



House of Representatives

General Assembly

File No. 408

January Session, 2007

Substitute House Bill No. 5413

House of Representatives, April 10, 2007

The Committee on Planning and Development reported through REP. FELTMAN of the 6th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING TIMELY NOTICE OF BACK TAXES OWED ON MOTOR VEHICLES AND CONCERNING THE SITUS OF MOTOR VEHICLES FOR PURPOSES OF THE PROPERTY TAX.

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

1 Section 1. Section 12-146 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2007, and*
3 *applicable to assessment years commencing on or after October 1, 2007*):

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

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

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

76 (b) (1) Any municipality may, by vote of its legislative body, require
77 that any delinquent property taxes applicable with respect to a motor
78 vehicle shall be paid only in cash or by certified check or money order.
79 Any municipality adopting such requirement may provide that such
80 requirement shall only be applicable to delinquency exceeding a
81 certain period in duration as determined by such municipality.

82 (2) No municipality shall impose interest on delinquent property
 83 taxes applicable with respect to a motor vehicle for a period of more
 84 than three years unless the municipality mails, by certified mail, return
 85 receipt requested, a notice to the taxpayer that such taxes are
 86 delinquent and the amount of the payment that is due.

87 Sec. 2. (NEW) (*Effective October 1, 2007, and applicable to assessment*
 88 *years commencing on or after October 1, 2007*) When an assessor adds a
 89 motor vehicle to a grand list for any assessment year commencing
 90 prior to October 1, 2004, the addition of such motor vehicle shall be
 91 deemed to be made in error if (1) such motor vehicle is assessed on the
 92 grand list of another municipality in this state for the assessment year,
 93 and (2) the property tax for such motor vehicle was paid to the
 94 municipality that assessed such motor vehicle for said assessment
 95 year. Upon receiving notice of the payment of the property tax to the
 96 municipality that assessed the motor vehicle, the assessor who made
 97 the error in adding such motor vehicle to a grand list for any
 98 assessment year commencing prior to October 1, 2004, shall issue a
 99 certificate of correction, pursuant to section 12-57 of the general
 100 statutes, to remove such motor vehicle from any grand list.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-146
Sec. 2	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	New section

PD *Joint Favorable Subst.*

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 08 \$	FY 09 \$
All Municipalities	Cost	Minimal	Minimal

Explanation

The bill may result in some costs to municipalities which are expected to be minimal.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis

sHB 5413

AN ACT CONCERNING TIMELY NOTICE OF BACK TAXES OWED ON MOTOR VEHICLES AND CONCERNING THE SITUS OF MOTOR VEHICLES FOR PURPOSES OF THE PROPERTY TAX.

SUMMARY:

This bill bars municipalities from imposing interest on delinquent property taxes on a motor vehicle for more than three years unless the municipality sends, by certified mail, return receipt requested, a notice to the taxpayer that such taxes are delinquent and the amount of the payment that is due.

The bill provides that, when an assessor adds a motor vehicle to a grand list for any assessment year beginning before October 1, 2004, the addition is considered to be made in error if (1) the motor vehicle was assessed on another municipality's grand list for the assessment year and (2) the property tax for the vehicle was paid to the municipality that assessed the vehicle for that year. Upon receiving notice of the payment of the property tax to the municipality that assessed the motor vehicle, the assessor who made the error must issue a certificate of correction to remove the vehicle from any grand list.

EFFECTIVE DATE: October 1, 2007, and applicable to assessment years commencing on or after that date

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/21/2007)