



House of Representatives

General Assembly

File No. 168

February Session, 2024

Substitute House Bill No. 5144

House of Representatives, March 28, 2024

The Committee on Banking reported through REP. DOUCETTE of the 13th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE ASSIGNMENT OF CERTAIN LIENS.

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

1 Section 1. Section 12-195h of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2024*):

3 (a) Any municipality, by resolution of its legislative body, as defined
4 in section 1-1, may assign, for consideration, any and all liens filed by
5 the tax collector to secure unpaid taxes on real property as provided
6 under the provisions of this chapter. The consideration received by the
7 municipality shall be negotiated between the municipality and the
8 assignee.

9 (b) The assignee or assignees of such liens shall have and possess the
10 same powers and rights at law or in equity that such municipality and
11 municipality's tax collector would have had if the lien had not been
12 assigned with regard to the precedence and priority of such lien, the
13 accrual of interest and the fees and expenses of collection and of
14 preparing and recording the assignment, except that: (1) For

15 assignments executed on or after July 1, 2025, commencing on the date
16 of the assignment, interest shall accrue on the delinquent portion of the
17 principal of the assigned tax obligation at the rate of twelve per cent per
18 annum; and (2) any such assignee [(1)] (A) shall not be insulated from
19 liability for its conduct by virtue of the provisions of section 42-110c, and
20 [(2)] (B) shall be obligated to provide a payoff statement, as defined in
21 section 49-8a, in the same manner as a mortgagee in accordance with the
22 requirements of section 49-10a. The assignee shall have the same rights
23 to enforce such liens as any private party holding a lien on real property
24 including, but not limited to, foreclosure and a suit on the debt.

25 (c) (1) No such assignment executed on or after July 1, 2022, shall be
26 valid or enforceable unless memorialized in a contract executed by the
27 municipality and the assignee that is in writing and provides: [(1)] (A)
28 The manner in which the assignee will provide to the owner of the real
29 property that is the subject of the assignment one or more addresses and
30 telephone numbers that may be used for correspondence with the
31 assignee about the debt and payment thereof; [(2)] (B) the earliest and
32 latest dates by which the assignee shall commence any foreclosure or
33 suit on the debt or the manner for determining such dates, except as may
34 be impacted by any payment arrangement, bankruptcy petition or other
35 circumstance, provided in no event shall the assignee commence a
36 foreclosure suit before one year has elapsed since the assignee's
37 purchase of the lien; [(3)] (C) the structure and rates of attorney's fees
38 that the assignee may claim against the owner or owners of such real
39 property in any foreclosure, suit on the debt or otherwise, and a
40 prohibition from using as foreclosure counsel any attorney or law office
41 that is owned by, employs or contracts with any person having an
42 interest in such assignee; [(4)] (D) confirmation that the owner of the real
43 property for which the lien has been filed shall be a third-party
44 beneficiary entitled to enforce the covenants and responsibilities of the
45 assignee as contained in the contract; [(5)] (E) a prohibition on the
46 assignee assigning the lien without the municipality's prior written
47 consent; [(6)] (F) the detail and frequency of reports provided to the
48 municipality's tax collector regarding the status of the assigned liens;
49 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to

50 section 31-57b, to be assigned the lien because of occupational safety and
51 health law violations; [(8)] ~~(H)~~ disclosure of [(A)] ~~(i)~~ all resolved and
52 pending arbitrations and litigation matters in which the assignee or any
53 of its principals have been involved within the last ten years, except
54 foreclosure actions involving liens purchased from or assigned by
55 governmental entities, [(B)] ~~(ii)~~ all criminal proceedings that the
56 assignee or any of its principals has ever been the subject, [(C)] ~~(iii)~~ any
57 interest in the subject property held by the assignee or any of its
58 principals, officers or agents, and [(D)] ~~(iv)~~ each instance in which the
59 assignee or any of its principals was found to have violated any state or
60 local ethics law, regulation, ordinance, code, policy or standard, or to
61 have committed any other offense arising out of the submission of
62 proposals or bids or the performance of work on public contract; and
63 [(9)] ~~(I)~~ such additional terms to which the municipality and the assignee
64 mutually agree, consistent with applicable law.

65 (2) No such assignment executed on or after July 1, 2025, shall be valid
66 or enforceable unless such assignment is memorialized in a written
67 contract that: (A) Is executed by the municipality and the assignee; (B)
68 includes a requirement that no attorney's fees shall be received, claimed
69 or collected until the commencement of a foreclosure or suit on the debt;
70 and (C) includes the provisions set forth in subparagraphs (A) to (I),
71 inclusive, of subdivision (1) of this subsection.

72 (d) The assignee, or any subsequent assignee, shall provide written
73 notice of an assignment, not later than sixty days after the date of such
74 assignment, to the owner and any holder of a mortgage, on the real
75 property that is the subject of the assignment, provided such owner or
76 holder is of record as of the date of such assignment. Such notice shall
77 include information sufficient to identify: (1) [the] The property that is
78 subject to the lien and in which the holder has an interest; [,] (2) the name
79 and addresses of the assignee; [,] and (3) the amount of unpaid taxes,
80 interest and fees being assigned relative to the subject property as of the
81 date of the assignment.

82 (e) Not less than sixty days prior to commencing an action to foreclose

83 a lien under this section, the assignee shall provide a written notice, by
84 first-class mail, to the holders of all first or second security interests on
85 the property subject to the lien that were recorded before the date the
86 assessment the lien sought to be enforced became delinquent. Such
87 notice shall set forth: (1) The amount of unpaid debt owed to the
88 assignee as of the date of the notice; (2) the amount of any attorney's fees
89 and costs incurred by the assignee in the enforcement of the lien as of
90 the date of the notice; (3) a statement of the assignee's intention to
91 foreclose the lien if the amounts set forth pursuant to subdivisions (1)
92 and (2) of this subsection are not paid to the assignee on or before sixty
93 days after the date the notice is provided; (4) the assignee's contact
94 information, including, but not limited to, the assignee's name, mailing
95 address, telephone number and electronic mail address, if any; and (5)
96 instructions concerning the acceptable means of making a payment on
97 the amounts owed to the assignee as set forth pursuant to subdivisions
98 (1) and (2) of this subsection. Any notice required under this subsection
99 shall be effective upon the date such notice is provided.

100 (f) When providing the written notice required under subsection (e)
101 of this section, the assignee may rely on the last recorded security
102 interest of record in identifying the name and mailing address of the
103 holder of such interest, unless the holder of such interest is the plaintiff
104 in an action pending in Superior Court to enforce such interest, in which
105 case the assignee shall provide the written notice to the attorney
106 appearing on behalf of the plaintiff.

107 (g) Each aspect of a foreclosure, sale or other disposition under this
108 section, including, but not limited to, the costs, [attorney] attorney's fees,
109 method, advertising, time, date, place and terms, shall be commercially
110 reasonable, and, for actions commenced on or after July 1, 2025, such
111 attorney's fees shall not exceed fifteen per cent of the amount of any
112 judgment that is entered.

113 Sec. 2. Section 7-254 of the general statutes is repealed and the
114 following is substituted in lieu thereof (*Effective October 1, 2024*):

115 (a) Any assessment of benefits or any installment thereof, not paid

116 within thirty days after the due date, shall be delinquent and shall be
117 subject to interest from such due date at the interest rate and in the
118 manner provided by the general statutes for delinquent property taxes.
119 Each addition of interest shall be collectible as a part of such assessment.

120 (b) Whenever any installment of an assessment becomes delinquent,
121 the interest on such delinquent installment shall be as provided in
122 subsection (a) of this section or five dollars, whichever is greater. Any
123 unpaid assessment and any interest due thereon shall constitute a lien
124 upon the real estate against which the assessment was levied from the
125 date of such levy. Each such lien may be continued, recorded and
126 released in the manner provided by the general statutes for continuing,
127 recording and releasing property tax liens. Each such lien shall take
128 precedence over all other liens and encumbrances except taxes and may
129 be enforced in the same manner as property tax liens. The tax collector
130 of the municipality may collect such assessments in accordance with any
131 mandatory provision of the general statutes for the collection of
132 property taxes and the municipality may recover any such assessment
133 in a civil action against any person liable therefor.

134 (c) Any municipality, by resolution of its legislative body, may assign,
135 for consideration, any and all liens filed by the tax collector to secure
136 unpaid sewer assessments as provided under the provisions of this
137 chapter. The consideration received by the municipality shall be
138 negotiated between the municipality and the assignee.

139 (d) The assignee or assignees of such liens shall have and possess the
140 same powers and rights at law or in equity as such municipality and
141 municipality's tax collector would have had if the lien had not been
142 assigned with regard to the precedence and priority of such lien, the
143 accrual of interest and the fees and expenses of collection, except that
144 any such assignee; (1) [shall] Shall not be insulated from liability by
145 virtue of the provisions of section 42-110c; [,] and (2) shall be obligated
146 to provide a payoff statement, as defined in section 49-8a, in the same
147 manner as a mortgagee in accordance with the requirements of section
148 49-10a. The assignee shall have the same rights to enforce such liens as

149 any private party holding a lien on real property, including, but not
150 limited to, foreclosure and a suit on the debt.

151 (e) (1) No such assignment executed on or after July 1, 2022, shall be
152 valid or enforceable unless memorialized in a contract executed by the
153 authority and the assignee that is in writing and provides: [(1)] (A) The
154 manner in which the assignee will provide to the owner of the real
155 property that is the subject of the assignment one or more addresses and
156 telephone numbers that may be used for correspondence with the
157 assignee about the debt and payment thereof; [(2)] (B) the earliest and
158 latest dates by which the assignee shall commence any foreclosure or
159 suit on the debt or the manner for determining such dates, except as may
160 be impacted by any payment arrangement, bankruptcy petition or other
161 circumstance, provided in no event shall the assignee commence a
162 foreclosure suit before one year has elapsed since the assignee's
163 purchase of the lien; [(3)] (C) the structure and rates of attorney's fees
164 that the assignee may claim against the owner or owners of such real
165 property in any foreclosure, suit on the debt or otherwise, and a
166 prohibition from using as foreclosure counsel any attorney or law office
167 that is owned by, employs or contracts with any person having an
168 interest in such assignee; [(4)] (D) confirmation that the owner of the real
169 property for which the lien has been filed shall be a third-party
170 beneficiary entitled to enforce the covenants and responsibilities of the
171 assignee as contained in the contract; [(5)] (E) a prohibition on the
172 assignee assigning the lien without the municipality's prior written
173 consent; [(6)] (F) the detail and frequency of reports provided to the
174 municipality's tax collector regarding the status of the assigned liens;
175 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to
176 section 31-57b, to be assigned the lien because of occupational safety and
177 health law violations; [(8)] (H) disclosure of [(A)] (i) all resolved and
178 pending arbitrations and litigation matters in which the assignee or any
179 of its principals have been involved within the last ten years, except
180 foreclosure actions involving liens purchased from or assigned by
181 governmental entities, [(B)] (ii) all criminal proceedings that the
182 assignee or any of its principals has ever been the subject, [(C)] (iii) any
183 interest in the subject property held by the assignee or any of its

184 principals, officers or agents, and [(D)] (iv) each instance in which the
185 assignee or any of its principals was found to have violated any state or
186 local ethics law, regulation, ordinance, code, policy or standard, or to
187 have committed any other offense arising out of the submission of
188 proposals or bids or the performance of work on public contract; and
189 [(9)] (I) such additional terms to which the municipality and the assignee
190 mutually agree, consistent with applicable law.

191 (2) No such assignment executed on or after July 1, 2025, shall be valid
192 or enforceable unless such assignment is memorialized in a written
193 contract that: (A) Is executed by the authority and the assignee; (B)
194 includes a requirement that no attorney's fees shall be received, claimed
195 or collected until the commencement of a foreclosure or suit on the debt;
196 and (C) includes the provisions set forth in subparagraphs (A) to (I),
197 inclusive, of subdivision (1) of this subsection.

198 (f) The assignee, or any subsequent assignee, shall provide written
199 notice of an assignment, not later than sixty days after the date of such
200 assignment, to the owner and any holder of a mortgage on the real
201 property that is the subject of the assignment, provided such owner or
202 holder is of record as of the date of such assignment. Such notice shall
203 include information sufficient to identify: (1) [the] The property that is
204 subject to the lien and in which the holder has an interest; [,] (2) the name
205 and addresses of the assignee; [,] and (3) the amount of unpaid taxes,
206 interest and fees being assigned relative to the subject property as of the
207 date of the assignment.

208 (g) Not less than sixty days prior to commencing an action to
209 foreclose a lien under this section, the assignee shall provide a written
210 notice, by first-class mail, to the holders of all first or second security
211 interests on the property subject to the lien that were recorded before
212 the date the assessment of the lien sought to be enforced became
213 delinquent. Such notice shall set forth: (1) The amount of unpaid debt
214 owed to the assignee as of the date of the notice; (2) the amount of any
215 attorney's fees and costs incurred by the assignee in the enforcement of
216 the lien as of the date of the notice; (3) a statement of the assignee's

217 intention to foreclose the lien if the amounts set forth pursuant to
218 subdivisions (1) and (2) of this subsection are not paid to the assignee
219 on or before sixty days after the date on which the notice is provided;
220 (4) the assignee's contact information, including, but not limited to, the
221 assignee's name, mailing address, telephone number and electronic mail
222 address, if any; and (5) instructions concerning the acceptable means of
223 making a payment on the amounts owed to the assignee as set forth
224 pursuant to subdivisions (1) and (2) of this subsection. Any notice
225 required under this subsection shall be effective upon the date such
226 notice is provided.

227 (h) When providing the written notice required under subsection (g)
228 of this section, the assignee may rely on the last recorded security
229 interest of record in identifying the name and mailing address of the
230 holder of such interest, unless the holder of such interest is the plaintiff
231 in an action pending in Superior Court to enforce such interest, in which
232 case the assignee shall provide the written notice to the attorney
233 appearing on behalf of the plaintiff.

234 (i) Each aspect of a foreclosure, sale or other disposition under this
235 section, including, but not limited to, the costs, [attorney] attorney's fees,
236 method, advertising, time, date, place and terms, shall be commercially
237 reasonable, and, for actions commenced on or after July 1, 2025, such
238 attorney's fees shall not exceed fifteen per cent of the amount of any
239 judgment that is entered.

240 Sec. 3. Section 7-258 of the general statutes is repealed and the
241 following is substituted in lieu thereof (*Effective October 1, 2024*):

242 (a) Any charge for connection with or for the use of a sewerage
243 system, not paid within thirty days of the due date, shall thereupon be
244 delinquent and shall bear interest from the due date at the rate and in
245 the manner provided by the general statutes for delinquent property
246 taxes. Each addition of interest shall be collectible as a part of such
247 connection or use charge. Any such unpaid connection or use charge
248 shall constitute a lien upon the real estate against which such charge was
249 levied from the date [it] such charge became delinquent. Each such lien

250 may be continued, recorded and released in the manner provided by the
251 general statutes for continuing, recording and releasing property tax
252 liens. Each such lien shall take precedence over all other liens and
253 encumbrances except taxes and may be foreclosed in the same manner
254 as a lien for property taxes. The municipality may by ordinance
255 designate the tax collector or any other person as collector of sewerage
256 system connection and use charges and such collector of sewerage
257 system connection and use charges may collect such charges in
258 accordance with the provisions of the general statutes for the collection
259 of property taxes. The municipality may recover any such charges in a
260 civil action against any person liable therefor. For the purpose of
261 establishing or revising such connection or use charges and for the
262 purpose of collecting such charges, any municipality may enter into
263 agreements with any water company or municipal water department
264 furnishing water in such municipality for the purchase from such water
265 company or municipal water department of information or services, and
266 such agreement may designate such water company or municipal water
267 department as a billing or collecting agent of the collector of sewerage
268 system connection and use charges in the municipality. Any water
269 company or municipal water department may enter into and fulfill any
270 such agreements and may utilize for the collection of such charges any
271 of the methods utilized by [it] such water company or municipal water
272 department for the collection of its water charges.

273 (b) Any municipality, by resolution of its legislative body, may
274 assign, for consideration, any and all liens filed by the tax collector or
275 collector of sewerage system connection and use charges to secure
276 unpaid sewerage connection and use charges as provided under the
277 provisions of this chapter. The consideration received by the
278 municipality shall be negotiated between the municipality and the
279 assignee.

280 (c) The assignee or assignees of such liens shall have and possess the
281 same powers and rights at law or in equity as such municipality and
282 municipality's tax collector would have had if the lien had not been
283 assigned with regard to the precedence and priority of such lien, the

284 accrual of interest and the fees and expenses of collection, except that
285 any such assignee: (1) [~~shall~~] Shall not be insulated from liability for its
286 conduct by virtue of the provisions of section 42-110c; [,] and (2) shall be
287 obligated to provide a payoff statement, as defined in section 49-8a, in
288 the same manner as a mortgagee in accordance with the requirements
289 of section 49-10a. The assignee shall have the same rights to enforce such
290 liens as any private party holding a lien on real property, including, but
291 not limited to, foreclosure and a suit on the debt.

292 (d) (1) No such assignment executed on or after July 1, 2022, shall be
293 valid or enforceable unless memorialized in a contract executed by the
294 authority and the assignee that is in writing and provides: [(1)] (A) The
295 manner in which the assignee will provide to the owner of the real
296 property that is the subject of the assignment one or more addresses and
297 telephone numbers that may be used for correspondence with the
298 assignee about the debt and payment thereof; [(2)] (B) the earliest and
299 latest dates by which the assignee shall commence any foreclosure or
300 suit on the debt or the manner for determining such dates, except as may
301 be impacted by any payment arrangement, bankruptcy petition or other
302 circumstance, provided in no event shall the assignee commence a
303 foreclosure suit before one year has elapsed since the assignee's
304 purchase of the lien; [(3)] (C) the structure and rates of attorney's fees
305 that the assignee may claim against the owner or owners of such real
306 property in any foreclosure, suit on the debt or otherwise, and a
307 prohibition from using as foreclosure counsel any attorney or law office
308 that is owned by, employs or contracts with any person having an
309 interest in such assignee; [(4)] (D) confirmation that the owner of the real
310 property for which the lien has been filed shall be a third-party
311 beneficiary entitled to enforce the covenants and responsibilities of the
312 assignee as contained in the contract; [(5)] (E) a prohibition on the
313 assignee assigning the lien without the municipality's prior written
314 consent; [(6)] (F) the detail and frequency of reports provided to the
315 municipality's tax collector regarding the status of the assigned liens;
316 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to
317 section 31-57b, to be assigned the lien because of occupational safety and
318 health law violations; [(8)] (H) disclosure of [(A)] (i) all resolved and

319 pending arbitrations and litigation matters in which the assignee or any
320 of its principals have been involved within the last ten years, except
321 foreclosure actions involving liens purchased from or assigned by
322 governmental entities, [(B)] (ii) all criminal proceedings that the
323 assignee or any of its principals has ever been the subject, [(C)] (iii) any
324 interest in the subject property held by the assignee or any of its
325 principals, officers or agents, and [(D)] (iv) each instance in which the
326 assignee or any of its principals was found to have violated any state or
327 local ethics law, regulation, ordinance, code, policy or standard, or to
328 have committed any other offense arising out of the submission of
329 proposals or bids or the performance of work on public contract; and
330 [(9)] (I) such additional terms to which the municipality and the assignee
331 mutually agree consistent with applicable law.

332 (2) No such assignment executed on or after July 1, 2025, shall be valid
333 or enforceable unless such assignment is memorialized in a written
334 contract that: (A) Is executed by the authority and the assignee; (B)
335 includes a requirement that no attorney's fees shall be received, claimed
336 or collected until the commencement of a foreclosure or suit on the debt;
337 and (C) includes the provisions set forth in subparagraphs (A) to (I),
338 inclusive, of subdivision (1) of this subsection.

339 (e) The assignee, or any subsequent assignee, shall provide written
340 notice of an assignment, not later than sixty days after the date of such
341 assignment, to the owner and any holder of a mortgage on the real
342 property that is the subject of the assignment, provided such owner or
343 holder is of record as of the date of such assignment. Such notice shall
344 include information sufficient to identify: (1) [the] The property that is
345 subject to the lien and in which the holder has an interest; [,] (2) the name
346 and addresses of the assignee; [,] and (3) the amount of unpaid taxes,
347 interest and fees being assigned relative to the subject property as of the
348 date of the assignment.

349 (f) Not less than sixty days prior to commencing an action to foreclose
350 a lien under this section, the assignee shall provide a written notice, by
351 first-class mail, to the holders of all first or second security interests on

352 the property subject to the lien that were recorded before the date the
353 assessment of the lien sought to be enforced became delinquent. Such
354 notice shall set forth: (1) The amount of unpaid debt owed to the
355 assignee as of the date of the notice; (2) the amount of any attorney's fees
356 and costs incurred by the assignee in the enforcement of the lien as of
357 the date of the notice; (3) a statement of the assignee's intention to
358 foreclose the lien if the amounts set forth pursuant to subdivisions (1)
359 and (2) of this subsection are not paid to the assignee on or before sixty
360 days after the date the notice is provided; (4) the assignee's contact
361 information, including, but not limited to, the assignee's name, mailing
362 address, telephone number and electronic mail address, if any; and (5)
363 instructions concerning the acceptable means of making a payment on
364 the amounts owed to the assignee as set forth pursuant to subdivisions
365 (1) and (2) of this subsection. Any notice required under this subsection
366 shall be effective upon the date such notice is provided.

367 (g) When providing the written notice required under subsection (f)
368 of this section, the assignee may rely on the last recorded security
369 interest of record in identifying the name and mailing address of the
370 holder of such interest, unless the holder of such interest is the plaintiff
371 in an action pending in Superior Court to enforce such interest, in which
372 case the assignee shall provide the written notice to the attorney
373 appearing on behalf of the plaintiff.

374 (h) Each aspect of a foreclosure, sale or other disposition under this
375 section, including, but not limited to, the costs, [attorney] attorney's fees,
376 method, advertising, time, date, place and terms, shall be commercially
377 reasonable, and, for actions commenced on or after July 1, 2025, such
378 attorney's fees shall not exceed fifteen per cent of the amount of any
379 judgment that is entered.

380 Sec. 4. Section 7-239 of the general statutes is repealed and the
381 following is substituted in lieu thereof (*Effective October 1, 2024*):

382 (a) The legislative body shall establish just and equitable rates or
383 charges for the use of the waterworks system authorized in this
384 subsection, to be paid by the owner of each lot or building which is

385 connected with and uses such system, and may change such rates or
386 charges from time to time. Such rates or charges shall be sufficient in
387 each year for the payment of the expense of operation, repair,
388 [replacements] replacement and maintenance of such system and for the
389 payment of the sums in this subsection required to be paid into the
390 sinking fund. In establishing such rates or charges, the legislative body
391 shall consider measures that promote water conservation and reduce
392 the demand on the state's water and energy resources. Such rates or
393 charges may include: (1) Demand projections that recognize the effects
394 of conservation; [] (2) implementation of metering and measures to
395 provide timely price signals to consumers; [] (3) multiyear rate plans; []
396 (4) measures to reduce system water losses; [] and (5) alternative rate
397 designs that promote conservation. No such rate or charge shall be
398 established until after a public hearing at which all the users of the
399 waterworks system and the owners of property served or to be served
400 and others interested shall have an opportunity to be heard concerning
401 such proposed rate or charge. Notice of such hearing shall be given, at
402 least ten days before the date set therefor, in a newspaper having a
403 circulation in such municipality. Such notice shall set forth a schedule
404 of rates or charges, and a copy of the schedule of rates or charges
405 established shall be kept on file in the office of the legislative body and
406 in the office of the clerk of the municipality, and shall be open to
407 inspection by the public. The rates or charges so established for any class
408 of users or property served shall be extended to cover any additional
409 premises thereafter served which are within the same class, without the
410 necessity of a hearing thereon. Any change in such rates or charges may
411 be made in the same manner in which they were established, provided,
412 if any change is made substantially pro rata as to all classes of service,
413 no hearing shall be required. The provisions of this section shall not
414 apply to the sale of bottled water.

415 (b) If any rates or charges established pursuant to this section are not
416 paid within thirty days after the due date, demand for such rates or
417 charges may be made on the owner of the premises served in the manner
418 provided in subsection (a) of section 12-155, and thereafter an alias tax
419 warrant may be issued in the manner provided in sections 12-135 and

420 12-162. The rates or charges established pursuant to this section, if not
421 paid when due, shall constitute a lien upon the premises served and a
422 charge against the owner thereof, which lien and charge shall bear
423 interest at the same rate as would unpaid taxes. Such a lien not released
424 of record prior to October 1, 1993, shall not continue for more than two
425 years unless the superintendent of the waterworks system has filed a
426 certificate of continuation of the lien in the manner provided under
427 section 12-174 for the continuance of tax liens, and when so continued
428 shall be valid for fifteen years. A lien described in this section shall take
429 precedence over all other liens or encumbrances except taxes and may
430 be foreclosed against the lot or building served in the same manner as a
431 lien for taxes.

432 (c) Any municipality, by resolution of its legislative body, may assign,
433 for consideration, any and all liens filed by the superintendent of the
434 waterworks system or tax collector to secure unpaid water charges as
435 provided under the provisions of this chapter. The consideration
436 received by the municipality shall be negotiated between the
437 municipality and the assignee.

438 (d) The assignee or assignees of such liens shall have and possess the
439 same powers and rights at law or in equity as such municipality and
440 municipality's tax collector would have had if the lien had not been
441 assigned with regard to the precedence and priority of such lien, the
442 accrual of interest and the fees and expenses of collection, except that
443 any such assignee: (1) [shall] Shall not be insulated from liability for its
444 conduct by virtue of the provisions of section 42-110c; [] and (2) any
445 such assignee shall be obligated to provide a payoff statement, as
446 defined in section 49-8a, in the same manner as a mortgagee in
447 accordance with the requirements of section 49-10a. The assignee shall
448 have the same rights to enforce such liens as any private party holding
449 a lien on real property, including, but not limited to, foreclosure and a
450 suit on the debt.

451 (e) (1) No such assignment executed on or after July 1, 2022, shall be
452 valid or enforceable unless memorialized in a contract executed by the

453 authority and the assignee that is in writing and provides: [(1)] (A) The
454 manner in which the assignee will provide to the owner of the real
455 property that is the subject of the assignment one or more addresses and
456 telephone numbers that may be used for correspondence with the
457 assignee about the debt and payment thereof; [(2)] (B) the earliest and
458 latest dates by which the assignee shall commence any foreclosure or
459 suit on the debt or the manner for determining such dates, except as may
460 be impacted by any payment arrangement, bankruptcy petition or other
461 circumstance, provided in no event shall the assignee commence a
462 foreclosure suit before one year has elapsed since the assignee's
463 purchase of the lien; [(3)] (C) the structure and rates of attorney's fees
464 that the assignee may claim against the owner or owners of such real
465 property in any foreclosure, suit on the debt or otherwise, and a
466 prohibition from using as foreclosure counsel any attorney or law office
467 that is owned by, employs or contracts with any person having an
468 interest in such assignee; [(4)] (D) confirmation that the owner of the real
469 property for which the lien has been filed shall be a third-party
470 beneficiary entitled to enforce the covenants and responsibilities of the
471 assignee as contained in the contract; [(5)] (E) a prohibition on the
472 assignee assigning the lien without the municipality's prior written
473 consent; [(6)] (F) the detail and frequency of reports provided to the
474 municipality's tax collector regarding the status of the assigned liens;
475 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to
476 section 31-57b, to be assigned the lien because of occupational safety and
477 health law violations; [(8)] (H) disclosure of [(A)] (i) all resolved and
478 pending arbitrations and litigation matters in which the assignee or any
479 of its principals have been involved within the last ten years, except
480 foreclosure actions involving liens purchased from or assigned by
481 governmental entities, [(B)] (ii) all criminal proceedings that the
482 assignee or any of its principals has ever been the subject, [(C)] (iii) any
483 interest in the subject property held by the assignee or any of its
484 principals, officers or agents, and [(D)] (iv) each instance in which the
485 assignee or any of its principals was found to have violated any state or
486 local ethics law, regulation, ordinance, code, policy or standard, or to
487 have committed any other offense arising out of the submission of

488 proposals or bids or the performance of work on public contract; and
489 [(9)] (I) such additional terms to which the municipality and the assignee
490 mutually agree consistent with applicable law.

491 (2) No such assignment executed on or after July 1, 2025, shall be valid
492 or enforceable unless such assignment is memorialized in a written
493 contract that: (A) Is executed by the authority and the assignee; (B)
494 includes a requirement that no attorney's fees shall be received, claimed
495 or collected until the commencement of a foreclosure or suit on the debt;
496 and (C) includes the provisions set forth in subparagraphs (A) to (I),
497 inclusive, of subdivision (1) of this subsection.

498 (f) The assignee, or any subsequent assignee, shall provide written
499 notice of an assignment, not later than sixty days after the date of such
500 assignment, to the owner and any holder of a mortgage on the real
501 property that is the subject of the assignment, provided such owner or
502 holder is of record as of the date of such assignment. Such notice shall
503 include information sufficient to identify: (1) [the] The property that is
504 subject to the lien and in which the holder has an interest; [,] (2) the name
505 and addresses of the assignee; [,] and (3) the amount of unpaid taxes,
506 interest and fees being assigned relative to the subject property as of the
507 date of the assignment.

508 (g) Not less than sixty days prior to commencing an action to
509 foreclose a lien under this section, the assignee shall provide a written
510 notice, by first-class mail, to the holders of all first or second security
511 interests on the property subject to the lien that were recorded before
512 the date the assessment of the lien sought to be enforced became
513 delinquent. Such notice shall set forth: (1) The amount of unpaid debt
514 owed to the assignee as of the date of the notice; (2) the amount of any
515 attorney's fees and costs incurred by the assignee in the enforcement of
516 the lien as of the date of the notice; (3) a statement of the assignee's
517 intention to foreclose the lien if the amounts set forth pursuant to
518 subdivisions (1) and (2) of this subsection are not paid to the assignee
519 on or before sixty days after the date the notice is provided; (4) the
520 assignee's contact information, including, but not limited to, the

521 assignee's name, mailing address, telephone number and electronic mail
522 address, if any; and (5) instructions concerning the acceptable means of
523 making a payment on the amounts owed to the assignee as set forth
524 pursuant to subdivisions (1) and (2) of this subsection. Any notice
525 required under this subsection shall be effective upon the date such
526 notice is provided.

527 (h) When providing the written notice required under subsection (g)
528 of this section, the assignee may rely on the last recorded security
529 interest of record in identifying the name and mailing address of the
530 holder of such interest, unless the holder of such interest is the plaintiff
531 in an action pending in Superior Court to enforce such interest, in which
532 case the assignee shall provide the written notice to the attorney
533 appearing on behalf of the plaintiff.

534 (i) Each aspect of a foreclosure, sale or other disposition under this
535 section, including, but not limited to, the costs, [attorney] attorney's fees,
536 method, advertising, time, date, place and terms, shall be commercially
537 reasonable, and, for actions commenced on or after July 1, 2025, such
538 attorney's fees shall not exceed fifteen per cent of the amount of any
539 judgment that is entered. Costs and reasonable [attorneys'] attorney's
540 fees incurred by the assignee as a result of any foreclosure action or
541 other legal proceeding brought pursuant to this section and directly
542 related to the proceeding shall be taxed in any such proceeding against
543 each person having title to any property subject to the proceedings. Such
544 costs [and fees] may be collected by the assignee at any time after
545 demand for payment has been made by the assignee.

546 (j) The amount of any such rate or charge which remains due and
547 unpaid for thirty days may, with reasonable [attorneys'] attorney's fees,
548 be recovered by the legislative body in a civil action in the name of the
549 municipality against such owners. For civil actions commenced on or
550 after July 1, 2025, such attorney's fees shall not exceed fifteen per cent of
551 the amount of any judgment that is entered. The municipality shall be
552 subject to the same rates or charges under the same conditions as other
553 users of such waterworks system.

554 Sec. 5. Section 49-92o of the general statutes is repealed and the
555 following is substituted in lieu thereof (*Effective October 1, 2024*):

556 (a) Any regional sewer authority established under an act of the
557 General Assembly, may assign, for consideration, any and all liens filed
558 by such regional sewer authority to secure unpaid sewer assessments or
559 connection or use charges of the authority. The consideration received
560 by the authority shall be negotiated between the authority and the
561 assignee.

562 (b) The assignee or assignees of such liens shall have and possess the
563 same powers and rights at law or in equity as such authority would have
564 had if the lien had not been assigned with regard to the precedence and
565 priority of such lien, the accrual of interest and the fees and expenses of
566 collection, except that any such assignee: (1) ~~[shall]~~ Shall not be
567 insulated from liability by section 42-110c; ~~[,]~~ and (2) shall be obligated
568 to provide a payoff statement, as defined in section 49-8a, in the same
569 manner as a mortgagee in accordance with the requirements of section
570 49-10a. The assignee shall have the same rights to enforce such liens as
571 any private party holding a lien on real property, including, but not
572 limited to, foreclosure and a suit on the debt.

573 (c) ~~(1)~~ No such assignment executed on or after July 1, 2022, shall be
574 valid or enforceable unless memorialized in a contract executed by the
575 authority and the assignee that is in writing and provides: ~~[(1)]~~ (A) The
576 manner in which the assignee will provide to the owner of the real
577 property that is the subject of the assignment one or more addresses and
578 telephone numbers that may be used for correspondence with the
579 assignee about the debt and payment thereof; ~~[(2)]~~ (B) the earliest and
580 latest dates by which the assignee shall commence any foreclosure or
581 suit on the debt or the manner for determining such dates, except as may
582 be impacted by any payment arrangement, bankruptcy petition or other
583 circumstance, provided in no event shall the assignee commence a
584 foreclosure suit before one year has elapsed since the assignee's
585 purchase of the lien; ~~[(3)]~~ (C) the structure and rates of attorney's fees
586 that the assignee may claim against the owner or owners of such real

587 property in any foreclosure, suit on the debt or otherwise, and a
588 prohibition from using as foreclosure counsel any attorney or law office
589 that is owned by, employs or contracts with any person having an
590 interest in such assignee; [(4)] (D) confirmation that the owner of the real
591 property for which the lien has been filed shall be a third-party
592 beneficiary entitled to enforce the covenants and responsibilities of the
593 assignee as contained in the contract; [(5)] (E) a prohibition on the
594 assignee assigning the lien without the municipality's prior written
595 consent; [(6)] (F) the detail and frequency of reports provided to the
596 municipality's tax collector regarding the status of the assigned liens;
597 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to
598 section 31-57b, to be assigned the lien because of occupational safety and
599 health law violations; [(8)] (H) disclosure of [(A)] (i) all resolved and
600 pending arbitrations and litigation matters in which the assignee or any
601 of its principals have been involved within the last ten years, except
602 foreclosure actions involving liens purchased from or assigned by
603 governmental entities, [(B)] (ii) all criminal proceedings that the
604 assignee or any of its principals has ever been the subject, [(C)] (iii) any
605 interest in the subject property held by the assignee or any of its
606 principals, officers or agents, and [(D)] (iv) each instance in which the
607 assignee or any of its principals was found to have violated any state or
608 local ethics law, regulation, ordinance, code, policy or standard, or to
609 have committed any other offense arising out of the submission of
610 proposals or bids or the performance of work on public contract; and
611 [(9)] (I) such additional terms to which the municipality and the assignee
612 mutually agree consistent with applicable law.

613 (2) No such assignment executed on or after July 1, 2025, shall be valid
614 or enforceable unless such assignment is memorialized in a written
615 contract that: (A) Is executed by the authority and the assignee; (B)
616 includes a requirement that no attorney's fees shall be received, claimed
617 or collected until the commencement of a foreclosure or suit on the debt;
618 and (C) includes the provisions set forth in subparagraphs (A) to (I),
619 inclusive, of subdivision (1) of this subsection.

620 (d) The assignee, or any subsequent assignee, shall provide written

621 notice of an assignment, not later than sixty days after the date of such
622 assignment, to the owner and any holder of a mortgage on the real
623 property that is the subject of the assignment, provided such owner or
624 holder is of record as of the date of such assignment. Such notice shall
625 include information sufficient to identify: (1) [the] The property that is
626 subject to the lien and in which the holder has an interest; [,] (2) the name
627 and addresses of the assignee; [,] and (3) the amount of unpaid taxes,
628 interest and fees being assigned relative to the subject property as of the
629 date of the assignment.

630 (e) Not less than sixty days prior to commencing an action to foreclose
631 a lien assigned under this section, the assignee shall provide a written
632 notice, by first-class mail to the holders of all first or second security
633 interests on the property subject to the lien that were recorded before
634 the date the assessment of such lien became delinquent. Such notice
635 shall set forth: (1) The amount of unpaid debt owed to the assignee as of
636 the date of the notice; (2) the amount of any attorney's fees and costs
637 incurred by the assignee in the enforcement of the lien as of the date of
638 the notice; (3) a statement of the assignee's intention to foreclose the lien
639 if the amounts set forth pursuant to subdivisions (1) and (2) of this
640 subsection are not paid to the assignee on or before sixty days after the
641 date the notice is provided; (4) the assignee's contact information,
642 including, but not limited to, the assignee's name, mailing address,
643 telephone number and electronic mail address, if any; and (5)
644 instructions concerning the acceptable means of making a payment on
645 the amounts owed to the assignee as set forth pursuant to subdivisions
646 (1) and (2) of this subsection. Any notice required under this subsection
647 shall be effective upon the date such notice is provided.

648 (f) When providing the written notice required under subsection (e)
649 of this section, the assignee may rely on the last recorded security
650 interest of record in identifying the name and mailing address of the
651 holder of such interest, unless the holder of such interest is the plaintiff
652 in an action pending in Superior Court to enforce such interest, in which
653 case the assignee shall provide the written notice to the attorney
654 appearing on behalf of the plaintiff.

655 (g) Each aspect of a foreclosure, sale or other disposition under this
656 section, including, but not limited to, the costs, [attorney] attorney's fees,
657 method, advertising, time, date, place and terms, shall be commercially
658 reasonable, and, for actions commenced on or after July 1, 2025, such
659 attorney's fees shall not exceed fifteen per cent of the amount of any
660 judgment that is entered. Costs and reasonable [attorneys'] attorney's
661 fees incurred by the assignee as a result of any foreclosure action or
662 other legal proceeding brought pursuant to this section and directly
663 related to the proceeding shall be taxed in any such proceeding against
664 each person having title to any property subject to the proceedings. Such
665 costs [and fees] may be collected by the assignee at any time after
666 demand for payment has been made by the assignee.

667 Sec. 6. Section 49-92p of the general statutes is repealed and the
668 following is substituted in lieu thereof (*Effective October 1, 2024*):

669 (a) Any regional water authority established under an act of the
670 General Assembly, may assign, for consideration, any and all liens filed
671 by such regional water authority to secure unpaid water assessments or
672 connection or use charges of the authority. The consideration received
673 by the authority shall be negotiated between the authority and the
674 assignee.

675 (b) The assignee or assignees of such liens shall have and possess the
676 same powers and rights at law or in equity as such authority would have
677 had if the lien had not been assigned with regard to the precedence and
678 priority of such lien, the accrual of interest and the fees and expenses of
679 collection, except that such assignee: (1) [shall] Shall not be insulated
680 from liability for its conduct by virtue of the provisions of section 42-
681 110c; [.] and (2) shall be obligated to provide a payoff statement, as
682 defined in section 49-8a, in the same manner as a mortgagee in
683 accordance with the requirements of section 49-10a. The assignee shall
684 have the same rights to enforce such liens as any private party holding
685 a lien on real property, including, but not limited to, foreclosure and a
686 suit on the debt.

687 (c) (1) No such assignment executed on or after July 1, 2022, shall be

688 valid or enforceable unless memorialized in a contract executed by the
689 authority and the assignee that is in writing and provides: [(1)] (A) The
690 manner in which the assignee will provide to the owner of the real
691 property that is the subject of the assignment one or more addresses and
692 telephone numbers that may be used for correspondence with the
693 assignee about the debt and payment thereof; [(2)] (B) the earliest and
694 latest dates by which the assignee shall commence any foreclosure or
695 suit on the debt or the manner for determining such dates, except as may
696 be impacted by any payment arrangement, bankruptcy petition or other
697 circumstance, provided in no event shall the assignee commence a
698 foreclosure suit before one year has elapsed since the assignee's
699 purchase of the lien; [(3)] (C) the structure and rates of attorney's fees
700 that the assignee may claim against the owner or owners of such real
701 property in any foreclosure, suit on the debt or otherwise, and a
702 prohibition from using as foreclosure counsel any attorney or law office
703 that is owned by, employs or contracts [having] with any person [with]
704 having an interest in such assignee; [(4)] (D) confirmation that the owner
705 of the real property for which the lien has been filed shall be a third-
706 party beneficiary entitled to enforce the covenants and responsibilities
707 of the assignee as contained in the contract; [(5)] (E) a prohibition on the
708 assignee assigning the lien without the municipality's prior written
709 consent; [(6)] (F) the detail and frequency of reports provided to the
710 municipality's tax collector regarding the status of the assigned liens;
711 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to
712 section 31-57b, to be assigned the lien because of occupational safety and
713 health law violations; [(8)] (H) disclosure of [(A)] (i) all resolved and
714 pending arbitrations and litigation matters in which the assignee or any
715 of its principals have been involved within the last ten years, except
716 foreclosure actions involving liens purchased from or assigned by
717 governmental entities, [(B)] (ii) all criminal proceedings that the
718 assignee or any of its principals has ever been the subject, [(C)] (iii) any
719 interest in the subject property held by the assignee or any of its
720 principals, officers or agents, and [(D)] (iv) each instance in which the
721 assignee or any of its principals was found to have violated any state or
722 local ethics law, regulation, ordinance, code, policy or standard, or to

723 have committed any other offense arising out of the submission of
724 proposals or bids or the performance of work on public contract; and
725 [(9)] (I) such additional terms to which the municipality and the assignee
726 mutually agree consistent with applicable law.

727 (2) No such assignment executed on or after July 1, 2025, shall be valid
728 or enforceable unless such assignment is memorialized in a written
729 contract that: (A) Is executed by the authority and the assignee; (B)
730 includes a requirement that no attorney's fees shall be received, claimed
731 or collected until the commencement of a foreclosure or suit on the debt;
732 and (C) includes the provisions set forth in subparagraphs (A) to (I),
733 inclusive, of subdivision (1) of this subsection.

734 (d) The assignee, or any subsequent assignee, shall provide written
735 notice of an assignment, not later than sixty days after the date of such
736 assignment, to the owner and any holder of a mortgage on the real
737 property that is the subject of the assignment, provided such owner or
738 holder is of record as of the date of such assignment. Such notice shall
739 include information sufficient to identify: (1) [the] The property that is
740 subject to the lien and in which the holder has an interest; [,] (2) the name
741 and addresses of the assignee; [,] and (3) the amount of unpaid taxes,
742 interest and fees being assigned relative to the subject property as of the
743 date of the assignment.

744 (e) Not less than sixty days prior to commencing an action to foreclose
745 a lien under this section, the assignee shall provide a written notice, by
746 first-class mail to the holders of all first or second security interests on
747 the property subject to the lien that were recorded before the date the
748 assessment of the lien sought to be enforced became delinquent. Such
749 notice shall set forth: (1) The amount of unpaid debt owed to the
750 assignee as of the date of the notice; (2) the amount of any attorney's fees
751 and costs incurred by the assignee in the enforcement of the lien as of
752 the date of the notice; (3) a statement of the assignee's intention to
753 foreclose the lien if the amounts set forth pursuant to subdivisions (1)
754 and (2) of this subsection are not paid to the assignee on or before sixty
755 days after the date the notice is provided; (4) the assignee's contact

756 information, including, but not limited to, the assignee's name, mailing
 757 address, telephone number and electronic mail address, if any; and (5)
 758 instructions concerning the acceptable means of making a payment on
 759 the amounts owed to the assignee as set forth pursuant to subdivisions
 760 (1) and (2) of this subsection. Any notice required under this subsection
 761 shall be effective upon the date such notice is provided.

762 (f) When providing the written notice required under subsection (e)
 763 of this section, the assignee may rely on the last recorded security
 764 interest of record in identifying the name and mailing address of the
 765 holder of such interest, unless the holder of such interest is the plaintiff
 766 in an action pending in Superior Court to enforce such interest, in which
 767 case the assignee shall provide the written notice to the attorney
 768 appearing on behalf of the plaintiff.

769 (g) Each aspect of a foreclosure, sale or other disposition under this
 770 section, including, but not limited to, the costs, [attorney] attorney's fees,
 771 method, advertising, time, date, place and terms, shall be commercially
 772 reasonable, and, for actions commenced on or after July 1, 2025, such
 773 attorney's fees shall not exceed fifteen per cent of the amount of any
 774 judgment that is entered. Costs and reasonable [attorneys'] attorney's
 775 fees incurred by the assignee as a result of any foreclosure action or
 776 other legal proceeding brought pursuant to this section and directly
 777 related to the proceeding shall be taxed in any such proceeding against
 778 each person having title to any property subject to the proceedings. Such
 779 costs [and fees] may be collected by the assignee at any time after
 780 demand for payment has been made by the assignee.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2024	12-195h
Sec. 2	October 1, 2024	7-254
Sec. 3	October 1, 2024	7-258
Sec. 4	October 1, 2024	7-239
Sec. 5	October 1, 2024	49-92o
Sec. 6	October 1, 2024	49-92p

Statement of Legislative Commissioners:

In Section 1(c)(2), "such assignment: (A) Is memorialized in a contract executed by the municipality and the assignee that is in writing" was changed to "such assignment is memorialized in a written contract that: (A) Is executed by the municipality and the assignee" for clarity; in Sections 2(e)(2), 3(d)(2), 4(e)(2), 5(c)(2) and 6(c)(2), "such assignment: (A) Is memorialized in a contract executed by the authority and the assignee that is in writing" was changed to "such assignment is memorialized in a written contract that: (A) Is executed by the authority and the assignee" for clarity; in Sections 1(c)(2)(C), 2(e)(2)(C), 3(d)(2)(C), 4(e)(2)(C), 5(c)(2)(C) and 6(c)(2)(C), "described" was changed to "set forth" for clarity; in Sections 1(g), 2(i), 3(h), 4(i), 5(g) and 6(g), "attorney fees" was changed to "[attorney] attorney's fees" for consistency; in Sections 4(i), 4(j), 5(g) and 6(g), "attorneys' fees" was changed to "[attorneys'] attorney's fees" for consistency; and in Section 4(j), "civil" was added before "action" for internal consistency.

BA *Joint Favorable Subst. -LCO*

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: See below

Explanation

The bill (1) reduces the interest rate on municipal tax liens that are sold to a third party from 18% to 12% in FY 26, (2) limits the validity and enforceability of the lien assignments, and (3) caps attorney's fees in connection with each aspect of a foreclosure, sale, or other disposition of these liens. This potentially reduces the number of third parties willing to purchase municipal tax liens. To the extent that this occurs, it restricts a municipality's option to sell tax liens to recoup outstanding debt beginning in FY 26.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5144*****AN ACT CONCERNING THE ASSIGNMENT OF CERTAIN LIENS.*****SUMMARY**

Starting July 1, 2025, this bill reduces, from 18% to 12%, the annual interest rate on delinquent property taxes when a municipal tax collector files a lien on the property and assigns the lien (i.e., sells it to an outside party). Under existing law, unchanged by the bill, delinquent property taxes generally accrue interest at a rate of 18% per year (CGS § 12-146).

By law, an assignee of a municipal tax lien (i.e., person who bought the lien) has the same powers and rights as the municipality and its tax collector would have if the lien had not been assigned. Under current law, this includes charging the 18% annual interest rate. However, for assignments executed on or after July 1, 2025, and beginning on the date a lien is assigned, the bill reduces this amount to 12% on the delinquent portion of the principal of the assigned taxes.

Additionally, the bill limits the validity and enforceability of these assignments unless they are in a written contract executed by the municipality and the assignee that includes (1) a requirement that no attorney's fees will be received, claimed, or collected until the start of a foreclosure action or suit on the debt and (2) other provisions required under existing law for assignments executed on or after July 1, 2022 (e.g., the structure and rates of attorney's fees that the assignee may claim and a prohibition on the assignee assigning the lien without the municipality's prior written consent). For actions beginning on or after July 1, 2025, the bill also caps the attorney's fees in connection with a foreclosure, sale, or other disposition of these assigned liens at 15% of the amount of any judgment entered.

The bill extends the above validity and enforceability provision and attorney’s fees cap provision to assigned liens for delinquent (1) municipal sewer assessments, (2) municipal sewer connection and use charges, (3) municipal water charges, (4) regional water authority water assessments or connection or use charges, and (5) regional sewer authority sewer assessments or connection or use charges. These extensions apply to assignments executed on or after July 1, 2025, and for actions beginning on or after that date.

Lastly, the bill makes several technical changes.

EFFECTIVE DATE: October 1, 2024

BACKGROUND

Related Bills

sSB 149 (File 39), favorably reported by the Planning and Development Committee, makes liens on owner-occupied property for (1) municipal or regional sewer or water pollution control authority delinquent sewer benefit assessments or (2) sewer use and connection charges not assignable or subject to certain enforcement actions until the principal exceeds \$4,000 or five years have passed since the lien was filed and it remains unpaid.

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 12 Nay 0 (03/12/2024)