
OLR Bill Analysis

sSB 968 (File 320, as amended by Senate "A")*

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 \$4,000 or the delinquency is at least four years old. Under the bill, unlike liens imposed by regional entities, the monetary threshold for municipal WPCA liens is calculated separately for (1) use and connection charges and (2) benefit assessments.

Under current law, there is no minimum amount 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 monetary or years-delinquent 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).

*Senate Amendment "A" (1) changes the underlying bill's threshold from \$10,000 to \$4,000; (2) adds the provision concerning assigning or enforcing delinquencies that are at least four years old; and (3) eliminates the underlying bill's requirement that proceedings be commercially reasonable.

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

on or after that date.

ENFORCING WPCA LIENS

In addition to limiting the assignment of 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 (a) the combined principal exceeds \$4,000 or (b) the unpaid assessment and interest has been delinquent for at least four years (§ 1);
2. municipal WPCA use and connection charges cannot be foreclosed until (a) the combined principal exceeds \$4,000 or (b) they have been delinquent for at least four years (§ 2);
3. regional WPCA assessments and charges cannot be foreclosed until (a) the combined principal exceeds \$4,000 or (b) they have been delinquent for at least four years (§ 3); and
4. regional WPCA assessments and charges cannot be subject to a civil recovery action until the combined principal exceeds \$4,000 (§ 3).

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)