



General Assembly

January Session, 2023

Raised Bill No. 1142

LCO No. 4157



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

AN ACT CONCERNING CERTAIN DELINQUENT PROPERTY TAX PAYMENTS.

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

1 Section 1. Section 12-145 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2023, and*
3 *applicable to assessment years commencing on or after October 1, 2023*):

4 The tax collector of each municipality shall, at least five days next
5 preceding the time when each tax becomes due and payable, give notice
6 of the time and place at which the tax collector will receive such tax by
7 advertising in a newspaper published in such municipality or, if no
8 newspaper is published in such municipality, by advertising in any
9 newspaper of the state having a general circulation in such municipality
10 and by posting such notice on a signpost, a bulletin board or the
11 municipality's Internet web site. The tax collector shall repeat such
12 advertising within one week after such tax has become due and payable
13 and, again, at least five days before such tax becomes delinquent. Each
14 such notice shall give each date on which such tax shall become due and
15 payable and each date on which such tax shall become delinquent, and

16 shall state that, as soon as such tax becomes delinquent, it shall be
17 subject to interest at the rate of one [and one-half] per cent of such tax
18 for each month or fraction thereof which elapses from the time when
19 such tax becomes due and payable until the same is paid. The tax
20 collector of a municipality [may] shall waive the interest on delinquent
21 property taxes if the tax collector and the assessor, jointly, determine
22 that the delinquency is attributable to an error by the tax assessor or tax
23 collector and is not the result of any action or failure on the part of the
24 taxpayer. The tax collector shall notify the taxing authority of the
25 municipality of all waivers granted pursuant to this section.

26 Sec. 2. Section 12-146 of the general statutes is repealed and the
27 following is substituted in lieu thereof (*Effective October 1, 2023, and*
28 *applicable to assessment years commencing on or after October 1, 2023*):

29 Unless the context otherwise requires, wherever used in this section,
30 "tax" includes each property tax and each installment and part thereof
31 due to a municipality as it may have been increased by interest, fees and
32 charges. If any tax due in a single installment or if any installment of any
33 tax due in two or more installments is not paid in full (1) on or before
34 the first day of the month next succeeding the month in which it became
35 due and payable, or if not due and payable on the first day of the month,
36 (2) on or before the same date of the next succeeding month
37 corresponding to that of the month on which it became due and payable,
38 the whole or such part of such installment as is unpaid shall thereupon
39 be delinquent and shall be subject to interest from the due date of such
40 delinquent installment. Except for unpaid real estate taxes the collection
41 of which was, or is, deferred under the provisions of section 12-174, and
42 any predecessor and successor thereto, which unpaid real estate taxes
43 continue to be subject to the provisions of such deferred collection
44 statutes, the delinquent portion of the principal of any tax shall be
45 subject to interest at the rate of [eighteen] twelve per cent per annum
46 from the time when it became due and payable until the same is paid,
47 subject to a minimum interest charge of two dollars per installment
48 which any municipality, by vote of its legislative body, may elect not to
49 impose, and provided, in any computation of such interest, under any

50 provision of this section, each fractional part of a month in which any
51 portion of the principal of such tax remains unpaid shall be considered
52 to be equivalent to a whole month. Each addition of interest shall
53 become, and shall be collectible as, a part of such tax. Interest shall
54 accrue at said rate until payment of such taxes due notwithstanding the
55 entry of any judgment in favor of the municipality against the taxpayer
56 or the property of the taxpayer. The collector shall apply each partial
57 payment to [the wiping out of] such accrued interest before making any
58 application thereof to the reduction of such principal. If any tax, at the
59 time of assessment or because of a subsequent division, represents two
60 or more items of property, the collector may receive payment in full of
61 such part of the principal and interest of such tax as represents one or
62 more of such items, even though interest in full on the entire amount of
63 the principal of such tax has not been received up to the date of such
64 payment; in which event, interest on the remaining portion of the
65 principal of any such tax shall be computed, as the case may be, from
66 the due date of such tax if no other payment after delinquency has been
67 made or from the last date of payment of interest in full on the whole
68 amount or unpaid balance of the principal of such delinquent tax if
69 previous payment of interest has been made. Each collector shall keep a
70 separate account of such interest and the time when the same has been
71 received and shall pay over the same to the treasurer of the municipality
72 of the collector as a part of such tax. No tax or installment thereof shall
73 be construed to be delinquent under the provisions of this section if (A)
74 such tax or installment was paid through a municipal electronic
75 payment service within the time allowed by statute for payment of such
76 tax or installment, or (B) the envelope containing the amount due as
77 such tax or installment, as received by the tax collector of the
78 municipality to which such tax is payable, bears a postmark showing a
79 date within the time allowed by statute for the payment of such tax or
80 installment. Any municipality may, by vote of its legislative body,
81 require that any delinquent property taxes shall be paid only in cash or
82 by certified check or money order. Any municipality adopting such
83 requirement may provide that such requirement shall only be applicable
84 to delinquency exceeding a certain period in duration as determined by

85 such municipality. Any municipality shall waive all or a portion of the
86 interest due and payable under this section on a delinquent tax with
87 respect to a taxpayer who has received compensation under chapter 968
88 as a crime victim.

89 Sec. 3. Subsection (f) of section 12-157 of the general statutes is
90 repealed and the following is substituted in lieu thereof (*Effective October*
91 *1, 2023, and applicable to assessment years commencing on or after October 1,*
92 *2023*):

93 (f) Within sixty days after such sale, the collector shall cause to be
94 published in a newspaper having a daily general circulation in the town
95 in which the real property is located, and shall send by certified mail,
96 return receipt requested, to the delinquent taxpayer and each
97 mortgagee, lienholder and other encumbrancer of record whose interest
98 in such property is choate and is affected by such sale, a notice stating
99 the date of the sale, the name and address of the purchaser, the amount
100 the purchaser paid for the property and the date the redemption period
101 will expire. The notice shall include a statement that if redemption does
102 not take place by the date stated and in the manner provided by law, the
103 delinquent taxpayer, and all mortgagees, lienholders and other
104 encumbrancers who have received actual or constructive notice of such
105 sale as provided by law, that their respective titles, mortgages, liens,
106 restraints on alienation and other encumbrances in such property shall
107 be extinguished. After such notice is published, and not later than six
108 months after the date of the sale or within sixty days if the property was
109 abandoned or meets other conditions established by ordinance adopted
110 by the legislative body of the municipality, if the delinquent taxpayer,
111 mortgagee, lienholder or other encumbrancer whose interest in the
112 property will be affected by such sale, pays to the collector, the amount
113 of taxes, interest and charges which were due and owing at the time of
114 the sale together with interest on the total purchase price paid by the
115 purchaser at the rate of [eighteen] twelve per cent per annum from the
116 date of such sale plus any taxes and debts owed to the municipality that
117 were not recovered by the sale and any additional charges under section
118 12-140, such deed, executed pursuant to subsection (e) of this section,

119 shall be delivered to the collector by the town clerk for cancellation and
 120 the collector shall provide a certificate of satisfaction to the person
 121 paying the money who, if not the person whose primary duty it was to
 122 pay the tax or taxes, shall have a claim against the person whose primary
 123 duty it was to pay such tax or taxes for the amount so paid, and may
 124 add the same with the equivalent precedence, rate of interest and
 125 priority as the tax paid over other nongovernmental encumbrances but
 126 without precedence or priority over any state or municipal tax lien or
 127 any tax that was not yet due and payable when notice of the levy was
 128 first published to any claim for which he has security upon the property
 129 sold, provided the certificate of satisfaction is recorded on the land
 130 records but the interests of other persons in the property shall not be
 131 affected. Within ten days of receipt of such amounts in redemption of
 132 the levied property, the collector shall notify the purchaser by certified
 133 mail, return receipt requested, that the property has been redeemed and
 134 shall tender such payment, together with the amount held pursuant to
 135 subparagraph (A) of subdivision (1) of subsection (i) of this section, if
 136 any, to the purchaser. If the purchase money and interest are not paid
 137 within such redemption period, the deed shall be recorded and have full
 138 effect.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2023, and applicable to assessment years commencing on or after October 1, 2023</i>	12-145
Sec. 2	<i>October 1, 2023, and applicable to assessment years commencing on or after October 1, 2023</i>	12-146
Sec. 3	<i>October 1, 2023, and applicable to assessment years commencing on or after October 1, 2023</i>	12-157(f)

Statement of Purpose:

To (1) reduce the interest rate on delinquent property tax payments from eighteen per cent to twelve per cent, and (2) require tax collectors to waive interest on such delinquent payments if such delinquency is attributable to error and not any action or failure of the taxpayer.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]