



## ***Banks Committee***

March 2, 2021

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members representing 168 towns and cities.

### **S.B 941 “An Act Concerning the Assignment of Certain Property, Tax, Water and Sewer Liens.”**

CCM opposes S.B 941, which would reduce the interest on any tax liens filed by a municipality that have been assigned by the municipality.

The proposed legislation would create a different, lower rate of interest on delinquent real property commencing on the date of the assignment. The uniformity of the 18% interest rate 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 paid in a timely manner.

Municipal officials understand the desire to provide property tax relief during these challenging fiscal times and CCM is a leading advocate for meaningful property tax relief in Connecticut.

CCM has been on the forefront of providing services, but this is not the way to do it. While taxes are high, CCM recommends looking first at the State's rates.

Towns and cities continue to face challenging times, and municipalities continue to make towns difficult budget cuts and spending decisions. In Connecticut's central cities and poorer towns, the situation is increasingly grave and dire. Although, deep cuts in services and significant layoffs have occurred in these communities, municipalities must still provide the services residents depend on for education, public safety and infrastructure maintenance, regardless of the economy.

The logic behind the delinquent interest rate is to encourage on-time payment of taxes, on which the financial health of municipalities depends. It also serves to compensate towns and cities for the financial loss that occurs from not having revenue paid in a timely manner. When you reduce incentives for persons to pay taxes on time, you impact taxpayers who pay their taxes on time – persons who are paying their fair share. These law-abiding taxpayers end up paying higher taxes to make up for those who aren't paying at all.

CCM would encourage the Committee to review its recent report, [“This Report Is Different.”](#) In this report CCM provides a variety of common sense solutions to reduce the property tax burden on Connecticut’s residents through revenue diversification, service sharing and collaboration. These real solutions provide the tools local governments need to enact meaningful property tax reform.

CCM urges the Committee to **oppose S.B 941** and instead focus on comprehensive property tax reform as a way to assist all hard-pressed taxpayers. It’s the fairest way to provide relief during this very difficult period.



If you have any questions, please contact Donna Hamzy, Advocacy Manager of CCM at [dhamzy@ccm-ct.org](mailto:dhamzy@ccm-ct.org) or (203) 843-0705.