



General Assembly

January Session, 2021

Raised Bill No. 941

LCO No. 3893



Referred to Committee on BANKING

Introduced by:
(BA)

***AN ACT CONCERNING THE ASSIGNMENT OF CERTAIN PROPERTY,
TAX, WATER AND SEWER LIENS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-195h of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2021*):

3 (a) Any municipality, by resolution of its legislative body, as defined
4 in section 1-1, may assign, for consideration, any and all liens filed by
5 the tax collector to secure unpaid taxes on real property as provided
6 under the provisions of this chapter. The consideration received by the
7 municipality shall be negotiated between the municipality and the
8 assignee.

9 (b) The assignee or assignees of such liens shall have and possess the
10 same powers and rights at law or in equity [as such] that such
11 municipality and municipality's tax collector would have had if the lien
12 had not been assigned with regard to the precedence and priority of
13 such lien, the accrual of interest and the fees and expenses of collection
14 and of preparing and recording the assignment, except that (1)
15 commencing on the date of the assignment, interest shall accrue on the

16 delinquent portion of the principal of the assigned tax obligation at the
17 rate of six per cent per annum, and (2) any such assignee (A) shall not
18 be insulated from liability for its conduct by virtue of the provisions of
19 section 42-110c, and (B) shall be obligated to provide a payoff statement,
20 as defined in section 49-8a, in the same manner as a mortgagee in
21 accordance with the requirements of section 49-10a. The assignee shall
22 have the same rights to enforce such liens as any private party holding
23 a lien on real property including, but not limited to, foreclosure and a
24 suit on the debt.

25 (c) No such assignment executed on or after July 1, 2022, shall be valid
26 or enforceable unless memorialized in a contract executed by the
27 municipality and the assignee that is in writing and provides: (1) The
28 manner in which the assignee will provide to the owner of the real
29 property that is the subject of the assignment one or more addresses and
30 telephone numbers that may be used for correspondence with the
31 assignee about the debt and payment thereof; (2) the earliest and latest
32 dates by which the assignee shall commence any foreclosure or suit on
33 the debt or the manner for determining such dates, except as may be
34 impacted by any payment arrangement, bankruptcy petition or other
35 circumstance, provided in no event shall the assignee commence a
36 foreclosure suit before one year has elapsed since the assignee's
37 purchase of the lien; (3) the structure and rates of attorney's fees that the
38 assignee may claim against the owner or owners of such real property
39 in any foreclosure, suit on the debt or otherwise, and a prohibition from
40 using as foreclosure counsel any attorney or law office that is owned by,
41 employs or contracts with any person having an interest in such
42 assignee; (4) confirmation that the owner of the real property for which
43 the lien has been filed shall be a third-party beneficiary entitled to
44 enforce the covenants and responsibilities of the assignee as contained
45 in the contract; (5) a prohibition on the assignee assigning the lien
46 without the municipality's prior written consent; (6) the detail and
47 frequency of reports provided to the municipality's tax collector
48 regarding the status of the assigned liens; (7) confirmation that the
49 assignee is not ineligible, pursuant to section 31-57b, to be assigned the

50 lien because of occupational safety and health law violations; (8)
51 disclosure of (A) all resolved and pending arbitrations and litigation
52 matters in which the assignee or any of its principals have been involved
53 within the last ten years, except foreclosure actions involving liens
54 purchased from or assigned by governmental entities, (B) all criminal
55 proceedings that the assignee or any of its principals has ever been the
56 subject, (C) any interest in the subject property held by the assignee or
57 any of its principals, officers or agents, and (D) each instance in which
58 the assignee or any of its principals was found to have violated any state
59 or local ethics law, regulation, ordinance, code, policy or standard, or to
60 have committed any other offense arising out of the submission of
61 proposals or bids or the performance of work on public contract; and (9)
62 such additional terms to which the municipality and the assignee
63 mutually agree, consistent with applicable law.

64 (d) The assignee, or any subsequent assignee, shall provide written
65 notice of an assignment, not later than [thirty] sixty days after the date
66 of such assignment, to the owner and any holder of a mortgage, on the
67 real property that is the subject of the assignment, provided such owner
68 or holder is of record as of the date of such assignment. Such notice shall
69 include information sufficient to identify (1) the property that is subject
70 to the lien and in which the holder has an interest, (2) the name and
71 addresses of the assignee, and (3) the amount of unpaid taxes, interest
72 and fees being assigned relative to the subject property as of the date of
73 the assignment.

74 (e) Not less than sixty days prior to commencing an action to foreclose
75 a lien under this section, the assignee shall provide a written notice, by
76 first-class mail, to the holders of all first or second security interests on
77 the property subject to the lien that were recorded before the date the
78 assessment the lien sought to be enforced became delinquent. Such
79 notice shall set forth: (1) The amount of unpaid debt owed to the
80 assignee as of the date of the notice; (2) the amount of any attorney's fees
81 and costs incurred by the assignee in the enforcement of the lien as of
82 the date of the notice; (3) a statement of the assignee's intention to
83 foreclose the lien if the amounts set forth pursuant to subdivisions (1)

84 and (2) of this subsection are not paid to the assignee on or before sixty
85 days after the date the notice is provided; (4) the assignee's contact
86 information, including, but not limited to, the assignee's name, mailing
87 address, telephone number and electronic mail address, if any; and (5)
88 instructions concerning the acceptable means of making a payment on
89 the amounts owed to the assignee as set forth pursuant to subdivisions
90 (1) and (2) of this subsection. Any notice required under this subsection
91 shall be effective upon the date such notice is provided.

92 (f) When providing the written notice required under subsection (e)
93 of this section, the assignee may rely on the last recorded security
94 interest of record in identifying the name and mailing address of the
95 holder of such interest, unless the holder of such interest is the plaintiff
96 in an action pending in Superior Court to enforce such interest, in which
97 the case the assignee shall provide the written notice to the attorney
98 appearing on behalf of the plaintiff.

99 (g) Each aspect of a foreclosure, sale or other disposition under this
100 section, including, but not limited to, the costs, attorney fees, method,
101 advertising, time, date, place and terms, shall be commercially
102 reasonable.

103 Sec. 2. Section 12-146 of the general statutes is repealed and the
104 following is substituted in lieu thereof (*Effective October 1, 2021*):

105 Unless the context otherwise requires, wherever used in this section,
106 "tax" includes each property tax and each installment and part thereof
107 due to a municipality as it may have been increased by interest, fees and
108 charges. If any tax due in a single installment or if any installment of any
109 tax due in two or more installments is not paid in full [(1)] on or before
110 the first day of the month next succeeding the month in which it became
111 due and payable or, [or] if not due and payable on the first day of the
112 month, [(2)] on or before the same date of the next succeeding month
113 corresponding to that of the month on which it became due and payable,
114 the whole or such part of such installment as is unpaid shall thereupon
115 be delinquent and shall be subject to interest from the due date of such

116 delinquent installment. Except for unpaid real estate taxes (1) the
117 collection of which was, or is, deferred under the provisions of section
118 12-174, and any predecessor and successor thereto, and which [unpaid
119 real estate taxes] continue to be subject to the provisions of such deferred
120 collection statutes, or (2) assigned pursuant to section 12-195h, as
121 amended by this act, the delinquent portion of the principal of any tax
122 shall be subject to interest at the rate of eighteen per cent per annum
123 from the time when it became due and payable until the same is paid,
124 subject to a minimum interest charge of two dollars per installment
125 which any municipality, by vote of its legislative body, may elect not to
126 impose, and provided, in any computation of such interest, under any
127 provision of this section, each fractional part of a month in which any
128 portion of the principal of such tax remains unpaid shall be considered
129 to be equivalent to a whole month. Each addition of interest shall
130 become, and shall be collectible as, a part of such tax. Interest shall
131 accrue at said rate until payment of such taxes due notwithstanding the
132 entry of any judgment in favor of the municipality against the taxpayer
133 or the property of the taxpayer. The collector shall apply each partial
134 payment to the wiping out of such interest before making any
135 application thereof to the reduction of such principal. If any tax, at the
136 time of assessment or because of a subsequent division, represents two
137 or more items of property, the collector may receive payment in full of
138 such part of the principal and interest of such tax as represents one or
139 more of such items, even though interest in full on the entire amount of
140 the principal of such tax has not been received up to the date of such
141 payment; in which event, interest on the remaining portion of the
142 principal of any such tax shall be computed, as the case may be, from
143 the due date of such tax if no other payment after delinquency has been
144 made or from the last date of payment of interest in full on the whole
145 amount or unpaid balance of the principal of such delinquent tax if
146 previous payment of interest has been made. Each collector shall keep a
147 separate account of such interest and the time when the same has been
148 received and shall pay over the same to the treasurer of the municipality
149 of the collector as a part of such tax. No tax or installment thereof shall
150 be construed to be delinquent under the provisions of this section if (A)

151 such tax or installment was paid through a municipal electronic
152 payment service within the time allowed by statute for payment of such
153 tax or installment, or (B) the envelope containing the amount due as
154 such tax or installment, as received by the tax collector of the
155 municipality to which such tax is payable, bears a postmark showing a
156 date within the time allowed by statute for the payment of such tax or
157 installment. Any municipality may, by vote of its legislative body,
158 require that any delinquent property taxes shall be paid only in cash or
159 by certified check or money order. Any municipality adopting such
160 requirement may provide that such requirement shall only be applicable
161 to delinquency exceeding a certain period in duration as determined by
162 such municipality. Any municipality shall waive all or a portion of the
163 interest due and payable under this section on a delinquent tax with
164 respect to a taxpayer who has received compensation under chapter 968
165 as a crime victim.

166 Sec. 3. Section 7-254 of the general statutes is repealed and the
167 following is substituted in lieu thereof (*Effective October 1, 2021*):

168 (a) Any assessment of benefits or any installment thereof, not paid
169 within thirty days after the due date, shall be delinquent and shall be
170 subject to interest from such due date at the interest rate and in the
171 manner provided by the general statutes for delinquent property taxes.
172 Each addition of interest shall be collectible as a part of such assessment.

173 (b) Whenever any installment of an assessment becomes delinquent,
174 the interest on such delinquent installment shall be as provided in
175 subsection (a) of this section or five dollars, whichever is greater. Any
176 unpaid assessment and any interest due thereon shall constitute a lien
177 upon the real estate against which the assessment was levied from the
178 date of such levy. Each such lien may be continued, recorded and
179 released in the manner provided by the general statutes for continuing,
180 recording and releasing property tax liens. Each such lien shall take
181 precedence over all other liens and encumbrances except taxes and may
182 be enforced in the same manner as property tax liens. The tax collector
183 of the municipality may collect such assessments in accordance with any

184 mandatory provision of the general statutes for the collection of
185 property taxes and the municipality may recover any such assessment
186 in a civil action against any person liable therefor.

187 (c) Any municipality, by resolution of its legislative body, may assign,
188 for consideration, any and all liens filed by the tax collector to secure
189 unpaid sewer assessments as provided under the provisions of this
190 chapter. The consideration received by the municipality shall be
191 negotiated between the municipality and the assignee.

192 (d) The assignee or assignees of such liens shall have and possess the
193 same powers and rights at law or in equity as such municipality and
194 municipality's tax collector would have had if the lien had not been
195 assigned with regard to the precedence and priority of such lien, the
196 accrual of interest and the fees and expenses of collection, except that
197 any such assignee (1) shall not be insulated from liability by virtue of
198 the provisions of section 42-110c, and (2) shall be obligated to provide a
199 payoff statement, as defined in section 49-8a, in the same manner as a
200 mortgagee in accordance with the requirements of section 49-10a. The
201 assignee shall have the same rights to enforce such liens as any private
202 party holding a lien on real property, including, but not limited to,
203 foreclosure and a suit on the debt. [Costs and reasonable attorneys' fees
204 incurred by the assignee as a result of any foreclosure action or other
205 legal proceeding brought pursuant to this section and directly related to
206 the proceeding shall be taxed in any such proceeding against each
207 person having title to any property subject to the proceedings. Such
208 costs and fees may be collected by the assignee at any time after demand
209 for payment has been made by the assignee.]

210 (e) No such assignment executed on or after July 1, 2022, shall be valid
211 or enforceable unless memorialized in a contract executed by the
212 authority and the assignee that is in writing and provides: (1) The
213 manner in which the assignee will provide to the owner of the real
214 property that is the subject of the assignment one or more addresses and
215 telephone numbers that may be used for correspondence with the
216 assignee about the debt and payment thereof; (2) the earliest and latest

217 dates by which the assignee shall commence any foreclosure or suit on
218 the debt or the manner for determining such dates, except as may be
219 impacted by any payment arrangement, bankruptcy petition or other
220 circumstance, provided in no event shall the assignee commence a
221 foreclosure suit before one year has elapsed since the assignee's
222 purchase of the lien; (3) the structure and rates of attorney's fees that the
223 assignee may claim against the owner or owners of such real property
224 in any foreclosure, suit on the debt or otherwise, and a prohibition from
225 using as foreclosure counsel any attorney or law office that is owned by,
226 employs or contracts with any person having an interest in such
227 assignee; (4) confirmation that the owner of the real property for which
228 the lien has been filed shall be a third-party beneficiary entitled to
229 enforce the covenants and responsibilities of the assignee as contained
230 in the contract; (5) a prohibition on the assignee assigning the lien
231 without the municipality's prior written consent; (6) the detail and
232 frequency of reports provided to the municipality's tax collector
233 regarding the status of the assigned liens; (7) confirmation that the
234 assignee is not ineligible, pursuant to section 31-57b, to be assigned the
235 lien because of occupational safety and health law violations; (8)
236 disclosure of (A) all resolved and pending arbitrations and litigation
237 matters in which the assignee or any of its principals have been involved
238 within the last ten years, except foreclosure actions involving liens
239 purchased from or assigned by governmental entities, (B) all criminal
240 proceedings that the assignee or any of its principals has ever been the
241 subject, (C) any interest in the subject property held by the assignee or
242 any of its principals, officers or agents, and (D) each instance in which
243 the assignee or any of its principals was found to have violated any state
244 or local ethics law, regulation, ordinance, code, policy or standard, or to
245 have committed any other offense arising out of the submission of
246 proposals or bids or the performance of work on public contract; and (9)
247 such additional terms to which the municipality and the assignee
248 mutually agree, consistent with applicable law.

249 (f) The assignee, or any subsequent assignee, shall provide written
250 notice of an assignment, not later than sixty days after the date of such

251 assignment, to the owner and any holder of a mortgage on the real
252 property that is the subject of the assignment, provided such owner or
253 holder is of record as of the date of such assignment. Such notice shall
254 include information sufficient to identify (1) the property that is subject
255 to the lien and in which the holder has an interest, (2) the name and
256 addresses of the assignee, and (3) the amount of unpaid taxes, interest
257 and fees being assigned relative to the subject property as of the date of
258 the assignment.

259 (g) Not less than sixty days prior to commencing an action to
260 foreclose a lien under this section, the assignee shall provide a written
261 notice, by first-class mail, to the holders of all first or second security
262 interests on the property subject to the lien that were recorded before
263 the date the assessment of the lien sought to be enforced became
264 delinquent. Such notice shall set forth: (1) The amount of unpaid debt
265 owed to the assignee as of the date of the notice; (2) the amount of any
266 attorney's fees and costs incurred by the assignee in the enforcement of
267 the lien as of the date of the notice; (3) a statement of the assignee's
268 intention to foreclose the lien if the amounts set forth pursuant to
269 subdivisions (1) and (2) of this subsection are not paid to the assignee
270 on or before sixty days after the date on which the notice is provided;
271 (4) the assignee's contact information, including, but not limited to, the
272 assignee's name, mailing address, telephone number and electronic mail
273 address, if any; and (5) instructions concerning the acceptable means of
274 making a payment on the amounts owed to the assignee as set forth
275 pursuant to subdivisions (1) and (2) of this subsection. Any notice
276 required under this subsection shall be effective upon the date such
277 notice is provided.

278 (h) When providing the written notice required under subsection (g)
279 of this section, the assignee may rely on the last recorded security
280 interest of record in identifying the name and mailing address of the
281 holder of such interest, unless the holder of such interest is the plaintiff
282 in an action pending in Superior Court to enforce such interest, in which
283 case the assignee shall provide the written notice to the attorney
284 appearing on behalf of the plaintiff.

285 (i) Each aspect of a foreclosure, sale or other disposition under this
286 section, including, but not limited to, the costs, attorney fees, method,
287 advertising, time, date, place and terms, shall be commercially
288 reasonable.

289 Sec. 4. Section 7-258 of the general statutes is repealed and the
290 following is substituted in lieu thereof (*Effective October 1, 2021*):

291 (a) Any charge for connection with or for the use of a sewerage
292 system, not paid within thirty days of the due date, shall thereupon be
293 delinquent and shall bear interest from the due date at the rate and in
294 the manner provided by the general statutes for delinquent property
295 taxes. Each addition of interest shall be collectible as a part of such
296 connection or use charge. Any such unpaid connection or use charge
297 shall constitute a lien upon the real estate against which such charge was
298 levied from the date it became delinquent. Each such lien may be
299 continued, recorded and released in the manner provided by the general
300 statutes for continuing, recording and releasing property tax liens. Each
301 such lien shall take precedence over all other liens and encumbrances
302 except taxes and may be foreclosed in the same manner as a lien for
303 property taxes. The municipality may by ordinance designate the tax
304 collector or any other person as collector of sewerage system connection
305 and use charges and such collector of sewerage system connection and
306 use charges may collect such charges in accordance with the provisions
307 of the general statutes for the collection of property taxes. The
308 municipality may recover any such charges in a civil action against any
309 person liable therefor. For the purpose of establishing or revising such
310 connection or use charges and for the purpose of collecting such charges
311 any municipality may enter into agreements with any water company
312 or municipal water department furnishing water in such municipality
313 for the purchase from such water company or municipal water
314 department of information or services and such agreement may
315 designate such water company or municipal water department as a
316 billing or collecting agent of the collector of sewerage system connection
317 and use charges in the municipality. Any water company or municipal
318 water department may enter into and fulfill any such agreements and

319 may utilize for the collection of such charges any of the methods utilized
320 by it for the collection of its water charges.

321 (b) Any municipality, by resolution of its legislative body, may
322 assign, for consideration, any and all liens filed by the tax collector or
323 collector of sewerage system connection and use charges to secure
324 unpaid sewerage connection and use charges as provided under the
325 provisions of this chapter. The consideration received by the
326 municipality shall be negotiated between the municipality and the
327 assignee.

328 (c) The assignee or assignees of such liens shall have and possess the
329 same powers and rights at law or in equity as such municipality and
330 municipality's tax collector would have had if the lien had not been
331 assigned with regard to the precedence and priority of such lien, the
332 accrual of interest and the fees and expenses of collection, except that
333 any such assignee (1) shall not be insulated from liability for its conduct
334 by virtue of the provisions of section 42-110c, and (2) shall be obligated
335 to provide a payoff statement, as defined in section 49-8a, in the same
336 manner as a mortgagee in accordance with the requirements of section
337 49-10a. The assignee shall have the same rights to enforce such liens as
338 any private party holding a lien on real property, including, but not
339 limited to, foreclosure and a suit on the debt. [Costs and reasonable
340 attorneys' fees incurred by the assignee as a result of any foreclosure
341 action or other legal proceeding brought pursuant to this section and
342 directly related to the proceeding shall be taxed in any such proceeding
343 against each person having title to any property subject to the
344 proceedings. Such costs and fees may be collected by the assignee at any
345 time after demand for payment has been made by the assignee.]

346 (d) No such assignment executed on or after July 1, 2019, shall be
347 valid or enforceable unless memorialized in a contract executed by the
348 authority and the assignee that is in writing and provides: (1) The
349 manner in which the assignee will provide to the owner of the real
350 property that is the subject of the assignment one or more addresses and
351 telephone numbers that may be used for correspondence with the

352 assignee about the debt and payment thereof; (2) the earliest and latest
353 dates by which the assignee shall commence any foreclosure or suit on
354 the debt or the manner for determining such dates, except as may be
355 impacted by any payment arrangement, bankruptcy petition or other
356 circumstance, provided in no event shall the assignee commence a
357 foreclosure suit before one year has elapsed since the assignee's
358 purchase of the lien; (3) the structure and rates of attorney's fees that the
359 assignee may claim against the owner or owners of such real property
360 in any foreclosure, suit on the debt or otherwise, and a prohibition from
361 using as foreclosure counsel any attorney or law office that is owned by,
362 employs or contracts with any person having an interest in such
363 assignee; (4) confirmation that the owner of the real property for which
364 the lien has been filed shall be a third-party beneficiary entitled to
365 enforce the covenants and responsibilities of the assignee as contained
366 in the contract; (5) a prohibition on the assignee assigning the lien
367 without the municipality's prior written consent; (6) the detail and
368 frequency of reports provided to the municipality's tax collector
369 regarding the status of the assigned liens; (7) confirmation that the
370 assignee is not ineligible, pursuant to section 31-57b, to be assigned the
371 lien because of occupational safety and health law violations; (8)
372 disclosure of (A) all resolved and pending arbitrations and litigation
373 matters in which the assignee or any of its principals have been involved
374 within the last ten years, except foreclosure actions involving liens
375 purchased from or assigned by governmental entities, (B) all criminal
376 proceedings that the assignee or any of its principals has ever been the
377 subject, (C) any interest in the subject property held by the assignee or
378 any of its principals, officers or agents, and (D) each instance in which
379 the assignee or any of its principals was found to have violated any state
380 or local ethics law, regulation, ordinance, code, policy or standard, or to
381 have committed any other offense arising out of the submission of
382 proposals or bids or the performance of work on public contract; and (9)
383 such additional terms to which the municipality and the assignee
384 mutually agree consistent with applicable law.

385 (e) The assignee, or any subsequent assignee, shall provide written

386 notice of an assignment, not later than sixty days after the date of such
387 assignment, to the owner and any holder of a mortgage on the real
388 property that is the subject of the assignment, provided such owner or
389 holder is of record as of the date of such assignment. Such notice shall
390 include information sufficient to identify (1) the property that is subject
391 to the lien and in which the holder has an interest, (2) the name and
392 addresses of the assignee, and (3) the amount of unpaid taxes, interest
393 and fees being assigned relative to the subject property as of the date of
394 the assignment.

395 (f) Not less than sixty days prior to commencing an action to foreclose
396 a lien under this section, the assignee shall provide a written notice, by
397 first-class mail, to the holders of all first or second security interests on
398 the property subject to the lien that were recorded before the date the
399 assessment of the lien sought to be enforced became delinquent. Such
400 notice shall set forth: (1) The amount of unpaid debt owed to the
401 assignee as of the date of the notice; (2) the amount of any attorney's fees
402 and costs incurred by the assignee in the enforcement of the lien as of
403 the date of the notice; (3) a statement of the assignee's intention to
404 foreclose the lien if the amounts set forth pursuant to subdivisions (1)
405 and (2) of this subsection are not paid to the assignee on or before sixty
406 days after the date the notice is provided; (4) the assignee's contact
407 information, including, but not limited to, the assignee's name, mailing
408 address, telephone number and electronic mail address, if any; and (5)
409 instructions concerning the acceptable means of making a payment on
410 the amounts owed to the assignee as set forth pursuant to subdivisions
411 (1) and (2) of this subsection. Any notice required under this subsection
412 shall be effective upon the date such notice is provided.

413 (g) When providing the written notice required under subsection (f)
414 of this section, the assignee may rely on the last recorded security
415 interest of record in identifying the name and mailing address of the
416 holder of such interest, unless the holder of such interest is the plaintiff
417 in an action pending in Superior Court to enforce such interest, in which
418 case the assignee shall provide the written notice to the attorney
419 appearing on behalf of the plaintiff.

420 (h) Each aspect of a foreclosure, sale or other disposition under this
421 section, including, but not limited to, the costs, attorney fees, method,
422 advertising, time, date, place and terms, shall be commercially
423 reasonable.

424 Sec. 5. Section 7-239 of the general statutes is repealed and the
425 following is substituted in lieu thereof (*Effective October 1, 2021*):

426 (a) The legislative body shall establish just and equitable rates or
427 charges for the use of the waterworks system authorized in this
428 subsection, to be paid by the owner of each lot or building which is
429 connected with and uses such system, and may change such rates or
430 charges from time to time. Such rates or charges shall be sufficient in
431 each year for the payment of the expense of operation, repair,
432 replacements and maintenance of such system and for the payment of
433 the sums in this subsection required to be paid into the sinking fund. In
434 establishing such rates or charges, the legislative body shall consider
435 measures that promote water conservation and reduce the demand on
436 the state's water and energy resources. Such rates or charges may
437 include: (1) Demand projections that recognize the effects of
438 conservation, (2) implementation of metering and measures to provide
439 timely price signals to consumers, (3) multiyear rate plans, (4) measures
440 to reduce system water losses, and (5) alternative rate designs that
441 promote conservation. No such rate or charge shall be established until
442 after a public hearing at which all the users of the waterworks system
443 and the owners of property served or to be served and others interested
444 shall have an opportunity to be heard concerning such proposed rate or
445 charge. Notice of such hearing shall be given, at least ten days before the
446 date set therefor, in a newspaper having a circulation in such
447 municipality. Such notice shall set forth a schedule of rates or charges,
448 and a copy of the schedule of rates or charges established shall be kept
449 on file in the office of the legislative body and in the office of the clerk
450 of the municipality, and shall be open to inspection by the public. The
451 rates or charges so established for any class of users or property served
452 shall be extended to cover any additional premises thereafter served
453 which are within the same class, without the necessity of a hearing

454 thereon. Any change in such rates or charges may be made in the same
455 manner in which they were established, provided, if any change is made
456 substantially pro rata as to all classes of service, no hearing shall be
457 required. The provisions of this section shall not apply to the sale of
458 bottled water.

459 (b) If any rates or charges established pursuant to this section are not
460 paid within thirty days after the due date, demand for such rates or
461 charges may be made on the owner of the premises served in the manner
462 provided in subsection (a) of section 12-155, and thereafter an alias tax
463 warrant may be issued in the manner provided in sections 12-135 and
464 12-162. The rates or charges established pursuant to this section, if not
465 paid when due, shall constitute a lien upon the premises served and a
466 charge against the owner thereof, which lien and charge shall bear
467 interest at the same rate as would unpaid taxes. Such a lien not released
468 of record prior to October 1, 1993, shall not continue for more than two
469 years unless the superintendent of the waterworks system has filed a
470 certificate of continuation of the lien in the manner provided under
471 section 12-174 for the continuance of tax liens, and when so continued
472 shall be valid for fifteen years. A lien described in this section shall take
473 precedence over all other liens or encumbrances except taxes and may
474 be foreclosed against the lot or building served in the same manner as a
475 lien for taxes.

476 (c) Any municipality, by resolution of its legislative body, may assign,
477 for consideration, any and all liens filed by the superintendent of the
478 waterworks system or tax collector to secure unpaid water charges as
479 provided under the provisions of this chapter. The consideration
480 received by the municipality shall be negotiated between the
481 municipality and the assignee.

482 (d) The assignee or assignees of such liens shall have and possess the
483 same powers and rights at law or in equity as such municipality and
484 municipality's tax collector would have had if the lien had not been
485 assigned with regard to the precedence and priority of such lien, the
486 accrual of interest and the fees and expenses of collection, except that

487 any such assignee (1) shall not be insulated from liability for its conduct
488 by virtue of the provisions of section 42-110c, and (2) any such assignee
489 shall be obligated to provide a payoff statement, as defined in section
490 49-8a, in the same manner as a mortgagee in accordance with the
491 requirements of section 49-10a. The assignee shall have the same rights
492 to enforce such liens as any private party holding a lien on real property,
493 including, but not limited to, foreclosure and a suit on the debt.

494 (e) No such assignment executed on or after July 1, 2022, shall be valid
495 or enforceable unless memorialized in a contract executed by the
496 authority and the assignee that is in writing and provides: (1) The
497 manner in which the assignee will provide to the owner of the real
498 property that is the subject of the assignment one or more addresses and
499 telephone numbers that may be used for correspondence with the
500 assignee about the debt and payment thereof; (2) the earliest and latest
501 dates by which the assignee shall commence any foreclosure or suit on
502 the debt or the manner for determining such dates, except as may be
503 impacted by any payment arrangement, bankruptcy petition or other
504 circumstance, provided in no event shall the assignee commence a
505 foreclosure suit before one year has elapsed since the assignee's
506 purchase of the lien; (3) the structure and rates of attorney's fees that the
507 assignee may claim against the owner or owners of such real property
508 in any foreclosure, suit on the debt or otherwise, and a prohibition from
509 using as foreclosure counsel any attorney or law office that is owned by,
510 employs or contracts with any person having an interest in such
511 assignee; (4) confirmation that the owner of the real property for which
512 the lien has been filed shall be a third-party beneficiary entitled to
513 enforce the covenants and responsibilities of the assignee as contained
514 in the contract; (5) a prohibition on the assignee assigning the lien
515 without the municipality's prior written consent; (6) the detail and
516 frequency of reports provided to the municipality's tax collector
517 regarding the status of the assigned liens; (7) confirmation that the
518 assignee is not ineligible, pursuant to section 31-57b, to be assigned the
519 lien because of occupational safety and health law violations; (8)
520 disclosure of (A) all resolved and pending arbitrations and litigation

521 matters in which the assignee or any of its principals have been involved
522 within the last ten years, except foreclosure actions involving liens
523 purchased from or assigned by governmental entities, (B) all criminal
524 proceedings that the assignee or any of its principals has ever been the
525 subject, (C) any interest in the subject property held by the assignee or
526 any of its principals, officers or agents, and (D) each instance in which
527 the assignee or any of its principals was found to have violated any state
528 or local ethics law, regulation, ordinance, code, policy or standard, or to
529 have committed any other offense arising out of the submission of
530 proposals or bids or the performance of work on public contract; and (9)
531 such additional terms to which the municipality and the assignee
532 mutually agree consistent with applicable law.

533 (f) The assignee, or any subsequent assignee, shall provide written
534 notice of an assignment, not later than sixty days after the date of such
535 assignment, to the owner and any holder of a mortgage on the real
536 property that is the subject of the assignment, provided such owner or
537 holder is of record as of the date of such assignment. Such notice shall
538 include information sufficient to identify (1) the property that is subject
539 to the lien and in which the holder has an interest, (2) the name and
540 addresses of the assignee, and (3) the amount of unpaid taxes, interest
541 and fees being assigned relative to the subject property as of the date of
542 the assignment.

543 (g) Not less than sixty days prior to commencing an action to
544 foreclose a lien under this section, the assignee shall provide a written
545 notice, by first-class mail, to the holders of all first or second security
546 interests on the property subject to the lien that were recorded before
547 the date the assessment of the lien sought to be enforced became
548 delinquent. Such notice shall set forth: (1) The amount of unpaid debt
549 owed to the assignee as of the date of the notice; (2) the amount of any
550 attorney's fees and costs incurred by the assignee in the enforcement of
551 the lien as of the date of the notice; (3) a statement of the assignee's
552 intention to foreclose the lien if the amounts set forth pursuant to
553 subdivisions (1) and (2) of this subsection are not paid to the assignee
554 on or before sixty days after the date the notice is provided; (4) the

555 assignee's contact information, including, but not limited to, the
556 assignee's name, mailing address, telephone number and electronic mail
557 address, if any; and (5) instructions concerning the acceptable means of
558 making a payment on the amounts owed to the assignee as set forth
559 pursuant to subdivisions (1) and (2) of this subsection. Any notice
560 required under this subsection shall be effective upon the date such
561 notice is provided.

562 (h) When providing the written notice required under subsection (g)
563 of this section, the assignee may rely on the last recorded security
564 interest of record in identifying the name and mailing address of the
565 holder of such interest, unless the holder of such interest is the plaintiff
566 in an action pending in Superior Court to enforce such interest, in which
567 case the assignee shall provide the written notice to the attorney
568 appearing on behalf of the plaintiff.

569 (i) Each aspect of a foreclosure, sale or other disposition under this
570 section, including, but not limited to, the costs, attorney fees, method,
571 advertising, time, date, place and terms, shall be commercially
572 reasonable. Costs and reasonable attorneys' fees incurred by the
573 assignee as a result of any foreclosure action or other legal proceeding
574 brought pursuant to this section and directly related to the proceeding
575 shall be taxed in any such proceeding against each person having title
576 to any property subject to the proceedings. Such costs and fees may be
577 collected by the assignee at any time after demand for payment has been
578 made by the assignee.

579 [(d)] (j) The amount of any such rate or charge which remains due
580 and unpaid for thirty days may, with reasonable attorneys' fees, be
581 recovered by the legislative body in a civil action in the name of the
582 municipality against such owners. The municipality shall be subject to
583 the same rates or charges under the same conditions as other users of
584 such waterworks system.

585 Sec. 6. Section 49-92p of the general statutes is repealed and the
586 following is substituted in lieu thereof (*Effective October 1, 2021*):

587 (a) Any regional water authority established under an act of the
588 General Assembly, may assign, for consideration, any and all liens filed
589 by such regional water authority to secure unpaid water assessments or
590 connection or use charges of the authority. The consideration received
591 by the authority shall be negotiated between the authority and the
592 assignee.

593 (b) The assignee or assignees of such liens shall have and possess the
594 same powers and rights at law or in equity as such authority would have
595 had if the lien had not been assigned with regard to the precedence and
596 priority of such lien, the accrual of interest and the fees and expenses of
597 collection, except that such assignee (1) shall not be insulated from
598 liability for its conduct by virtue of the provisions of section 42-110c, and
599 (2) shall be obligated to provide a payoff statement, as defined in section
600 49-8a, in the same manner as a mortgagee in accordance with the
601 requirements of section 49-10a. The assignee shall have the same rights
602 to enforce such liens as any private party holding a lien on real property,
603 including, but not limited to, foreclosure and a suit on the debt.

604 (c) No such assignment executed on or after July 1, 2022, shall be valid
605 or enforceable unless memorialized in a contract executed by the
606 authority and the assignee that is in writing and provides: (1) The
607 manner in which the assignee will provide to the owner of the real
608 property that is the subject of the assignment one or more addresses and
609 telephone numbers that may be used for correspondence with the
610 assignee about the debt and payment thereof; (2) the earliest and latest
611 dates by which the assignee shall commence any foreclosure or suit on
612 the debt or the manner for determining such dates, except as may be
613 impacted by any payment arrangement, bankruptcy petition or other
614 circumstance, provided in no event shall the assignee commence a
615 foreclosure suit before one year has elapsed since the assignee's
616 purchase of the lien; (3) the structure and rates of attorney's fees that the
617 assignee may claim against the owner or owners of such real property
618 in any foreclosure, suit on the debt or otherwise, and a prohibition from
619 using as foreclosure counsel any attorney or law office that is owned by,
620 employs or contracts having any person with an interest in such

621 assignee; (4) confirmation that the owner of the real property for which
622 the lien has been filed shall be a third-party beneficiary entitled to
623 enforce the covenants and responsibilities of the assignee as contained
624 in the contract; (5) a prohibition on the assignee assigning the lien
625 without the municipality's prior written consent; (6) the detail and
626 frequency of reports provided to the municipality's tax collector
627 regarding the status of the assigned liens; (7) confirmation that the
628 assignee is not ineligible, pursuant to section 31-57b, to be assigned the
629 lien because of occupational safety and health law violations; (8)
630 disclosure of (A) all resolved and pending arbitrations and litigation
631 matters in which the assignee or any of its principals have been involved
632 within the last ten years, except foreclosure actions involving liens
633 purchased from or assigned by governmental entities, (B) all criminal
634 proceedings that the assignee or any of its principals has ever been the
635 subject, (C) any interest in the subject property held by the assignee or
636 any of its principals, officers or agents, and (D) each instance in which
637 the assignee or any of its principals was found to have violated any state
638 or local ethics law, regulation, ordinance, code, policy or standard, or to
639 have committed any other offense arising out of the submission of
640 proposals or bids or the performance of work on public contract; and (9)
641 such additional terms to which the municipality and the assignee
642 mutually agree consistent with applicable law.

643 (d) The assignee, or any subsequent assignee, shall provide written
644 notice of an assignment, not later than sixty days after the date of such
645 assignment, to the owner and any holder of a mortgage on the real
646 property that is the subject of the assignment, provided such owner or
647 holder is of record as of the date of such assignment. Such notice shall
648 include information sufficient to identify (1) the property that is subject
649 to the lien and in which the holder has an interest, (2) the name and
650 addresses of the assignee, and (3) the amount of unpaid taxes, interest
651 and fees being assigned relative to the subject property as of the date of
652 the assignment.

653 (e) Not less than sixty days prior to commencing an action to foreclose
654 a lien under this section, the assignee shall provide a written notice, by

655 first-class mail to the holders of all first or second security interests on
656 the property subject to the lien that were recorded before the date the
657 assessment of the lien sought to be enforced became delinquent. Such
658 notice shall set forth: (1) The amount of unpaid debt owed to the
659 assignee as of the date of the notice; (2) the amount of any attorney's fees
660 and costs incurred by the assignee in the enforcement of the lien as of
661 the date of the notice; (3) a statement of the assignee's intention to
662 foreclose the lien if the amounts set forth pursuant to subdivisions (1)
663 and (2) of this subsection are not paid to the assignee on or before sixty
664 days after the date the notice is provided; (4) the assignee's contact
665 information, including, but not limited to, the assignee's name, mailing
666 address, telephone number and electronic mail address, if any; and (5)
667 instructions concerning the acceptable means of making a payment on
668 the amounts owed to the assignee as set forth pursuant to subdivisions
669 (1) and (2) of this subsection. Any notice required under this subsection
670 shall be effective upon the date such notice is provided.

671 (f) When providing the written notice required under subsection (e)
672 of this section, the assignee may rely on the last recorded security
673 interest of record in identifying the name and mailing address of the
674 holder of such interest, unless the holder of such interest is the plaintiff
675 in an action pending in Superior Court to enforce such interest, in which
676 case the assignee shall provide the written notice to the attorney
677 appearing on behalf of the plaintiff.

678 (g) Each aspect of a foreclosure, sale or other disposition under this
679 section, including, but not limited to, the costs, attorney fees, method,
680 advertising, time, date, place and terms, shall be commercially
681 reasonable. Costs and reasonable attorneys' fees incurred by the
682 assignee as a result of any foreclosure action or other legal proceeding
683 brought pursuant to this section and directly related to the proceeding
684 shall be taxed in any such proceeding against each person having title
685 to any property subject to the proceedings. Such costs and fees may be
686 collected by the assignee at any time after demand for payment has been
687 made by the assignee.

688 Sec. 7. Section 49-92o of the general statutes is repealed and the
689 following is substituted in lieu thereof (*Effective October 1, 2021*):

690 (a) Any regional sewer authority established under an act of the
691 General Assembly, may assign, for consideration, any and all liens filed
692 by such regional sewer authority to secure unpaid sewer assessments or
693 connection or use charges of the authority. The consideration received
694 by the authority shall be negotiated between the authority and the
695 assignee.

696 (b) The assignee or assignees of such liens shall have and possess the
697 same powers and rights at law or in equity as such authority would have
698 had if the lien had not been assigned with regard to the precedence and
699 priority of such lien, the accrual of interest and the fees and expenses of
700 collection, except that any such assignee (1) shall not be insulated from
701 liability by section 42-110c, and (2) shall be obligated to provide a payoff
702 statement, as defined in section 49-8a, in the same manner as a
703 mortgagee in accordance with the requirements of section 49-10a. The
704 assignee shall have the same rights to enforce such liens as any private
705 party holding a lien on real property, including, but not limited to,
706 foreclosure and a suit on the debt.

707 (c) No such assignment executed on or after July 1, 2022, shall be valid
708 or enforceable unless memorialized in a contract executed by the
709 authority and the assignee that is in writing and provides: (1) The
710 manner in which the assignee will provide to the owner of the real
711 property that is the subject of the assignment one or more addresses and
712 telephone numbers that may be used for correspondence with the
713 assignee about the debt and payment thereof; (2) the earliest and latest
714 dates by which the assignee shall commence any foreclosure or suit on
715 the debt or the manner for determining such dates, except as may be
716 impacted by any payment arrangement, bankruptcy petition or other
717 circumstance, provided in no event shall the assignee commence a
718 foreclosure suit before one year has elapsed since the assignee's
719 purchase of the lien; (3) the structure and rates of attorney's fees that the
720 assignee may claim against the owner or owners of such real property

721 in any foreclosure, suit on the debt or otherwise, and a prohibition from
722 using as foreclosure counsel any attorney or law office that is owned by,
723 employs or contracts with any person having an interest in such
724 assignee; (4) confirmation that the owner of the real property for which
725 the lien has been filed shall be a third-party beneficiary entitled to
726 enforce the covenants and responsibilities of the assignee as contained
727 in the contract; (5) a prohibition on the assignee assigning the lien
728 without the municipality's prior written consent; (6) the detail and
729 frequency of reports provided to the municipality's tax collector
730 regarding the status of the assigned liens; (7) confirmation that the
731 assignee is not ineligible, pursuant to section 31-57b, to be assigned the
732 lien because of occupational safety and health law violations; (8)
733 disclosure of (A) all resolved and pending arbitrations and litigation
734 matters in which the assignee or any of its principals have been involved
735 within the last ten years, except foreclosure actions involving liens
736 purchased from or assigned by governmental entities, (B) all criminal
737 proceedings that the assignee or any of its principals has ever been the
738 subject, (C) any interest in the subject property held by the assignee or
739 any of its principals, officers or agents, and (D) each instance in which
740 the assignee or any of its principals was found to have violated any state
741 or local ethics law, regulation, ordinance, code, policy or standard, or to
742 have committed any other offense arising out of the submission of
743 proposals or bids or the performance of work on public contract; and (9)
744 such additional terms to which the municipality and the assignee
745 mutually agree consistent with applicable law.

746 (d) The assignee, or any subsequent assignee, shall provide written
747 notice of an assignment, not later than sixty days after the date of such
748 assignment, to the owner and any holder of a mortgage on the real
749 property that is the subject of the assignment, provided such owner or
750 holder is of record as of the date of such assignment. Such notice shall
751 include information sufficient to identify (1) the property that is subject
752 to the lien and in which the holder has an interest, (2) the name and
753 addresses of the assignee, and (3) the amount of unpaid taxes, interest
754 and fees being assigned relative to the subject property as of the date of

755 the assignment.

756 (e) Not less than sixty days prior to commencing an action to foreclose
757 a lien assigned under this section, the assignee shall provide a written
758 notice, by first-class mail to the holders of all first or second security
759 interests on the property subject to the lien that were recorded before
760 the date the assessment of such lien became delinquent. Such notice
761 shall set forth: (1) The amount of unpaid debt owed to the assignee as of
762 the date of the notice; (2) the amount of any attorney's fees and costs
763 incurred by the assignee in the enforcement of the lien as of the date of
764 the notice; (3) a statement of the assignee's intention to foreclose the lien
765 if the amounts set forth pursuant to subdivisions (1) and (2) of this
766 subsection are not paid to the assignee on or before sixty days after the
767 date the notice is provided; (4) the assignee's contact information,
768 including, but not limited to, the assignee's name, mailing address,
769 telephone number and electronic mail address, if any; and (5)
770 instructions concerning the acceptable means of making a payment on
771 the amounts owed to the assignee as set forth pursuant to subdivisions
772 (1) and (2) of this subsection. Any notice required under this subsection
773 shall be effective upon the date such notice is provided.

774 (f) When providing the written notice required under subsection (e)
775 of this section, the assignee may rely on the last recorded security
776 interest of record in identifying the name and mailing address of the
777 holder of such interest, unless the holder of such interest is the plaintiff
778 in an action pending in Superior Court to enforce such interest, in which
779 case the assignee shall provide the written notice to the attorney
780 appearing on behalf of the plaintiff.

781 (g) Each aspect of a foreclosure, sale or other disposition under this
782 section, including, but not limited to, the costs, attorney fees, method,
783 advertising, time, date, place and terms, shall be commercially
784 reasonable. Costs and reasonable attorneys' fees incurred by the
785 assignee as a result of any foreclosure action or other legal proceeding
786 brought pursuant to this section and directly related to the proceeding
787 shall be taxed in any such proceeding against each person having title

788 to any property subject to the proceedings. Such costs and fees may be
789 collected by the assignee at any time after demand for payment has been
790 made by the assignee.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2021</i>	12-195h
Sec. 2	<i>October 1, 2021</i>	12-146
Sec. 3	<i>October 1, 2021</i>	7-254
Sec. 4	<i>October 1, 2021</i>	7-258
Sec. 5	<i>October 1, 2021</i>	7-239
Sec. 6	<i>October 1, 2021</i>	49-92p
Sec. 7	<i>October 1, 2021</i>	49-92o

Statement of Purpose:

To (1) limit the assignment of unpaid property tax, water and sewer liens, and (2) ensure that persons responsible for the payment of such liens are notified of any such assignment.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]