

# Banking Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-180  
AN ACT ESTABLISHING THE INTEREST RATE FOR CERTAIN MUNICIPAL  
**Title:** TAX LIENS.  
**Vote Date:** 3/8/2022  
**Vote Action:** Joint Favorable  
**PH Date:** 3/1/2022  
**File No.:** 52

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## **Sponsor of Bill:**

Banking Committee

## **Reason for Bill:**

This bill will reduce the interest on delinquent payments to assigned tax obligations from 18% to 12%. Up to now the Towns could sell the lien on a property without informing the property owner. Property owners would be unaware that the lien had been sold and this leads to increased costs to the owners.

## **Response from Administrative Agency:**

None Expressed

## **Nature and Sources of Support:**

**Paula Bacolini, Homeowner – Glastonbury, CT**

**Jeff Gentes, Connecticut Fair Housing Center, and the Housing Clinic**

**Rep. Edwin Vargas, Deputy Speaker – Connecticut General Assembly**

**Louis Roman, President – Pro Se Group**

**Tom Swan, Executive Director – Connecticut Citizen Action Group**

**Walt Ciplinski, Resident – State of Connecticut**

Supports this bill because it will create a more affordable interest rate for property owners. There needs to be more due process in issuing tax liens. Residents should be given more notice when liens are sold and when payments are due. Residents should be given the chance to address the issue and resolve it before the sale of such lien. This bill would allow people to resolve matters before they impact their financial wellbeing. 18% compounded is extremely unfair to citizens.

**Michael Porzio, Resident – State of Connecticut**

The 12% rate is an improvement of the delinquent rate. He would like to see the selling of tax liens banned in the state of Connecticut.

## **Nature and Sources of Opposition:**

**William L. Donlin, Connecticut Tax Collectors' Association**  
**Teresa M. Babon, President – Connecticut Tax Collector's Association**  
**Cory Gumbregicz, Tax Collector – City of Milford**  
**Patricia Kratochvil, Tax Collector – Town of East Windsor**  
**Kimberly Pokrywka, Tax Collector – Town of Roxbury**  
**Christine Silansky, Tax Collector – Town of Canton**  
**J. Stacey Yarbrough, Tax Collector and Town Clerk – Town of North Haven**  
**Scott M. Ferguson, Tax Collector – City of Danbury**  
**Betsy Gara, Executive Director – Connecticut Council of Small Towns**  
**Connecticut Conference of Municipalities**

Oppose S.B. 180 because it would end an important tool of lien assignment that municipalities rely on for funding their budgets and restoring real property to productive use. This bill arbitrarily reduces the interest rate from 18% to 12%. Towns that rely on tax lien assignments would be severely negatively impacted. This legislation encourages towns and cities to be more aggressive in enforcing and collecting its tax liens and this would cause more homeowners to face foreclosures. The purpose of the delinquent rate is to encourage people to pay on time, this bill would take away the incentive for people to pay on time.

**Reported by: Alexa Moyer/Dawn Marzik**

**3/22/22**