



House of Representatives

General Assembly

File No. 315

February Session, 2010

Substitute House Bill No. 5254

House of Representatives, April 6, 2010

The Committee on Planning and Development reported through REP. SHARKEY of the 88th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE JEOPARDY COLLECTION OF TAXES.

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

1 Section 1. Section 12-163 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) If, between the assessment date and the tax due date, any tax
4 collector believes that the collection of any tax will be jeopardized by
5 delay, he shall, subject to the provisions of this section, collect such tax
6 forthwith. He may enforce collection thereof by using any one or more
7 of the methods provided in sections 12-155, 12-161 and 12-162, or in
8 any other section of the general statutes relating to the enforced
9 collection of taxes. If the amount of such tax has been definitely fixed
10 by the rate maker, the collector shall collect such amount. If the
11 assessment of the property represented by such tax has been fixed by
12 the assessors but the tax rate has not been laid, the collector shall,
13 subject to the provisions of this section, enforce collection of a tax
14 obtained by multiplying the assessment so fixed by the tax rate of the

15 year next preceding. If neither the assessment of the property nor the
16 tax rate has been fixed, the tax collector shall make application to the
17 assessors for a valuation on such property. The assessors shall
18 forthwith assess such property and the assessment placed upon such
19 property by the assessors, together with the tax rate of the year next
20 preceding, shall be used by the collector in determining the amount of
21 tax to be collected. If, after the payment of any tax in conformity with
22 the provisions of this section, it is found that the amount so paid is in
23 excess of the amount which would have been paid on the tax due date
24 or after appeal to the courts, the excess so paid shall be returned to the
25 taxpayer upon written application by him to the treasurer of the
26 municipality. Such written application shall contain a recital of the
27 facts; shall show the amount of rebate to which the applicant believes
28 he is entitled; shall be approved by the tax collector, and shall be made
29 within the period of one year from the date of the definite
30 determination of such tax. The person against whom jeopardy
31 collection proceedings have been begun may obtain a stay of collection
32 of the whole or any part of the amount of the tax so represented by
33 such proceedings by filing with the tax collector a bond in such an
34 amount, not exceeding double the amount as to which the stay is
35 desired, and with such surety as the tax collector deems necessary,
36 conditioned upon the payment of so much of the amount, the
37 collection of which is stayed by the bond, as is found to be due from
38 such person when the grand list has been completed and the tax rate
39 fixed, or as is determined by the board of assessment appeals or a
40 court of competent jurisdiction after appeal to it. The amount of the tax
41 which is stayed by the bond shall be paid on notice and demand of the
42 tax collector, at any time after the tax due date. The person subject to
43 jeopardy collection proceedings, under the provisions of this section,
44 who has obtained a stay of collection in whole or in part, shall have the
45 right to waive such stay at any time in respect to the whole or any part
46 of the amount covered by the bond and if, as the result of such waiver,
47 any part of the amount covered by the bond is paid, the bond shall, at
48 the request of the taxpayer, be proportionately reduced.

49 (b) Upon commencing a tax collection pursuant to subsection (a) of

50 this section, a tax collector shall provide written notice of such
51 collection to (1) the chief elected official in the municipality in which
52 the property that is the subject of the collection action is located, and
53 (2) the person subject to such collection. Such written notice shall
54 contain a detailed explanation supporting the tax collector's belief that
55 the tax collection will be jeopardized by delay.

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|---|---------------------|--------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage</i> | 12-163 |

PD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

| Municipalities | Effect | FY 11 \$ | FY 12 \$ |
|-----------------------|----------------|-----------------|-----------------|
| All Municipalities | Revenue Impact | None | None |

Explanation

The bill requires a municipal tax collector to provide written notice to the municipality's chief elected official and the taxpayer before beginning a jeopardy tax collection. This is estimated to have no fiscal impact.

The Out Years

None

OLR Bill Analysis**sHB 5254*****AN ACT CONCERNING THE JEOPARDY COLLECTION OF TAXES.*****SUMMARY:**

This bill requires municipal tax collectors to notify the municipality's chief elected official and the taxpayer before beginning a jeopardy tax collection. The law authorizes tax collectors to collect a tax that is assessed but not yet due when they believe payment may be jeopardized by a delay. The bill requires the tax collector's written notice to describe in detail the basis for believing that collecting the tax would be at risk by delaying.

EFFECTIVE DATE: Upon passage

BACKGROUND***Jeopardy Tax Collection***

The local jeopardy tax collection authorization allows a local tax collector to collect a tax "forthwith" when he or she "believes that the collection of any tax will be jeopardized by delay." The tax collector can do so between the assessment date and the date the tax is due, using an existing collection method. A taxpayer may protest a jeopardy assessment by obtaining a stay, posting a bond, and appealing to the board of assessment appeals or subsequently to a court.

The Department of Revenue Services commissioner has the same authority to make a jeopardy tax collection for sales and use taxes (CGS § 12-417), the income tax (CGS § 12-729a), and taxes other than sales and use and income taxes (CGS § 12-36).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/17/2010)