



OFFICE OF POLICY AND MANAGEMENT GUIDANCE

Executive Orders 7S and 7W Tax Deferral/Low Interest Program FAQ Updated April 25, 2020

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:** The deferral program is for bills due April 1 through and including July 1. It is suggested to collect all deferral forms by the original due date of the bill. Municipalities may set their own due date.

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 deferral 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 revert to 1.5% per month if not paid?

****Answer:** On October 1, 2020, the interest reverts to 1.5% per month on any tax balance from the original due date of July 1, 2020. In this scenario, interest as of October 1, 2020 would be 6%; 1.5% for July, August, September, and October since a partial month is considered a full month.

****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: The lower interest option only changes the interest rate for three months. Tax collectors would still follow the normal laws as to when interest changes which is on the first of the month unless it is a collection month. In the interest option case, if you are not deferring as well, interest for July 1 bills is calculated on August 4th at .50%, September 1st at .75%. On October 1st, all interest reverts to 1.5% per month from the original due date, July 1 in this scenario.

If BOTH OPTIONS are selected, interest is charged at .25% per month for April, May, and June for anything delinquent prior to April 1st; any accrued interest through March 31, 2020 would remain intact. Bills due on July 1st that become delinquent would be subject to the lower interest if they do not qualify for deferment except for landlords. If they qualify for deferment, they will not be subject to the lower interest because they have three months to pay without ANY interest. If escrow accounts pay late, they will pay regular interest (1.5% per month from the due date) as they do not qualify for either program.

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 Executive Order 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 Executive Order 7S 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:** If both programs are used, they must be followed according to the Executive Order. They cannot be altered. That means low interest for any accounts delinquent before April 1 for the months of April, May, and June, and for those that do not qualify for the deferral (landlords and/or non-filers). The latter can utilize the low interest of three months from the due date be it April, May, June, or July 1st.

****Q25 Follow-up:** If you offer 3% for delinquents during April, May & June then you would need to do the same for the July 1st installment? The answer above clearly states that you cannot offer different options for different time periods.

Answer: Yes. The low-interest program must be applied to April through July 2020 installments, inclusive, as well as all previous unpaid installments.

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 Executive Order (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 Executive Order Section 6 Executive Order 7S Section c?

****Answer:** Yes, this does make landlords eligible for both programs, with two important caveats. 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.

Commercial property landlords 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 Executive Order 7X 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
	\$600.00	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
	\$50.00	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%)
Balance \$ 847.50		(2.50)	interest for April (.25%)
\$ 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 Executive Order 7S Guidance Document, second from last paragraph, it clearly states in BOLD letters “The Executive Order 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 Executive Order (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, although the delinquency date was changed in EO7W #1(b) from March 10 to April 1. 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 for the months of April, May, and June 2020 to the extent payments occur during those months. On July 1, 2020, interest at the usual rate of 1.5% per month is retroactively due on all delinquencies not paid by that day back to April 1, 2020. 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 are 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 Executive Order would allow which is .25% per month. Check with your individual software vendors on how to navigate that.

Additional Questions Added April 25, 2020

Question #35: Can we make changes to the application form?

Answer: Yes, to a degree. You can alter the application to expand eligibility; however, you cannot make the application more restrictive than the Executive Order allows.

Question #36: The municipality has elected to participate in the Deferment Program for taxpayer relief and has decided NOT to require documentation of eligibility, thereby extending the program "to other categories of taxpayers, businesses, nonprofits, and residents." Does this extension of the program to other categories include landlords or are we required to solicit documentation from landlords before allowing them to defer the payment of taxes?

Answer: No. Landlords have a separate provision in the Executive Order. Documentation/Certification is still needed.

Question #37: What, if any, are the ramifications if we do not require any documentation or certification from landlords and allow them to defer payment of their tax bills?

Answer: The Executive Order does not require documentation to demonstrate eligibility for the low interest program, but it does require documentation for the deferment program. Residential landlords must submit an email stating they are complying with Executive Order 7x in order to take advantage of either option. Commercial landlords must fill out an application and provide documentation. Municipalities must collect and maintain that documentation. State law provides civil and criminal violations for violating a Governor's Executive Order.

Question #38: We have an ordinance for an abatement for fire volunteers stating they must pay taxes on-time or they forfeit their \$1,000 benefit. If we choose the Deferment Program- do they have until October 1st to pay or does the town ordinance overrule??

Answer: Yes, if they follow the deferment program, they should be considered on-time for purposes of the eligibility for local programs.

Question #39: If a taxpayer has been on our Tax Deferral Program and we receive notice that the taxpayer died. They will be removed from the Deferral Program (the real one) and interest will begin to accrue next month. Does Executive Orders 7S and 7W allow the deferred taxes to be collected if paid by Oct 2, 2020 at .25% monthly April 1 - Oct 1, 2020? Or does the deferred stay at the amount as per their agreement?

Answer: Interest accrued through March 31, 2020 stays intact. After that, follow the Executive Order for the next three months, which says the interest rate will be either .25% or the rate in the agreement, whichever is less. The Executive Order overrides all other statutes, municipal programs, and agreements. It also does not distinguish between living and dead taxpayers.

Question #40: Do landlords only have to check the landlord box and submit their support, or should they also be checking the business box?

Answer: They are not a business as defined by the Executive Order but are specifically singled out as a landlord.

Question #41: If taxpayers do not list their vehicles, or all property they own, are we to defer everything?

Answer: Property that is not listed on the Deferral Form should not be included. Only the property that is listed on the form that the Taxpayer signs should be included in any program. It will not be the responsibility of the Tax Collector to contact the taxpayer if they believe that there is property they neglected to incorporate.

Question #42: If taxpayers do not list their real property due to it being in escrow, do Tax Collectors defer their sewer, water, or any other municipal utility they pay?

Answer: If the taxpayer is requesting such a deferral, they should list all their utilities on the form and note the real property address. If Tax Collectors want to reach out to the taxpayer, they may, but it is not a requirement.

Question #43: We are selecting the deferment option for all July 1, 2020 installment since we are a semi-annual municipality. We would like to also offer the 3% lower interest program for delinquents on or before April 1, 2020 from July through Sept 30, 2020 instead of from April 1 through June 30th. Is this possible or does it need to be only April through June 30th?

Answer: Yes, you can offer both as stated in the Executive Order. If you are offering both, the deferment program will only affect the July new installment and the low interest will only affect the delinquent taxes.

Question #44: Does WPCA (separate entity from the municipality) must choose one of the two programs offered, i.e. the Deferment Program or the Low Interest Rate?

Answer: The Executive Order says that the decision of the town is binding on all water and sewer charges, so the WPCA cannot select its own program if it is located wholly within that town. The WPCA may be its own entity, but state law says it gets its authority by virtue of being the town's designee. If the WPCA is for the town, the town dictates. A multi-town WPCA can choose its own program.

Question #45: Are Leasing Companies and Escrow accounts excluded from the 90-day grace period?

Answer: Escrowed accounts are excluded from the Executive Order's programs. Leasing companies are the owners of the vehicles and not mentioned in the Executive Order, so they get the deferral if offered to all or they need to apply if required by the municipality. They could also be eligible to take advantage of the lower interest option if they pay late.

Question #46: My city council adopted the reduced interest program last week. Now they are contemplating adopting the deferral as well. Does anyone have any idea how it will work if a city adopts BOTH programs?? I know that is an option, but I have no idea how that would work.

Answer: If you are offering both, the city must follow the requirements for both. That means eligible taxpayers will have an extended (three months instead of one) grace period for bills due April 1 through July 1, 2020, while all taxpayers will have reduced interest (0.25% per month instead of 1.5%) on those same bills plus those delinquent as of April 1, 2020.

Question #47: Code enforcement, bulk pickup, and blight bills are billed out as additional real estate tax bills but are technically fines. Do they get a deferment since they are real estate bills or do, they not qualify since they are based upon fines?

Answer: Although procedurally, these penalties are billed from Tax Collectors as Real Estate Tax Bills, they remain penalties and therefore would not qualify for any of the programs outlined in Executive Order 7S or 7W.

Question #48: If we chose the low interest option, any payments made in April will need to be recalculated to change the interest already paid to reflect the new lower rate (for the month of April only), is this correct? If so, this will mean overpayments on some accounts.

Answer: That is correct. Any overpayments should be handled using the refund procedures according to CGS 12-129.

Question #49: If a municipality selects the 3% lower interest option, and an escrow company pays late, what rate of interest do they pay?

Answer: Escrow companies do not qualify for either program, so the usual 18% rate applies.

Question #50: What if someone has a mortgage on July 1st, but then they pay off their mortgage?

Answer: They qualify for the program if they are no longer under escrow.

Question #51: If someone pays their April 1 bill on time then they apply for deferment in May, do we have to refund that payment.

Answer: No if they paid on-time we do not refund money. If they paid late and were charged interest, that would be handled as an overpayment under CGS 12-129.

Question #52: Does either program affect whether a town can assign liens? If the municipality adopts the lower interest rate program does it affect the lien assignment?

Answer: Nothing in the Executive Order impacts the ability of a town to assign its liens. The reduction of interest expires after three months, so payments made to the purchaser of the lien would be at the normal 18% per annum rate.

Question #53: If a town selects the Deferment Program and offers to all taxpayers, can we do so without requiring an application?

Answer: Yes, except **for** Landlords, who must still confirm their eligibility in writing.

Question #54: Does the taxpayer 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 #55: Can you help us to understand Landlord v. Owner?

Answer:

1. Landlord ABC owns building and occupies it under another business name - they would qualify
2. Landlord ABC owns building and pays itself rents under same name- they do not qualify
3. Landlord ABC owns building, pays itself rent and has other tenants - they qualify

The Executive Order states "any landlord, or taxpayer that rents or leases to...is eligible." If the owner and tenant business is in a different name and the business pays the property owner rent, and they meet the eligibility requirements of forbearance or revenue decline, they would be eligible.

The owner is a landlord only if the property is leased for any period that includes April 2020 through July 2020.

Question #56: Are landlords required to provide the necessary documentation without us soliciting the paperwork?

Answer: According to the Executive Order, yes. It is noted that the owner is a landlord only if the property is leased for any period that includes April 2020 through July 2020. If the landlords do not provide the proper documentation, or if it comes to the municipalities' attention that they are not in compliance (not providing forbearance) they lose the deferment if already granted. If this happens, their delinquency date reverts to August 3 at 18% interest. The application form states that the taxpayer must pay all deferred amounts immediately, including full interest, if the municipality determines that the taxpayer is not eligible.

Follow-Up: If a landlord does not file the paperwork (or email according to Executive Order 7x for residential property owners), are we required to send a notice of non-compliance stating that their taxes are now due by August 1?

Answer: No, the burden is on the landlord to apply and qualify for the program; the burden is not upon the municipality to identify and seek out potential qualified applicants.

Follow-Up: What happens if a Tax Collector gets a complaint from a tenant that no accommodation was made to their rent; who determines the outcome and are there penalties for the landlord?

Answer: The municipality has the power to investigate and verify eligibility for the program. Contact your town attorney about revoking the approval or other enforcement options.

Question #57: Does the tax office still have the legal authority to conduct bank executions? What enforcement can the office still do - Real Estate Liens, UCC Liens, Tax Warrants and/or Bank executions?

Answer: Tax Collectors can proceed with any enforcement and/or file any lien – see the Executive Order for specific language relating to this.

Question #58: Should the tax office notify our marshals/constables, collection agencies, and collection attorneys regarding the lower interest plan adopted with respect to delinquent accounts?

Answer: Absolutely. Depending on what program your municipality selected, will dictate what you should notify them about. If the lower interest rate program is selected, they must know that the interest rate has changed for those three months of April, May, and June. You should also provide them with the Guidance and FAQ Documents so that they are aware of the programs.

Question #59: Should a legal notice be put in the newspaper to advertise for these programs that require applications? Will these programs affect our collection legal notices that are published in the newspapers?

Answer: The Executive Order has no suggestions or requirements of how to notify taxpayers. Tax Collectors should amend their normal required legal notices accordingly to accurately explain the tax relief programs they have selected to include extended grace periods, interest rates and so on.

Question #60: What is the records retention for applications received by the tax office?

Answer: We have reached out to LeAnn at the State Library and are awaiting a response.

Question #61: Is the commercial and financial information provided by the taxpayers protected under the Freedom of Information Act?

Answer: There is a permissive exemption to the disclosure of records in the FOI act in Section 1-210 b5(B). It allows, but does not require, a public agency to withhold records that are: Commercial or financial information given in confidence, not required by statute.

The amended M-COVID19 Form requests to the Tax Collector that provided commercial and/or financial information not be disclosed to the extent allowed by state law. This may aid in the decision of a Tax Collector in their determination of what information should be withheld.

Municipalities should consult with their own attorneys or with the Freedom of Information Commission if they have additional questions.

Question #62: What if a property is typically leased, but is vacant, or has been? Are the property owners considered landlords?

Answer: The owner is only a landlord if the property is leased for any period that includes April 2020 through July 2020.