



General Assembly

February Session, 2016

***Raised Bill No. 91***

LCO No. 1003



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 Section 12-145 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2016, and*  
3 *applicable to assessment years commencing on and after October 1, 2016*):

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

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

28 Sec. 2. Section 12-146 of the 2016 supplement to the general statutes  
29 is repealed and the following is substituted in lieu thereof (*Effective*  
30 *October 1, 2016, and applicable to assessment years commencing on and after*  
31 *October 1, 2016*):

32 Unless the context otherwise requires, wherever used in this section,  
33 "tax" includes each property tax and each installment and part thereof  
34 due to a municipality as it may have been increased by interest, fees  
35 and charges. If any tax due in a single installment or if any installment  
36 of any tax due in two or more installments is not paid in full (1) on or  
37 before the first day of the month next succeeding the month in which it  
38 became due and payable, or if not due and payable on the first day of  
39 the month, (2) on or before the same date of the next succeeding month  
40 corresponding to that of the month on which it became due and  
41 payable, the whole or such part of such installment as is unpaid shall  
42 thereupon be delinquent and shall be subject to interest from the due  
43 date of such delinquent installment. Except for unpaid real estate taxes  
44 the collection of which was, or is, deferred under the provisions of  
45 section 12-174, and any predecessor and successor thereto, which  
46 unpaid real estate taxes continue to be subject to the provisions of such  
47 deferred collection statutes, the delinquent portion of the principal of  
48 any tax shall be subject to interest at the rate of eighteen per cent per

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

83 which such tax is payable, bears a postmark showing a date within the  
84 time allowed by statute for the payment of such tax or installment.  
85 Any municipality may, by vote of its legislative body, require that any  
86 delinquent property taxes shall be paid only in cash or by certified  
87 check or money order. Any municipality adopting such requirement  
88 may provide that such requirement shall only be applicable to  
89 delinquency exceeding a certain period in duration as determined by  
90 such municipality. Any municipality shall waive all or a portion of the  
91 interest due and payable under this section on a delinquent tax with  
92 respect to a taxpayer who has received compensation under chapter  
93 968 as a crime victim.

94 Sec. 3. (NEW) (*Effective October 1, 2016, and applicable to assessment*  
95 *years commencing on and after October 1, 2016*) Any municipality may, by  
96 a vote of its legislative body or, where the legislative body is a town  
97 meeting, by a vote of its board of selectmen or its town council, elect to  
98 subject the delinquent portion of the principal of any property tax to  
99 an interest rate of not less than ten per cent per annum nor more than  
100 eighteen per cent per annum from the time when such tax became due  
101 and payable until the same is paid. Such interest shall be calculated  
102 and collected in accordance with the provisions of section 12-146 of the  
103 general statutes, as amended by 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, 2016, and applicable to assessment years commencing on and after*  
107 *October 1, 2016*):

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 2016 supplement to the  
144 general statutes is repealed and the following is substituted in lieu  
145 thereof (*Effective October 1, 2016, and applicable to assessment years*  
146 *commencing on and after October 1, 2016*):

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, restraints on alienation and other  
161 encumbrances in such property shall be extinguished. After such  
162 notice is published, and not later than six months after the date of the  
163 sale or within sixty days if the property was abandoned or meets other  
164 conditions established by ordinance adopted by the legislative body of  
165 the municipality, if the delinquent taxpayer, mortgagee, lienholder or  
166 other encumbrancer whose interest in the property will be affected by  
167 such sale, pays to the collector, the amount of taxes, interest and  
168 charges which were due and owing at the time of the sale together  
169 with interest on the total purchase price paid by the purchaser at the  
170 rate of eighteen per cent per annum, or at the rate established by the  
171 town pursuant to section 3 of this act, from the date of such sale plus  
172 any taxes and debts owed to the municipality that were not recovered  
173 by the sale and any additional charges under section 12-140, such  
174 deed, executed pursuant to subsection (e) of this section, shall be  
175 delivered to the collector by the town clerk for cancellation and the  
176 collector shall provide a certificate of satisfaction to the person paying  
177 the money who, if not the person whose primary duty it was to pay  
178 the tax or taxes, shall have a claim against the person whose primary  
179 duty it was to pay such tax or taxes for the amount so paid, and may  
180 add the same with the equivalent precedence, rate of interest and

181 priority as the tax paid over other nongovernmental encumbrances but  
 182 without precedence or priority over any state or municipal tax lien or  
 183 any tax that was not yet due and payable when notice of the levy was  
 184 first published to any claim for which he has security upon the  
 185 property sold, provided the certificate of satisfaction is recorded on the  
 186 land records but the interests of other persons in the property shall not  
 187 be affected. Within ten days of receipt of such amounts in redemption  
 188 of the levied property, the collector shall notify the purchaser by  
 189 certified mail, return receipt requested, that the property has been  
 190 redeemed and shall tender such payment, together with the amount  
 191 held pursuant to subparagraph (A) of subdivision (1) of subsection (i)  
 192 of this section, if any, to the purchaser. If the purchase money and  
 193 interest are not paid within such redemption period, the deed shall be  
 194 recorded and have full effect.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016, and applicable to assessment years commencing on and after October 1, 2016</i>	12-145
Sec. 2	<i>October 1, 2016, and applicable to assessment years commencing on and after October 1, 2016</i>	12-146
Sec. 3	<i>October 1, 2016, and applicable to assessment years commencing on and after October 1, 2016</i>	New section
Sec. 4	<i>October 1, 2016, and applicable to assessment years commencing on and after October 1, 2016</i>	12-80a(b)
Sec. 5	<i>October 1, 2016, and applicable to assessment years commencing on and after October 1, 2016</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 ten and eighteen per cent per annum.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*