
OLR Bill Analysis

SB 1142

AN ACT CONCERNING CERTAIN DELINQUENT PROPERTY TAX PAYMENTS.

SUMMARY

This bill decreases the interest rate on delinquent property taxes from 18% to 12% per year (i.e., from 1.5% to 1% per month). It makes a conforming change to the interest rate for delinquent property taxes on property sold for tax purposes, but it retains the 1.5% per-month rate for delinquent property taxes on personal property used for certain telecommunications services (CGS § 12-80a). As under existing law, the minimum interest charge is \$2, which a municipality may, by vote of its legislative body, choose not to impose.

By law, the interest rate on other delinquent local taxes and assessments is linked to the interest rate municipalities charge on delinquent property taxes (e.g., sewer assessments, special taxing district taxes, and assessments on real estate with certain code violations for which the municipality incurred expenses). So, the bill also reduces the interest rate charged on these other delinquent taxes and assessments.

The bill also requires, rather than allows, tax collectors to waive interest on delinquent property taxes when the tax collector and assessor jointly determine that the delinquency was due to a mistake by either official and not the taxpayer's action or failure.

Lastly, the bill makes a technical change.

EFFECTIVE DATE: October 1, 2023, and applicable to assessment years beginning on or after that date.

BACKGROUND

Related Bill

HB 6751 (File 206), favorably reported by the Banking Committee, reduces, from 18% to 12%, the annual interest rate on unpaid property taxes when a tax collector files a lien on the property and assigns the lien (i.e., sells it to an outside party).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 18 Nay 3 (03/17/2023)