



House of Representatives

General Assembly

File No. 534

February Session, 2004

Substitute House Bill No. 5477

House of Representatives, April 8, 2004

The Committee on Finance, Revenue and Bonding reported through REP. STILLMAN of the 38th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING ENFORCEMENT OF MOTOR VEHICLE PROPERTY TAX DELINQUENCIES.

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

1 Section 1. Section 12-146 of the general statutes, as amended by
2 section 58 of public act 03-6 of the June 30 special session, is repealed
3 and the following is substituted in lieu thereof (*Effective July 1, 2004*):

4 Unless the context otherwise requires, wherever used in this section,
5 "tax" includes each property tax and each installment and part thereof
6 due to a municipality as it may have been increased by interest, fees
7 and charges. If any tax due in a single installment or if any installment
8 of any tax due in two or more installments is not paid in full (1) on or
9 before the first day of the month next succeeding the month in which it
10 became due and payable, or if not due and payable on the first day of
11 the month, (2) on or before the same date of the next succeeding month
12 corresponding to that of the month on which it became due and

13 payable, the whole or such part of such installment as is unpaid shall
14 thereupon be delinquent and shall be subject to interest from the due
15 date of such delinquent installment. Except for unpaid real estate taxes
16 the collection of which was, or is, deferred under the provisions of
17 section 12-174, and any predecessor and successor thereto, which
18 unpaid real estate taxes continue to be subject to the provisions of such
19 deferred collection statutes, the delinquent portion of the principal of
20 any tax shall be subject to interest at the rate of eighteen per cent per
21 annum from the time when it became due and payable until the same
22 is paid, subject to a minimum interest charge of two dollars which any
23 municipality, by vote of its legislative body, may elect not to impose,
24 and provided, in any computation of such interest, under any
25 provision of this section, each fractional part of a month in which any
26 portion of the principal of such tax remains unpaid shall be considered
27 to be equivalent to a whole month. Each addition of interest shall
28 become, and shall be collectible as, a part of such tax. Interest shall
29 accrue at said rate until payment of such taxes due notwithstanding
30 the entry of any judgment in favor of the municipality against the
31 taxpayer or the property of the taxpayer. Except as hereinafter
32 specified for taxes representing two or more items of property, the
33 collector shall not receive any partial payment of a delinquent tax
34 which is less than the total accrued interest on the principal of such tax
35 up to the date of payment and shall apply each partial payment to the
36 wiping out of such interest before making any application thereof to
37 the reduction of such principal; provided, whenever the first partial
38 payment is made after delinquency, interest from the due date of such
39 delinquent tax to the date of such partial payment shall be figured on
40 the whole or such part of the principal of such tax as is unpaid at the
41 beginning of delinquency and provided, whenever a subsequent
42 partial payment of such tax is made, interest shall be figured from the
43 date of payment of the last-preceding, to the date of payment of such
44 subsequent, partial payment on the whole or such balance of the
45 principal of such tax as remains unpaid on the date of the last-
46 preceding partial payment. If any tax, at the time of assessment or
47 because of a subsequent division, represents two or more items of

48 property, the collector may receive payment in full of such part of the
49 principal and interest of such tax as represents one or more of such
50 items, even though interest in full on the entire amount of the principal
51 of such tax has not been received up to the date of such payment; in
52 which event, interest on the remaining portion of the principal of any
53 such tax shall be computed, as the case may be, from the due date of
54 such tax if no other payment after delinquency has been made or from
55 the last date of payment of interest in full on the whole amount or
56 unpaid balance of the principal of such delinquent tax if previous
57 payment of interest has been made. Each collector shall keep a separate
58 account of such interest and the time when the same has been received
59 and shall pay over the same to the treasurer of the municipality of the
60 collector as a part of such tax. No tax or installment thereof shall be
61 construed to be delinquent under the provisions of this section if the
62 envelope containing the amount due as such tax or installment, as
63 received by the tax collector of the municipality to which such tax is
64 payable, bears a postmark showing a date within the time allowed by
65 statute for the payment of such tax or installment. Any municipality
66 may, by vote of its legislative body, require that [(A)] any delinquent
67 property taxes applicable with respect to a motor vehicle shall be paid
68 only in cash or by certified check or money order. [, and (B) any person
69 who was delinquent in the payment of any property tax or installment
70 on any motor vehicle and who the municipality notified the
71 Commissioner of Motor Vehicles of such delinquency under the
72 provisions of section 14-33 shall pay a fee of five dollars.] Any
73 municipality adopting such requirement may provide that such
74 requirement shall only be applicable to delinquency exceeding a
75 certain period in duration as determined by such municipality. Any
76 municipality shall waive all or a portion of the interest due and
77 payable under this section on a delinquent tax with respect to a
78 taxpayer who has received compensation under chapter 968 as a crime
79 victim.

80 Sec. 2. Section 14-33 of the general statutes, as amended by section 5
81 of public act 03-264 and section 102 of public act 03-1 of the June 30
82 special session, is repealed and the following is substituted in lieu

83 thereof (*Effective July 1, 2004*):

84 (a) [If] Subject to the provisions of subsection (e) of this section, if
85 any property tax, or any installment thereof, laid by any city, town,
86 borough or other taxing district upon a registered motor vehicle or
87 snowmobile remains unpaid, the tax collector of such city, town,
88 borough or other taxing district shall notify the Commissioner of
89 Motor Vehicles of such delinquency in accordance with listings and
90 schedules of dates established by the commissioner and on forms
91 prescribed and furnished by the commissioner, specifying the name
92 and address of the person against whom such tax has been assessed,
93 the date when such tax was due and the registration number, if known
94 to the collector. [Such forms shall be submitted to the commissioner
95 together with payment of a fee of fifty cents for each such vehicle or
96 snowmobile. Such fee shall be deposited into the General Fund.] The
97 commissioner shall not issue registration for such motor vehicle or
98 snowmobile for the next registration period if, according to the
99 commissioner's records, it is then owned by the person against whom
100 such tax has been assessed or by any person to whom such vehicle has
101 not been transferred by bona fide sale. Unless notice has been received
102 by the commissioner under the provisions of section 14-33a, no such
103 registration shall be issued until a receipt evidencing the payment of
104 such tax or certificate of abatement of such tax or other satisfactory
105 evidence that the tax obligation has been legally discharged has been
106 presented to the commissioner; nor shall the commissioner register any
107 other motor vehicle or snowmobile in the name of such person until a
108 receipt evidencing the payment of such tax or a certificate of abatement
109 of such tax or other satisfactory evidence that the tax obligation has
110 been legally discharged has been presented to the commissioner,
111 except that the commissioner may continue to register other vehicles
112 owned by a leasing or rental firm licensed pursuant to section 14-15, if
113 the commissioner is satisfied that arrangements have been made to
114 discharge such tax obligation, and may issue such registration to any
115 private owner of three or more paratransit vehicles in direct
116 proportion to the percentage of total tax due on such vehicles which
117 has been paid and notice of payment on which has been received. The

118 Commissioner of Motor Vehicles may immediately suspend all motor
119 vehicle or snowmobile registrations issued in the name of any person
120 (1) who has been reported as delinquent and whose registration was
121 renewed through an error or through the production of false evidence
122 that the delinquent tax had been paid, or (2) who has been reported by
123 a tax collector as having paid a property tax on a motor vehicle or
124 snowmobile with a check which was dishonored by a bank and such
125 tax remains unpaid. Any person aggrieved by any action of the
126 commissioner under this section may appeal therefrom in the manner
127 provided in section 14-134. For the purposes of this subsection,
128 "paratransit vehicle" means a motor bus, taxicab or motor vehicle in
129 livery service operated under a certificate of convenience and necessity
130 issued by the Department of Transportation or by a transit district and
131 which is on call or demand or used for the transportation of
132 passengers for hire.

133 (b) Notwithstanding the provisions of subsection (a) of this section,
134 the Commissioner of Motor Vehicles, in consultation with the
135 Treasurer and the Secretary of the Office of Policy and Management,
136 may enter into an agreement with the tax collector of any city, town,
137 borough or other taxing district whereby the commissioner shall
138 collect any property tax or any installment thereof on a registered
139 motor vehicle which remains unpaid from any person against whom
140 such tax has been assessed who makes application for registration for
141 such motor vehicle. Each such agreement shall include a procedure for
142 the remission of taxes collected to the city, town, borough or other
143 taxing district, on a regular basis, and may provide that a fee be paid
144 by the city, town, borough or other taxing district to the commissioner
145 to cover any costs associated with the administration of the agreement.
146 In the event an agreement is in effect, the commissioner shall
147 immediately issue a registration for a motor vehicle owned by a person
148 against whom such tax has been assessed upon receipt of payment of
149 such tax and a service fee of two dollars, in addition to the fee
150 prescribed for the renewal of the registration.

151 (c) On and after March 1, 1989, any municipality may participate in

152 a program administered by the Commissioner of Motor Vehicles to
153 facilitate the payment of fines for parking violations. If any such
154 municipality elects to participate in such program, it shall provide for a
155 notice of violation to be served personally upon the operator of a
156 motor vehicle who is present at the time of service. If the operator is
157 not present, the notice shall be served upon the owner of the motor
158 vehicle by affixing notice to said vehicle in a conspicuous place. In the
159 case of any motor vehicle that is leased or rented by the owner, not
160 more than thirty days after the initial notice of a parking violation for
161 which a fine remains unpaid at such time, a second notice of violation
162 shall be mailed to the address of record of the owner leasing or renting
163 the motor vehicle to such operator. No fines or penalties shall accrue to
164 the owner of such rented or leased vehicle for the violation for a period
165 of sixty days after the second notice is mailed. A participating
166 municipality shall notify the commissioner of every owner of a
167 registered motor vehicle who has unpaid fines for more than five
168 parking violations committed within such municipality on and after
169 March 1, 1989. Upon receipt of such notification, the commissioner
170 shall not issue or renew the motor vehicle registration of such person
171 until he receives notification from such municipality that the
172 delinquent fines have been paid.

173 (d) The provisions of subsection (c) of this section shall not apply to
174 any person, firm or corporation engaged in the business of leasing or
175 renting motor vehicles without drivers in this state with respect to any
176 motor vehicle which is leased or rented. The commissioner shall adopt
177 regulations, in accordance with chapter 54, to implement the
178 provisions of subsection (c) of this section.

179 (e) On and after July 1, 2004, each city and town shall make an
180 annual payment to the Commissioner of Motor Vehicles, in an amount
181 determined by the Secretary of the Office of Policy and Management,
182 in order to participate in the program administered by the Department
183 of Motor Vehicles pursuant to subsection (a) of this section. Such
184 amount shall be each city or town's proportionate cost of the
185 administration of said program, to be determined as follows: The

186 number obtained by multiplying said program's administrative cost by
 187 a fraction the numerator of which shall be the city or town's population
 188 and the denominator of which shall be the population of the state. As
 189 used in this section, "population" means the number of persons in the
 190 city or town according to the most recent estimate made, pursuant to
 191 section 19a-2a, by the Department of Public Health. The commissioner
 192 shall, on or before July fifteenth, annually, certify to said secretary the
 193 commissioner's cost to administer said program. The secretary shall,
 194 on or before August first, annually, notify the chief executive officer of
 195 each city and town of the amount such city or town is required to pay
 196 to the commissioner and such amount shall be payable not later than
 197 September first following said notification date. All amounts received
 198 by the commissioner pursuant to this subsection shall be deposited
 199 into the General Fund. If a city or town fails to annually pay its
 200 proportionate share of said program's administrative cost, the
 201 commissioner shall not be required to deny the issuance of a
 202 registration, pursuant to subsection (a) of this section, to the person
 203 against whom such tax has been assessed by said city or town, or by a
 204 borough or other taxing district located therein.

This act shall take effect as follows:	
Section 1	July 1, 2004
Sec. 2	July 1, 2004

Statement of Legislative Commissioners:

In subsection (e) of section 2 the words "a fraction of " were changed to "a fraction " for grammar.

FIN *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Motor Vehicle Dept.	TF - Net Impact	None	None

Note: TF=Transportation Fund

Municipal Impact:

Municipalities	Effect	FY 05 \$	FY 06 \$
All Municipalities	Net Impact	None	None

Explanation

The bill will result in no net state fiscal impact because it is replacing the current 50-cent surcharge paid by municipalities on each delinquent motor vehicle tax reported with an annual subscription fee proportionate to each municipality's share of the cost for the Department of Motor Vehicle to administer the program.

There is no fiscal impact to municipalities as a result of eliminating the \$5 delinquency surcharge because no municipalities have elected to adopt the surcharge.

OLR Bill Analysis

sHB 5477

**AN ACT CONCERNING ENFORCEMENT OF MOTOR VEHICLE
PROPERTY TAX DELINQUENCIES****SUMMARY:**

This bill changes the way towns help pay for the Department of Motor Vehicles (DMV) delinquent motor vehicle property tax enforcement program, which bars those whose taxes are delinquent from registering their vehicles.

The bill eliminates the requirement that towns pay a 50-cent fee for each motor vehicle or snowmobile they report to DMV for delinquent taxes and instead requires them to pay annual fees based on population. It requires the Office of Policy and Management secretary to set the fees by multiplying the program's annual cost by each town's share of the state's population, using the most recent Department of Public Health population estimates.

Under the bill, the DMV commissioner must certify the program's cost to the secretary by July 15 annually, the secretary must notify each town of its fee amount by August 1, and towns must pay by September 1. As is the case with the current 50-cent fee, payments must go to the General Fund. If a town fails to pay, DMV is not required to deny motor vehicle registrations to people who owe property taxes to that town or to any borough or special taxing district in it.

The bill also eliminates the authority for a town, by a vote of its legislative body, to charge a \$5 fee to anyone whose motor vehicle property taxes are delinquent, if the town notified DMV of the delinquency.

EFFECTIVE DATE: July 1, 2004

BACKGROUND***Related Bill***

sHB 5509 (File 300), reported favorably by the Planning and

Development Committee on March 26, eliminates the 50-cent fee for each motor vehicle or snowmobile a municipality reports to DMV for delinquent taxes.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Report

Yea 44 Nay 0