

TOWN OF CROMWELL
TOWN COUNCIL SPECIAL MEETING
THURSDAY, JANUARY 24, 2019
4:15 P.M. TOWN HALL COUNCIL CHAMBERS

AGENDA

RECEIVED FOR RECORD
Jan 23, 2019 01:14P
JOAN AHLQUIST
TOWN CLERK
CROMWELL, CT

A. CALL TO ORDER

B. NEW BUSINESS

1. Discussion and action to approve Resolution to establish a program to defer the due date of specific property taxes owed by Federal Shutdown Affected Employees.

AN ACT ESTABLISHING THE FEDERAL SHUTDOWN AFFECTED EMPLOYEES LOAN PROGRAM AND PROVIDING ADDITIONAL ASSISTANCE TO FEDERAL EMPLOYEES.

Sec. 7. (*Effective from passage*) (a) Notwithstanding the provisions of the general statutes or of any special act, charter, special act charter, home-rule ordinance, local ordinance or other local law, any municipality, as defined in section 7-148 of the general statutes, or any subdivision of a municipality, may, by a vote of its legislative body, or, in any town in which the legislative body is a town meeting, by a vote of the board of selectmen, establish a deferment program to defer the due date of taxes on real property, personal property or motor vehicles, or water or sewer rates, charges or assessments, owed by affected employees.

(b) Upon establishment of a deferment program, a municipality or subdivision thereof shall not charge or collect interest on any tax, rate, charge or assessment or part thereof that is payable by an affected employee and which became due during the period when such individual was an affected employee.

(c) Eligibility shall be determined by the municipality. Evidence of eligibility for a deferment may include the proof listed in subdivision (1) of section 3 of this act. Individuals need not receive unemployment benefits or participate in the federal shutdown affected employee loan program for purposes of being an affected employee. Municipalities may require individuals to recertify eligibility on a periodic basis of not less than thirty days.

(d) Each tax, rate, charge or assessment deferred under a program established pursuant to this section shall be due and payable without interest or penalty not later than sixty days after the date on which an individual is no longer an affected employee. Thereafter, any portion of the tax, rate, charge or assessment or installment or portion thereof which remains unpaid and all interest and penalties otherwise provided by law shall apply retroactively to the original due date for the tax, rate, charge or assessment or installment or portion thereof. All provisions of the 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.

(e) Nothing in this section shall affect interest or penalties on, or lien rights or collection of, any tax, rate, charge or assessment due before December 22, 2018, or after the date on which an individual is no longer an affected employee.

2. Discussion and action regarding 15R Christian Hill Road.

C. ADJOURN

Matus, Re

From: Heft, Martin [Martin.Heft@ct.gov]
Sent: Tuesday, January 22, 2019 4:02 PM
Subject: Bill Passed To Establish a Tax Deferment Program for Federal Shutdown Affected Employees

Today the House and Senate passed, and Governor Lamont signed, **HB 5765** establishing a loan program and a municipal option provision to establish a program to defer the due date of specific property taxes owed by affected employees.

The bill authorizes municipalities and municipal subdivisions to establish a program to defer the due dates for an affected employee's real and personal property or motor vehicles taxes, or water or sewer rates, charges or assessment payments. The municipality's legislative body (or if the legislative body is a town meeting, its board of selectmen) may vote to establish the program.

Municipalities and subdivisions establishing the program must not charge or collect interest on an affected individual's taxes, rates, charges or assessments, or any portion thereof, that became due during the period in which the individual met the eligibility criteria. Once the individual is no longer eligible for the program, he or she must pay the deferred amounts within 60 days, without interest or penalty; after 60 days, any unpaid amount is subject to interest and penalties applied retroactively to the tax payment's original due date.

A copy of Sec. 7 with the details is below. For a full copy of the bill please [click here](#).

AN ACT ESTABLISHING THE FEDERAL SHUTDOWN AFFECTED EMPLOYEES LOAN PROGRAM AND PROVIDING ADDITIONAL ASSISTANCE TO FEDERAL EMPLOYEES.

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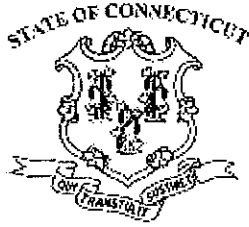
(d) Each tax, rate, charge or assessment deferred under a program established pursuant to this section shall be due and payable without interest or penalty not later than sixty days after the date on which an individual is no longer an affected employee. Thereafter, any portion of the tax, rate, charge or assessment or installment or portion thereof which remains unpaid and all interest and penalties otherwise provided by law shall apply

retroactively to the original due date for the tax, rate, charge or assessment or installment or portion thereof. All provisions of the 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.

(e) Nothing in this section shall affect interest or penalties on, or lien rights or collection of, any tax, rate, charge or assessment due before December 22, 2018, or after the date on which an individual is no longer an affected employee.

Martin L. Heft

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General Assembly

January Session, 2019

Bill No. 5765

LCO No. 3300



Referred to Committee on No Committee

Introduced by:

REP. ARESIMOWICZ, 30th Dist.

REP. RITTER M., 1st Dist.

REP. KLARIDES, 114th Dist.

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

SEN. FASANO, 34th Dist.

**AN ACT ESTABLISHING THE FEDERAL SHUTDOWN AFFECTED
EMPLOYEES LOAN PROGRAM AND PROVIDING ADDITIONAL
ASSISTANCE TO FEDERAL EMPLOYEES.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (*Effective from passage*) As used in this section and sections
2 2 to 7, inclusive, of this act:

3 (1) "Affected employee" means a federal employee who, during the
4 shutdown, is (A) a resident of this state, and (B) required to work as a
5 federal employee without pay or furloughed as a federal employee
6 without pay;

7 (2) "Authority" means the Connecticut Housing Finance Authority;

8 (3) "Bank" means a bank or an out-of-state bank, each as defined in
9 section 36a-2 of the general statutes;

10 (4) "Credit union" means a Connecticut credit union or a federal

11 credit union, each as defined in section 36a-2 of the general statutes;

12 (5) "Department" means the Department of Banking;

13 (6) "Eligible financial institution" means a bank or credit union that
14 has a physical presence in this state and is in good standing;

15 (7) "Good standing", with respect to a bank or credit union, means
16 that the bank or credit union is not subject to (A) a formal agreement
17 with the Office of the Comptroller of the Currency, (B) a consent order
18 or cease and desist order issued by the Federal Deposit Insurance
19 Corporation, (C) a consent order or cease and desist order with the
20 department, (D) a letter of understanding and agreement or consent
21 order issued by the National Credit Union Administration, or (E) a
22 finding by the department that the bank or credit union has failed to
23 comply with a provision of sections 2 to 5, inclusive, of this act;

24 (8) "Grace period" means the ninety-day period after an affected
25 employee's federal agency is funded; and

26 (9) "Shutdown" means the federal fiscal year 2019 partial
27 government shutdown that began on December 22, 2018.

28 Sec. 2. (*Effective from passage*) (a) The authority shall administer a
29 federal shutdown affected employee loan program to guarantee the
30 repayment of loans made by an eligible financial institution to an
31 eligible affected employee pursuant to sections 1 to 5, inclusive, of this
32 act. Subject to the cessation of new claim approvals under subsection
33 (d) of section 5 of this act, the authority shall submit all approved
34 claims to the State Treasurer, who shall pay from the General Fund
35 any and all claims submitted by the authority.

36 (b) Any bank or credit union may apply to the department to
37 participate in the loan guarantee program. Not later than one business
38 day after receiving the application, the department shall determine
39 whether the financial institution is an eligible financial institution and

40 immediately notify the bank or credit union and the authority of such
41 determination. Any eligible financial institution may make loans to
42 affected employees in accordance with sections 1 to 5, inclusive, of this
43 act.

44 (c) Each eligible financial institution that makes a loan pursuant to
45 sections 1 to 5, inclusive, of this act, shall notify the authority in
46 writing not later than one business day after making the loan,
47 specifying such information about the borrower as the authority may
48 request.

49 Sec. 3. (*Effective from passage*) An eligible financial institution may
50 make a loan to an affected employee, provided:

51 (1) The affected employee has provided to the financial institution
52 (A) proof of the employee's status, income and residence in this state,
53 and (B) the amount of unemployment compensation benefits under
54 chapter 567 of the general statutes the employee has received and has
55 been deemed eligible to receive during the shutdown. Such proof may
56 include a paystub or bank statement, a federal employee identification
57 card, the federal tax identification number of the employee's employer
58 and a sworn affidavit from such employee indicating that such
59 employee (i) is currently a federal employee residing in this state, (ii)
60 may be eligible to receive back-pay when the shutdown ends, and (iii)
61 is not receiving a loan from any other financial institution pursuant to
62 this section.

63 (2) The amount of the loan shall not exceed (A) the lesser of (i) five
64 thousand dollars, or (ii) the affected employee's most recent monthly
65 after-tax pay, (B) less four times the amount, if any, the affected
66 employee has reported to the institution under subdivision (1) of this
67 section related to any weekly unemployment compensation benefits
68 the employee has received or has been deemed eligible to receive
69 during the shutdown.

70 (3) The loan is made in accordance with the eligible financial

71 institution's underwriting policy and standards, provided further that
72 the affected employee's creditworthiness shall not be a factor used for
73 the purposes of determining eligibility.

74 (4) The loan agreement shall not (A) require repayment during the
75 grace period, or (B) charge interest on the principal amount before or
76 during the grace period or for one hundred eighty days after the grace
77 period, provided after such one-hundred-eighty-day period, the
78 eligible financial institution may charge interest or fees in accordance
79 with the financial institution's lending policy and the terms of the
80 underlying loan agreement.

81 (5) The loan agreement shall require that the affected employee
82 repay the loan in full not later than one hundred eighty days after the
83 end of the grace period by making at least three, and no more than six,
84 equal installment payments. The loan agreement shall not contain a fee
85 or penalty for the prepayment or early payment of the loan.

86 (6) The eligible financial institution shall (A) refer the affected
87 employee to the United Way of Connecticut 2-1-1 Infoline program,
88 and (B) offer credit counseling services or refer such employee to
89 nonprofit credit counselors.

90 Sec. 4. (*Effective from passage*) An affected employee who has
91 received a loan pursuant to section 2 or 3 of this act may apply to the
92 same eligible financial institution for an additional loan for each thirty-
93 day period such employee remains an affected employee, provided no
94 affected employee may receive more than three loans under the
95 program, and each such employee shall be required to update the
96 institution as to the amount of unemployment compensation benefits
97 under chapter 567 of the general statutes the employee has received
98 and has been deemed eligible to receive during the shutdown. Each
99 additional loan shall be made in accordance with section 3 of this act.

100 Sec. 5. (*Effective from passage*) (a) On and after one hundred eighty
101 days from the end of the grace period, an eligible financial institution

102 that has made a good-faith effort to collect the outstanding principal
103 from a loan issued pursuant to this section and sections 1 to 4,
104 inclusive, of this act may make a claim to the authority for recovery of
105 an amount equal to the outstanding principal for such loan, including
106 for such loans issued on or after January 18, 2019, but prior to (1) the
107 effective date of this section, or (2) the department's determination of
108 eligibility. Prior to the authority's approving and submitting a claim to
109 the State Treasurer, such eligible financial institution shall demonstrate
110 to the satisfaction of the authority that the eligible financial institution
111 has made a good-faith effort to collect the outstanding principal from
112 the eligible employee in accordance with the financial institution's loan
113 servicing and collection policies. Upon payment of a claim, (A) the
114 loan shall be assigned to the state, and (B) the authority shall have the
115 right to continue collection efforts on the loan.

116 (b) The authority shall maintain records in the regular course of
117 administration of the loan guarantee program, including a record of
118 loans issued and of payments made to honor loan guarantees issued
119 under this section. The authority shall regularly review such records to
120 determine total loans issued and identify duplicative applications. The
121 authority shall report to the Labor Department the names of the
122 affected employees who have received a loan under the program, and
123 the Labor Department shall provide to the authority information
124 concerning such employees' unemployment compensation benefits. If
125 the authority determines that an affected employee misrepresented
126 unemployment compensation benefits, the affected employee may be
127 deemed ineligible for additional loans under section 4 of this act.

128 (c) The authority may terminate any loan guarantee if the financial
129 institution misrepresents any information pertaining to the guarantee
130 or fails to comply with any requirements of this section in connection
131 with the guarantee of the underlying loan.

132 (d) If the amounts expended to honor loan guarantees under the
133 program exceed ten per cent of total loans issued, the authority shall

134 immediately cease to approve claims and shall notify the State
135 Treasurer and each eligible financial institution of the total amount of
136 payments made and that the authority has ceased honoring loan
137 guarantees.

138 (e) Any interest deferred or not charged related to a loan issued
139 pursuant to this section and sections 1 to 4, inclusive, of this act shall
140 be exempt from all state taxes that may be applicable to such interest
141 amounts as they relate to an affected employee. Eligible financial
142 institutions shall disclose to affected employee borrowers in the signed
143 affidavit or loan documents that there may be federal tax consequences
144 to the program loans.

145 (f) No new loan applications shall be submitted under the program
146 after the shutdown ends. The program shall expire upon the
147 repayment of all loans made under the program and, for all loans in
148 default, the repayment of claims made under the program, or the
149 cessation of new claim approvals under subsection (d) of this section.

150 Sec. 6. (*Effective from passage*) Upon the passage of federal legislation
151 or the issuance of federal guidance from the United States Department
152 of Labor or another federal agency which allows an affected employee
153 to receive benefits under chapter 567 of the general statutes, such
154 affected employee may be eligible for unemployment benefits
155 pursuant to said chapter and such federal legislation or guidance
156 during the period of the shutdown. If the shutdown ends and an
157 affected employee is paid by the federal government for any period of
158 time the affected employee worked without pay during the shutdown,
159 the affected employee shall reimburse the Unemployment
160 Compensation Benefit Fund in an amount equal to the unemployment
161 benefits the affected employee received for the period of the
162 shutdown.

163 Sec. 7. (*Effective from passage*) (a) Notwithstanding the provisions of
164 the general statutes or of any special act, charter, special act charter,

165 home-rule ordinance, local ordinance or other local law, any
166 municipality, as defined in section 7-148 of the general statutes, or any
167 subdivision of a municipality, may, by a vote of its legislative body, or,
168 in any town in which the legislative body is a town meeting, by a vote
169 of the board of selectmen, establish a deferment program to defer the
170 due date of taxes on real property, personal property or motor
171 vehicles, or water or sewer rates, charges or assessments, owed by
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194 releasing property tax liens and the precedence and enforcement of
195 taxes, rates, charges and assessments shall remain applicable to any
196 deferred tax, rate, charge or assessment or installment or portion

197 thereof.

198 (e) Nothing in this section shall affect interest or penalties on, or lien
199 rights or collection of, any tax, rate, charge or assessment due before
200 December 22, 2018, or after the date on which an individual is no
201 longer an affected employee.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	New section

Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	New section