



General Assembly

Substitute Bill No. 1135

January Session, 2019



**AN ACT CONCERNING THE MUNICIPAL INTEREST RATE
APPLICABLE TO DELINQUENT PROPERTY TAXES.**

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

1 Section 1. Section 12-146 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2019*):

3 (a) Unless the context otherwise requires, wherever used in this
4 section, "tax" includes each property tax and each installment and part
5 thereof due to a municipality as it may have been increased by interest,
6 fees and charges.

7 (b) (1) If any tax due in a single installment or if any installment of
8 any tax due in two or more installments is not paid in full [(1)] (A) on
9 or before the first day of the month next succeeding the month in
10 which it became due and payable, or if not due and payable on the first
11 day of the month, [(2)] (B) on or before the same date of the next
12 succeeding month corresponding to that of the month on which it
13 became due and payable, the whole or such part of such installment as
14 is unpaid shall thereupon be delinquent and shall be subject to interest
15 from the due date of such delinquent installment.

16 (2) Except for unpaid real estate taxes the collection of which was, or
17 is, deferred under the provisions of section 12-174, and any
18 predecessor and successor thereto, which unpaid real estate taxes
19 continue to be subject to the provisions of such deferred collection

20 statutes, the delinquent portion of the principal of any tax shall be
21 subject to interest at the rate of eighteen per cent per annum from the
22 time when it became due and payable until the same is paid, subject to
23 a minimum interest charge of two dollars per installment which any
24 municipality, by vote of its legislative body or, in the case of a
25 municipality in which the legislative body is a town meeting, its board
26 of selectmen, may elect not to impose. [and provided, in] In any
27 computation of such interest, under any provision of this section, each
28 fractional part of a month in which any portion of the principal of such
29 tax remains unpaid shall be considered to be equivalent to a whole
30 month. Each addition of interest shall become, and shall be collectible
31 as, a part of such tax. Interest shall accrue at said rate until payment of
32 such taxes due notwithstanding the entry of any judgment in favor of
33 the municipality against the taxpayer or the property of the taxpayer.

34 (3) Any municipality, by vote of its legislative body or, in the case of
35 a municipality in which the legislative body is a town meeting, its
36 board of selectmen, may approve a rate of interest of less than eighteen
37 per cent per annum for the purposes of this section.

38 (c) The collector shall apply each partial payment to the wiping out
39 of such interest before making any application thereof to the reduction
40 of such principal. If any tax, at the time of assessment or because of a
41 subsequent division, represents two or more items of property, the
42 collector may receive payment in full of such part of the principal and
43 interest of such tax as represents one or more of such items, even
44 though interest in full on the entire amount of the principal of such tax
45 has not been received up to the date of such payment; in which event,
46 interest on the remaining portion of the principal of any such tax shall
47 be computed, as the case may be, from the due date of such tax if no
48 other payment after delinquency has been made or from the last date
49 of payment of interest in full on the whole amount or unpaid balance
50 of the principal of such delinquent tax if previous payment of interest
51 has been made. Each collector shall keep a separate account of such
52 interest and the time when the same has been received and shall pay

53 over the same to the treasurer of the municipality of the collector as a
54 part of such tax.

55 (d) No tax or installment thereof shall be construed to be delinquent
56 under the provisions of this section if [(A)] (1) such tax or installment
57 was paid through a municipal electronic payment service within the
58 time allowed by statute for payment of such tax or installment, or [(B)]
59 (2) the envelope containing the amount due as such tax or installment,
60 as received by the tax collector of the municipality to which such tax is
61 payable, bears a postmark showing a date within the time allowed by
62 statute for the payment of such tax or installment.

63 (e) Any municipality may, by vote of its legislative body [,] or, in the
64 case of a municipality in which the legislative body is a town meeting,
65 its board of selectmen, may require that any delinquent property taxes
66 shall be paid only in cash or by certified check or money order. Any
67 municipality adopting such requirement may provide that such
68 requirement shall only be applicable to delinquency exceeding a
69 certain period in duration as determined by such municipality. [Any]

70 (f) Each municipality shall waive all or a portion of the interest due
71 and payable under this section on a delinquent tax with respect to a
72 taxpayer who has received compensation under chapter 968 as a crime
73 victim.

74 Sec. 2. Subdivision (2) of subsection (b) of section 12-80a of the
75 general statutes is repealed and the following is substituted in lieu
76 thereof (*Effective July 1, 2019*):

77 (2) The person responsible for the collection of taxes for each town,
78 city or borough owed taxes under this subsection may, at such time as
79 such tax becomes delinquent as provided in sections 12-146, as
80 amended by this act, and 12-169, subject such tax to interest (A) at the
81 rate of one and one-half per cent of such tax for each month or fraction
82 thereof [which] that elapses from the time when such tax becomes due
83 and payable until the same is paid, or (B) if a town, city or borough has

84 approved a lower rate of interest pursuant to subdivision (3) of
85 subsection (b) of section 12-146, as amended by this act, at the per-
86 month rate of such tax for each month or fraction thereof that elapses
87 from the time when such tax becomes due and payable until the same
88 is paid.

89 Sec. 3. Section 12-145 of the general statutes is repealed and the
90 following is substituted in lieu thereof (*Effective July 1, 2019*):

91 (a) The tax collector of each municipality shall, at least five days
92 next preceding the time when each tax becomes due and payable, give
93 notice of the time and place at which the tax collector will receive such
94 tax by advertising in a newspaper published in such municipality or, if
95 no newspaper is published in such municipality, by advertising in any
96 newspaper of the state having a general circulation in such
97 municipality and by posting such notice on a signpost, a bulletin board
98 or the municipality's Internet web site. The tax collector shall repeat
99 such advertising within one week after such tax has become due and
100 payable and, again, at least five days before such tax becomes
101 delinquent. Each such notice shall give each date on which such tax
102 shall become due and payable and each date on which such tax shall
103 become delinquent, and shall state that, as soon as such tax becomes
104 delinquent, it shall be subject to interest (1) at the rate of one and one-
105 half per cent of such tax for each month or fraction thereof [which] that
106 elapses from the time when such tax becomes due and payable until
107 the same is paid, or (2) if a municipality has approved a lower rate of
108 interest pursuant to subdivision (3) of subsection (b) of section 12-146,
109 as amended by this act, at the per-month rate of such tax for each
110 month or fraction thereof that elapses from the time when such tax
111 becomes due and payable until the same is paid.

112 (b) The tax collector of a municipality may waive the interest on
113 delinquent property taxes if the tax collector and the assessor, jointly,
114 determine that the delinquency is attributable to an error by the tax
115 assessor or tax collector and is not the result of any action or failure on
116 the part of the taxpayer. The tax collector shall notify the taxing

117 authority of the municipality of all waivers granted pursuant to this
118 section.

119 Sec. 4. Subsection (f) of section 12-157 of the general statutes is
120 repealed and the following is substituted in lieu thereof (*Effective July*
121 *1, 2019*):

122 (f) Within sixty days after such sale, the collector shall cause to be
123 published in a newspaper having a daily general circulation in the
124 town in which the real property is located, and shall send by certified
125 mail, return receipt requested, to the delinquent taxpayer and each
126 mortgagee, lienholder and other encumbrancer of record whose
127 interest in such property is choate and is affected by such sale, a notice
128 stating the date of the sale, the name and address of the purchaser, the
129 amount the purchaser paid for the property and the date the
130 redemption period will expire. The notice shall include a statement
131 that if redemption does not take place by the date stated and in the
132 manner provided by law, the delinquent taxpayer, and all mortgagees,
133 lienholders and other encumbrancers who have received actual or
134 constructive notice of such sale as provided by law, that their
135 respective titles, mortgages, liens, restraints on alienation and other
136 encumbrances in such property shall be extinguished. After such
137 notice is published, and not later than six months after the date of the
138 sale or within sixty days if the property was abandoned or meets other
139 conditions established by ordinance adopted by the legislative body of
140 the municipality, if the delinquent taxpayer, mortgagee, lienholder or
141 other encumbrancer whose interest in the property will be affected by
142 such sale, pays to the collector, the amount of taxes, interest and
143 charges which were due and owing at the time of the sale together
144 with interest on the total purchase price paid by the purchaser at the
145 rate of eighteen per cent per annum from the date of such sale or, if the
146 municipality has approved a lower rate of interest pursuant to
147 subdivision (3) of subsection (b) of section 12-146, as amended by this
148 act, at such lower rate of interest, plus any taxes and debts owed to the
149 municipality that were not recovered by the sale and any additional

150 charges under section 12-140, such deed, executed pursuant to
 151 subsection (e) of this section, shall be delivered to the collector by the
 152 town clerk for cancellation and the collector shall provide a certificate
 153 of satisfaction to the person paying the money who, if not the person
 154 whose primary duty it was to pay the tax or taxes, shall have a claim
 155 against the person whose primary duty it was to pay such tax or taxes
 156 for the amount so paid, and may add the same with the equivalent
 157 precedence, rate of interest and priority as the tax paid over other
 158 nongovernmental encumbrances but without precedence or priority
 159 over any state or municipal tax lien or any tax that was not yet due and
 160 payable when notice of the levy was first published to any claim for
 161 which he has security upon the property sold, provided the certificate
 162 of satisfaction is recorded on the land records but the interests of other
 163 persons in the property shall not be affected. [Within] Not later than
 164 ten days [of] after receipt of such amounts in redemption of the levied
 165 property, the collector shall notify the purchaser by certified mail,
 166 return receipt requested, that the property has been redeemed and
 167 shall tender such payment, together with the amount held pursuant to
 168 subparagraph (A) of subdivision (1) of subsection (i) of this section, if
 169 any, to the purchaser. If the purchase money and interest are not paid
 170 within such redemption period, the deed shall be recorded and have
 171 full effect.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019</i>	12-146
Sec. 2	<i>July 1, 2019</i>	12-80a(b)(2)
Sec. 3	<i>July 1, 2019</i>	12-145
Sec. 4	<i>July 1, 2019</i>	12-157(f)

Statement of Legislative Commissioners:

Sections 3 and 4 were added for consistency with Sections 1 and 2.

FIN *Joint Favorable Subst.*