

Planning and Development Committee

JOINT FAVORABLE REPORT

Bill No.: SB-968

AN ACT CONCERNING FORECLOSURE, ASSIGNMENT AND OTHER ENFORCEMENT ACTIONS FOR UNPAID SEWER ASSESSMENTS AND

Title: OTHER FEES AND CHARGES.

Vote Date: 3/21/2021

Vote Action: Joint Favorable

PH Date: 3/5/2021

File No.:

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SPONSORS OF BILL:

N/A

REASONS FOR BILL:

The bill aims to prohibit foreclosure or other enforcement action for unpaid sewer fees of less than \$10,000. Often, effected homeowners have modest incomes, and must spend additional thousands of dollars in legal fees to avoid foreclosure for as little as \$1,000 of unpaid taxes.

RESPONSE FROM ADMINISTRATION/AGENCY:

Judicial Branch, External Affairs Division: Requested removal of the term “commercially reasonable,” in lines 56, 126 and 198, as it may increase potential for litigation.

NATURE AND SOURCES OF SUPPORT:

Jeff Gentes, Connecticut Fair Housing Center and co-supervisor of Yale Law School Housing Clinic: Voiced support, claiming expenses associated with foreclosures for unpaid sewer bills do not help anyone except lawyers who do the paperwork. According to testimony, sewer foreclosures are based on small amounts. However, a, “\$1000 or \$2000 bill balloons to \$4000 or \$5000 overnight when the authority chooses to foreclose. Either the homeowner must pay this doubled or tripled amount or face foreclosure. This is an unconscionable abuse of government power.” Further, it is claimed that threatening foreclosure over \$1,000 is unfairly detrimental to individuals who already have modest incomes.

NATURE AND SOURCES OF OPPOSITION:

William L. Donlin, Collector of Revenue, Town of Cheshire and Legislative Co-Chair of Connecticut Tax Collectors' Association: Voiced opposition, claiming, "The proposed bill as written would exclude municipalities, regional water and sewer authorities from enforcement actions on delinquent accounts because the delinquent principal on such accounts would never exceed ten thousand dollars." It could take over 23.5 years for the town to be able to enforce action, as residential property owners are charged a flat rate of \$425 per year. Testimony suggests a number of years as a threshold on delinquent accounts rather than a dollar amount for consistency.

Launa Goslee, City of Torrington Tax Collector: Voiced opposition. Because the threshold for enforcing sewer debt would be \$10,000 under the bill, testimony claims taxpayers will contribute taxes less often, decreasing collection rates. Because the amount owed would be allowed to get so high, testimony claims there is greater risk of not collecting the total debt even when action is taken.

David Kluczowski, Town of Fairfield and Connecticut Tax Collector's Association Legislative Co-Chair: Voiced opposition, suggesting delinquency be based on amount of years, not a dollar amount, as it is highly unlikely \$10,000 would be exceeded within the 15-year statutory time limit. For example, the sewer tax range in Fairfield ranges between \$150 to \$1,000 per year.

It is requested that the threshold of delinquency be 4 years to provide reasonable protections while maintaining fairness, according to testimony.

Reported by: Colin Savino

Date: 3/22/2021