Date: January 22nd, 2026
To: James Drumm, Town Manager
From: Alexander Taylor, Coventry Special Projects Coordinator
Subject: Excess Payments Retention and Tax Waiver Ordinance

Overview

The Collector of Revenue and Finance Director recommend the adoption of an ordinance to allow for the retention of excess payments for property taxes and the waiving of payments due for property taxes where the amount is less than five dollars. These changes will ensure existing department practices are in compliance with statute. C.G.S. Sec. 12-129 specifically allows municipalities to authorize their tax collector to retain such payments by ordinance. Similarly, C.G.S. Sec. 12-144c allows municipalities to waive such taxes due by action of its legislative body.

Background

The Collector of Revenue and Finance Director became aware late last year that an ordinance was required to fully comply with statute. Historically, the policy within the Tax Office has been to retain excess payments and waive amounts due below five dollars to save costs. This practice has been in place for over a decade. The Collector of Revenue estimates that the cost for Coventry to issue a refund or collect on a balance is in excess of $20, making these small payments or collections inefficient. The frequency of these small excesses or amounts due vary by year, ranging from under ten to dozens. The Collector of Revenue identified ordinances to establish these policies as being common among municipalities throughout the state. A brief review of Connecticut municipalities found multiple instances of ordinances to allow for retention of excess fees in towns such as Tolland, Bolton, Columbia, East Hartford, Bristol, Torrington, and others. Ordinances to waive fees were found in Granby, Columbia, Stonington, Windsor Locks, East Windsor, Bolton, and others.

Statutory Review

Public Act 95-283 revised C.G.S. Sec. 12-129 to state that “Notwithstanding the provisions of this section, the legislative body of a municipality may, by ordinance, authorize the tax collector to retain payments in excess of the amount due provided the amount of the excess payment is less than five dollars.” Public Act 75-489 created Sec. 12-144c which currently reads “Any municipality may waive any property tax due in an amount less than one hundred dollars by action of its legislative body.” Ordinances pursuant to these sections in towns which have chosen to adopt them are usually brief, simply referencing the statute and establishing the authorized policy.

Conclusion

The adoption of an ordinance to allow for the retention of excess payments and waiving of amounts due below $5 is recommended. Draft language for such an ordinance has been provided. If adopted it will bring the Town into compliance with state statute while avoiding high costs associated with reimbursements sometimes as low as several cents.