



MARCH 8, 2016

Testimony

William L. Donlin, C.C.M.C.
Collector of Revenue, Town of Cheshire

Connecticut Tax Collectors' Association, Inc

Legislative Co-Chair

Senate Bill #408 AAC The Protection of Delinquent Homeowners.

The Connecticut Tax Collectors' Association is opposed to Senate Bill No. 408 which would protect delinquent homeowners by reducing interest rates.

CTx mission, in part, is to promote uniformity in practice and application of statutory procedures.

The best and fairest approach to interest is, and has always been, uniformity.

Pay on time, pay no interest.

Pay late, add 1.5% interest until you do.

Identical for every town, for every municipal tax, for every taxpayer, for every situation.

Municipal tax collections must be efficient, effective and equitable. By reducing the current interest rate, upon the filing of a judicial foreclosure, this proposed legislation would provide a benefit to the delinquent taxpayer at the expense of residents and businesses who do pay their property taxes on time.

Interest on delinquent property taxes is also a revenue concern. In a municipal budget, under the revenue category of Property Tax, there are three accounts. The first is the CURRENT YEAR property tax collection. The second account is the PRIOR YEAR collections. The last account is INTEREST & LIENS. The sum of these three accounts makes up PROPERTY TAX REVENUE. If a municipality was to reduce their interest rate, they would be in effect being reducing the amount of interest they are to collect in the fiscal year. Any reduction of interest revenue may be significant to many municipalities.

The Connecticut Tax Collectors' Association, Inc opposes Senate Bill No. 408.