



# House of Representatives

General Assembly

**File No. 380**

February Session, 2018

Substitute House Bill No. 5509

*House of Representatives, April 10, 2018*

The Committee on Planning and Development reported through REP. LEMAR of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT CONCERNING MUNICIPAL ORDINANCES FOR INTEREST RATES ON DELINQUENT SEWER ASSESSMENTS.***

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

- 1 Section 1. (NEW) (*Effective July 1, 2018*) Notwithstanding any  
2 provision of the general statutes or of any special act, municipal  
3 charter or ordinance to the contrary, any municipality may adopt an  
4 ordinance, if applicable, to lower the interest rate charged by such  
5 municipality on delinquent sewer assessments.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2018</i>	New section
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**PD** Joint Favorable Subst.

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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.

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

Municipalities	Effect	FY 19 \$	FY 20 \$
Various Municipalities	Potential Revenue Loss	Minimal	Minimal

**Explanation**

There is a potential revenue loss associated with the bill, which permits municipalities to lower the interest rate it charges on delinquent sewer assessment bills. The impact within any given fiscal year is expected to be minimal, as the loss in accrued interest is only realized on bills paid.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis**

**sHB 5509**

***AN ACT CONCERNING MUNICIPAL ORDINANCES FOR INTEREST RATES ON DELINQUENT SEWER ASSESSMENTS.***

**SUMMARY**

This bill authorizes a municipality to adopt an ordinance lowering its delinquent sewer assessments interest rates, irrespective of any conflicting provisions of the general statutes, special acts, or municipal charters or ordinances. Presumably, "sewer assessments" refers to "sewer benefit assessments," which are sewer charges not related to a customer's usage. Revenue from these assessments must be used to pay for the acquisition, construction, or financing of the system (e.g. capital costs).

Current law sets the interest rate for delinquent sewer benefits assessments at 18% annually, or 1.5% per month or a portion thereof (CGS § 12-146).

EFFECTIVE DATE: July 1, 2018

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 2 (03/26/2018)