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## TOWN OF GREENWICH CONNECTICUT

### TESTIMONY TO FINANCE, REVENUE AND BONDING COMMITTEE

#### **SB No. 1135 AN ACT CONCERNING THE MUNICIPAL INTEREST RATE APPLICABLE TO DELINQUENT PROPERTY TAXES.**

April 29, 2019

Howard Richman  
Tax Collector

Good afternoon Co-Chairs Fonfara and Rojas, Ranking Members Witkos and Davis, Vice Chairs Cassano, Leone, Concepcion and Meskers (my home town Representative), my other home town representative Floren and the remaining members of this Committee. I am Howard Richman, Tax Collector of the Town of Greenwich.

I am speaking as a member of the Connecticut Tax Collectors Association in opposition to SB No. 1135 which would provide municipalities the option to "approve a rate of interest of less than eighteen per cent per annum" in calculating additional charges on unpaid delinquent tax.

As a first term Tax Collector I have learned through CTx courses and meetings that one of the most important premises pertaining to the job of tax collecting is uniformity, the idea being that all taxpayers are treated equally throughout the state. To uphold this uniformity, we as tax collectors, are directed by the State and are limited in the latitude we have when it comes to dealing with individual taxpayers. For example, Connecticut General Statute 12-130 authorizes tax collectors to "make out and sign rate bills" and "mail or hand to each individual from whom taxes are due." Every municipality in the state follows this direction. Section 12-145 spells out rules for posting tax due notices by advertising in a newspaper three times before a tax becomes delinquent. Section 12-146a allows municipalities to withhold or revoke a health permit if tax is delinquent "for a period of not less than one year" and Section 12-157 lays out the method of selling real estate for taxes. This is uniformity.

There is inequity in the motor vehicle tax because it is tied to local mill rates. This creates unequal taxation depending on where a taxpayer lives. Solutions were to cap the tax calculation at 39 mills then at 45 mills. Why should a similarly valued motor vehicle registered in one municipality be taxed at one-fifth the amount as the same motor vehicle in a municipality that has five times the mill rate?

Allowing municipalities to charge different rates of interest for unpaid delinquent tax would also present an inequity. Would one municipality set their interest rate lower to get a competitive edge over another municipality? Would this turn into a political issue? How often could the interest rate be changed? Would a lower interest rate be grandfathered back 15 years? This legislation has the potential to create havoc in the world of tax collection.

We request the Committee vote against SB No. 1135.

Thank you for allowing me to spend a few minutes with you.