



# Senate

General Assembly

**File No. 39**

February Session, 2024

Substitute Senate Bill No. 149

*Senate, March 18, 2024*

The Committee on Planning and Development reported through SEN. RAHMAN of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING FORECLOSURE, ASSIGNMENT AND OTHER ENFORCEMENT ACTIONS FOR UNPAID SEWER ASSESSMENTS AND OTHER FEES AND CHARGES.***

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

1 Section 1. Subsections (a) to (c), inclusive, of section 7-254 of the  
2 general statutes are repealed and the following is substituted in lieu  
3 thereof (*Effective October 1, 2024, and applicable to actions filed on or after*  
4 *October 1, 2024*):

5 (a) Any assessment of benefits or any installment thereof, not paid  
6 within thirty days after the due date, shall be delinquent and shall be  
7 subject to interest from such due date at the interest rate and in the  
8 manner provided by the general statutes for delinquent property taxes.  
9 Each addition of interest shall be collectible as a part of such assessment.

10 (b) (1) Whenever any installment of an assessment becomes  
11 delinquent, the interest on such delinquent installment shall be as  
12 provided in subsection (a) of this section or five dollars, whichever is

13 greater. Any unpaid assessment and any interest due thereon shall  
14 constitute a lien upon the real estate against which the assessment was  
15 levied from the date of such levy. Each such lien may be continued,  
16 recorded and released in the manner provided by the general statutes  
17 for continuing, recording and releasing property tax liens. Each such  
18 lien shall take precedence over all other liens and encumbrances except  
19 taxes and may be enforced, in accordance with subdivision (2) of this  
20 subsection, in the same manner as property tax liens. The tax collector  
21 of the municipality may collect such assessments in accordance with any  
22 mandatory provision of the general statutes for the collection of  
23 property taxes and the municipality may recover any such assessment  
24 in a civil action against any person liable therefor.

25 (2) In the case of one or more liens for any unpaid assessment and  
26 any interest due thereon, as described in subdivision (1) of this  
27 subsection, upon any owner-occupied real estate, no such lien or liens  
28 may be enforced unless the principal for all such liens upon such owner-  
29 occupied real estate exceeds four thousand dollars or five years have  
30 elapsed from the date any such lien was filed and such lien remains  
31 unpaid.

32 (c) [Any] (1) Except as provided in subdivision (2) of this subsection,  
33 any municipality, by resolution of its legislative body, may assign, for  
34 consideration, any and all liens filed by the tax collector to secure unpaid  
35 sewer assessments as provided under the provisions of this chapter. The  
36 consideration received by the municipality shall be negotiated between  
37 the municipality and the assignee.

38 (2) In the case of one or more liens filed by the tax collector to secure  
39 unpaid assessments, as described in subdivision (1) of this subsection,  
40 upon any owner-occupied real estate, no such lien or liens may be  
41 assigned unless the principal for all such liens upon such owner-  
42 occupied real estate exceeds four thousand dollars or five years have  
43 elapsed from the date any such lien was filed and such lien remains  
44 unpaid.

45 Sec. 2. Subsections (a) and (b) of section 7-258 of the general statutes

46 are repealed and the following is substituted in lieu thereof (*Effective*  
47 *October 1, 2024, and applicable to actions filed on or after October 1, 2024*):

48 (a) (1) Any charge for connection with or for the use of a sewerage  
49 system, not paid within thirty days of the due date, shall thereupon be  
50 delinquent and shall bear interest from the due date at the rate and in  
51 the manner provided by the general statutes for delinquent property  
52 taxes. Each addition of interest shall be collectible as a part of such  
53 connection or use charge. Any such unpaid connection or use charge  
54 shall constitute a lien upon the real estate against which such charge was  
55 levied from the date it became delinquent. Each such lien may be  
56 continued, recorded and released in the manner provided by the general  
57 statutes for continuing, recording and releasing property tax liens. Each  
58 such lien shall take precedence over all other liens and encumbrances  
59 except taxes and may be foreclosed in the same manner as a lien for  
60 property taxes in accordance with subdivision (2) of this subsection. The  
61 municipality may by ordinance designate the tax collector or any other  
62 person as collector of sewerage system connection and use charges and  
63 such collector of sewerage system connection and use charges may  
64 collect such charges in accordance with the provisions of the general  
65 statutes for the collection of property taxes. The municipality may  
66 recover any such charges in a civil action against any person liable  
67 therefor. For the purpose of establishing or revising such connection or  
68 use charges and for the purpose of collecting such charges any  
69 municipality may enter into agreements with any water company or  
70 municipal water department furnishing water in such municipality for  
71 the purchase from such water company or municipal water department  
72 of information or services and such agreement may designate such  
73 water company or municipal water department as a billing or collecting  
74 agent of the collector of sewerage system connection and use charges in  
75 the municipality. Any water company or municipal water department  
76 may enter into and fulfill any such agreements and may utilize for the  
77 collection of such charges any of the methods utilized by it for the  
78 collection of its water charges.

79 (2) In the case of one or more liens for any unpaid connection or use

80 charge, as described in subdivision (1) of this subsection, upon any  
81 owner-occupied real estate, no such lien or liens may be foreclosed  
82 unless the principal for all such liens upon such owner-occupied real  
83 estate exceeds four thousand dollars or five years have elapsed from the  
84 date any such lien was filed and such lien remains unpaid.

85 (b) [Any] (1) Except as provided in subdivision (2) of this subsection,  
86 any municipality, by resolution of its legislative body, may assign, for  
87 consideration, any and all liens filed by the tax collector or collector of  
88 sewerage system connection and use charges to secure unpaid sewerage  
89 connection and use charges as provided under the provisions of this  
90 chapter. The consideration received by the municipality shall be  
91 negotiated between the municipality and the assignee.

92 (2) In the case of one or more liens filed by the tax collector or collector  
93 of sewerage system connection and use charges to secure unpaid  
94 sewerage connection and use charges, as described in subdivision (1) of  
95 this subsection, upon any owner-occupied real estate, no such lien or  
96 liens may be assigned unless the principal for all such liens upon such  
97 owner-occupied real estate exceeds four thousand dollars or five years  
98 have elapsed from the date any such lien was filed and such lien remains  
99 unpaid.

100 Sec. 3. Section 22a-506 of the general statutes is repealed and the  
101 following is substituted in lieu thereof (*Effective October 1, 2024, and*  
102 *applicable to actions filed on or after October 1, 2024*):

103 (a) An authority may (1) levy and collect benefit assessments upon  
104 the lands and buildings within its jurisdiction that, in its judgment, are  
105 especially benefited by a wastewater system; (2) establish, revise and  
106 collect rates, fees, charges, penalties and assessments for the use and  
107 benefits of a wastewater system; and (3) order the owner of any building  
108 which is accessible to a wastewater system to connect to such system, all  
109 in the manner provided in sections 7-249 to 7-257, inclusive, and sections  
110 22a-416 to 22a-599, inclusive.

111 (b) (1) Any assessment of benefits, including any installment thereof,

112 and any charge, fee, fine or other amount that is not paid within thirty  
113 days after the due date shall be delinquent, shall be subject to interest  
114 and shall constitute a lien upon the premises served and a charge upon  
115 the owner thereof all in the manner provided both by the provisions of  
116 the general statutes for delinquent property taxes and by section 7-258,  
117 as amended by this act. The rules and regulations of the authority may  
118 provide for the discontinuance of water pollution control service for  
119 nonpayment of taxes, special assessments, fees, rates, penalties or other  
120 charges therefor imposed under sections 22a-500 to 22a-519, inclusive.  
121 Such lien shall take precedence over all other liens or encumbrances  
122 except taxes and may be foreclosed against the lot or building served, in  
123 accordance with subdivision (2) of this subsection, in the same manner  
124 as a lien for taxes, provided all such liens shall continue until such time  
125 as they shall be discharged or foreclosed by the authority without the  
126 necessity of filing certificates of continuation, but in no event for longer  
127 than ten years. The authority may institute a civil action against such  
128 owner to recover the amount of any such fee or charge which remains  
129 due and unpaid for thirty days along with interest thereon at the same  
130 rate as unpaid taxes and with reasonable attorneys' fees, provided no  
131 such civil action to recover such amount may be instituted against the  
132 owner of an owner-occupied premises unless the principal for such  
133 amount exceeds four thousand dollars or five years have elapsed from  
134 the date any such lien was filed and such lien remains unpaid.

135 (2) In the case of one or more liens for any assessment of benefits and  
136 any charge, fee, fine or other amount that is not paid within thirty days  
137 after the due date, as described in subdivision (1) of this subsection,  
138 upon any owner-occupied premises served, no such lien or liens may be  
139 foreclosed unless the principal for all such liens upon such owner-  
140 occupied premises served exceeds four thousand dollars or five years  
141 have elapsed from the date any such lien was filed and such lien remains  
142 unpaid.

143 Sec. 4. Subsection (a) of section 49-92o of the general statutes is  
144 repealed and the following is substituted in lieu thereof (*Effective October*  
145 *1, 2024, and applicable to actions filed on or after October 1, 2024*):

146 (a) [Any] (1) Except as provided in subdivision (2) of this subsection,  
 147 any regional sewer authority established under an act of the General  
 148 Assembly, may assign, for consideration, any and all liens filed by such  
 149 regional sewer authority to secure unpaid sewer assessments or  
 150 connection or use charges of the authority. The consideration received  
 151 by the authority shall be negotiated between the authority and the  
 152 assignee.

153 (2) In the case of one or more liens filed by a regional sewer authority  
 154 to secure unpaid sewer assessment or connection or use charges of the  
 155 authority, as described in subdivision (1) of this subsection, upon any  
 156 owner-occupied real estate, no such lien or liens may be assigned unless  
 157 the principal for all such liens upon such owner-occupied real estate  
 158 exceeds four thousand dollars or five years have elapsed from the date  
 159 any such lien was filed and such lien remains unpaid.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2024, and applicable to actions filed on or after October 1, 2024</i>	7-254(a) to (c)
Sec. 2	<i>October 1, 2024, and applicable to actions filed on or after October 1, 2024</i>	7-258(a) and (b)
Sec. 3	<i>October 1, 2024, and applicable to actions filed on or after October 1, 2024</i>	22a-506
Sec. 4	<i>October 1, 2024, and applicable to actions filed on or after October 1, 2024</i>	49-92o(a)

**PD** Joint Favorable Subst.

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*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.*

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** See Below

### **Explanation**

The bill prevents Municipal Water Pollution Control Authorities (WPCAs) from assigning or enforcing a lien on owner-occupied property with unpaid assessments until the outstanding principal reaches or exceeds \$4,000, or five years have elapsed from the date the lien was filed.

By restricting the WPCAs' use of liens, the bill potentially reduces the amount of outstanding debt that they may collect. However, any potential revenue loss is reduced by the five-year time stipulation. It is anticipated that any revenue loss a WPCA would realize as a result of this bill would be offset by increased sewer use fees and assessments on all users.

### **The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis****sSB 149*****AN ACT CONCERNING FORECLOSURE, ASSIGNMENT AND OTHER ENFORCEMENT ACTIONS FOR UNPAID SEWER ASSESSMENTS AND OTHER FEES AND CHARGES.*****SUMMARY**

This bill limits the enforcement and assignment of liens for delinquent sewer assessments and charges on owner-occupied real estate by municipal and regional sewer or water pollution control authorities (WPCA). It does so by prohibiting the following actions on these properties unless a lien's principal amount exceeds \$4,000 or five years have passed since the lien was filed and it remains unpaid:

1. municipal WPCAs enforcing liens for delinquent sewer assessments (e.g., by foreclosing the liens or selling the property at a tax sale) (§ 1);
2. municipal WPCAs foreclosing liens for delinquent connection or use charges (§ 2);
3. regional WPCAs foreclosing liens for delinquent assessments and connection and use charges or taking a civil action to recover the delinquent amounts (§ 3); and
4. municipal WPCAs and regional sewer authorities assigning liens for delinquent assessments or use charges (§§ 1-2 & 4).

For the regional entities, the principal amount of the liens for delinquent assessments and charges must be combined to determine whether they exceed the \$4,000 threshold. For the municipal WPCAs, the threshold is calculated separately for assessments and charges.



By law, unchanged by the bill, the statute of limitations for sewer liens (like property tax liens) is generally 15 years (CGS § 12-175).

EFFECTIVE DATE: October 1, 2024, and applicable to actions filed on or after that date.

**BACKGROUND**

***Sewer Fees***

There are generally three types of sewer fees: benefit assessments, user charges, and connection charges. Benefit assessments are meant to cover the capital costs incurred in building sanitary sewer lines and treatment plans. They are based on the benefits, or anticipated benefits, a property owner receives or will receive from the system. User charges are paid by sewer line users and are designed to recoup the costs of operating and maintaining the system. Connection charges apply when a property owner ties his or her property to a sewer line.

***Related Bill***

HB 5144, favorably reported by the Banking Committee, reduces, from 18% to 12%, the annual interest rate on delinquent property taxes (and certain other assessments, including sewer assessments and charges) when the lien is assigned to a third party, among other changes.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 12 Nay 8 (03/01/2024)