
OLR Bill Analysis**HB 5456*****AN ACT CONCERNING DEFICIENCY JUDGMENTS IN TAX LIEN FORECLOSURES.*****SUMMARY:**

This bill allows municipalities to obtain deficiency judgments in tax lien foreclosure actions for the difference between the proceeds from the property's sale and the tax lien amount. The court can order the judgment against anyone liable to pay the tax lien who is a party to the foreclosure action that has (1) been served with process or (2) appeared in the action. The bill specifies that anyone liable to pay the debt the lien secures may be made a party in the foreclosure action.

Existing law allows municipal tax collectors to bring an action in the name of the municipality to foreclose a tax lien and provides that any municipality claiming a lien against the property may join in the action as a co-plaintiff. Currently, a municipality may bring a separate action against the property owner to recover any debt still owed after the foreclosure (see *Town of Winchester v. Northwest Associates*, 255 Conn. 379 (2001)).

The bill does not affect the summary tax foreclosure process, which towns can use on multiple properties when the tax collector judges that a property's fair market value is (1) less than the total amount of the tax liens and other encumbrances on the property and (2) no more than \$100,000 (CGS § 12-182).

EFFECTIVE DATE: October 1, 2012

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 16 Nay 4 (03/23/2012)

