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## OLR Bill Analysis

### sSB 968

#### ***AN ACT CONCERNING FORECLOSURE, ASSIGNMENT AND OTHER ENFORCEMENT ACTIONS FOR UNPAID SEWER ASSESSMENTS AND OTHER FEES AND CHARGES.***

#### **SUMMARY**

This bill imposes restrictions on assigning or enforcing liens for delinquent sewer benefit assessments (assessments) or sewer use and connection charges (charges).

Under the bill, liens on owner-occupied property for municipal or regional sewer or water pollution control authority (WPCA) assessments or charges are not assignable or subject to certain enforcement actions until the principal exceeds \$10,000. Under the bill, unlike liens imposed by regional entities, for municipal WPCA liens, this threshold is calculated separately for (1) use and connection charges and (2) benefit assessments.

Under current law, there is no minimum below which a WPCA lien cannot be assigned. Current law also authorizes several lien enforcement options, which generally do not require waiting until the delinquency exceeds a specified threshold. By law, WPCA liens (like property tax liens) become unenforceable if they are not enforced within 15 years of becoming due (CGS § 12-175).

The bill also requires each aspect (e.g., attorney's fees, advertising, venue, and terms) of specified lien foreclosure actions or other enforcement proceedings to be "commercially reasonable," which the bill does not define. This reasonableness standard applies to all foreclosures and other legal proceedings concerning (1) liens for municipal WPCA assessments or charges and (2) assigned liens for regional WPCA assessments or charges.

EFFECTIVE DATE: October 1, 2021, and applicable to actions filed

on or after that date.

### **ENFORCING WPCA LIENS**

The bill limits the enforcement actions available to collect on WPCA liens on owner-occupied properties in the following ways:

1. municipal WPCA benefit assessments cannot be enforced (e.g., through foreclosure or non-judicial tax sale) until the combined principal exceeds \$10,000 (§ 1);
2. municipal WPCA use and connection charges cannot be foreclosed until the combined principal exceeds \$10,000 (§ 2); and
3. regional WPCA assessments and charges cannot be foreclosed or subject to a civil recovery action until the combined principal exceeds \$10,000 (§§ 3 & 4).

### **BACKGROUND**

#### ***Related Bill***

sSB 941 (File 251), favorably reported by the Banking Committee, requires certain (1) disclosures to be provided in a contract between a sewer or water lien assignee and the original lienholder and (2) notices to be provided before foreclosing these liens. It also imposes a “commercially reasonable” standard on enforcement proceedings.

### **COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea 17    Nay 9    (03/21/2021)