

Banking Committee JOINT FAVORABLE REPORT

Bill No.: HB-5144

Title: AN ACT CONCERNING THE ASSIGNMENT OF CERTAIN LIENS.

Vote Date: 3/12/2024

Vote Action: Joint Favorable

PH Date: 2/27/2024

File No.:

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SPONSORS OF BILL:

Banking Committee

CO-SPONSORS OF BILL:

Rep. Tom Delnicki, 14th Dist.

REASONS FOR BILL:

This bill looks to reduce the interest rate for certain tax liens and limit the amount an attorney can charge for their fee in a foreclosure judgement. There is a growing concern surrounding attorney fees within the foreclosure process, with some attorneys charging amounts that are crippling to the homeowners dealing with foreclosure and charging them too early. Delinquent tax liens are seen as an investment to debt buyers, and this would help ease the cost of interest on the homeowners when the debt has been sold from the municipality.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

NATURE AND SOURCES OF SUPPORT:

John Erlingheuser, Senior Director of Advocacy, AARP Connecticut Banking Committee, testified in support of HB-5144 on the grounds that it puts caps on attorney's fees at 15% of the judgement and prohibit them from being charged until the commencement of the foreclosure. The also testified in support of the reduction of unpaid property tax liens from 18% to 12% as it will be helpful to homeowners and still be at a competitive rate to encourage compliance.

Jeff Gentes, Connecticut Fair Housing Center, testified in support of HB-5144 on the grounds that it will make tax liens a less attractive investment for debt buyers and place limit on attorney fees.

Tom Mongellow, Art Corey, and Fritz Conway, Connecticut Bankers Association, testified in support of HB-5144 on the grounds that it will change tax lien laws giving protections to homeowners. They testify that current law gives debt buyers the same rights as municipalities when enacting foreclosures. They also say that it would prohibit attorney's fees from being unfairly charged to the homeowner in relation to the collection of delinquent taxes. They state that the bill does not affect the rate of interest that a municipality can collect on delinquent liens.

NATURE AND SOURCES OF OPPOSITION:

Several Tax Collectors from different municipalities and organizations representing said municipalities across the state wrote in opposition on HB-5144 on the grounds that it would cut the interest rates on liens from 18% to 12%. They all generally testified that this would weaken the collection enforcement that these municipalities depend on for their annual budgets. Their testimonies are listed as follow:

Linda Bates, Tax Collector, Town of Bethany
Jennifer Bilsky, Tax Collector, Town of Beacon Falls
Bridget Boucher, Revenue Collector, Town of Glastonbury
Anne Marie Burr, Revenue Collector, Town of Cheshire
Scott Ferguson, Tax Collector, City of Danbury
Betsy Gara, Executive Director, Connecticut Council of Small Towns
Tolly Gibbs, Tax Collector, Town of New Hartford
Cassie Gorman, Tax Collector, Town of Thomaston
Launa Goslee, Tax Collector, City of Torrington
Nicholas Guido, Tax Collector, City of Shelton
Cory Gumbrewicz, Tax Collector, City of Milford
Beth Hamel, Tax Collector, Town of Harwinton
Peter Juszczynski, Tax Collector, Town of Windsor Locks
David Kluczowski, Legislative Committee Chair, Connecticut Tax Collectors Association
Patricia Kratochvil, Tax Collector, Town of East Windsor
Kathy Larkins, Tax Collector, Town of Darien
Ana LeGassey, Tax Collector, Town of Plainville
Lindsay Seti, Advocacy Manager, Connecticut Conference of Municipalities

Reported by: Murray Cento

Date: 3/14/2024