Bill No.: SB-1135  
Title: AN ACT CONCERNING THE MUNICIPAL INTEREST RATE APPLICABLE TO DELINQUENT PROPERTY TAXES.  
Vote Date: 5/1/2019  
Vote Action: Joint Favorable Substitute  
PH Date: 4/29/2019  
File No.: 902

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SPONSORS OF BILL:
Finance, Revenue and Bonding Committee

REASONS FOR BILL:
In an effort to provide relief to delinquent property taxpayers this bill gives towns the option to reduce the interest rate they charge on delinquent property taxes. Under current law, all towns must charge a rate of 1.5% per month (18% per year).

RESPONSE FROM ADMINISTRATION/AGENCY:
None expressed.

NATURE AND SOURCES OF SUPPORT:
None expressed.

NATURE AND SOURCES OF OPPOSITION:
Rachel A-Massih, Assistant Tax Collector, Town of Avon, CT; Jane Berendsen-Hill, Tax Collector, Town of Ridgefield; Lisa Biagiarelli, Tax Collector, City of Norwalk; Lori Bushnell, Tax Collector, Town of Bolton; Brenda Carter, Tax Collector, Middlebury; Robert Congdon, First Selectman, Town of Preston; Randy Collins, Advocacy Manager, CCM; Marlene Desjardins, Tax Collector, Town of Wethersfield; Rosanna DiPanni, Town of New Canaan; Frances Doba, Tax Collector, Town of Bethany; William L. Donlin, CCMC., Collector of Revenue, Town of Cheshire; Margaret K. Duffy, CCMC, Assistant Tax Collector, Town of Bethany; Natalie Elliston, Tax Collector, Canterbury; Scott M. Ferguson, CCMC, Tax Collector, City of Danbury; Kelly Fleitas, CCMC, Senior Account Associate, Town of Manchester; Kathleen K. Flynn, CCMC, Tax Collector,
The above listed individuals all testified in opposition to SB 1135 similarly noting that the current interest rate of 18% is designed to encourage property tax payments to be made on time. The current interest rate serves to compensate municipalities for the loss that occurs when revenue is not collected on time. By authorizing municipalities to reduce the current interest rate, this piece of legislation would provide a benefit to the delinquent taxpayer. They also stated that this action would weaken the position of the Tax Collector’s office. Allowing municipalities the option to reduce the uniform interest rate will make it a political issue, rather than a fiscal issue, potentially putting Tax Collectors in compromising positions. They further stated that, if it is left up to the municipalities to decide their interest rate, there is the potential for it to change from year to year, depending on who is hired or elected to run the town, which would lead to a "payment processing and accounting nightmare."

Reported by: Jean Holloway

Date: May 9, 2019