



General Assembly

February Session, 2014

Raised Bill No. 38

LCO No. 364



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 2014 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2014, and applicable to assessment years commencing on*
4 *or after October 1, 2014*):

5 The tax collector of each municipality shall, at least five days next
6 preceding the time when each tax becomes due and payable, give
7 notice of the time and place at which the tax collector will receive such
8 tax by advertising in a newspaper published in such municipality or, if
9 no newspaper is published in such municipality, by advertising in any
10 newspaper of the state having a general circulation in such
11 municipality and by posting such notice on a signpost, a bulletin board
12 or the municipality's Internet web site. The tax collector shall repeat
13 such advertising within one week after such tax has become due and
14 payable and, again, at least five days before such tax becomes
15 delinquent. Each such notice shall give each date on which such tax

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

29 Sec. 2. Section 12-146 of the 2014 supplement to the general statutes
30 is repealed and the following is substituted in lieu thereof (*Effective*
31 *October 1, 2014, and applicable to assessment years commencing on or after*
32 *October 1, 2014*):

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, the delinquent portion of the principal of

49 any tax shall be subject to interest at the rate of eighteen per cent per
50 annum, or at the rate determined as provided in section 3 of this act,
51 from the time when it became due and payable until the same is paid,
52 subject to a minimum interest charge of two dollars per installment
53 which any municipality, by vote of its legislative body, may elect not
54 to impose. [and provided, in] In any computation of such interest,
55 under any provision of this section, each fractional part of a month in
56 which any portion of the principal of such tax remains unpaid shall be
57 considered to be equivalent to a whole month. Each addition of
58 interest shall become, and shall be collectible as, a part of such tax.
59 Interest shall accrue at said rate until payment of such taxes due
60 notwithstanding the entry of any judgment in favor of the
61 municipality against the taxpayer or the property of the taxpayer. The
62 collector shall apply each partial payment to the wiping out of such
63 interest before making any application thereof to the reduction of such
64 principal. If any tax, at the time of assessment or because of a
65 subsequent division, represents two or more items of property, the
66 collector may receive payment in full of such part of the principal and
67 interest of such tax as represents one or more of such items, even
68 though interest in full on the entire amount of the principal of such tax
69 has not been received up to the date of such payment; in which event,
70 interest on the remaining portion of the principal of any such tax shall
71 be computed, as the case may be, from the due date of such tax if no
72 other payment after delinquency has been made or from the last date
73 of payment of interest in full on the whole amount or unpaid balance
74 of the principal of such delinquent tax if previous payment of interest
75 has been made. Each collector shall keep a separate account of such
76 interest and the time when the same has been received and shall pay
77 over the same to the treasurer of the municipality of the collector as a
78 part of such tax. No tax or installment thereof shall be construed to be
79 delinquent under the provisions of this section if the envelope
80 containing the amount due as such tax or installment, as received by
81 the tax collector of the municipality to which such tax is payable, bears
82 a postmark showing a date within the time allowed by statute for the

83 payment of such tax or installment. Any municipality may, by vote of
84 its legislative body, require that any delinquent property taxes shall be
85 paid only in cash or by certified check or money order. Any
86 municipality adopting such requirement may provide that such
87 requirement shall only be applicable to delinquency exceeding a
88 certain period in duration as determined by such municipality. Any
89 municipality shall waive all or a portion of the interest due and
90 payable under this section on a delinquent tax with respect to a
91 taxpayer who has received compensation under chapter 968 as a crime
92 victim.

93 Sec. 3. (NEW) (*Effective October 1, 2014, and applicable to assessment*
94 *years commencing on or after October 1, 2014*) Any municipality may, by
95 a vote of its legislative body or, where the legislative body is a town
96 meeting, by a vote of its board of selectmen or its town council, elect to
97 subject the delinquent portion of the principal of any property tax to
98 an interest rate of not less than fifteen per cent per annum nor more
99 than eighteen per cent per annum from the time when such tax became
100 due and payable until the same is paid. Such interest shall be
101 calculated and collected in accordance with the provisions of section
102 12-146 of the 2014 supplement to the general statutes, as amended by
103 this act.

104 Sec. 4. Subsection (b) of section 12-80a of the general statutes is
105 repealed and the following is substituted in lieu thereof (*Effective*
106 *October 1, 2014, and applicable to assessment years commencing on or after*
107 *October 1, 2014*):

108 (b) (1) Not later than the first day of February immediately
109 following the end of such tax year, the Secretary of the Office of Policy
110 and Management shall determine, with respect to such company, a
111 value for personal property equivalent to seventy per cent of the value
112 of personal property included in the list of such property prepared and
113 certified in accordance with subsection (a) of this section. The amount
114 of tax applicable with respect to such personal property of any

115 taxpayer subject to the tax imposed under this section shall be
116 determined by multiplying the value of personal property of such
117 company, as determined under this subsection, by a mill rate of forty-
118 seven mills. Said secretary shall, not later than the first day of March
119 immediately following the end of such tax year, submit a tax bill to
120 each company stating the amount of tax payable to each town in
121 relation to the personal property of such taxpayer located in such
122 town. Such tax shall be due and payable to the town in which such
123 personal property is located not later than the first day of April
124 immediately following. Any city or borough not consolidated with the
125 town in which it is located and any town containing such a city or
126 borough shall receive a portion of the tax due and payable to such
127 town on the basis of the following ratio: The total taxes levied in the
128 previous fiscal year by such town, city or borough shall be the
129 numerator of the fraction. The total taxes levied by the town and all
130 cities or boroughs located within such town shall be added together,
131 and the sum shall be the denominator of the fraction. Any such city or
132 borough may, by vote of its legislative body, direct the Secretary of the
133 Office of Policy and Management to reallocate all or a portion of the
134 share of such city or borough to the town in which it is located.

135 (2) The person responsible for the collection of taxes for each town,
136 city or borough owed taxes under this subsection may, at such time as
137 such tax becomes delinquent as provided in sections 12-146, as
138 amended by this act, and 12-169, subject such tax to interest [at the rate
139 of one and one-half per cent of such tax for each month or fraction
140 thereof which elapses from the time when such tax becomes due and
141 payable until the same is paid] in accordance with the provisions of
142 section 12-146, as amended by this act.

143 Sec. 5. Subsection (f) of section 12-157 of the 2014 supplement to the
144 general statutes is repealed and the following is substituted in lieu
145 thereof (*Effective October 1, 2014, and applicable to assessment years*
146 *commencing on or after October 1, 2014*):

147 (f) Within sixty days after such sale, the collector shall cause to be
148 published in a newspaper having a daily general circulation in the
149 town in which the real property is located, and shall send by certified
150 mail, return receipt requested, to the delinquent taxpayer and each
151 mortgagee, lienholder and other encumbrancer of record whose
152 interest in such property is choate and is affected by such sale, a notice
153 stating the date of the sale, the name and address of the purchaser, the
154 amount the purchaser paid for the property and the date the
155 redemption period will expire. The notice shall include a statement
156 that if redemption does not take place by the date stated and in the
157 manner provided by law, the delinquent taxpayer, and all mortgagees,
158 lienholders and other encumbrancers who have received actual or
159 constructive notice of such sale as provided by law, that their
160 respective titles, mortgages, liens and other encumbrances in such
161 property shall be extinguished. Not later than six months after the date
162 of the sale or within sixty days if the property was abandoned or meets
163 other conditions established by ordinance adopted by the legislative
164 body of the town, if the delinquent taxpayer, mortgagee, lienholder or
165 other encumbrancer whose interest in the property will be affected by
166 such sale, pays to the collector, the amount of taxes, interest and
167 charges which were due and owing at the time of the sale together
168 with interest on the total purchase price paid by the purchaser at the
169 rate of eighteen per cent per annum, or at the rate established by the
170 town pursuant to section 3 of this act, from the date of such sale plus
171 any taxes and debts owed to the municipality that were not recovered
172 by the sale and any additional charges under section 12-140, such
173 deed, executed pursuant to subsection (e) of this section, shall be
174 delivered to the collector by the town clerk for cancellation and the
175 collector shall provide a certificate of satisfaction to the person paying
176 the money who, if not the person whose primary duty it was to pay
177 the tax or taxes, shall have a claim against the person whose primary
178 duty it was to pay such tax or taxes for the amount so paid, and may
179 add the same with the equivalent precedence and priority as the tax
180 paid over other encumbrances but without precedence or priority over

181 any tax that was not yet due and payable when notice of the levy was
 182 first published to any claim for which he has security upon the
 183 property sold, provided the certificate of satisfaction is recorded on the
 184 land records but the interests of other persons in the property shall not
 185 be affected. Within ten days of receipt of such amounts in redemption
 186 of the levied property, the collector shall notify the purchaser by
 187 certified mail, return receipt requested, that the property has been
 188 redeemed and shall tender such payment, together with the amount
 189 held pursuant to subparagraph (A) of subdivision (1) of subsection (i)
 190 of this section, if any, to the purchaser. If the purchase money and
 191 interest are not paid within such redemption period, the deed shall be
 192 recorded and have full effect.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014, and applicable to assessment years commencing on or after October 1, 2014</i>	12-145
Sec. 2	<i>October 1, 2014, and applicable to assessment years commencing on or after October 1, 2014</i>	12-146
Sec. 3	<i>October 1, 2014, and applicable to assessment years commencing on or after October 1, 2014</i>	New section
Sec. 4	<i>October 1, 2014, and applicable to assessment years commencing on or after October 1, 2014</i>	12-80a(b)
Sec. 5	<i>October 1, 2014, and applicable to assessment years commencing on or after October 1, 2014</i>	12-157(f)

Statement of Purpose:

To provide municipalities with a local option to charge interest on delinquent property taxes at a rate between fifteen and eighteen per cent per annum.