

FEBRUARY 26, 2021

Testimony

Christine Silansky, C.C.M.C.
Tax Collector - Town of Canton

Raised Bill No. 941 An Act Concerning The Assignment of Certain Property, Tax, Water and Sewer Liens.

As Tax Collector for the Town of Canton, I am opposed to Raised Bill No. 941 which would reduce the interest on any tax liens filed by a municipality that have been assigned by the municipality.

Whether a big city or small town, interest collections on delinquent property taxes is a revenue concern and is a line item in every municipal budget. If a municipality was to reduce their interest rate, they would be in effect, reducing the amount of interest they are to collect each fiscal year. Any reduction of interest revenue may be significant to every municipality.

Raised Bill No. 941 would reduce interest accruals on tax liens to the rate of six per cent per annum once they are assigned to a third party in accordance with the municipal option to do so provided by General Statutes 12-195h. Larger cities rely on lien assignments as their primary method for recovering delinquent real property tax delinquencies. It is also a particularly important collection technique whenever bankruptcy proceedings, environmental contamination, or other special circumstances make direct enforcement by the municipality itself, impossible or impractical. All municipalities could face such situations as mentioned and should be afforded the current statutory interest rate to encourage investors to take on these liens and ensure that municipalities receive proper compensation.