
OLR Bill Analysis

SB 916

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

SUMMARY

This bill imposes restrictions on assigning or enforcing liens for delinquent sewer benefit assessments (assessments) or sewer use and connection charges (charges).

Under the bill, liens on owner-occupied property for municipal or regional sewer or water pollution control authority (WPCA) assessments or charges are not assignable or subject to certain enforcement actions until the principal exceeds \$4,000. Unlike liens imposed by regional entities, for municipal WPCA liens, this threshold is calculated separately for (1) use and connection charges and (2) benefit assessments.

Current law provides no minimum amount below which a WPCA lien cannot be assigned. (But unchanged by the bill, existing law generally prohibits assignees from reassigning liens without a municipality's consent.)

Current law also authorizes several lien enforcement options that do not require waiting until the delinquency exceeds a specific monetary threshold. However, unchanged by the bill, existing law prohibits assignees from bringing a foreclosure suit within one year after acquiring the lien. By law, WPCA liens (like property tax liens) become unenforceable if they are not enforced within 15 years of becoming due (CGS § 12-175).

EFFECTIVE DATE: October 1, 2023, and applicable to actions filed on or after that date.

ENFORCING WPCA LIENS

In addition to limiting lien assignments, the bill limits the enforcement actions available to collect on WPCA liens on owner-occupied properties in the following ways:

1. municipal WPCA assessments cannot be enforced (e.g., through foreclosure or non-judicial tax sale) until the combined principal exceeds \$4,000 (§ 1);
2. municipal WPCA charges cannot be foreclosed until the combined principal exceeds \$4,000 (§ 2); and
3. regional WPCA assessments and charges cannot be foreclosed or subject to a civil recovery action until the combined principal exceeds \$4,000 (§ 3).

BACKGROUND

Related Bill

SB 1142, favorably reported by the Planning and Development Committee, reduces the interest rate on delinquent property taxes (and certain other assessments) from 18% to 12% per year.

HB 6751, favorably reported by the Banking Committee, (1) reduces, from 18% to 12%, the annual interest rate on delinquent property taxes (and certain other assessments) from when the lien is assigned to a third party and (2) provides that attorney's fees may not be received, claimed, or collected until a foreclosure action or a suit on certain debts owed to municipalities and regional authorities starts, and caps them at 15% of the judgement amount.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 13 Nay 8 (03/08/2023)