



SCOTT SHANLEY, GENERAL MANAGER

# Town of Manchester

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April 30, 2019

Kelly Fleitas, CCMC  
Senior Account Associate  
Office of Assessment & Collection  
Town of Manchester

## Written Testimony Against Raised Bill SB 1135 – An Act Concerning the Interest on Delinquent Property Taxes

As a member of staff in the Manchester Office of Assessment & Collection, I am strongly opposed to SB 1135 – An act concerning the interest on delinquent property taxes. As municipal public servants, we are required to collect taxes in accordance with the Connecticut General Statutes. These regulations give us the guidelines to uniformly charge 18% annual interest statewide.

If all towns were allowed a local option, it would illustrate inconsistencies within the state, which in turn could be seen as preferential treatment for some residents, and not others. Lacking uniformity within the 169 towns in the state of CT will lead to towns being put against one another. Not only will residents use this as incentive for picking which town to leave their motor vehicles registered, but also elected officials can use this bill as an approach to get votes.

There already exist situations where taxpayers will purposely keep their vehicles registered in towns that have lower mill rates, so they do not have to pay their current town, which is paying for their children's education, and cleaning the snow on their streets so they can go to work every day. Now that the interest will also be variable depending on which town your vehicle is registered is just adding to the enticement for the residents.

Many tax offices can testify that they only receive payments for motor vehicle taxes every two years when the resident has to register their vehicle. Now that the interest rate will be lower and not fixed across the state, there is even more incentive for the taxpayers to put off paying on time – instead of deterring them. This in turn puts more burden on the residents with real estate and local business taxes – if the town is not collecting what was proposed in the budget, they will have to raise the mill rate the next year to make up for the lost revenue. That is not fair for the residents that do all they can to pay on time to avoid paying any interest.

Lastly, as far as bookkeeping this would create much disarray. When processing refunds, credit/transfer of payments, transfer of payments to another town, etc. we would always have to refer back to which year and which interest rate we would be calculating, as opposed to having the standard 1.5% per month statewide.

Thank you for the opportunity to submit written testimony opposing SB 1135. Should you have any further questions or concerns regarding my submission, please contact me directly at 860-647-3020 8:30am to 5:00pm.

Respectfully submitted,

Kelly Fleitas, CCMC

