



## *Finance, Revenue and Bonding Committee*

March 8, 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.

### **H.B. 5457, An Act Suspending Penalties and Interest for Certain Late Filings.**

HB 5457 would impose an unfunded mandate on towns and cities by prohibiting the imposition of penalties and interest for the late filing of permits, fees, taxes and personal property declarations for one year, if the taxes in the bill were to include local property taxes as well as state collected taxes.

Municipalities are almost wholly dependent upon property tax revenue to fund all aspects of local government including but not limited to police and fire services, maintaining local roads and infrastructure and for educational funding. The timely payment of taxes is critical to ensuring that our towns and cities can meet these financial obligations and the imposition of penalties and interest is a critical tool for municipalities to ensure taxes are paid on time.

When taxes are not paid, it does not reduce the cost of providing critical services but simply shifts the burden to other tax payers or requires a municipality to use needed and limited budget reserves to meet their contractual obligations. Interest and penalties are not applied out of malice or with an eye toward collecting additional revenue, rather these means exist to encourage the prompt payment of taxes. When taxes are not paid, a municipality does not suspend services, they do not withhold educational services, stop dispatching fire and ambulance personnel or tell their police department not to maintain public safety at a delinquent business or residence. Local costs remain and it is unfair to remove an important tool that municipalities have in order to collect needed local tax revenues.

CCM would oppose HB 5457 if the language were to extend to penalties and interest that are currently applied to delinquent property taxes.



If you have any questions, please contact Randy Collins, Advocacy Manager of CCM at [rcollins@ccm-ct.org](mailto:rcollins@ccm-ct.org) or (860) 707-6446.