



General Assembly

February Session, 2012

**Raised Bill No. 5317**

LCO No. 1091

\*01091\_\_\_\_\_PD\_\*

Referred to Committee on Planning and Development

Introduced by:  
(PD)

***AN ACT CONCERNING THE INTEREST RATE ON DELINQUENT  
PROPERTY TAXES.***

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

1 Section 1. Section 12-145 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2012, and*  
3 *applicable to assessment years commencing on or after said date*):

4 The tax collector of each municipality shall, at least five days next  
5 preceding the time when each tax becomes due and payable, give  
6 notice of the time and place at which the tax collector will receive such  
7 tax by advertising in a newspaper published in such municipality or, if  
8 no newspaper is published in such municipality, by advertising in any  
9 newspaper of the state having a general circulation in such  
10 municipality and by posting such notice on a signpost therein, if any,  
11 otherwise on a signpost in the town within which such municipality is  
12 situated, if any, or at some other exterior place near the office of the  
13 town clerk. The tax collector shall repeat such advertising within one  
14 week after such tax has become due and payable and, again, at least  
15 five days before such tax becomes delinquent. Each such notice shall  
16 give each date on which such tax shall become due and payable and

17 each date on which such tax shall become delinquent, and shall state  
18 that, as soon as such tax becomes delinquent, it shall be subject to  
19 interest [at the rate of one and one-half per cent of such tax for each  
20 month or fraction thereof which elapses] from the time when such tax  
21 becomes due and payable until the same is paid. Such notice shall  
22 further state the rate at which any delinquent tax shall accrue interest.  
23 The tax collector of a municipality may waive the interest on  
24 delinquent property taxes if the tax collector and the assessor, jointly,  
25 determine that the delinquency is attributable to an error by the tax  
26 assessor or tax collector and is not the result of any action or failure on  
27 the part of the taxpayer. The tax collector shall notify the taxing  
28 authority of the municipality of all waivers granted pursuant to this  
29 section.

30 Sec. 2. Section 12-146 of the general statutes is repealed and the  
31 following is substituted in lieu thereof (*Effective October 1, 2012, and*  
32 *applicable to assessment years beginning on or after said date*):

33 Unless the context otherwise requires, wherever used in this section,  
34 "tax" includes each property tax and each installment and part thereof  
35 due to a municipality as it may have been increased by interest, fees  
36 and charges. If any tax due in a single installment or if any installment  
37 of any tax due in two or more installments is not paid in full (1) on or  
38 before the first day of the month next succeeding the month in which it  
39 became due and payable, or if not due and payable on the first day of  
40 the month, (2) on or before the same date of the next succeeding month  
41 corresponding to that of the month on which it became due and  
42 payable, the whole or such part of such installment as is unpaid shall  
43 thereupon be delinquent and shall be subject to interest from the due  
44 date of such delinquent installment. Except for unpaid real estate taxes  
45 the collection of which was, or is, deferred under the provisions of  
46 section 12-174, and any predecessor and successor thereto, which  
47 unpaid real estate taxes continue to be subject to the provisions of such  
48 deferred collection statutes, and except for any taxes due in a  
49 municipality that has adopted the provisions of section 3 of this act,

50 the delinquent portion of the principal of any tax shall be subject to  
51 interest at the rate of eighteen per cent per annum from the time when  
52 it became due and payable until the same is paid, subject to a  
53 minimum interest charge of two dollars which any municipality, by  
54 vote of its legislative body, may elect not to impose, [and] provided,  
55 [in any computation of such interest,] under any provision of this  
56 section, [each fractional part of a month in which any portion of the  
57 principal of such tax remains unpaid shall be considered to be  
58 equivalent to a whole month] interest shall be calculated on a per diem  
59 basis. Each addition of interest shall become, and shall be collectible as,  
60 a part of such tax. Interest shall accrue at said rate until payment of  
61 such taxes due notwithstanding the entry of any judgment in favor of  
62 the municipality against the taxpayer or the property of the taxpayer.  
63 Except as hereinafter specified for taxes representing two or more  
64 items of property, the collector shall not receive any partial payment of  
65 a delinquent tax which is less than the total accrued interest on the  
66 principal of such tax up to the date of payment and shall apply each  
67 partial payment to the wiping out of such interest before making any  
68 application thereof to the reduction of such principal; provided,  
69 whenever the first partial payment is made after delinquency, interest  
70 from the due date of such delinquent tax to the date of such partial  
71 payment shall be figured on the whole or such part of the principal of  
72 such tax as is unpaid at the beginning of delinquency and provided,  
73 whenever a subsequent partial payment of such tax is made, interest  
74 shall be figured from the date of payment of the last-preceding, to the  
75 date of payment of such subsequent, partial payment on the whole or  
76 such balance of the principal of such tax as remains unpaid on the date  
77 of the last-preceding partial payment. If any tax, at the time of  
78 assessment or because of a subsequent division, represents two or  
79 more items of property, the collector may receive payment in full of  
80 such part of the principal and interest of such tax as represents one or  
81 more of such items, even though interest in full on the entire amount  
82 of the principal of such tax has not been received up to the date of such  
83 payment; in which event, interest on the remaining portion of the

84 principal of any such tax shall be computed, as the case may be, from  
85 the due date of such tax if no other payment after delinquency has  
86 been made or from the last date of payment of interest in full on the  
87 whole amount or unpaid balance of the principal of such delinquent  
88 tax if previous payment of interest has been made. Each collector shall  
89 keep a separate account of such interest and the time when the same  
90 has been received and shall pay over the same to the treasurer of the  
91 municipality of the collector as a part of such tax. No tax or installment  
92 thereof shall be construed to be delinquent under the provisions of this  
93 section if the envelope containing the amount due as such tax or  
94 installment, as received by the tax collector of the municipality to  
95 which such tax is payable, bears a postmark showing a date within the  
96 time allowed by statute for the payment of such tax or installment.  
97 Any municipality may, by vote of its legislative body, require that any  
98 delinquent property taxes applicable with respect to a motor vehicle  
99 shall be paid only in cash or by certified check or money order. Any  
100 municipality adopting such requirement may provide that such  
101 requirement shall only be applicable to delinquency exceeding a  
102 certain period in duration as determined by such municipality. Any  
103 municipality shall waive all or a portion of the interest due and  
104 payable under this section on a delinquent tax with respect to a  
105 taxpayer who has received compensation under chapter 968 as a crime  
106 victim.

107       Sec. 3. (NEW) (*Effective October 1, 2012, and applicable to assessment*  
108 *years commencing on or after said date*) Any municipality may, by a vote  
109 of its legislative body or, where the legislative body is a town meeting,  
110 by a vote of its board of selectmen, elect to subject the delinquent  
111 portion of the principal of any property tax to an interest rate of twelve  
112 per cent per annum from the time when such tax became due and  
113 payable until the same is paid. Such interest shall be calculated on a  
114 per diem basis and collected in accordance with the provisions of  
115 section 12-146 of the general statutes, as amended by this act.

116       Sec. 4. Section 12-169b of the general statutes is repealed and the

117 following is substituted in lieu thereof (*Effective October 1, 2012, and*  
118 *applicable to assessment years commencing on or after said date*):

119 If a municipality does not file a lien under any provisions of the  
120 general statutes to recover costs for the inspection, repair, demolition,  
121 removal or other disposition of any real estate in order to secure such  
122 real estate or to make it safe and sanitary, pursuant to any provision of  
123 the general statutes or municipal building, health, housing or safety  
124 codes or regulations, then such municipality may assess the amount of  
125 such costs against the real estate upon which such cost was incurred.  
126 Upon certification by the municipal agency incurring such cost of the  
127 assessment amount due and owing reasonably related to the  
128 municipality's actual cost, the tax collector shall add the amount of  
129 such assessment to the extent unpaid to the taxes due on such real  
130 estate and such amount shall become a part of the taxes to be collected  
131 at the same time and shall bear interest at such rates and in such  
132 manner as provided for delinquent taxes in accordance with section  
133 12-146, as amended by this act, or section 3 of this act. Any amount  
134 added to the assessment under this section shall constitute a lien upon  
135 the real estate against for which the amount was imposed from the  
136 date such amount was due. Each such lien may be continued, recorded  
137 and released in the manner provided by the general statutes for  
138 continuing, recording and releasing property tax liens. Each such lien  
139 may be enforced in the same manner as property tax liens. Any agency  
140 of a municipality that incurs costs that have been assessed against real  
141 estate under this section shall maintain a current record of all real  
142 estate with respect to which such costs remain unpaid in the office of  
143 such municipal agency. Such record shall be available for inspection by  
144 the public.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2012, and applicable to assessment years commencing on or after said date</i>	12-145
Sec. 2	<i>October 1, 2012, and applicable to assessment years beginning on or after said date</i>	12-146
Sec. 3	<i>October 1, 2012, and applicable to assessment years commencing on or after said date</i>	New section
Sec. 4	<i>October 1, 2012, and applicable to assessment years commencing on or after said date</i>	12-169b

**Statement of Purpose:**

To provide municipalities with a local option to charge interest on delinquent property taxes at a rate of twelve per cent per annum, and to amend the manner in which interest on such delinquent property taxes is calculated so that a payment that is only delinquent for a fraction of a month shall not be charged interest for a full month.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*