
OLR Bill Analysis

SB 180

AN ACT ESTABLISHING THE INTEREST RATE FOR CERTAIN MUNICIPAL TAX LIENS.

SUMMARY

This bill reduces, from 18% to 12%, the annual interest rate on unpaid municipal property taxes when a municipal tax collector files a lien on the property and assigns the lien (i.e., sells it to an outside party). Under existing law, unchanged by the bill, unpaid municipal property taxes generally accrue interest at a rate of 18% per year (CGS § 12-146).

By law, an assignee of a tax collector lien has the same powers and rights as the municipality and its tax collector if the lien had not been assigned. Under current law, this includes charging the 18% annual interest rate. However, beginning on the date a lien is assigned, the bill reduces this amount to 12% on the delinquent portion of the principal of the assigned taxes.

EFFECTIVE DATE: October 1, 2022

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 17 Nay 0 (03/08/2022)