



CITY OF DANBURY
155 DEER HILL AVENUE
DANBURY, CONNECTICUT 06810

March 1, 2010

TO: Chairman Coleman, Chairman Sharkey and Members of the Planning and Development Committee

SUBJECT: H.B. No. 5254 An Act Repealing the Municipal Jeopardy Tax

I want to thank you for affording me the opportunity to speak regarding H.B. No. 5254 An Act Repealing the Municipal Jeopardy Tax. Fortunately in our great State, the majority of taxpayers pay their taxes in a timely fashion. However, each municipality does face the fact there is a percentage of taxes that remain unpaid and efforts must be made to collect these.

In the case of jeopardy collection, this arises when certain circumstances exist. In the City of Danbury, we have businesses that open and close within a short period of time, or business owners decided to close their business for various reasons. When dealing with personal property tax, businesses are assessed on October 1st for the grand list year; they are liable for that grand list year's tax which becomes due and payable nine months later on July 1st. However, if the business is scheduled to close before the tax due date of July 1st, the Tax Collector must act to collect the tax and as such, performs a jeopardy collection. If the Tax Collector does not take the immediate steps to collect from the business, the business will close, and the likelihood of collecting the personal property tax diminishes. Our jeopardy collections are done in a professional and respectful manner, with a full explanation to the taxpayer as to why we have to perform this collection. In most cases the business owners are understanding of the situation and make their best efforts to pay.

As you know, municipalities generate most of their revenue from property tax collections. As such, it is imperative that Tax Collector's have all tools available to them to meet these revenue demands including the jeopardy collection statute.

In conclusion I want to thank you again for allowing me to speak on this matter, and ask that you please consider withdrawing the repeal of this statute based on the information you are gathering today.

Respectfully,

Scott M. Ferguson
Tax Collector, City of Danbury, CT