



General Assembly

Substitute Bill No. 171

February Session, 2022



AN ACT ESTABLISHING A REVOLVING LOAN ACCOUNT TO ASSIST ELDERLY HOMEOWNERS.

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

1 Section 1. (NEW) (*Effective October 1, 2022*) (a) For purposes of this
2 section, "elderly homeowner" means any owner of real property liable
3 for property taxes under chapter 203 of the general statutes, including
4 any owner of real property held in trust for such owner, provided such
5 owner or such owner and such owner's spouse are the grantor and
6 beneficiary of such trust, who (1) is sixty-five years of age or older on
7 the date of application for a loan under this section, (2) has resided in
8 the municipality levying such property taxes for a consecutive period of
9 not less than ten municipal tax years before the date of such application,
10 (3) has occupied such property as his or her primary residence for a
11 period of more than one hundred eighty-three days in at least eight of
12 the last ten municipal tax years before the date of such application, and
13 (4) has qualifying income in the municipal tax year immediately
14 preceding the date of such application that does not exceed the
15 applicable maximum qualifying income, adjusted annually, for a tax
16 reduction under section 12-170aa of the general statutes. For purposes
17 of this subsection, qualifying income for a married homeowner shall not
18 include the Social Security income of the spouse of such homeowner if
19 such spouse is a resident of a health care or nursing home facility in this

20 state receiving payment related to such spouse under the Title XIX
21 Medicaid program.

22 (b) There is established a revolving loan account which shall be a
23 separate nonlapsing account within the General Fund. The account shall
24 be used to provide loans to elderly homeowners qualified pursuant to
25 subsections (a) and (c) of this section who are delinquent on real
26 property tax payments and shall contain any moneys required by law
27 to be deposited in the account, including, but not limited to, payments
28 of principal and interest on loans made from the account. The account
29 shall be administered by the Secretary of the Office of Policy and
30 Management and shall be used to (1) make loans pursuant to subsection
31 (c) of this section at the prevailing rate of interest as determined by the
32 secretary, and (2) pay reasonable and necessary expenses incurred by
33 the secretary in administering loans under this section. Investment
34 earnings credited to the account shall become part of the assets of the
35 account. Payments of principal or interest on a loan made pursuant to
36 this section shall be paid to the State Treasurer for deposit in the account.

37 (c) (1) The state, acting through and in the discretion of the Secretary
38 of the Office of Policy and Management and within available
39 appropriations, may provide loans to elderly homeowners who apply,
40 on a form prescribed by the secretary, provided (A) the elderly
41 homeowner has failed to pay taxes levied against the elderly
42 homeowner's property under chapter 203 of the general statutes for not
43 less than the two assessment years preceding the date of application for
44 a loan under this section, (B) the real property subject to tax is not
45 otherwise encumbered, (C) the principal amount of such loan does not
46 exceed the amount of taxes, interest and fees levied against the real
47 property, and (D) the elderly homeowner shall use the loan to pay the
48 delinquent taxes, interest and fees. In addition to requiring that an
49 elderly homeowner's qualifying income not exceed the applicable
50 maximum qualifying income for a tax reduction under section 12-170aa
51 of the general statutes, the secretary may (i) impose asset limits as a
52 condition of eligibility for loans provided pursuant to this section, (ii)

53 prescribe requirements for an elderly homeowner to prove the loan was
54 used for the intended purpose, and (iii) impose penalties against an
55 elderly homeowner who does not use the loan for the intended purpose.

56 (2) If the state provides a loan under this section, the Secretary of the
57 Office of Policy and Management shall have a lien on the real property
58 subject to taxes in the amount of such loan, plus interest at the prevailing
59 rate of interest as determined by the secretary. Such lien shall have
60 priority over all other liens on such real property except a municipal
61 property tax lien.

62 (3) Any financial assistance provided under this section shall not
63 disqualify an elderly homeowner from receiving any other benefits
64 under any other program for which such homeowner may be eligible.

65 (d) The Secretary of the Office of Policy and Management may adopt
66 regulations, in accordance with the provisions of chapter 54 of the
67 general statutes, to implement the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2022	New section

Statement of Legislative Commissioners:

In Subsec. (b), "have fallen behind" was changed to "are delinquent" and "property tax" was changed to "real property tax" for clarity; in Subsec. (c)(1)(C), "and elderly homeowner" was deleted for accuracy; in Subsec. (c)(1)(D), "uses" was changed to "shall use" for consistency with standard drafting conventions; and in Subsec. (c)(2), "any remaining municipal property tax lien" was changed to "a municipal property tax lien" for clarity.

AGE Joint Favorable Subst.