

Planning and Development Committee

JOINT FAVORABLE REPORT

Bill No.: SB-149

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

Title: OTHER FEES AND CHARGES.

Vote Date: 3/1/2024

Vote Action: Joint Favorable Substitute

PH Date: 2/21/2024

File No.:

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SPONSORS OF BILL:

Planning and Development Committee

REASONS FOR BILL:

This bill would prohibit foreclosure, assignment and other enforcement actions for unpaid sewer assessment and other fees and charges in the case of owner-occupied real property for which the principal of such unpaid assessments, fees and charges is less than four thousand dollars. Some sewer authorities have engaged in foreclosing properties that have relatively small sewer debts, which would be below the prohibitions set by this legislation. The legislation seeks to protect Connecticut homeowners from these predatory and abusive collection practices of sewer authorities.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

[President Pro Tempore, Connecticut General Assembly, Martin M. Looney](#) supports the bill protecting homeowners from predatory collection practices. Originally the prohibition was set at \$10,000; the \$4,000 figure was reached through compromise discussions. Sen. Looney would support an additional compromise of the "\$4,000 or five years duration of the arrearage" if required to pass the legislation. Some sewer authorities within the state use abusive and predatory debt collection practices which lead to the foreclosures of properties with little debt. Sen. Looney cites multiple examples of The Greater New Haven Water Pollution Control Authority (GNHWPCA) using such practices to foreclose homes.

[Research and Policy Associate, Connecticut Voices for Children, Carmen Clarkin](#) supports the legislation making "headway on one of the many necessary reforms that will help minimize housing displacement in Connecticut." Sewer lien foreclosures are detrimental to homeowners as a \$2,500 fee is automatically added to the residents' debts to cover legal expenses. These foreclosures displace homeowners and renters alike, with rising housing costs and low vacancy rates, this displacement leads to fiscal and personal strain on Connecticut residents. CT Voices for Children attached their [most recent housing report](#) that details how these sewer debts impact Connecticut Families.

[Foreclosure Prevention, Connecticut Fair Housing Center, Jeff Gentes](#) supports S.B 149 as it would reduce abusive WPCA foreclosures. The addition of a \$2,500 fee to unpaid debts leads to sewer lien foreclosures primarily benefit "attorneys with connections to the sewer authorities, some of whom have reaped six figures in fees over the past few years, and those attorneys' favorite marshals." In the last few years, WPCAs have engaged in the foreclosure process for bills that are around \$1,000 or less, turning them into bills of more than \$3,000.

NATURE AND SOURCES OF OPPOSITION:

[Tax Clerk II, Town of Southington, Matthew Bunko](#)
[Director of Assessment \(Revenue\), Town of Southington, Teresa Babon](#)

These two pieces of testimonies oppose how the bill is currently written but support the general intent. Tax Collectors may only collect on grand lists that are not older than 15 years and most annual sewer bills are less than \$400. As currently written the bill would make communities wait 10 years before they could use the tools laid out in statute for collection. As "sewer charges are direct expenses for municipalities for the usage and maintenance of their sewer system, the delinquent usage amounts are passed on to other taxpayers in the form of higher rates." Babon suggests "that the proposed guardrail be based on the amount of years delinquent rather than the dollar amount owed" and believes a threshold of three years delinquent to be fair.

[Tax Collector, Town of Beacon Falls, Jennifer Bilsky](#)
[WSA Controller, Watertown Water & Sewer Authority, Michele Cyr](#)
[Tax Collector, Town of New Hartford, Tolly Gibbs](#)
[Tax Collector Clerk, City of Shelton, Nicholas Guido](#)
[Tax Collector, Town of Harwinton, Beth Hamel](#)
[Tax Collector, Town of Windsor Locks, Peter Juszczynski](#)
[Secretary, Connecticut Tax Collectors' Association, Patricia Kratochvil](#)
[Tax Collector, Town of Lebanon, Kelly Lawer](#)
[Tax Collector, Town of Plainville, Ana LeGassey](#)
[President Elect, Connecticut Tax Collectors' Association, Lisa Madden](#)
[Tax Collector, Town of Simsbury, Colleen O'Connor](#)
[Tax Collector, Town of Prospect, Megan Patchkofsky](#)
[Tax Collector, Town of Newtown, Erin Scott](#)

These 13 testimonies oppose the prohibition being set at \$4,000 and request it be lowered and based on the number of years delinquent. The testimonies express that many Tax Collectors have guardrails in place based on years delinquent and/or dollar amount. As

sewer usage bills typically do not exceed \$400, the legislation may delay collection enforcement, municipalities are concerned that waits of more than 10 years would occur before collection would be enforceable under this legislation. If a resident accrues debt that does not meet the \$4,000 prohibition in 15 years, collection would be unobtainable.

[First Selectman, Town of Stonington, Danielle Chesebrough](#) is concerned about how "the bill will undermine the ability of the town and cities across our State to collect delinquent sewer bills and other fees and charges." WPCAs rely on sewer use charges to operate within a municipality. Since WPCAs do not have the authority to stop services for non-payment like other utilities, WPCAs rely on liens as tools for obtaining overdue bills.

[Associate Director of Policy, The CCM, Randy Collins](#) discusses how The CCM has concluded that the " four-thousand-dollar threshold for any enforcement action is not workable and frankly prevents municipalities from effectively collecting taxes owed." CCM recommends a strike-all and replacement language that is listed in the testimony.

[Tax Collector, City of Danbury, Scott Ferguson](#) opposes the bill due to the language of Section 1(b)(2). This language would affect liens and municipalities being repaid when a property is sold. Additionally, these sewer charges are direct expenses to municipalities for the usage and maintenance of sewer systems.

[Executive Director, Connecticut Council of Small Towns, Betsy Gara](#) opposes the bill as WPCAs rely on these sewer use charges to operate and maintain systems. "COST would be happy to work with the various interested parties to develop recommendations for addressing issues regarding the enforcement actions for unpaid sewer bills."

[Executive Director, Connecticut Water Works Association, Elizabeth Gara](#) opposes this legislation because it "sets a difficult precedent which may hinder the collection of delinquent water bills by prohibiting municipalities from assigning liens unless the amount due is more than \$4,000.00." Concerned that SB-149 may undermine the ability to collect unpaid water and sewer charges and would be unfair to customers who pay bills on time.

[Tax Collector, City of Torrington, Launa Goslee](#) opposes S.B 149 due to the negative effect on municipal tax collection. The lack of permitted action to enforce tax liens will lower collection rates for these delinquent sewer charges. This loss of tax revenue will lead to increased costs to taxpayers who pay on time.

[Legislative Chair, CT Tax Collectors' Association, David Kluczowski](#) opposes the bill as the language creates ambiguity behind the action of "enforcing" payment. Sewer charges directly fund their sewer systems, and this loss of revenue will impact municipalities. The Association supports having protections in place before enforcement action but requests the \$4,000 prohibition be revised and based on the number of years delinquent.

[Director, WPCA Town of Stonington, Daniel Smith](#) opposes SB.149 as there would be no protections for WPCAs to collect debts less than \$4,000. As a result, WPCA would have to increase rates to make up for this revenue.

Reported by: Mario Volpe

Date: 3/14/2024