

TOWN OF MONTVILLE COVID-19 PROPERTY TAX RELIEF PROGRAM

Description:

As of April 1, 2020 Governor Lamont signed Executive Order 7-S establishing two programs, a Tax Deferment Program or a Low Interest Rate Program, which are meant to offer temporary tax relief to eligible taxpayers financially affected by COVID-19. Under the Executive Order, every Connecticut municipality were required to implement one or both relief programs by April 25, 2020.

LOW INTEREST RATE PROGRAM

On April 13, 2020 the Town of Montville Town Council resolved to adopt the Municipal Low Interest Rate Program under the Executive Order 7S because there are no eligibility requirements (except for landlords – see below.) For any taxes due beginning April 1, 2020 through and including July 1, 2020, any delinquent portion of the principal of the tax due will be subject to 3% annual interest or .25% per month for (90) ninety days from the date that they became due and payable until the date the taxes are paid.

The lower interest rate also applies to taxes that were delinquent prior to April 1, 2020 for a period of (90) ninety days from April 1, 2020 through and including June 30, 2020. The program does not provide an extended grace period, but taxpayers that make payments on delinquent taxes during the ninety days will be subject to a significantly reduced rate. After June 30, 2020 interest will be restored to the statutory rate 1.5% per month.

LANDLORD ELIGIBILITY FOR PROPERTY TAX RELIEF PROGRAMS

Taxpayers who rent or lease property to tenants or lessees may prove eligibility for the Low Interest Rate Program by providing documentation that: either the parcel will suffer significant income decline, or, that commensurate forbearance has been offered to their tenants.

Commensurate forbearance means (1) a deferral of 25% of rent for ninety (90) days after its due date; (2) a deferral of one month's rent to be paid over the ninety (90) day period; or (3) forbearance substantially similar to (1) or (2) as determined by the tax collector. The landlord must provide documentation or proof that tenants have received forbearance or that the landlord has actively offered forbearance to the tenants or lessees.

TAX ESCROW PAYMENTS

The Governor's Executive Order 7-S does not affect those tax payments that are paid from escrowed funds by mortgage companies. Mortgage companies are still expected to remit tax payments with a due date of July 1, 2020 by the original last day to pay of August 3, 2020.