TOWN OF NORTH HAVEN

MEMORIAL TOWN HALL / 18 CHURCH STREET

NORTH HAVEN, CONNECTICUT 06473

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Town of North Haven Tax Collector & Town Clerk
Friday, February 25, 2022

RAISED BILL NO. 180 AN ACT ESTABLISHING THE INTEREST RATE FOR CERTAIN MUNICIPAL TAX LIENS

Good morning/afternoon members of the Committee on Banking. My name is J. Stacey Yarbrough, and I appreciate the opportunity to testify as relates to Raised bill No. 180. Raised bill No. 180 seeks to: reduce the interest rate on tax 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, the reduction of the current interest rate for assigned liens 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 deprive municipalities of a key collection technique and any incentive for the purchase of liens, thereby adding to pressure to create revenue the already harshly depleted budgets of Connecticut municipalities. In conclusion, as Tax Collector for the Town of North Haven, I am opposed to Raised bill No. 180, in so far as working to find ways to help my town's budgetary concerns being the goal. This bill does not help achieve said goal. It will work to deprive municipalities of revenue, and further the inappropriate disparity, lack of uniformity, and biased taxation issues which already plague our State. 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.