



House of Representatives

General Assembly

File No. 465

February Session, 2014

Substitute House Bill No. 5348

House of Representatives, April 9, 2014

The Committee on Planning and Development reported through REP. ROJAS of the 9th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE PAYMENT OF DELINQUENT PROPERTY TAXES.

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

1 Section 1. Section 12-144b of the 2014 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2014*):

4 (a) Except as otherwise provided by the general statutes or
5 subsection (b) of this section, all payments made to or recovered by the
6 municipality on any specific property shall be applied [(1) first, for]
7 first to any outstanding unsecured taxes and then to any outstanding
8 secured taxes. For any outstanding unsecured taxes, all payments shall
9 be applied first to expenses concerning such unsecured taxes,
10 including attorney's fees, collection expenses, recording fees, collector's
11 fees and other expenses and charges related to all delinquencies owed
12 by the party liable therefor before the interest accrued, then to the
13 principal of such outstanding unsecured taxes, paying the oldest such

14 tax first. [, and (2) for] For any outstanding secured taxes, all payments
 15 shall be applied first to expenses concerning such secured taxes,
 16 including attorney's fees, collection expenses, recording fees, collector's
 17 fees and other expenses and charges related to all delinquencies owed
 18 by the party liable therefor before the interest accrued, then to the
 19 principal of such outstanding secured taxes, paying the oldest such tax
 20 first. If there is litigation pending between the municipality and the
 21 party liable for the oldest outstanding tax on such property concerning
 22 such oldest outstanding tax, such tax payment shall only be applied to
 23 the oldest outstanding tax on such property which is not involved in
 24 such litigation, provided this section shall not apply to tax payments
 25 tendered by third parties pursuant to contract or by operation of law.
 26 The municipality shall not be bound by any notation on or
 27 accompanying a payment that purports to be payment in full,
 28 proposes to waive any rights or powers of the municipality, directs
 29 application of the payment in any manner that contradicts any
 30 applicable statute or ordinance or is otherwise contrary to law.

31 (b) Any person making a payment pursuant to subsection (a) of this
 32 section may, at the time of such payment, direct the manner in which
 33 to apply such payment to outstanding unsecured and secured taxes,
 34 fees and expenses, including whether to apply such payment to a
 35 specific property.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2014	12-144b

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:** None**Explanation**

The bill allows taxpayers to direct the manner in which tax collectors apply property tax payments. This has no fiscal impact, as it does not change the total tax levy of any municipality.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**sHB 5348*****AN ACT CONCERNING THE PAYMENT OF DELINQUENT PROPERTY TAXES.*****SUMMARY:**

This bill allows taxpayers to direct the manner in which tax collectors apply a property tax payment.

Current law requires tax collectors to apply tax payments first to outstanding unsecured taxes (personal property taxes) and then to outstanding secured taxes (real property taxes). For both types of taxes, the payments apply:

1. first to expenses, including attorney's fees, collection expenses, recording fees, collector's fees, and other expenses and charges related to a taxpayer's delinquency;
2. next to accrued interest; and
3. lastly, to principal, in chronological order (i.e., paying the oldest tax first).

The bill allows taxpayers, when making a property tax payment, to direct the manner in which tax collectors apply it to outstanding secured and unsecured taxes, fees, and expenses, including directing the payment to a specific property. By law, unchanged by the bill, the municipality is not bound by any notation accompanying a tax payment that (1) purports to be payment in full, (2) proposes to waive any of the municipality's rights or powers, or (3) directs the application of the payment in any manner that contradicts applicable law.

EFFECTIVE DATE: October 1, 2014

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/25/2014)