Municipal Utility Rates & Charges

Suspension and Modification of Municipal Tax Deadlines and Collection Efforts

**Executive Order 7S** establishes two programs to offer support to eligible residents and businesses who have been economically affected by the COVID-19 pandemic. Under the Executive Order, each municipality **shall participate in one or both programs** and shall notify the Office of Policy and Management (OPM) no later than April 25, 2020, about which program or programs it is electing to participate in.

**Tax Deferment Program** - Authorizes municipalities, as defined in Section 7-148 of the general statutes, to provide a 90 day tax deferment to eligible residents, businesses, non-profits, and other eligible taxpayers. This applies to taxes on real property, personal property and motor vehicles, as well as municipal water, sewer and electric rate charges. The deferment runs from the time such tax or charges became due and payable. **Note:** Currently, the EO only applies to towns, cities and boroughs and does not include special taxing districts and special services districts. However, we expect that the EO will be amended to apply to such districts in the near future.

**Eligibility** - To be eligible, taxpayers must attest to or document significant economic impact by COVID-19, and/or document that they are providing relief to those significantly affected by the COVID-19 pandemic. OPM recently issued guidance and eligibility forms to assist municipalities, including municipal utility departments, in complying with this directive.

**OPM GUIDANCE on EO 7S, Sections 6 and 11**

**MUNICIPAL TAX DEFERRAL FORM**
**MUNICIPAL TAX RELIEF CERTIFICATION FORM**

**Low Interest Rate Program** For municipalities participating in the Low Interest Rate Program (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 3% per annum for 90 days from the time when it became due and payable until it 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 3% 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 3% per annum for ninety days from this Order, unless such delinquent portion is subject to interest and penalties at less than 3% per annum. Following the 90 days, the portion that remains delinquent shall be subject to interest and penalties as previously established.

**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, the 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 the landlord offers commensurate forbearance to tenants or lessees, upon their request.

Suspension of Non-Judicial Tax Sales. Prohibits any municipality or Water Pollution Control Authority from conducting any tax lien sale until 30 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 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 3% per annum.

DOT Infrastructure Renewal Program

The state Department of Transportation (DOT) recently notified utilities regarding its tentative listing of roadways scheduled for pavement resurfacing during the 2020 Construction Season, including the process for reimbursing utilities for costs associated with raising and/or adjusting utilities in the state right-of-way.

All 4 Maintenance Districts will be reimbursing utilities for the raising and/or adjusting of utilities in the state right-of-way, as follows:

- Public and Cooperatively-Owned Utilities will be reimbursed 100% of the actual cost
- Private Utilities will be reimbursed 50% of the actual cost

The actual cost includes the actual hours worked for traffic control operations.

For questions regarding this process, please contact CTDOT’s richard.porter@ct.gov.