

Chapter 20

TAXATION*

*Cross reference—Administration, Ch. 2.
State law reference—Taxation, G.S. Title 12.



Sec. 20-1. Property tax exemption for solar energy systems.

The town hereby authorizes the property tax exemption for solar energy heating or cooling systems set forth in section 12-81(56)(a)—(c) of the General Statutes.

(Ord. of 11-20-78)

Sec. 20-2. Tax-exempt organizations.

(a) The property tax exemption authorized by any of subsections (7) through (16) inclusive of section 12-81 of the General Statutes shall be effective as of the date of acquisition of the property to which the exemption applies, and the effect of this section shall apply to all such properties acquired by tax-exempt organizations subsequent to October 1, 1972.

(b) Any tax-exempt organization eligible under this section shall file an application with the board of selectmen for the appropriate reimbursement or abatement of taxes, and the board of selectmen, upon approving the application, shall authorize the appropriate refund or abatement of taxes and shall give notice of such action to the tax collector.

(Ord. of 8-20-73(2))

Sec. 20-3. Property tax relief for affordable housing land use.

(1) *Tax abatement for certain affordable rental housing units.*

(a) The board of selectmen may, after approval of future projects by the town meeting and by a majority vote of the board, enter into contracts for the town with nonprofit owners and developers of affordable (rental) housing (developments) for the abatement in whole or in part of the real property taxes that otherwise would be levied against such affordable housing developments.

(b) Such contracts shall provide that the moneys equal to the amount of such abatement shall be used primarily to provide necessary related facilities or services in such housing, but may also be used to help maintain rents at affordable levels.

(c) Such contracts shall provide that the real property taxes levied against such affordable (rental) housing developments shall be abated in whole or in part, effective on the dates specified in the contracts, and provided further that:

1. Such housing is actually built with financial subsidies from state or federal housing programs;
2. Such housing is used solely for persons or families of low or moderate income, as defined by regulations issued by the state (including DOH) or the federal Department of Housing and Urban Development (HUD);
3. The eligibility determinations and income assessments shall be handled and approved as required by DOH or HUD; and
4. The term of abatements may continue for a period not to exceed twenty (20) consecutive fiscal years, except that longer periods may be agreed upon if extended opportunities for reimbursement by the state or by the United States were made available pursuant to law.

(d) Notwithstanding this approval of a tax abatement, the real property taxes otherwise levied against any such affordable (rental) housing developments shall continue to be calculated on an annual basis, so as to inform the developer or owner, the town, and DOH or HUD of the specific amount saved each year.

(e) Such tax abatements shall be applicable to all successors and assigns of the developers or owners, provided that all conditions of this section are met, that the successor or assignee is a nonprofit corporation recognized under the Internal Revenue Code or is a governmental entity, and that notice of any change in ownership of the premises is filed with the town clerk.

(f) The failure of a developer or owner or any of its successors or assigns to construct

the rental units or to maintain the premises in accordance with the terms of this section or the standards of the building or housing codes of the town shall constitute reason not to commence, temporarily to cease, or to obtain reimbursement from the developer or owner for this tax abatement. Any such temporary cessation or reimbursement shall be calculated on a partial basis, with the tax abatement or reimbursement adjusted in proportion to the unit or units so out of compliance with such codes.

- (g) The town may, by a majority vote of its board of selectmen, enter into contracts with the state or with the United States for financial assistance in the form of reimbursement for all or any part of the tax abatement granted to an owner of low- and moderate-income (rental) housing in accordance with this section, but the entering into of such a contract for financial assistance shall not be a condition for the granting of any tax abatement.

(2) *Tax credits for certain affordable housing developments approved pursuant to G.S. § 8-30g of the and the town zoning regulations.*

- (a) An owner of an affordable housing development approved pursuant to G.S. § 8-30g town zoning regulations, or any unit thereof, who meets the requirements stated in this section shall be entitled to a tax credit based upon the current HUD calculations regarding sale or resale of deed restricted units pursuant to G.S. § 8-30g. Such tax credit shall be granted upon presentation of proper documentation of the deed restrictions to the program administrator. After the first year a claim for said tax relief is filed and approved, application for said tax relief shall be filed upon each resale and/or revaluation of any such affordable housing property.
- (b) Notwithstanding approval of a tax credit pursuant to this section, the real property taxes otherwise levied against any such affordable housing developments shall con-

tinue to be calculated on an annual basis, so as to inform the developer or owner, the town, and DOH or HUD of the specific amount saved each year.

(3) *Tax credits for certain affordable housing developments approved as of December 31, 2005, pursuant to section 26 of the town zoning regulations.*

- (a) Effective as of the October 1, 2005, grand list, an owner of an affordable housing development approved as of December 31, 2005, pursuant to section 26 of the town zoning regulations, or any unit thereof, may apply to the town for a property tax credit. The town shall grant the owner a property tax credit based upon the current HUD calculations regarding sale or resale of deed restricted units pursuant to the declaration of resale restrictions filed on the Madison Land Records. After the first year a claim for said tax relief is filed and approved, application for said tax relief shall be filed upon each resale and/or revaluation of any such affordable housing property.
- (b) Notwithstanding approval of a tax credit pursuant to this section, the real property taxes otherwise levied against any such affordable housing property shall continue to be calculated on an annual basis, so as to inform the owner, the town, and DOH or HUD of the specific amount saved each year.

(Ord. of 8-6-90, §§ 1—7; Ord. of 5-9-06)

Sec. 20-4. Leased real property exempt from taxation.

Any real property leased to the town shall henceforth be exempt from taxation pursuant to section 12-81(58) of the General Statutes, by timely application of the lessor, provided such property is used exclusively for governmental purposes.

(Ord. of 9-7-93; Ord. of 10-18-93)

Sec. 20-5. Property tax exemption for volunteer firefighters.

(a) This section is to provide property tax relief for Madison residents who are active, volunteer eligible members in good standing of the Madison

Hose Co. #1, Inc., and the North Madison Volunteer Fire Co., Inc., as authorized by Connecticut General Statutes Section 12-81w, as amended by Public Act 00-120, Section 10.

(b) Such property tax relief shall be in the form of an exemption applicable to the assessed value of Madison real or personal property up to an amount equal to the quotient of one million dollars (\$1,000,000.00) divided by the mill rate in effect at the time of assessment, expressed as a whole number of dollars per one thousand dollars (\$1,000.00) of assessed value. In no event, however, shall any such exemption provide tax relief in any taxable year in excess of one thousand dollars (\$1,000.00).

(c) The performance criteria of the firefighters benefit plan shall be the basis for eligibility for this benefit. Members shall receive credit for service prior to the effective date of this ordinance based upon their prior eligibility under the performance criteria of the firefighters benefit plan. The maximum amount of tax relief available for each eligible member shall be determined by the active member's length of creditable service as follows:

One year	\$600.00
Two years	\$700.00
Three years	\$800.00
Four years	\$900.00
Five years	\$1,000.00

No tax benefit shall exceed the tax liability of the eligible member. Eligibility must be redetermined and reestablished with respect to each succeeding grand list. A person who is a member of both organizations referenced above shall be entitled to only one (1) tax relief benefit hereunder.

(d) A list of active, volunteer members in good standing who have met their eligibility performance requirements and their years of service as of the first day of December shall be certified to the Madison assessor by the chiefs of both Madison Hose Co. #1, Inc., and the North Madison Volunteer Fire Co., Inc., no later than the following third Tuesday of December each year.

(e) This exemption for tax relief shall be applicable to any real or personal property or motor vehicle assessed against an eligible member first

against real property taxes and then against personal property and/or motor vehicle taxes owing to the Town of Madison. Relief shall be limited to the eligible member's interest in such assessed property.

(f) The provisions of this section shall become effective fifteen (15) days after publication and shall be applied first to taxes on the grand list of October 1, 2001.

(Ord. of 6-26-01)

Sec. 20-6. Permitting personal property tax exemption for ambulance-type motor vehicle.

(a) There is hereby created, pursuant to Section 12-81c of the Connecticut General Statutes, an exemption from personal property taxation for

any ambulance-type motor vehicle which is used exclusively for the purpose of transporting any medically incapacitated individual, except any such vehicle used to transport any such individual for payment.

(b) For purposes of this section:

- (1) *Ambulance-type vehicle* means any motor vehicle specially equipped or modified in a significant way for the purpose of transporting any medically incapacitated individual. Such special equipment or modification includes but is not limited to the installation of lifts, equipping with stretchers, beds or other special seating, or any significant modifications to accommodate medical or emergency equipment;
- (2) *Used exclusively* means that the vehicle is used and devoted solely to the purpose of transporting one (1) or more medically incapacitated individuals and does not mean vehicles used partly for transporting medically incapacitated individuals and partly for other purposes;
- (3) *Transporting* means the provision of vehicular transportation to such medically incapacitated individual(s) by themselves or another; and
- (4) *Medically incapacitated individual* means any person for whose benefit the special equipment or modification referenced in subsection (b)(1) has been implemented.

(c) Applications for the exemption permitted by this section shall be filed annually with the assessor of the Town of Madison, in such manner and including such information as required by the assessor, not later than November 1 following the assessment date with respect to which such exemption is claimed or, for vehicles purchased on or after October 2 and on or before July 31 of the assessment year for which such exemption is requested, not later than thirty (30) days after such purchase. Applications for exemption relative to the assessment year which commenced on October 1, 1996, shall be made not later than thirty (30) days following the effective date of this

section, or, for vehicles purchased after said effective date but on or before July 31, 1997, not later than thirty (30) days after such purchase.

(d) The assessor may require medical documentation verifying that the modifications to the vehicle are directly related to the medical incapacity or the physical disability of the individual seeking such exemption and a physical inspection may be made of the vehicle. Any such exemptions shall expire when the applicable vehicle is sold.

(e) This section shall be applicable with respect to the assessment year which commenced October 1, 1996.

(Ord. of 3-24-97)

Sec. 20-7. Assignment of real property tax liens.

The Town of Madison is hereby authorized, pursuant to Section 12-195h of the Connecticut General Statutes, to assign for consideration, any and all liens filed by the town tax collector to secure unpaid taxes on real property, from time to time, as determined by the board of selectmen with the concurrence of the tax collector. The consideration received by the town shall be negotiated between the municipality and the assignee by the board of selectmen, or its designee, subject to the concurrence of the tax collector. The terms and conditions of any such assignment of the municipal real property tax lien shall be subject to review by the town attorney. The assignee or assignees of such liens shall have the powers and rights with respect to said liens as authorized under section 12-195h of the Connecticut General Statutes.

All consideration received by the town for the assignment of said tax liens shall be deposited with the tax collector for processing in accordance with the tax collector's procedures under state law.

Said section shall become effective August 19, 1999.

(Ord. of 7-26-99)

Sec. 20-8. Installation of water main extension on Garnet Park Road; reimbursement of costs; assessment of benefits; certificate of lien to be recorded securing reimbursement; right of appeal.

(a) Following approval at special town meeting, the Town of Madison (the "town") has appropriated funds in the amount of four hundred fifty thousand dollars (\$450,000.00) to pay the costs for the extension of water mains along Garnet Park Road (the "extension"). The town will fund said costs in the amount of four hundred fifty thousand dollars (\$450,000.00) pursuant to section 7-137(c) of the General Statutes and each owner of property which abuts or benefits from said main shall reimburse the town of his proportionate share of the total cost of such water main, which share may be repaid, with interest as hereinafter set forth, over a period of not more than fifteen (15) years. Special assessments shall be made upon each parcel of real property benefited by said extension and certificates of lien shall be lodged with the Madison Town Clerk with respect to each parcel of said real property upon the completion of said extension pursuant to section 7-137(d) of the General Statutes.

(b) The board of selectmen shall appoint a supervisory board to oversee the construction of the extension whose members shall include the town engineer, the town planning and zoning administrator and the director of health.

(c) The supervisory board shall, from time to time, submit requests to the board of selectmen for funds up to four hundred fifty thousand dollars (\$450,000.00) in the aggregate to pay the actual and incidental costs of the water main extension. The board of selectmen may approve or deny such request based upon its inspection of the construction and verification of the cost of improvements. Upon approval by the board of selectmen, advances of funds shall therefore be made from the town's general fund.

(d) Such funds as have been advanced by the town together with interest thereon at the annual rate set each year by the board of finance shall be

reimbursed by the owners of the real property which abuts or benefits from the extension in accordance with the provisions of this section.

(e) The town shall levy an assessment on each parcel of real property abutting or benefiting from the extension in an amount equal to the total cost of the extension, divided by the number of parcels of real property which abut or benefit from the extension (the "assessment") and the tax collector for the town shall execute a certificate of lien describing the property upon which the lien is claimed and stating the amount of the lien claimed thereon, and shall cause such lien to be lodged with the town clerk, and such assessment of benefits shall be and remain a lien upon the land upon which the same has been made in favor of the town. Such liens may be foreclosed in the manner provided by law for the foreclosure of tax liens.

(f) The interest rate portion of the assessment that each owner of real property shall pay shall be set annually by the board of finance. This interest rate shall be established initially at the time the assessments are levied and thereafter at the board of finance's December meeting for the following year. The annual rate of interest shall be three (3) percent below the prime interest rate, as published in the Wall Street Journal, or other nationally-available publication, not to exceed 8.5 percent per annum at any time, except as delinquent, until said assessment is fully paid.

(g) Each owner of real property abutting or benefiting from the extension shall pay the assessment to the town tax collector. Each owner of real property abutting or benefiting from the extension shall pay the assessment together with interest as herein set forth in semi-annual installments due January 1 and July 1 of each year in which the assessment remains outstanding and shall have until the last day of the month [in] which such installment is due to make said payment. The semi-annual installments shall be in an amount sufficient to pay the assessment in full no later than fifteen (15) years from the date the assessment is levied (the "maturity date"). The assessment may be paid in full at any time prior to the maturity date without penalty. In the event payment of the assessment becomes delinquent,

interest will accrue at the same rate as delinquent real estate taxes (1.5 percent per month) as long as payments remain delinquent.

(h) Upon the payment of all amounts due under the assessment for a parcel of real property, the certificate of lien will be released as to that property.

(i) In the event the assessment of a certain parcel of real property is deferred, a caveat to that effect will be recorded on the Madison Land Records.

(j) Within sixty (60) days of the assessment of benefits under this section, pursuant to section 7-137(c) General Statutes, the owner of any real property so assessed may appeal to the superior court for the judicial district of New Haven at New Haven from the valuation of his assessment by service of process made in accordance with the provisions of section 52-67, General Statutes. Such appeal shall be a privileged case and shall not stay any proceedings under said section 7-137(c), General Statutes.
(Ord. of 8-11-98)

Sec. 20-9. Reserved.

Sec. 20-10. Property tax relief; owner's tax relief program for certain elderly and/or disabled homeowners.

Pursuant to the authority granted under G.S. § 12-129n, as amended, for tax relief for elderly/totally disabled homeowners provided under said statute it is hereby recommended as follows:

(1) *Qualifications for tax relief.*

- a. Any person who owns real property in the Town of Madison or who is liable for payment of taxes pursuant to G.S. § 12-48 and who occupies the real property as a primary residence shall be entitled to tax relief pursuant to G.S. § 12-129n, for elderly and totally disabled, as amended;
- b. To be eligible the property owner or spouse living with them must be sixty-five (65) years of age at the end of the previous calendar year, or a

person under age sixty-five (65) and eligible in accordance with federal regulation to receive permanent total disability benefits under Social Security, including the Railroad Retirement Act and any government-related teacher's disability retirement plan;

- c. A surviving spouse of sixty (60) years of age or older of a taxpayer previously qualified under G.S. § 12-48 at the time of his/her death is also eligible. If the surviving spouse remarries he/she must requalify;
- d. An applicant must have resided in the town and paid real property taxes in the town for one (1) year prior to application in order to obtain program benefit;
- e. An applicant must have applied for real property tax relief pursuant to all other state statutes under which he/she is eligible; and
- f. No person in default in payment of his/her real property taxes to the town shall be eligible for a real property tax relief pursuant to this program. Participation in the Madison Tax Deferral Program is allowed under this program;
- g. The real property is the house and house lot for which the relief is claimed and must be the legal domicile of such person. Such person must occupy the property more than two hundred fifty (250) days of each calendar year and the applicant must not be registered for a tax relief program in any other jurisdiction. In the event that the property owner is absent from the property due to health concerns, the taxpayer must have an abiding intent to return to the property within two (2) years in order for that taxpayer to remain eligible for this tax relief program;
- h. If the homeowner is in a nursing home on a permanent basis and there

is a spouse living in the home who is sixty (60) years of age and older, and who meets all other qualifications, the owner's tax relief may continue.

(2) *Property held in joint ownership.*

- a. *Joint ownership.* If a qualifying taxpayer owns the property jointly with a nonspouse, tax relief under this program will be proportionate to the qualifying taxpayer's interest in the property. If such property is occupied as a multifamily dwelling, the qualifying taxpayer shall receive tax relief on the portion of the property that is his/her legal domicile.
- b. *Life tenancy.* The applicant is entitled to tax relief, if he/she retains life tenancy (a.k.a. life use) in the property, as long as he/she is legally responsible for the payment of property taxes and meets all other owner program requirements.
- c. *Property held in a trust.* The applicant is entitled to tax relief as long as he/she is legally responsible for the payment of property taxes and meets all other program requirements.

(3) *Income qualifications.*

- a. The maximum allowable income for the Madison Senior Citizen Tax Relief Program shall be fifty thousand dollars (\$50,000.00) through January 1, 2006, then adjusted for inflation as defined by the C.P.I. from a base date of January 26, 2004. The director of town services will adjust the income guidelines annually.
- b. The qualifying income includes adjusted gross income defined in the Internal Revenue Code, and tax-exempt interest plus any other income not included in the federal adjusted gross income. Income includes all monies received unless specifically exempted including: wages, commissions, fees, self employment net

income, gross Social Security, Supplemental Security Income, payment for jury duty, dividends, interest and annuities, taxable IRA, interests or proceeds from gifts, bequest, inheritances, lottery winnings, net income from sale or rent or real personal property, pensions including veterans and railroad retirement, severance pay, unemployment compensation, workers compensation, alimony, and all other sources of income, such as: gifts, bequests or inheritance.

- c. Specifically excluded are Social Security payments made on behalf of a dependent person, casualty loss reimbursements by insurance companies, grants for disaster relief, and life insurance proceeds.
- d. Possible exclusion of certain medical expenses from income. If a taxpayer has incurred income due to the need to pay medical expenses in an amount that equals or exceeds the amount of medical expenses that have been deducted as medical expenses on schedule A of Internal Revenue Form 1040 that causes the participant's income to exceed the participant's income for each of three prior years by at least ten (10) percent, and that income would otherwise disqualify the participant from continued participation in the program, then upon satisfactory proof to the assessor that the same income was exclusively due to the need to pay medical expenses, the assessor shall deduct from the most recent annual income the amount of such medical expenses in calculating income. In determining whether the income of the taxpayer under subsection (3)a. was due to the need to pay medical expenses, the assessor shall require the participant to submit the participant's federal tax returns for the three (3) years preceding the year for which the elderly tax benefit is being sought

so that the assessor may compare the participant's income and medical expenses for the current year with the participant's income and expenses for the three (3) prior years.

(4) *Type of tax relief program.*

- a. 1. Qualifying residents of one (1) to four (4) consecutive years of home ownership in Madison, with an income maximum of fifty thousand dollars (\$50,000.00) (adjusted for inflation beginning January 1, 2006, from a base date of January 26, 2004), will be eligible for tax relief of one hundred dollars (\$100.00).
- 2. Qualifying residents of five (5) or more consecutive years of home ownership in Madison will be eligible for tax relief according to the following schedule:

<i>Tax Relief</i>	<i>Income</i>
\$1,250.00***	\$18,500.00 and under***
\$950.00**	\$18,500.01—\$30,000.00*
\$700.00**	\$30,000.01—\$40,000.00*
\$450.00**	\$40,000.01—\$50,000.00*

* *Adjusted for inflation as defined by the C.P.I beginning January 1, 2006, based on a base date of January 26, 2004. The director of town services will adjust the income guidelines annually.*

** *Adjusted for inflation as defined by the C.P.I beginning January 1, 2012. The director of town services will adjust the tax relief benefit amount annually.*

*** *Adjusted for inflation as defined by the C.P.I beginning January 1, 2015. The director of town services will adjust the tax relief benefit amount annually.*

- b. Any person who is eligible for real property tax relief under G.S. §§ 12-29b, 12-129h or 12-170a and b, shall apply for relief available to him/her

under these laws before applying for the Madison Senior Citizen Property Tax Relief Program.

- c. The real property tax relief provided by this program shall be in addition to, but not dependent upon, those benefits available to taxpayers under any G.S. §§ 12-129b to 12-129d, inclusive, 12-129h, and 12-70aa, provided, and that the town and state benefits in any one (1) year shall not exceed seventy-five (75) percent of the normal tax, which would have been imposed on a qualified taxpayer absent any tax relief program.
- d. The total relief granted under the provisions of this section for any tax year shall not exceed an amount equal to seven-tenths ($\frac{7}{10}$) of one (1) percent of the town's current operating budget. If the benefit in any year exceeds the cap, the tax relief will be prorated.

(5) *Application procedure.*

- a. As a prerequisite for application to this senior citizen tax relief program an applicant must first apply with the program administrator for the state's elderly and totally disabled homeowner tax credit program.
- b. A property owner must file a written application on the forms provided for relief under this program biannually between February 1 and May 15 of the calendar year.
- c. The applicant shall present to the program administrator a copy of his/her federal income tax return for the previous calendar year or, if income is under the required amount to file a tax return, an applicant must provide evidence of qualifying income that the program administrator may reasonably require to establish compliance with for this program.
- d. The applicant or his/her agent shall sign a sworn affidavit in the pres-

ence of the program administrator's office affirming the accuracy of the statements in the application.

- e. When the program administrator determines that the applying taxpayer is entitled to tax relief under this program, he/she shall compute the amount of such tax relief.
- f. Applications, affidavits or other documentations presented in support of the application for tax relief shall not be open for public inspection and shall not be disclosed except in case of an appeal or in connection with claims of fraud to the proper authorities.
- g. Any person aggrieved by the decision of the program administrator may appeal to a board of review consisting of first selectman (chairman) or designee, director of human services and director of finance.

(6) *Transfer of property.*

- a. Upon the sale/transfer of the property, the new owner shall lose the tax relief benefit and the assessor shall prorate the increased tax liability from the date of sale and the tax collector shall bill the new owner within a reasonable time period.
- b. If a taxpayer who is qualified for real property tax relief sells his/her primary residence and purchases another primary residence within the town, the remaining portion of such taxpayer's tax relief benefit shall be applied to the newly acquired property from the date of acquisition.

(7) *Program review.* The senior tax relief program shall be reviewed by the board of selectmen the first year after implementation and then in conjunction with every revaluation. The board of selectmen will make recommendations to the board of finance and the legislative body of the town.

(Ord. of 12-29-05; Amend. of 3-19-09; Amend. of 12-7-09; Amend. of 4-11-11; Amend. of 4-9-12; Amend. of 10-28-13(2))