

Members of the Banking Committee:

My name is Jean Kitchens and I am the Tax Collector for the Town of Bloomfield. I am writing today to respectfully request that you oppose **SB 408**, “An Act Concerning the Protection of Delinquent Homeowners” and **SB 409**, “An Act Concerning the Assignment of Certain Liens and Expanding Homeowner Protections Under the Emergency Mortgage Assistance Program”.

**SB 408** would create two interest rates for delinquent real estate taxes, changing the uniform interest rate of 1.5% per month to 1% per month, once the municipality begins foreclosure action on a property. Currently, all Tax Collectors in all municipalities charge exactly the same interest rate, no matter what the tax payer’s personal situation is. This is the most equitable way to charge interest on a delinquent tax. The laws of the State dictate to us exactly how much interest we can charge and when we can start charging it. Two interest rates will create inequities between residents within and amongst municipalities. It will also create an administrative nightmare, with different properties with delinquent taxes having different interest rates at different points in time. All residents within the state should be treated exactly the same, no matter which municipality they reside in and no matter what their personal situation is.

The municipalities in Connecticut rely on tax revenue to operate and to provide services to the residents. Most residents will pay their property taxes on time and will never be charged interest. Those residents who pay their taxes on time pay a higher tax (due to an increased mill rate) to compensate for the residents who are slower to pay due to financial difficulties or may be lax in paying their tax obligations. The interest charged on delinquent taxes compensates the municipalities for its efforts in collecting the delinquent taxes. Most municipalities will allow a resident who is struggling to make partial payments on delinquent taxes, provide to them information on any tax relief program that might be available to them, and give them ample time to bring themselves current with their tax obligation before any type of tax sale or foreclosure commences. Foreclosure is not the first option, it is the final option. This action will only begin when all other options have failed. Please oppose this bill.

**SB 409** would stop any and all interest from accruing once a tax lien is assigned to a third party. Not all municipalities take advantage of assigning tax liens, however SB 409 would take away an available tax collection tool used by many larger municipalities, which will negatively impact revenues that they depend on to fund their budgets. Tax liens are most often assigned to investors, whose main reason for doing so is the interest they will earn on their investment. If you take away that incentive, you take away the investors, you take away the tool, you take away the revenue, you then harm the municipality.

Please oppose both bills.

Respectfully,

Jean G. Kitchens

Town of Bloomfield Tax Collector