

PRESS RELEASE

Contact: Colleen O'Connor
simsburytax@simsbury-ct.gov
(860) 658-3238

Town of Simsbury COVID-19 Property Tax Relief Programs

FOR IMMEDIATE RELEASE – April 8, 2020: On April 6, 2020, the Simsbury Board of Selectmen voted to adopt two programs for property tax relief during the COVID-19 pandemic. Both programs are authorized by Governor Lamont's Executive Order 7-S.

Under Executive Order 7-S, Simsbury is required to provide one or both of the following two COVID-19 property tax relief options: (1) a temporary deferment of tax collections (the "Tax Deferment Program"); and/or, (2) a significantly reduced interest rate on delinquent payments of taxes due and payable (the "Interest Rate Reduction Program").

Simsbury has elected to offer both tax relief programs to its taxpayers.

The Deferment Program requires a showing of COVID-19 financial impact and the taxpayer must file an application with the Tax Collector no later than July 1, 2020 in order to qualify. The Interest Rate Reduction Program does not require an application to be filed by the taxpayer.

Tax Deferment Program

This program allows Simsbury to delay payment of any real property, personal property, motor vehicle taxes, and sewer use bills due between the dates of March 10, 2020 through and including July 1, 2020 for ninety (90) days from the date that they become due and payable without interest or penalty.

The effect of this program is the equivalent of an extended grace period. The last day to pay the July 1, 2020 tax installment without interest is extended from August 3, 2020 to October 1, 2020. Simsbury is offering this program to "eligible taxpayers," which the State Office of Policy and Management (OPM) defines as businesses, nonprofits, and residents, who attest or document "significant economic impact by COVID-19" and/or those that document that they are providing relief to those "significantly affected by the COVID-19 pandemic."

OPM has issued guidance on taxpayers that are considered "eligible taxpayers", defined as follows:

- **Resident:** suffered a reduction in income of at least 20% due to COVID-19
 - Since March 10, 2020, have been either (1) furloughed without pay; (2) hours significantly reduced; or (3) unemployed.
- **Business/Non-Profit Organization:** revenue expected to decrease at least 30% from March to June 2020 versus March to June 2019 at the property
 - Proof of Ownership must be attached such as a business license, utility bills, Secretary of State listing, or other proof of ownership

Landlord Eligibility Under the Deferment Program:

In order for landlords (or any taxpayer that rents or leases property to tenants or lessees) to be eligible for the Deferment Program, they must provide the Tax Collector with 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 evidencing proof that tenants have received forbearance or that the landlord has actively offered forbearance to the tenants or lessees.

Tax Deferment Applications:

The Tax Deferment Applications and supporting documentation will be available on line at <http://www.simsbury-ct.gov/tax> on May 1, 2020. The form will also be available at the Simsbury Tax Collector's Office once Town Hall reopens to the public.

The Application form and supporting documentation must be received no later than July 1, 2020 by the Simsbury Tax Collector's Office, Town Hall, 933 Hopmeadow Street, Simsbury Connecticut, 06070. Emailed Application forms and supporting documentation will be accepted at simsburymtax@simsbury-ct.gov.

Interest Rate Reduction Program

The second program approved by the Board of Selectmen provides for a reduced interest rate on delinquent taxes. For any taxes due between March 10, 2020 through and including July 1, 2020, any delinquent portion of the principal of the tax due shall be subject to 3% annual interest or 0.25% per month for ninety (90) days from the date that they become due and payable until the date the taxes are paid. **This reduced interest rate applies to the tax payment due on July 1, 2020.** After the ninety (90) days, the interest rate is restored to the statutory annual rate of eighteen percent (18%) with a portion of a month being considered a full month.

The lower interest rate also applies to taxes that have been delinquent prior to March 10, 2020 for a period of ninety (90) days from April 1, 2020 through and including June 30, 2020. This Program does not provide an extended grace period, but taxpayers will be subject to a significantly reduced interest rate on taxes that are or have become delinquent.

This Program does not require taxpayers to qualify based on eligibility criteria, and no application is necessary to participate in the Program.

Landlords are eligible for the Low Interest Rate Program if Commensurate Forbearance, as defined above, has been offered to their tenants.

Tax Escrow Payments:

The Governor's Executive Order 7-S does not affect those tax payments that are paid from escrowed funds by banks on behalf of Simsbury taxpayers. The financial institutions holding escrowed funds on behalf of Simsbury taxpayers are required to make the escrow payments to the Simsbury Tax Collector for taxes regardless of the borrower's eligibility for participation in the Deferment Program or Low Interest Rate Program.

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