



Senate

General Assembly

File No. 218

January Session, 2023

Senate Bill No. 916

Senate, March 27, 2023

The Committee on Planning and Development reported through SEN. RAHMAN of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

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

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (a) to (c), inclusive, of section 7-254 of the
2 general statutes are repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2023, and applicable to actions filed on or after*
4 *October 1, 2023*):

5 (a) Any assessment of benefits or any installment thereof, not paid
6 within thirty days after the due date, shall be delinquent and shall be
7 subject to interest from such due date at the interest rate and in the
8 manner provided by the general statutes for delinquent property taxes.
9 Each addition of interest shall be collectible as a part of such assessment.

10 (b) (1) Whenever any installment of an assessment becomes
11 delinquent, the interest on such delinquent installment shall be as
12 provided in subsection (a) of this section or five dollars, whichever is

13 greater. Any unpaid assessment and any interest due thereon shall
14 constitute a lien upon the real estate against which the assessment was
15 levied from the date of such levy. Each such lien may be continued,
16 recorded and released in the manner provided by the general statutes
17 for continuing, recording and releasing property tax liens. Each such
18 lien shall take precedence over all other liens and encumbrances except
19 taxes and may be enforced, in accordance with subdivision (2) of this
20 subsection, in the same manner as property tax liens. The tax collector
21 of the municipality may collect such assessments in accordance with any
22 mandatory provision of the general statutes for the collection of
23 property taxes and the municipality may recover any such assessment
24 in a civil action against any person liable therefor.

25 (2) In the case of one or more liens for any unpaid assessment and
26 any interest due thereon, as described in subdivision (1) of this
27 subsection, upon any owner-occupied real estate, no such lien or liens
28 may be enforced unless the principal for all such liens upon such owner-
29 occupied real estate exceeds four thousand dollars.

30 (c) [Any] (1) Except as provided in subdivision (2) of this subsection,
31 any municipality, by resolution of its legislative body, may assign, for
32 consideration, any and all liens filed by the tax collector to secure unpaid
33 sewer assessments as provided under the provisions of this chapter. The
34 consideration received by the municipality shall be negotiated between
35 the municipality and the assignee.

36 (2) In the case of one or more liens filed by the tax collector to secure
37 unpaid assessments, as described in subdivision (1) of this subsection,
38 upon any owner-occupied real estate, no such lien or liens may be
39 assigned unless the principal for all such liens upon such owner-
40 occupied real estate exceeds four thousand dollars.

41 Sec. 2. Subsections (a) and (b) of section 7-258 of the general statutes
42 are repealed and the following is substituted in lieu thereof (*Effective*
43 *October 1, 2023, and applicable to actions filed on or after October 1, 2023*):

44 (a) (1) Any charge for connection with or for the use of a sewerage

45 system, not paid within thirty days of the due date, shall thereupon be
46 delinquent and shall bear interest from the due date at the rate and in
47 the manner provided by the general statutes for delinquent property
48 taxes. Each addition of interest shall be collectible as a part of such
49 connection or use charge. Any such unpaid connection or use charge
50 shall constitute a lien upon the real estate against which such charge was
51 levied from the date it became delinquent. Each such lien may be
52 continued, recorded and released in the manner provided by the general
53 statutes for continuing, recording and releasing property tax liens. Each
54 such lien shall take precedence over all other liens and encumbrances
55 except taxes and may be foreclosed in the same manner as a lien for
56 property taxes in accordance with subdivision (2) of this subsection. The
57 municipality may by ordinance designate the tax collector or any other
58 person as collector of sewerage system connection and use charges and
59 such collector of sewerage system connection and use charges may
60 collect such charges in accordance with the provisions of the general
61 statutes for the collection of property taxes. The municipality may
62 recover any such charges in a civil action against any person liable
63 therefor. For the purpose of establishing or revising such connection or
64 use charges and for the purpose of collecting such charges any
65 municipality may enter into agreements with any water company or
66 municipal water department furnishing water in such municipality for
67 the purchase from such water company or municipal water department
68 of information or services and such agreement may designate such
69 water company or municipal water department as a billing or collecting
70 agent of the collector of sewerage system connection and use charges in
71 the municipality. Any water company or municipal water department
72 may enter into and fulfill any such agreements and may utilize for the
73 collection of such charges any of the methods utilized by it for the
74 collection of its water charges.

75 (2) In the case of one or more liens for any unpaid connection or use
76 charge, as described in subdivision (1) of this subsection, upon any
77 owner-occupied real estate, no such lien or liens may be foreclosed
78 unless the principal for all such liens upon such owner-occupied real
79 estate exceeds four thousand dollars.

80 (b) [Any] (1) Except as provided in subdivision (2) of this subsection,
81 any municipality, by resolution of its legislative body, may assign, for
82 consideration, any and all liens filed by the tax collector or collector of
83 sewerage system connection and use charges to secure unpaid sewerage
84 connection and use charges as provided under the provisions of this
85 chapter. The consideration received by the municipality shall be
86 negotiated between the municipality and the assignee.

87 (2) In the case of one or more liens filed by the tax collector or collector
88 of sewerage system connection and use charges to secure unpaid
89 sewerage connection and use charges, as described in subdivision (1) of
90 this subsection, upon any owner-occupied real estate, no such lien or
91 liens may be assigned unless the principal for all such liens upon such
92 owner-occupied real estate exceeds four thousand dollars.

93 Sec. 3. Section 22a-506 of the general statutes is repealed and the
94 following is substituted in lieu thereof (*Effective October 1, 2023, and*
95 *applicable to actions filed on or after October 1, 2023*):

96 (a) An authority may (1) levy and collect benefit assessments upon
97 the lands and buildings within its jurisdiction that, in its judgment, are
98 especially benefited by a wastewater system; (2) establish, revise and
99 collect rates, fees, charges, penalties and assessments for the use and
100 benefits of a wastewater system; and (3) order the owner of any building
101 which is accessible to a wastewater system to connect to such system, all
102 in the manner provided in sections 7-249 to 7-257, inclusive, and sections
103 22a-416 to 22a-599, inclusive.

104 (b) (1) Any assessment of benefits, including any installment thereof,
105 and any charge, fee, fine or other amount that is not paid within thirty
106 days after the due date shall be delinquent, shall be subject to interest
107 and shall constitute a lien upon the premises served and a charge upon
108 the owner thereof all in the manner provided both by the provisions of
109 the general statutes for delinquent property taxes and by section 7-258,
110 as amended by this act. The rules and regulations of the authority may
111 provide for the discontinuance of water pollution control service for
112 nonpayment of taxes, special assessments, fees, rates, penalties or other

113 charges therefor imposed under sections 22a-500 to 22a-519, inclusive.
114 Such lien shall take precedence over all other liens or encumbrances
115 except taxes and may be foreclosed against the lot or building served, in
116 accordance with subdivision (2) of this subsection, in the same manner
117 as a lien for taxes, provided all such liens shall continue until such time
118 as they shall be discharged or foreclosed by the authority without the
119 necessity of filing certificates of continuation, but in no event for longer
120 than ten years. The authority may institute a civil action against such
121 owner to recover the amount of any such fee or charge which remains
122 due and unpaid for thirty days along with interest thereon at the same
123 rate as unpaid taxes and with reasonable attorneys' fees, provided no
124 such civil action to recover such amount may be instituted against the
125 owner of an owner-occupied premises unless the principal for such
126 amount exceeds four thousand dollars.

127 (2) In the case of one or more liens for any assessment of benefits and
128 any charge, fee, fine or other amount that is not paid within thirty days
129 after the due date, as described in subdivision (1) of this subsection,
130 upon any owner-occupied premises served, no such lien or liens may be
131 foreclosed unless the principal for all such liens upon such owner-
132 occupied premises served exceeds four thousand dollars.

133 Sec. 4. Subsection (a) of section 49-92o of the general statutes is
134 repealed and the following is substituted in lieu thereof (*Effective October*
135 *1, 2023, and applicable to actions filed on or after October 1, 2023*):

136 (a) [Any] (1) Except as provided in subdivision (2) of this subsection,
137 any regional sewer authority established under an act of the General
138 Assembly, may assign, for consideration, any and all liens filed by such
139 regional sewer authority to secure unpaid sewer assessments or
140 connection or use charges of the authority. The consideration received
141 by the authority shall be negotiated between the authority and the
142 assignee.

143 (2) In the case of one or more liens filed by a regional sewer authority
144 to secure unpaid sewer assessment or connection or use charges of the
145 authority, as described in subdivision (1) of this subsection, upon any

146 owner-occupied real estate, no such lien or liens may be assigned unless
147 the principal for all such liens upon such owner-occupied real estate
148 exceeds four thousand dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2023, and applicable to actions filed on or after October 1, 2023</i>	7-254(a) to (c)
Sec. 2	<i>October 1, 2023, and applicable to actions filed on or after October 1, 2023</i>	7-258(a) and (b)
Sec. 3	<i>October 1, 2023, and applicable to actions filed on or after October 1, 2023</i>	22a-506
Sec. 4	<i>October 1, 2023, and applicable to actions filed on or after October 1, 2023</i>	49-92o(a)

PD *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

The bill prevents municipal water pollution control authorities (WPCAs) from assigning or enforcing a lien on owner-occupied property until the outstanding principal reaches \$4,000.

By restricting the use of liens, the bill potentially reduces the amount of outstanding debt a municipal WPCA may collect. It is anticipated that any revenue loss a WPCA realizes as a result of the bill would be offset by increased sewer use fees and assessments on all users.

The Out Years**State Impact:** None**Municipal Impact:** None

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)