

Attorneys:

- **Laura Bellotti Cardillo**
lcardillo@pullcom.com
413.314.6166
- **Michael J. Marafito**
mmarafito@pullcom.com
860.424.4360
- **Elliott B. Pollack**
ebpollack@pullcom.com
860.424.4340
- **Gregory F. Servodidio, CRE**
gservodidio@pullcom.com
860.424.4332

Connecticut Governor Lamont Issues Executive Order 7S Providing for Property Tax Relief

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by Laura Bellotti Cardillo, Michael J. Marafito, Elliott B. Pollack and Gregory F. Servodidio

On the evening of April 1, 2020, Connecticut Governor Ned Lamont issued the latest in a series of executive orders addressing the current public health crisis and its impacts on all aspects of our society. Section 6 of Executive Order (EO) 7S provides for municipal property tax relief with the creation of a Deferment Program and a Low Interest Rate Program. Connecticut municipalities are required to adopt one or both of these programs by no later than April 25, 2020, the salient features of which are as follows:

I. The “Deferment Program” provides eligible taxpayers, businesses, nonprofits and residents a ninety (90) day 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.

- Further guidance on which taxpayers, businesses, nonprofits and residents will be eligible under the Deferment Program will be forthcoming from the Secretary of the Office of Policy and Management.
- The time period covered under the Deferment Program is March 10, 2020 through July 1, 2020 and applies to any property taxes or municipal water, sewer and electric rates, charges or assessments that became or will become due and payable during the covered period.
- For any landlord of any commercial, residential or institutional property to be eligible for the Deferment Program, it must provide documentation to the

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municipality that either:

- The parcel has or will suffer significant income decline; or
- The landlord has offered “commensurate forbearance” to its tenants and lessees.

II. The “Low Interest Rate Program” lowers the interest rate to three percent (3%) per annum (0.25% monthly) for ninety (90) days on any delinquent portion of the principal of any municipal real property, personal property or motor vehicle taxes, or municipal utility charge or assessment that became or will become due and payable from March 10, 2020 through July 1, 2020.

- The Low Interest Rate Program is retroactive and encompasses the principal portion of any municipal property tax or utility charge or assessment that was delinquent on or prior to March 10, 2020.
- Following the 90 days, the portion that remains delinquent will be subject to statutory interest and penalties as provided in the applicable sections of the General Statutes.
- A landlord of commercial, residential or institutional property will only be eligible for the Low Interest Rate Program if it offers “commensurate forbearance” to its tenants or lessees, upon their request.

Notably, Section 6 of EO No. 7S does not apply to special taxing districts, fire districts or other special service districts within a municipality.

In addition to the municipal property tax relief programs described above, EO 7S also contains the following provisions of interest to Connecticut taxpayers:

- Section 9 addresses the statutory requirement that assessors of municipalities conducting revaluations as of October 1, 2020 perform full interior inspections of all properties by waiving that mandate for properties that have not yet been inspected. Instead, due to the obvious difficulty of complying with this rule, assessors are now authorized to send owners questionnaires for completion and return to the assessor’s office.
- For the owners of rental income producing properties, the Governor’s prior EO No. 7I referenced in Pullman & Comley’s Alert dated March 23, 2020 extended without penalty to an unspecified date the June 1, 2020 deadline by which income and expense reports must be filed with assessors. Section 10 of this EO No. 7S declares August 15, 2020 to be the date by which these income and expense reports must be filed with assessors without penalty.

The members of Pullman & Comley, LLC’s Property Tax & Valuation Department (PTVD) will continue to monitor and report on these important property tax relief programs as they are implemented. In the meantime, please feel free to contact any member of the PTVD with any property tax questions that you may

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have during these challenging times.

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