

Testimony of:
J. Stacey Yarbrough, C.C.M.C., J.D.
Town of North Haven
Tax Collector & Town Clerk
Friday, February 26, 2021

**RAISED BILL NO. 941 AN ACT CONCERNING THE ASSIGNMENT OF
CERTAIN PROPERTY, TAX, WATER & SEWER LIENS**

Good morning/afternoon members of the Joint Committee on Banking. My name is J. Stacey Yarbrough, and I appreciate the opportunity to testify as relates to Raised Bill No. 941.

Raised Bill No. 941 seeks to reduce the interest rate on tax and sewer use, et al., liens filed by a municipality having been assigned by the municipality. In effect, the proposed legislation would create a different, lower, rate of interest on delinquent real property taxes commencing on the date of the assignment. Yet, by authorizing municipalities to reduce the current interest rate for assigned liens, such would work to provide a benefit to the delinquent taxpayer at the expense of residents and businesses who do pay their property taxes on time. Further, liens are often purchased by institutional investors under municipal contracts containing protections for delinquent taxpayers, via C.G.S. Sec. 195h. Lien Assignment is an effective collection tool implemented by many municipalities across Connecticut. In all lien assignments, the sole reason investors are interested in purchasing delinquent tax liens is the post-assignment interest accruals to be earned. Eliminating the purchaser's right to recover interest would effectively repeal C.G.S. Sec. 12-195h, in that the proposed change would deprive municipalities of a key collection technique and any incentive for the purchase of liens, thereby adding to pressure to create revenue for the depleted budgets of Connecticut municipalities.

In conclusion, as Tax Collector for the Town of North Haven, I am opposed to Raised Bill No. 941. Moreover, as a taxpayer in the Town of North Haven, I am opposed to Raised Bill No. 941. My taxes are already high enough; working to find ways to help my town's budgetary concerns is the goal. This bill does not help achieve said goal. Again, thank you for your time and consideration, and the opportunity to be heard in this important matter. I would be pleased to answer any questions if necessary.

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