay \$2.34 in interest (.25% of \$937.50; all back interest is paid first so only May interest is due) and the rest would go toward the tax balance.

Answer: Correct!

Part 3) After 7/1/2020, the remaining balance is left on the tax, say it is \$500.00, does it get 1.25% interest for the April, May, and June (3.75%) added back on?

Answer: No. According to this example, they paid all the interest accrued through May 31st and if they made a June payment it would have been at .25%. On July 1st, interest is charged at 1.5% from July 1st and should be applied to the \$500.00 balance. The Executive Order states interest reverts to the 1.5% per month on any balance after the three months as if the interest incentive program never existed.

Question #5: Under the tax deferment option, if a mortgagor who pays their taxes via bank escrow does not have enough balance on July 1 to pay the full amount, will the bank pay the municipality the full amount on their behalf? Or, will the bank short pay whatever is in the escrow balance?

Answer: Good question! The escrow agents are still expected to remit tax payments according to the regular timetable. The Executive Order excludes escrow agents from the extended grace period. Tax payments remitted by escrow agents will continue to be subject to 1.5% per month interest from the due date if not timely made.

Question #6: Will the state be posting the application on its website, or is it strictly in the hands of the municipalities?

Answer: The application was distributed to all CEO's, Tax Collectors and through CTx on April 6, 2020. Additionally, an updated version and fillable version was sent out April 14, 2020. They are also located on the OPM website <https://portal.ct.gov/OPM/IGPP-MAIN/IGPP-Home-Page> under the "News and Updates" Section along with the most up-to-date Guidance and Frequently Asked Questions documents.

Question #7: Will OPM issue a fillable form we can load on our website?

Answer: Yes, this form has already been completed. It was emailed from CTx on the Email Tree on April 13th. The newest versions of each application can be found at <https://portal.ct.gov/OPM/IGPP-MAIN/IGPP-Home-Page> and scroll down to the "News and Updates" Section for the most up-to-date forms, and Frequently Asked Questions document. Any changes to the document will be distributed through CTx and posted on this website.

Question #8: Will there be any other guidelines as far as qualifying for the deferral issued by OPM.

Answer: The guidelines are issued as eligibility requirements on the Application Forms. There will be no further guidance from OPM other than what is contained in this Frequently Asked Questions document. If you have specific questions, we encourage you to email jennifer.gauthier@ct.gov for clarifications.

Question #9: Will there be multilingual forms?

Answer: At this time, no multilingual forms have been created. OPM is looking into this option.

Question #10: Regarding Section 6(b)(ii), should this (reduced interest rate) option be chosen, it appears that any delinquency prior to April 1, 2020 needs to be recalculated as if it was 3% all along. In other words, all delinquent taxpayers who owed back taxes prior to March 10th now have a three month window where they can save 15% interest per annum on their delinquent taxes if they pay principal and only 3% interest per annum (and costs) by July 1st. Is this correct?

Answer: No. Interest accrued through March 31st stands as is. The reduced interest rate (.25% per month) is only for the months of April, May and June 2020. On July 1, 2020 any unpaid tax will be subject to 1.5% per month, AND interest will revert to 1.5% for those three months of April, May and June 2020. If a payment was not made in those three months, the taxpayer does not receive the advantage of the lower interest rate.

Question #11: When using the low interest program, on October 4th, does interest reverts to 1.5% per month if not paid?

Answer: On October 2, 2020 the interest reverts to 1.5% per month on any tax balance from the due date of July 1, 2020. In this scenario, interest as of October 2, 2020 would be 6%.

Question #12: Regarding the 3% interest rate for bills payable by (last day to pay) - if it goes with the bills due on July 1st, does that include the entire month of July, or on July 2nd does the interest goes back to 1.5% per month?

Answer: Executive Order 7S was clarified to change “90 days” to “3 months” in Executive Order 7W. Interest is calculated on the 1st day of each month except in a grace period. For the deferment option, normal interest will be charged on October 2, 2020 from the original due date of July 1, 2020, which is 6%. For the lower interest option, regarding any delinquent bills that existed as of April 1, 2020, the last day to take advantage of the lower interest rate is June 30, 2020. On July 1, 2020, interest will be back to 1.5% for April, May and June and now July. On current bills due on July 1, 2020, the last day to take advantage of the lower interest will be September 30, 2020. On October 1, 2020 interest gets calculated at 1.5 % per month and the interest for July, August, and September reverts to 1.5%.

Question #13: Is the July 90 days deferred program for the July 1, 2020 taxes due date in effect for every town or just the towns that elect the deferment program?

Answer: Just the towns that adopt the deferment program. Those that have adopted this program must notify OPM of their choice no later than April 25, 2020.

Question #14: Are the GL 2019 bills due on July 1st and the grace period moved to October 1st for everyone or just for the towns selecting deferment?

Answer: No, just the Towns that selected the deferment option. The due date remains July 1 but the ‘last day to pay’ is moved to October 1, 2020 instead of August 3, 2020. The grace period is extended or deferred.

Question #15: Is there a deadline for filing? If you get beyond July 1st, into July or August, and someone wants to apply do they still get the deferral and or interest depending on what the town has decided?

Answer: No, the deadline to apply for deferral is July 1. No application required for the interest option. After July 1, no taxpayer can apply for the deferred/extended grace period.

Question #16: Executive Order 7S says we must choose one or both programs. Why couldn't we choose both but for different kinds of taxes? For instance, have the deferral be for either delinquent taxes, or for the current installment; or have the deferral be only applicable for real estate?

Answer: The Executive Order does not allow different programs for different kinds of taxes.

Question #17: Will a bill added through a Certificate of Correction fall under the same category of bill due date? Technically, it is not a new bill, but a newly added bill for us.

Answer: Technically, it is a new bill if it was not on the original grand list filed by the Assessor. At this point, treat it as such and they only have 30 days to pay from the date you mail it. The Executive Order refers to bills due on or before July 1, 2020.

Question #18: If someone makes partial payments in April, May and June, and still owes \$1,000.00 on the balance as of 7/2/2020, does the balance need to have 1.25 X 3 months added back into the interest rate to get it back to 18% per annum?

Answer: No. The intent of the lower interest rate program is to give taxpayers a chance to reduce their debt at a lower rate. The Town will not get the interest back that was reduced. The Town will get all the normal interest that accrued through March 31st. The interest rate of .25% is for April, May and June 2020 only, and ONLY if payments are made. After July 1, 2020, interest will go back to 1.5% per month on all delinquent accounts back to April 1, 2020. On July 1, 2020, interest for those past three months will no longer be reduced and should be set back to 1.5 % as if the program never existed.

Question #19: The order states that the town is required to choose one option or both. Does the Town have the option to adopt **neither**?

Answer: No. Every Municipality must choose one program or the other, or both: but not none.

Question #20: Can a town choose to apply an option to only certain taxes or must all be included? Page 1, Paragraph 5 says any tax “can” be covered. For example, can a town choose to have either program just apply to real estate and exclude all other tax types?

Answer: The Town’s options are one program, the other program, or both. A town cannot distinguish and apply to only segments of the grand list - it is for all taxes as well as water, sewer, and electrical charges and assessments including C-PACE assessments.

Question #21: On page 8 of EO 7S, the last sentence of the third paragraph is very confusing. It seems to contradict previous statements - "A tax due on 7/1/2020, however, would remain entitled to the normal one-month grace period which would apply normally (or 30 days for a sewer charge)". Does the 90 days apply to the 7/1/2020 payment or not?

Answer: Both options include any bill due between April 1, 2020 and including July 1, 2020. The 90-day extended grace period (3 months) WILL apply for the July 1, 2020 installment.

Question #22: Sewer Assessments are neither a tax nor a sewer utility. They are 20-year assessments that the town has bonded for and must continue to pay. Would they fall under the "other kinds of municipal assessments" that are exempt?

Answer: No, sewer assessments are included to the extent installments are due between April 1 and July 1, 2020 (both programs) or were delinquent as of April 1, 2020 (low-interest program).

Question #23: Is the Application form customizable? Can a municipality use the OPM application as a guide and add items to it (i.e. stipulations of their own and/or what type of verifiable proof residents would need to submit with their applications)?

Answer: The Office of Policy and Management M-COVID19 application form should be used. It should be altered only to the extent the town chooses to expand eligibility to other categories of taxpayers, businesses, nonprofits and residents. Acceptable proof of residency or ownership may be determined at the local level and is not required to be listed on the form.

Question #24: The deadline for applications is July 1, 2020. The April 1st installment is already due. We are required to notify OPM what option we are choosing by April 25, 2020. Do you see the administration nightmare of this option for quarterly towns?

Answer: The timing of the application process for Quarterly towns is not ideal, but the Public Health Emergency was not placed into effect until March 10th and there was little time between that date and the date of EO 75 to get the initiative in place.

Question #25: Do you know if a municipality can offer both programs but the interest one through 6/30/2020 and the deferral program for the July installment only?

Answer: No, that cannot be done. Both options include anything due between April 1 and up to and including July 1. A municipality can choose to offer either or both. But they cannot offer one for one time period and one for the other.

Question #26: I want to know if my town goes with the lower interest rate does that mean a 2017 bill would need to be recalculated at .25% interest rate if paid between 4/1 and 7/1? Or is it that the lower interest rate starts as of 4/1?

Answer: The latter. If the lower interest program is adopted, any delinquent payments made on or after April 1st can be charged only .25 % interest. In May, interest will be .25% on all delinquents, and then again in June, through June 30 only .25% interest can be charged. All accrued delinquent interest remains intact. For example, as of March 31, 2020 for the 2017 bill that was due July 1, 2018, accrued interest was 31.5%. If someone made a payment on that account in April 2020, you could only add on .25% interest to the 31.5% interest balance. The same would go for May and June. For any accounts remaining unpaid on July 1, 2020, the interest is then 1.5% for that month, and at that time, the prior three months (April, May and June) all revert to 1.5% per month. It will be as if the program had never existed. The low interest program does not alter interest charges that had already accrued through March 31, 2020, no matter what is paid afterward.

Question #27: Do you have to be a resident of the town the property is in?

Answer: No. However, landlords have certain additional eligibility requirements which are explained in OPM's Guidance.

Question #28: Do landlords have to give you a list of tenants so you can verify rents not paid?

Answer: A municipality can choose to require this.

Question #29: Will we be getting samples of legislation that may be used by the towns in drafting their own legislation?

Answer: OPM does not currently expect to create a sample, but there is no special format. Jennifer Gauthier at OPM has been collecting Resolutions that have been adopted. If you would like to see samples that have been collected, please email her directly at jennifer.gauthier@ct.gov.

Question #30: Landlords are the concern at this point. Another EO (7X-1b & 1c) states residential landlords must give 60 days' more time on rents due for April and May. Would that be enough to not require the application for deferment as required by EO Section 6 EO 7S Section c?

Answer: Yes, this does make landlords eligible for both programs, with two important caveats. First, EO7X only gives rent extensions for residential leases, so a commercial property's landlord would still need to make the eligibility showing. Second, the Deferment Program requires that the showing be made in writing, so the landlord would need to at least send the Tax Collector an email confirming compliance with EO7X or some other evidence of eligibility.

Question #31: Can you please show us how the interest will work?

EXAMPLES OF BOTH OPTIONS			
<u>OPTION A: DEFERRAL (90 DAYS TO PAY)</u>			
BILL:	\$10,000	DUE JULY 1, 2020 PAY BY OCTOBER 1, 2020	
		JULY	NO INTEREST DUE
		AUGUST	NO INTEREST DUE
		SEPTEMBER	NO INTEREST DUE
	<u>\$600.00</u>	2-Oct-20	6% INTEREST DUE
DUE IF NO PAYMENTS MADE:	\$10,600		
<u>OPTION B: REDUCED INTEREST</u>			
NEW BILL:	\$10,000	DUE JULY 1, 2020 PAY BY AUGUST 3, 2020	
		JULY	NO INTEREST IF PAID THIS MONTH
	\$25.00	JULY INTEREST	.25% INTEREST JULY
	\$25.00	AUGUST INTEREST	.25% INTEREST FOR AUGUST
	<u>\$50.00</u>	Tuesday, August 4, 2020	.50% INTEREST TOTAL
DUE AUGUST 4, 2020	\$10,050.00		
	\$25.00	1-Sep-20	.25% INTEREST DUE
IF NO PAYMENTS MADE DUE ON SEPT 1ST	\$10,075.00		
	\$600.00	1-Oct-20	6% INTEREST DUE (1.5% X 4 MONTHS)
IF NO PAYMENTS MADE DUE ON OCT 1ST	\$10,600		
DELINQUENT BILLS:	TAX	INTEREST	EXPLANATION
2018GL MVS DUE 1-1-20	1,000.00	45.00	accrued interest thru 3-31-20 (4.5%)
		2.50	April interest .25%
		2.50	May interest .25%
		2.50	June interest .25%
If paid by June 30th total due \$ 1052.50	1,000.00	52.50	total interest for June payoff
		15.00	July interest 1.5%
		45.00	now April May & June (4.5%)
		45.00	plus accrued interest thru 3-31-20
if paid on July 1st total due \$ 1105.00	1,000.00	105.00	all interest 1.5% from 1-1-20 7 months or 10.5% as normal
Delinquent Bills with partial payments:	TAX	INTEREST	
2018GL MVS due 1-1-20	1,000.00		
\$ 200.00 payment on April 15th	(152.50)	(45.00)	accrued interest thru 3-31-20 (4.5%)
		(2.50)	interest for April (.25%)
Balance \$ 847.50			
\$ 200.00 payment on May 15th	(197.88)	(2.12)	interest for May (.25%)
Balance \$ 649.62			
\$ 200.00 payment on June 15th	(198.38)	(1.62)	interest for June (.25%)
Balance due \$ 451.24			
\$ 200.00 payment on July 15th	(193.23)	(6.77)	Interest for July (1.5%)
Balance due \$ 258.01			and so on.

Question #32: On Page 3 of EO 75 Guidance Document, second from last paragraph, it clearly states in BOLD letters “The EO also addresses past due charges that were already delinquent on March 10, 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 90 days from the EO (until July 1, 2020) only. For the time period from April 1, 2020 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.”

Answer: Correct. The Deferment Program has no impact at all on any taxes or charges due before April 1, 2020. The Low-Interest Program says that any tax or charge that was already delinquent on April 1, 2020 will accrue interest at the rate of 0.25% per month in April, May, and June 2020 to the extent paid during those months. After July 1, 2020, interest at the usual rate of 1.5% per month is retroactively due on all delinquencies not paid by that day. Also, interest (at the usual rate of 1.5% per month) which had already accrued through March 31, 2020 (before April 1) remains fully payable whether the amounts are paid during that window or not.

Question #33: If WPCA bills are due January 1 for residential customers and March 1 for commercial customers and the WPCA is a separate entity from the Town. These are concerns to be addressed:

- 1) Does WPCA have to choose one of the two programs offered, i.e. the Deferment Program or the Low Interest Rate Program since they are separate from the Town?
- 2) Would WPCA be affected at all with the above due dates if they choose the Deferment Program?

3) Would WPCA be affected at all with the above due dates if they choose the Low Interest Rate Program?

Answer: The Executive Order says that the decision of the town's board of selectmen is binding on all water and sewer charges, so the WPCA cannot select its own program. The WPCA may be its own entity, but state law says it gets its authority by virtue of being the town's designee.

The deferment program only applies only to charges due April 1 through July 1, inclusive, so the ones you're describing would not be impacted if the town chooses that program. However, the low interest program (the other option) *does* apply to charges delinquent as of April 1, as the March 1 and January 1 charges you inquired about would be.

Question #34: When choosing the lower interest option of .25 % per month, we can still charge the minimum interest, right?

Answer: No, the Executive Order overrules those statutes therefore the minimum interest charge of \$2.00 for taxes (in C.G.S. § 12-146) and \$5.00 for sewer assessments (in C.G.S. § 7-254) should not be applied if they would result in a higher interest charge than the EO would allow which is .25% per month. Check with your individual software vendors on how to navigate that. QDS users can control that in the mill rate table.