



March 3, 2008

Senator Coleman, Representative Feltman and members of the Planning and Development Committee my name is Stanley Gorzelany and I am President of the Connecticut Tax Collectors Association, which represents over 200 professional Tax Collectors. I am writing to oppose Senate Bill 373 and support House Bill 5639

Senate Bill 373, if passed, will cost municipalities hundreds of thousands of dollars in lost revenue. The effect of this bill is to stop the accrual of interest on all past due motor vehicle bills outstanding for more than six years. The current statutory limitation is 15 years.

The primary reason that taxpayers fail to receive their motor vehicle bills is that they fail to change both their license and registration addresses with the Department of Motor Vehicles when they move. This notification is required within 48 hours of an address change. Even though municipal assessment offices receive an address update from D.M.V. approximately one month before tax bills are prepared, many tax bills are misdirected because taxpayers fail to keep their addresses current.

Passage of Senate Bill 373 will have the effect of rewarding scofflaws, who fail to follow rules already in place. This proposal overturns a legal principle that has stood the test of time in Connecticut since 1862:

“A demand (bill) by the Collector is not necessary to make the tax due; it is not a condition precedent to the duty of the taxpayer to pay. The duty rests with the taxpayer to pay, not with the Collector to demand. As a matter of law, the interest - which became due after August 1st (or any other installment deadline) - became a part of the tax due. The Collector is required as a matter of law to apply the amount paid, first to interest and last to principal and has no discretion in the matter.” (Goddard v. Town of Seymour, 30 Conn. 394 (1862))

Municipal Tax Collectors rely on strong collection enforcement techniques, such as the imposition of interest charges and on the ability to collect taxes for the current statutory period of 15 years, in order to maintain high tax collection rates. This ultimately results in lower taxes for responsible taxpayers who meet their tax obligations and account for 96% to 99% of those who pay their taxes timely. On behalf of professional Tax Collectors throughout the state, I strongly urge you to oppose Senate Bill 373.

House Bill 5639 would reduce the one year restriction currently imposed by Connecticut General Statute 12-146a to six months before health permit enforcement action can be taken. C.G.S. 12-146a is the only statute that imposes a time restriction on enforcement action by a Tax Collector. The effect of waiting for an entire year after a tax bill has been delinquent before re-issuing or revoking a health permit can have a devastating effect on the collectability of such debt. For example, personal property with an assessment date of October 1, 2006, is first billed July 1, 2007 and becomes delinquent August 2, 2007. Under the present limitation imposed by C.G.S. 12-146a, health permit action cannot be taken until August 2008, one year after the bill became delinquent; 23 months after the property was first assessed. In my own Town of Fairfield, as a single example, one business requiring a health permit has been closed and reopened under new ownership three times within the 23 month period and delinquent taxes outstanding are in excess of \$16,000.

Our membership has always felt it is grossly unfair to businesses that pay their taxes timely to have to compete against those who do not. Again, on behalf of the members of the Connecticut Tax Collectors' Association I urge your support of House bill 5639, which will allow your municipal collector the flexibility to take swift action to eliminate such delinquencies and reduce the burden on tax paying businesses and individuals.

Respectfully submitted,
Connecticut Tax Collectors' Association, Inc.

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President