# Senate

General Assembly

**File No. 329**

*January Session, 2025*

Substitute Senate Bill No. 1187

*Senate, March 31, 2025*

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:

Section 1. Subsections (a) to (c), inclusive, of section 7-254 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2025, and applicable to actions filed on or after October 1, 2025*):

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

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

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

(2) In the case of one or more liens for any unpaid assessment and any interest due thereon, as described in subdivision (1) of this subsection, upon any owner-occupied real estate, no such lien or liens may be foreclosed unless the principal for all such liens upon such owner-occupied real estate exceeds three thousand dollars or three years have elapsed from the date any such lien was filed and such lien remains unpaid, except such restriction shall not apply if a tax or other municipal lien is foreclosed in the same action against such real estate.

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

(2) In the case of one or more liens filed by the tax collector to secure unpaid assessments, as described in subdivision (1) of this subsection, upon any owner-occupied real estate, no such lien or liens may be assigned unless the principal for all such liens upon such owner-occupied real estate exceeds three thousand dollars or three years have elapsed from the date any such lien was filed and such lien remains unpaid, except such restriction shall not apply if a tax or other municipal

lien upon such real estate is also assigned.

Sec. 2. Subsections (a) and (b) of section 7-258 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2025, and applicable to actions filed on or after October 1, 2025*):

(a) (1) Any charge for connection with or for the use of a sewerage system, not paid within thirty days of the due date, shall thereupon be delinquent and shall bear interest from the due date at the rate and in the manner provided by the general statutes for delinquent property taxes. Each addition of interest shall be collectible as a part of such connection or use charge. Any such unpaid connection or use charge shall constitute a lien upon the real estate against which such charge was levied from the date it became delinquent. Each such lien may be continued, recorded and released in the manner provided by the general statutes for continuing, recording and releasing property tax liens. Each such lien shall take precedence over all other liens and encumbrances except taxes and may be foreclosed in the same manner as a lien for property taxes in accordance with subdivision (2) of this subsection. The municipality may by ordinance designate the tax collector or any other person as collector of sewerage system connection and use charges and such collector of sewerage system connection and use charges may collect such charges in accordance with the provisions of the general statutes for the collection of property taxes. The municipality may recover any such charges in a civil action against any person liable therefor. For the purpose of establishing or revising such connection or use charges and for the purpose of collecting such charges any municipality may enter into agreements with any water company or municipal water department furnishing water in such municipality for the purchase from such water company or municipal water department of information or services and such agreement may designate such water company or municipal water department as a billing or collecting agent of the collector of sewerage system connection and use charges in the municipality. Any water company or municipal water department may enter into and fulfill any such agreements and may utilize for the collection of such charges any of the methods utilized by it for the

collection of its water charges.

(2) In the case of one or more liens for any unpaid connection or use charge, as described in subdivision (1) of this subsection, upon any owner-occupied real estate, no such lien or liens may be foreclosed unless the principal for all such liens upon such owner-occupied real estate exceeds three thousand dollars or three years have elapsed from the date any such lien was filed and such lien remains unpaid, except such restriction shall not apply if a tax or other municipal lien is foreclosed in the same action against such real estate.

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

(2) In the case of one or more liens filed by the tax collector or collector of sewerage system connection and use charges to secure unpaid sewerage connection and use charges, as described in subdivision (1) of this subsection, upon any owner-occupied real estate, no such lien or liens may be assigned unless the principal for all such liens upon such owner-occupied real estate exceeds three thousand dollars or three years have elapsed from the date any such lien was filed and such lien remains unpaid, except such restriction shall not apply if a tax or other municipal lien upon such real estate is also assigned.

Sec. 3. Section 22a-506 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025, and applicable to actions filed on or after October 1, 2025*):

(a) An authority may (1) levy and collect benefit assessments upon the lands and buildings within its jurisdiction that, in its judgment, are especially benefited by a wastewater system; (2) establish, revise and collect rates, fees, charges, penalties and assessments for the use and

benefits of a wastewater system; and (3) order the owner of any building which is accessible to a wastewater system to connect to such system, all in the manner provided in sections 7-249 to 7-257, inclusive, and sections 22a-416 to 22a-599, inclusive.

(b) (1) Any assessment of benefits, including any installment thereof, and any charge, fee, fine or other amount that is not paid within thirty days after the due date shall be delinquent, shall be subject to interest and shall constitute a lien upon the premises served and a charge upon the owner thereof all in the manner provided both by the provisions of the general statutes for delinquent property taxes and by section 7-258, as amended by this act. The rules and regulations of the authority may provide for the discontinuance of water pollution control service for nonpayment of taxes, special assessments, fees, rates, penalties or other charges therefor imposed under sections 22a-500 to 22a-519, inclusive. Such lien shall take precedence over all other liens or encumbrances except taxes and may be foreclosed against the lot or building served, in accordance with subdivision (2) of this subsection, in the same manner as a lien for taxes, provided all such liens shall continue until such time as they shall be discharged or foreclosed by the authority without the necessity of filing certificates of continuation, but in no event for longer than ten years. The authority may institute a civil action against such owner to recover the amount of any such fee or charge which remains due and unpaid for thirty days along with interest thereon at the same rate as unpaid taxes and with reasonable attorneys' fees, provided no foreclosure to recover such amount may be instituted against the owner of an owner-occupied premises unless the principal for such amount exceeds three thousand dollars or three years have elapsed from the date any such lien was filed and such lien remains unpaid, except such restriction shall not apply if a tax or other municipal lien is foreclosed in the same action against such real estate.

(2) In the case of one or more liens for any assessment of benefits and any charge, fee, fine or other amount that is not paid within thirty days after the due date, as described in subdivision (1) of this subsection, upon any owner-occupied premises served, no such lien or liens may be

foreclosed unless the principal for all such liens upon such owner-occupied premises served exceeds three thousand dollars or three years have elapsed from the date any such lien was filed and such lien remains unpaid, except such restriction shall not apply if a tax or other municipal lien is foreclosed in the same action against such real estate.

Sec. 4. Subsection (a) of section 49-92o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025, and applicable to actions filed on or after October 1, 2025*):

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

(2) In the case of one or more liens filed by a regional sewer authority to secure unpaid sewer assessment or connection or use charges of the authority, as described in subdivision (1) of this subsection, upon any owner-occupied real estate, no such lien or liens may be assigned unless the principal for all such liens upon such owner-occupied real estate exceeds three thousand dollars or three years have elapsed from the date any such lien was filed and such lien remains unpaid, except such restriction shall not apply if a tax or other municipal lien upon such real estate is also assigned.

| This act shall take effect as follows and shall amend the following sections: | | |
|---|---|---|
| Section 1 | *October 1, 2025, and applicable to actions filed on or after October 1, 2025* | 7-254(a) to (c) |
| Sec. 2 | *October 1, 2025, and applicable to actions filed on or after October 1, 2025* | 7-258(a) and (b) |

| | | |
|---|---|---|
| Sec. 3 | *October 1, 2025, and applicable to actions filed on or after October 1, 2025* | 22a-506 |
| Sec. 4 | *October 1, 2025, and applicable to actions filed on or after October 1, 2025* | 49-92o(a) |

***PD*** *Joint Favorable Subst.*

*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 prevents municipal water pollution control authorities (WPCAs) from assigning for enforcing a lien on owner-occupied property until the outstanding principal reaches $3,000.

By restricting the use of liens, the bill potentially reduces the amount of outstanding debt a municipal WPCA may collect. It is anticipated that any revenue loss a WPCA realizes as a result of the 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 1187**

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

## SUMMARY

This bill generally limits the foreclosure 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 (WPCAs). But the bill's restrictions do not apply to sewer lien (1) foreclosures if they are foreclosed in an action involving tax or other municipal liens and (2) assignments if tax or other municipal liens on the property are currently assigned or are being assigned at the same time.

Except as described above, the bill prohibits the following actions on owner-occupied properties unless a lien's principal amount exceeds $3,000 or three years have passed since the lien was filed and it remains unpaid:

1. municipal or regional WPCAs foreclosing liens for delinquent sewer assessments or connection or use charges (§§ 1-3) and

2. municipal or regional WPCAs or 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, 2025, 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 actual 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 Bills*

sSB 1316, favorably reported by the Planning and Development Committee, 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.

SB 1339, favorably reported by the Banking Committee, also reduces the interest rate on these assigned liens to 12% and, among other things, additionally caps certain attorney's fees associated with them.

## COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute
Yea 13 Nay 7 (03/12/2025)