

To: Members of the Banking Committee

From: Margaret K Duffy, CCMC, Tax Collector Thomaston

Date: March 7, 2016

Re: Opposition to Raised Bill #409 – “An Act Concerning the Assignment of Certain Liens and Expanding Homeowner Protections under EMAP”

In spite of the title of this Act, this proposal does not serve its intended purpose.

This proposal would be an administrative nightmare for municipal property tax collectors. Municipal property tax obligations are not loans. Tax obligations are not like credit card debt or even a mortgage. Property taxes fund critical municipal services, most notably public education, public safety, public works projects, and social services. Municipal property tax collectors perform administrative, ministerial functions, meaning we apply laws uniformly, without passing judgment or setting policy.

This proposal lowers the interest rate on delinquent taxes subject to foreclosure from 18% to 10%, arbitrarily limits the legal fee for a foreclosure to \$1,500, and arbitrarily prohibits the assignment of any lien in an amount less than \$5,000. The most equitable, as well as the most efficient and effective, approach to interest is, and has always been, uniformity.

Some foreclosures take many years to go through the court system. It should not work to the advantage of a delinquent taxpayer to allow a foreclosure action to yield the undeserved financial advantage of an interest rate that is lower than the rate being charged to a taxpayer who is not under foreclosure. This discourages timely payment and instead serves as incentive for delinquent taxpayers to allow their foreclosure actions to take as long as possible

The best tax relief for every municipal taxpayer remains a high current tax collection rate that results in fewer uncollected taxes, a lower mill rate, greater efficiency, consistency, uniformity, and equity. These are the goals of municipal tax collectors statewide.

Thank you very much for considering our views.