
OLR Bill Analysis

SB 916 (File 218, as amended by Senate "A")*

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 (1) the principal exceeds \$4,000 or (2) five years have passed since the lien was filed and it remains unpaid. Unlike liens imposed by regional entities, for municipal WPCA liens, the monetary 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. Similarly, it does not impose a blanket waiting period before assigning a lien. (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, existing law prohibits assignees from bringing a foreclosure suit within one year after acquiring the lien. By law, WPCA liens (like property tax liens) generally become unenforceable if they are not enforced within 15 years of becoming due (CGS § 12-175).

*Senate Amendment "A" adds the alternative threshold for assigning

and enforcing the liens (i.e., the passage of five years without payment).

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 by imposing the following monetary thresholds:

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).

Alternatively, if the above monetary thresholds are not met, liens can be enforced if five years have passed since the lien was filed and it is still unpaid.

BACKGROUND

Related Bill

SB 1142 (File 434), favorably reported by the Planning and Development and Appropriations committees, reduces the interest rate on delinquent property taxes (and certain other assessments) from 18% to 12% per year.

HB 6751 (File 206), 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)