

Employment Practices Liability

April 10, 2020

Governor Lamont Issues Executive Order 7W Regarding COVID-19, Including Municipal Tax Relief Clarification and Unemployment Experience Ratings

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On April 9, 2020, Governor Lamont issued Executive Order 7W, which, *inter alia*, clarifies municipal tax relief ordered in Executive Order 7S, and relieves employers of charges to their experience accounts of contributing employers whose employees have had to file unemployment claims as a result of the effects of COVID-19.

Municipal Tax Relief

Governor Lamont previously issued Executive Order 7S on April 1, 2020, wherein he, *inter alia*, permitted each municipality, through its legislative body, to participate in a 90-day deferment program for taxes on real property, personal property or motor vehicles, or municipal water, sewer and electric rates and/or participate in a low interest rate program whereby delinquent taxes will be subject to a lower interest rate of 3% per annum for 90 days.

Executive Order 7W amends the 90-day period within the deferment and low interest rate programs to a period of 3 months, recognizing that taxes and water, sewer, or electric charges are calculated by the month, not by the day. Additionally, Executive Order 7S previously provided that the low interest program for certain delinquent payments would begin on March 10; however, Executive Order 7W modified this date to April 1 in light of the fact that principal payments typically become due on the first of the month.

Further, Executive Order 7W clarifies that the above programs are applicable to "all taxes and water, sewer, or electric charges for which a municipality," as defined in Conn. Gen. Stat. § 7-148, "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')."

Further, Executive Order 7W requires that "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." However, a quasi-municipal corporation which is located in multiple cities and collects any taxes or water, sewer, or electric charges "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."

No Increase to Experience Rating Based on COVID-19 Unemployment Claims

Section 2 of Executive Order 7W modifies statute so that an employer's experience rating will not increase due to unemployment claims resulting from the effects of COVID-19.

Specifically, Governor Lamont's Executive Order 7W adds a new subpart(L) to Conn. Gen. Stat. § 31-225a(c)(1), providing that "[n]o 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 Governor's Executive Order 7W also authorizes the Commissioner of Labor to issue any implementing orders that he deems necessary to effectuate this order.

Any questions concerning the any of the provisions of Governor Lamont's Executive Orders issued during the spread of COVID-19, or compliance therewith, can be directed to any attorney at Rose Kallor, LLP.

Cindy Cieslak is a partner at Rose Kallor, LLP. Rose Kallor, LLP regularly represents and advises private and public sector employers on matters pertaining to the employer-employee relationship, including discrimination, harassment, and wage and hour issues. If you have questions about this legal update, please contact Rose Kallor, LLP at 860-361-7999. If you wish to receive future updates on labor and employment related topics, please contact Jacqueline Smith, Marketing and Creative Design Associate at jsmith@ccm-ct.org.

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