

RTM Senior and Disabled Tax Relief Committee Special Meeting
Wednesday, May 11, 2022
6:30 PM
2nd Floor Conference room, Old Town Hall
611 Old Post Road, Fairfield, CT
Via Webex and In person

A Special Meeting of the RTM Senior and Disabled Tax Relief Committee will be held via Webex and in the conference room on the second floor of Old Town Hall, 611 Old Post Road on Wednesday, May 11, 2022 at 6:30 pm in Fairfield, Connecticut.

Meeting was delayed for technical reasons.

AGENDA

1. Meeting Called to Order at 7:12. Attending: Jill Vergara, RTM Representative District 7, Chair of Committee, Cindy Perham, RTM Representative District 2, Vice-Chair of Committee, Mark McDermott, RTM Representative District 7, Hannah Gale, RTM Representative District 6, Secretary of Committee.
2. Pledge of Allegiance
3. Approval of Minutes from March 30, 2022 moved to next regularly scheduled meeting 5/25/22, as minutes cannot be approved at a special meeting.
4. Continue review and discussion of Chapter 95, Article III, Tax Relief for Elderly and Disabled Homeowners, which can be found in the Town Code at at <https://ecode360.com/8187468>

and amendments approved by the RTM as of 3/22/21 at <https://ecode360.com/FA0912/laws/LF1326917.pdf>

Review of Section 95-15 (Tax relief programs)

Section A: Pertains to freeze program which is still a program but it has had no participation for 4 consecutive years. This needs to be confirmed.

Is very constricted. Can only freeze for 6 years. Has \$57,600 as maximum income (ordinance has not been updated yet) and can only be done once. Age is 65 yrs old.

Rep. Vergara sees freezes back to FY 2018 were 0 and in 2016 and 2017 there were 5 and 4 respectively.

It was recommended to eliminate this by the previous committee, but Rep. Vergara is torn as to whether this a right approach.

Section 95-15 B-2: Was amended in 2020. Rep. Vergara said that the previous tax assessor thought that there was ambiguity in the statute about collecting after death and that language was tightened up. 95-15-B 2 under deferral benefits.

Rep. Vergara stated that the 95-15 B, pertaining to tax deferral in general, should be looked at with regard to age and the fact that only 50% of the tax amount is allowed to be deferred. She also feels that the income limit could be lowered to the same amount as the qualifying number for the credit in order to make this program more attractive.

Rep. Gale said that the time table needs to be careful to avoid immediate loss that is impactful to the town, as was the case with the 2021 updates that resulted in a larger than expected amount of losses due to increased application for tax credits under the revised statute.

Rep. Vergara stated that a vetting would be necessary in order to determine what the impact would be.

Rep. McDermott suggested a tiered approach to lowering the age limit for deferral: to 70 yrs of age in 2023, and that at some time in the future the age could be lowered to 65 yrs of age.

Rep. Perham volunteered to research other towns deferral programs. Rep. Vergara has a chart of this data but hasn't been updated in 4 years..

Westport and 9 other towns were suggested as potential sources for this research.

Rep. Vergara has the following data:

Westport in 2018 had 95 participants in deferral program and 263 participants in credit program. They do allow people to participate in both programs at one time.

The towns suggested for this comparison (in addition to Westport): Darien, Easton, Farmington, Glastonbury, Greenwich, New Canaan, Newtown, Redding, Ridgefield, Trumbull, West Hartford, Weston, Wilton.

Will stick to focusing on deferral programs for chart.

Rep. Vergara: The Review Process needs to be addressed. Coming up with language that allows the RTM and the BOF to jointly make recommendations. Rep. Vergara felt that it was very frustrating that the work of the RTM committee was forgotten when the BOF took over the issue.

This section 95-15.4 is an issue as Rep. Vergara states that it was never added and she has told Betsy this was not approved. Rep. Vergara states that the language was written by the BOF without consulting the RTM committee. She believes that the BOF never voted on this language either. It was in a que for discussion. The only language voted on by the RTM was the new credit table; the percentages of tax due and the cap, and the COLA increase. The tax brackets were not corrected during the vote. The language in 95-15.4 was taken off the table. This entire paragraph needs to be removed.

Rep. Vergara would also like to address whether or not it is necessary to retain the language in 95-15-5 under the credit table pertaining to tax credit not being less than calculated for 2012/2013 by participants who have been receiving this since that date. She will ask the Tax Assessor if there are still participants from this time and if the language should still be included.

Action Items:

- 1) Check with Ross as to whether there are still participants from 2012-2013 and if this language can be removed. (Rep. Vergara)
- 2) Check with Betsy as to why language from 95-15.4 was included. (Rep. Vergara)
- 3) Update chart on deferment plans of other towns (Rep. Perham)

5. Rep. Vergara Tabled the Discussion on Assessor's Report till the meeting.
Assessor's Report will be available June 14, 2021

6. Jill would like to invite Gordon Makenzie to the next meeting, he has been working on a chart of the demographics on different towns and population statistics. Jill will re-send this chart to the committee.

7. Public Comment:
Bill Lenehan, 42 Alma Drive, Fairfield, CT 08824

Said: "Gordon had sent a chart that indicated that for seniors 70-74 years old there are: 2,362 , but don't know how many of these are head of household, or are home owners, but looking at this will tell you the max that could apply for deferral if the age was lowered for this."

He also asked if Assessor's report will be made public and Rep. Vergara stated that it is always on the back-up docs for the RTM for June 2022.

FSA was thanked for efforts to support committee.

8. Motion to adjourn Rep. Perham: 8:01, seconded by Rep. McDermott

Meeting Adjourned 8:01.

RTM Senior and Disabled Tax Relief Committee Minutes from: Wednesday, March 30, 2022

2ND FLOOR CONFERENCE ROOM, OLD TOWN HALL

611 OLD POST ROAD, FAIRFIELD, CT

AND

VIA WEBEX

Special Meeting of the Town of Fairfield Representative Town Meeting Senior and Disabled Tax Relief Committee was held on 3/30/2022 in the 1st floor Conference Rm of Sullivan Independence Hall, Town of Fairfield, CT.

In attendance: Chair of Committee: Representative Jill Vergara (District 7); Vice-Chair of Committee: Representative Cindy Perham (District 2 and RTM Deputy Democratic Caucus Leader); Secretary of Committee: Representative Hannah Gale (District 6) via WebEx: Committee member: Representative Mark McDermott (District 7 and RTM Moderator), and member of the public, Bill Lenahan (representing Fairfield Senior Advocates).

Orders of Business

- 1) Call to Order: 6:37 PM
- 2) Pledge of Allegiance
- 3) Approval of Minutes from Organizational Meeting on February 23, 2022. Motion to approve from Rep. Perhan and Motion seconded by Rep. Vergara. Motion passed unanimously.
- 4) Review and Discussion of Chapter 95, Article III, Tax Relief for Elderly and Disabled Homeowners, which can be found in the Town Code at at <https://ecode360.com/8187468> and amendments approved as of 3/22/21 at <https://ecode360.com/FA0912/laws/LF1326917.pdf>

Topic will also be reserved for discussion at next meeting as well, as Ross Murray, Fairfield Tax Assessor, has not had a chance to respond to concerns expressed by emails from members of Fairfield Senior Advocates and the public, etc.

Discussion:

New ordinance language was adopted by RTM in March 2021 but has not been updated in the Town Code listed on the Fairfield website.

Change was for the credit program and the % were raised to 75% for lowest income-then to higher % taxed by 5% moving up income levels.

for the assessment year beginning October 1, 2021 and for each assessment year thereafter:

Qualifying Income (as of 2021)			
Over	To	Tax Credit (percentage of tax due)	Cap (not to exceed)
\$0	\$18,600	75%	\$7,500
\$18,600	\$25,500	65%	\$6,500
\$26,500	\$32,700	55%	\$5,500
\$32,700	\$39,000	45%	\$4,500
\$39,300	\$48,000	35%	\$3,500
\$48,000	\$56,000	25%	\$2,500
\$56,000	\$77,300	15%	\$1,500

Levels of income are increased yearly by Annual Inflation Adjustment for Social Security as released by Federal Government. This year benefits went up 5.9% this years (according to Rep. Perham).

Rep. Vergara states that 4 letters were received for this meeting: Mr. Rick Grower, Mr. Bill Lenahan, Mr. Urb Leimkuhler, and Mr. Gordon Mackenzie, from Fairfield Senior Advocates,

Comment from Mr. Bill Lenahan:

“If someone makes a conversion from IRA to ROTH this will be included in AGI. ROTH/IRA income is now counted both as income and as asset.”

From Rep. Vergara: Regarding simplification of income calculation. Rep. Vergara proposes changing the qualifying income to be defined solely as AGI, and not to include any nontaxable income. Other towns define solely around AGI. She offers it as a way to simplify administration and also make the application more equitable. Mr. Bill Lenahan (Fairfield Senior Advocates) weighed in on supports exclusion of nontaxable income.

Rep. Mark McDermott stated that there is currently a double reporting of IRA assets as both asset and income (AGI).

It was pointed out by Mr. Lenahan that pensions are not counted as assets.

Discussion ensued regarding the fact that pensions end when recipient passes, and no asset is passed to descendants. Also, no actual gross number is related to a pension- only yearly income.

This raised the question for the committee to suggest if IRA should be counted as income only and not listed as asset, to make on par with pensions and not penalize younger retirees.

Discussion on merits of Deferral program over Credit program, as the funds are ultimately remitted to the town:

Deferral program has an older age requirement of 75 yrs., which, Rep. Vergara states, was always intended to be lowered, as the program was developed. Deferral program has a higher income allowance, as well as a higher asset allowance. Lowering the age to 70 yr old may allow

Discussion in committee showed a general consensus on possible need to lower deferral age requirement to 70 yrs old may allow senior retention while ensuring that the town eventually received needed revenue.

Rep. Vergara is recommending making the deferral program more attractive to participation.

Requirement of residency was changed during last administrative changes to 1 yr. in 2018 to be more in line with state.

State circuit breaker program is mandatory to apply to, but this has not been funded for 5 years. Town has been covering this amount. Has ranged from 250K- 400k. Revenue lost of 1.8 or 1.9 m from town. State bill to refund this program is currently being considered. FSA has been advocating for this. This is automatically applied for when a Fairfield resident applies for the town tax relief. Not an extra step.

5) Discussion of Assessor's June 14, 2021 report, which can be found at https://www.fairfieldct.org/filestorage/79/193/22994/102100/June_RTM_Backup.pdf

Lower income ranges were maximized for benefit in the new adopted amendments, which resulted in a higher than expected liability for the town. There was \$500,000 set aside and liability was \$800,000 (2021-2022) because of increased revaluations. Avg benefit was \$3,188, so \$600 increase. (In report attached to agenda).

Report from Mr. Ross shows the disallowed was 0 for last year, presumably because of no re-application.

Disallowed often occurs when income and asset levels increase above limits and failure to refile.

This year's application period is from Feb. 1, 2022 – May 13, 2022. Copy of tax return, copy of social security, and sworn affidavit of assets. Extensions through Aug. 15 2022.

Biannual application was frozen by Executive Order in March, April 2020 so that citizens did not have to come into the office during Covid. As of now this was lifted and applications as of Feb. 1, 2022 are asked from the public.

Summary Discussion: There was a general consensus that the committee would like to make a recommendation to lower the age for the Deferment program. Rep. McDermott made a proposal to come up with a presentation for June RTM meeting, which would be when Ross' presentation will be.

- 6) Motion to end meeting by Rep. Perham and seconded by Rep. Vergara and unanimously approved. Meeting adjourned at 8:37 PM.

Recording: <https://www.youtube.com/watch?v=8GUj1SVcLs0>