


MEMORANDUM

TO: Town Council

FROM: David E. Cox, Town Manager 

DATE: April 13, 2020

SUBJECT: Resolution Adopting the Low Interest Option

On Friday, April 10, Governor Lamont issued an Executive Order amending his previous Executive Order 7S in two ways. First, the beginning of the delinquency time period was adjusted from March 1 to April 1. Second, the 90-day time periods were amended to be three-month time periods. A revised version of the Resolution and a highlighted copy of the Governor's recent Executive Order is attached.

As a note, the only effect of this change is to eliminate the applicability of this order to the water bills that were issued in February and became due on March 15 and only to the extent that they remain unpaid during the life of the Executive Order. Any bill paid during the life of the Order will receive the lower interest rate during the April 1 to July 1 timeframe. At this point, there are 12 of our 113 customers that have not paid the bill that was due in March.

DC

Attachments

cc: Jeff Jylkka, Finance Director
Kristy Merrifield, Collector
Scott Clayton, Utilities Administrator

RESOLUTION

TOWN OF EAST HAMPTON TOWN COUNCIL

RESOLUTION PERTAINING TO ELECTION OF THE REDUCED INTEREST RATE OPTION ON DELINQUENT REVENUE PAYMENTS MANDATED BY

EXECUTIVE ORDER 2020-7S, PARAGRAPH 6(b), *et seq.*

DRAFT – April 9, 2020

WHEREAS, on March 10, 2020, the Governor of the State of Connecticut (“Governor”) declared a public health emergency and civil preparedness emergency for the State of Connecticut, pursuant to Connecticut General Statutes Sections 19a-131 and 28-9, in response to the global pandemic of COVID-19 disease associated with a novel coronavirus that is currently affecting multiple countries and states; and

WHEREAS, on March 13, 2020, the President of the United States (“President”) declared a national emergency to combat the coronavirus that is currently infecting the population of the United States; and

WHEREAS, on March 20, 2020, the Town Manager of the Town of East Hampton (“Town Manager”) declared a local state of emergency to ensure that local officials and the Town Manger have all the authorities necessary to limit the spread of COVID-19 disease and to protect the public safety of the Town of East Hampton; and

WHEREAS, the effects the transmission of COVID-19 has resulted in the spread of infections in the Town of East Hampton, in Connecticut and throughout the country, as well as resulting in shortages of personal protective equipment and other supplies that could jeopardize public safety and civil preparedness; and

WHEREAS, in response to the issuance of declarations of a public health emergency and civil preparedness emergency by the Governor, he has issued a series of Executive Orders setting forth the law governing the conduct of the business of state and municipal government during the period of the emergency; and

WHEREAS, on April 1, 2020, the Governor issued Executive Order No. 7S (“EO 7S”), paragraph 6, which mandates that each municipality shall provide either, or both, of two separate revenue collection relief programs (a) temporary forbearance of certain real estate, motor vehicle, personal property

taxes, and municipal water and sewer rates, charges, and assessment collection (collectively “Taxes”) (“Deferment Program”); and/or, (b) reduced interest on delinquent payments for Taxes (“Low Interest Rate Program”); and

WHEREAS, on April 9, 2020, the Governor issued Executive Order No. 7W (“EO 7W”), paragraph 1b, which clarified and amended EO 7S to indicate that “the ninety (90) day periods referred to in [EO 7S] are amended to three (3) months, and references to due dates and delinquency dates on or prior to March 10 are amended to April 1”; and

WHEREAS, the Deferment Program requires a showing of COVID-19 taxpayer impact, and the Low Interest Rate Program allows the Town to provide such relief to all taxpayers without such requirement; and

WHEREAS, the Town of East Hampton Town Council has received comment and input from the Town Manager, who in consultation with the Tax Collector, Finance Director, Town Attorney and Director of the Water Pollution Control Authority, recommend the Town Council elect the Low Interest Rate Program, and in accordance with EO 7S, direct the Town Manger to notify the State Office of Policy and Management (“OPM”) no later than April 25, 2020, as to its decision to elect the Low Interest Rate Program;

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Town of East Hampton Town Council pursuant to paragraph 6(b), *et seq.*, of Executive Order 7S as amended, that it elects to participate in the Low Interest Rate Program set forth in EO 7S paragraph 6(b), which shall be implemented and conducted in accordance with and pursuant to the notice requirements from OPM as follows:

1. The Town Manager is directed to give notice to OPM of the Town’s election to participate in the Low Interest Rate Program on or before April 25, 2020; and
2. To implement such means as are necessary in order to comply with EO 7S Paragraph 6(b), *et seq.*, which provides, in relevant part, that:
 - a. Between ~~March 10~~April 1, 2020 through and including July 1, 2020, any delinquent portion of the principal of any Taxes shall be subject to 3% interest per annum or .25% per month for ~~ninety (90) days~~three

(3) months from the date that they become due and payable until the date the Taxes are paid. After the ~~ninety (90) days~~three (3) months, the regular interest rate is restored to the statutory eighteen percent (18%) with a portion of a month being considered a full month. This lower delinquency interest rate applies to Taxes that have been delinquent prior to ~~March 10~~April 1, 2020, for a period of ~~ninety (90) days~~three (3) months from April 1, 2020, through and including ~~June 30~~July 1, 2020;

- b. This option does not provide an extended grace period, but taxpayers are provided a window of time during which they will be able to pay a significantly reduced interest rate. This program does not require taxpayers to qualify based on eligibility criteria, but rather, the Low Interest Rate Program shall apply to all taxpayers; and,
- c. Landlords will be eligible for the Low Interest Rate Program only if Commensurate Forbearance has been offered to their tenants; in accordance with OPM guidance, “Commensurate Forbearance”, for purposes of this program, means either a) a deferral of 25% of rent (approximating the property tax portion of rent) for ~~the ninety (90) days~~three (3) months after its due date; b) a deferral of one month’s rent to be paid over the ~~90-day~~three (3) month period, or c) forbearance substantially similar to (a) or (b) as determined by the tax collector. Documentation includes, but is not limited to, proof that some tenants or lessees have received forbearance or that the landlord has actively communicated with tenants or lessees to offer forbearance; and
- d. This Resolution does not relieve financial institutions which are required to remit escrow payments to the Town for property Taxes irrespective of the Town’s election of this Low Interest Rate Program; and,

BE IT FURTHER RESOLVED, in the event the previously declared emergency is resolved, lifted, or in the event EO 7S is further amended, altered, or rescinded, the Town Manager shall further notify the Town Council and OPM, and the Town

shall be entitled to implement such other means as are necessary and consistent with any amendment, alteration, or rescinding of said Order.

Approved this 14th day of APRIL, 2020.

TOWN COUNCIL

ATTEST

James Brown, Chairperson

Kelly Bilodeau, Town Clerk

STATE OF CONNECTICUT

BY HIS EXCELLENCY

NED LAMONT

EXECUTIVE ORDER NO. 7W

**PROTECTION OF PUBLIC HEALTH AND SAFETY DURING COVID-19
PANDEMIC AND RESPONSE – MUNICIPAL TAX RELIEF CLARIFICATIONS,
UNEMPLOYMENT EXPERIENCE RATINGS, ADMINISTRATIVE
REQUIREMENTS FOR LIQUOR PERMITTEES**

WHEREAS, on March 10, 2020, I issued a declaration of public health and civil preparedness emergencies, proclaiming a state of emergency throughout the State of Connecticut as a result of the coronavirus disease 2019 (COVID-19) outbreak in the United States and confirmed spread in Connecticut; and

WHEREAS, pursuant to such declaration, I have issued twenty-three (23) executive orders to suspend or modify statutes and to take other actions necessary to protect public health and safety and to mitigate the effects of the COVID-19 pandemic; and

WHEREAS, COVID-19 is a respiratory disease that spreads easily from person to person and may result in serious illness or death; and

WHEREAS, the World Health Organization has declared the COVID-19 outbreak a pandemic; and

WHEREAS, the risk of severe illness and death from COVID-19 appears to be higher for individuals who are 60 years of age or older and for those who have chronic health conditions; and

WHEREAS, to reduce the spread of COVID-19, the United States Centers for Disease Control and Prevention and the Connecticut Department of Public Health recommend implementation of community mitigation strategies to increase containment of the virus and to slow transmission of the virus, including cancellation of gatherings of ten people or more and social distancing in smaller gatherings; and

WHEREAS, quasi-municipal entities, including special taxing districts and participants in the Connecticut Green Bank C-Pace program have sought relief on behalf of taxpayers affected by the economic effects of the COVID-19 pandemic; and

WHEREAS, as a result of the dire economic effects of the necessary public health protective measures enacted in response to the COVID-19 pandemic, an unprecedented number of Connecticut residents have filed for unemployment benefits; and

WHEREAS, to avoid imposing an undue burden on contributing employers whose employees have had to file unemployment claims as a result of the extraordinary effects of the COVID-19 pandemic, it is necessary to relieve those employers of charges to their experience accounts; and

WHEREAS, provisional permits must be approved by the Liquor Control Commissioner, which is not holding meetings during this state of emergency; and

WHEREAS, Executive Order No. 7D provided that any location licensed for on-premise consumption of alcoholic liquor “shall only serve food or non-alcoholic beverages for off-premises consumption,” thereby preventing on-premise liquor permittees from enjoying the full benefit of their liquor permit; and

WHEREAS, certain statutory and regulatory provisions regarding the sale and consumption of alcoholic beverages may make required distancing and other safety measures difficult or impossible while local and state government offices have limited accessibility, or may create undue hardship to businesses during the period when they are not selling alcoholic liquor for on-premise consumption;

NOW, THEREFORE, I, NED LAMONT, Governor of the State of Connecticut, by virtue of the authority vested in me by the Constitution and the laws of the State of Connecticut, do hereby **ORDER AND DIRECT**:

1. Applicability of Executive Order No. 7S, Section 6 and Quasi-Municipal Corporations and Clarification of Time Periods.

- a. Application to Quasi-Municipal Corporations.** The provisions of Executive Order No. 7S, Section 6 regarding tax deferral and interest-rate reduction programs to offer support to eligible taxpayers, businesses, nonprofits and residents who have been economically affected by the COVID-19 pandemic shall apply to all taxes and water, sewer, or electric charges for which a municipality, as defined in section 7-148 of the general statutes, collects for all other quasi-municipal corporations, whether created by statute, ordinance, charter, or special act, including but not limited to any town, city or borough, whether consolidated or unconsolidated, any village, school, sewer, fire, lighting, special services or special taxing districts, beach or improvement association, any regional water or resource recovery authority or any other political subdivision of the state or of any municipality having the power to make appropriations or to levy assessments or taxes (“quasi-municipal corporations”). Every quasi-municipal corporation which collects its own taxes or water, sewer, or electric charges and is located wholly within a municipality shall offer the same program or programs that the municipality offers, must accept the status of the taxpayer as determined by the municipality,

and shall not be subject to the notification requirement to the Secretary of the Office of Policy and Management under Executive Order No. 7S Section 6. Every quasi-municipal corporation which collects any taxes or water, sewer, or electric charges and is located in multiple municipalities shall make its own determination as to which program or programs it shall elect, which may be either uniform for the whole quasi-municipality or be the same as those chosen by the respective forum municipalities, and shall provide the notice to the Secretary of the Office of Policy and Management as required for municipalities under Executive Order No. 7S Section 6. The provisions of Executive Order No. 7S, Section 6 regarding tax deferral and interest-rate reduction programs to offer support to eligible taxpayers, businesses, nonprofits and residents who have been economically affected by the COVID-19 Pandemic shall apply to benefit assessments under Connecticut General Statute Section 16a-40g.

b. Clarification of Time Periods. Because interest on past due taxes and water, sewer, or electric charges are calculated by the month, not by the day, and principal is typically due on the first of the month, not the tenth, the ninety (90) day periods referred to in Executive Order No. 7S, Section 6 are amended to three (3) months, and the references to due dates and delinquency dates on or prior to March 10 are amended to April 1.

2. **No Increased Experience Rating Based on COVID-19 Unemployment Claims.** Section 31-225a(c)(1) of the Connecticut General Statutes is modified to additionally provide, “(L) No base period contributing employer’s account shall be charged with respect to benefits paid to a claimant due to partial or total unemployment that the Commissioner of Labor or his designee determines are attributable to COVID-19, including but not limited to benefits paid to a claimant who, through no fault of his or her own, becomes either partially or fully unemployed during the public health and civil preparedness emergency declared on March 10, 2020, and any period of extension or renewal.” The Commissioner of Labor may issue any implementing orders that he deems necessary to effectuate this order.
3. **Coil Cleaning Requirements Modified.** Section 30-6-A23(b) of the Regulations of Connecticut State Agencies is modified so that premises that normally are permitted to sell beer or wine for on-premises consumption need not clean beer or wine pipe lines on a weekly basis while the premise is closed pursuant to Executive Order No. 7D, unless growlers for off-premise consumption are sold pursuant to Executive Orders No. 7G or 7T. Any premise not cleaning lines on a weekly basis shall not begin serving draught beer or wine after Executive Order No. 7D is lifted until a coil and line cleaning occurs and is recorded on the premise’s cleaning card.

- 4. Delivery Signature Requirement Suspended.** Sections 30-16(e)(3), 30-18(b), 30-18a(b), 30-19f(c), 30-37q, and 30-93a of the Connecticut General Statutes are modified so that a consumer need not sign upon receipt of alcoholic beverages for delivery or curbside pick-up, provided that the age of the consumer receiving the alcoholic beverages is verified to be age twenty-one or older and the consumer is not intoxicated. The Commissioner of Consumer Protection may issue any implementing orders or guidance that she deems necessary to effectuate the purposes of this order.
- 5. Return of Permit Not Necessary for Temporary Closures Pursuant to Executive Order No. 7D.** Section 30-6-A6 of the Regulations of Connecticut State Agencies is modified to waive the requirement that permittees must notify the Department of Consumer Protection of business closures for sixty days or less if said closure is a result of Executive Order No. 7D. Section 30-6-A6 is further modified to waive the requirement that a permittee return the permit to the Department of Consumer Protection if the business is closed for more than 60 days if said closure is a result of Executive Order No. 7D so long as the business intends to reopen following the termination of Executive Order No. 7D.
- 6. Ninety-day Provisional Permits.** Section 30-35b of the Connecticut General Statutes is modified to authorize the Commissioner of Consumer Protection, or her designee, to review and approve the issuance of provisional permits, the renewal of such permits and any follow-up review, which would otherwise have been reviewed and approved by the Liquor Control Commission. Any such decisions shall be made public by posting them on the Commission's web site and including them on the agenda for the next regularly scheduled meeting of the Liquor Control Commission. The Commissioner of Consumer Protection may issue any implementing orders and guidance that she deems necessary to implement this order.
- 7. Renewal Date of On-Premise Liquor Permits to Be Extended.** Section 30-14(a) of the Connecticut General Statutes and Section 30-6-A3 of the Regulations of Connecticut State Agencies are modified to provide that all on-premise liquor permits in active status when Executive Order No. 7D went into effect on March 16, 2020 shall be extended by four months, including any business whose permit expired between March 16 and the effective date of this Order. The Commissioner of Consumer Protection may issue any implementing orders and guidance that she deems necessary to implement this order.
- 8. Permit Need Not Be Recorded with Town Clerk.** Section 30-53 of the Connecticut General Statutes and Section 30-6-A7 of the Regulations of

Connecticut State Agencies are suspended in all towns where the town clerk's office is closed or so reduced in hours that it makes it unreasonable to have the permit recorded. Permits shall be recorded as soon as the relevant town clerk's office is reopened and staffed for routine business.

Unless otherwise specified herein, this order shall take effect immediately and shall remain in effect for the duration of the public health and civil preparedness emergency, unless earlier modified or terminated by me.

Dated at Hartford, Connecticut, this 9th day of April, 2020.



Ned Lamont
Governor

By His Excellency's Command



Denise W. Merrill
Secretary of the State

