



**Substitute House Bill No. 6571**

**Public Act No. 15-156**

**AN ACT CONCERNING THE MUNICIPAL TAX COLLECTION STATUTES.**

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

Section 1. Section 12-144b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

Except as otherwise provided by the general statutes, all payments made to or recovered by the municipality [**on any specific property**] shall be applied (1) first, for any outstanding unsecured taxes, to expenses concerning such unsecured taxes, including attorney's fees, collection expenses, [**recording fees,**] collector's fees and other expenses and charges related to all delinquencies owed by the party liable therefor before the interest accrued, then to the principal of such outstanding unsecured taxes, paying the oldest such tax first, and (2) for any outstanding secured taxes, first to expenses concerning such secured taxes, including attorney's fees, collection expenses, [**recording fees,**] collector's fees and other expenses and charges related to all delinquencies owed by the party liable therefor before the interest accrued, then to the principal of such outstanding secured taxes, paying the oldest such tax first. If there is litigation pending between the municipality and the party liable for the oldest outstanding tax on such property concerning such oldest outstanding tax, such tax payment shall only be applied to the oldest outstanding tax on such property which is not involved in such litigation, provided this section shall not apply to tax payments tendered by third parties pursuant to contract or by operation of law. The municipality shall follow written instructions from a party liable for taxes on more than one property as to which property or properties a specific payment shall be applied. The municipality shall not be bound by any notation on or accompanying a payment that purports to be payment in full, proposes to waive any rights or powers of the municipality, directs application of the payment in any manner that contradicts any applicable statute or ordinance or is otherwise contrary to law.

Sec. 2. Section 12-146 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

Unless the context otherwise requires, wherever used in this section, "tax" includes each property tax and each installment and part thereof due to a municipality as it may have been

increased by interest, fees and charges. If any tax due in a single installment or if any installment of any tax due in two or more installments is not paid in full (1) on or before the first day of the month next succeeding the month in which it became due and payable, or if not due and payable on the first day of the month, (2) on or before the same date of the next succeeding month corresponding to that of the month on which it became due and payable, the whole or such part of such installment as is unpaid shall thereupon be delinquent and shall be subject to interest from the due date of such delinquent installment. Except for unpaid real estate taxes the collection of which was, or is, deferred under the provisions of section 12-174, and any predecessor and successor thereto, which unpaid real estate taxes continue to be subject to the provisions of such deferred collection statutes, the delinquent portion of the principal of any tax shall be subject to interest at the rate of eighteen per cent per annum from the time when it became due and payable until the same is paid, subject to a minimum interest charge of two dollars per installment which any municipality, by vote of its legislative body, may elect not to impose, and provided, in any computation of such interest, under any provision of this section, each fractional part of a month in which any portion of the principal of such tax remains unpaid shall be considered to be equivalent to a whole month. Each addition of interest shall become, and shall be collectible as, a part of such tax. Interest shall accrue at said rate until payment of such taxes due notwithstanding the entry of any judgment in favor of the municipality against the taxpayer or the property of the taxpayer. The collector shall apply each partial payment to the wiping out of such interest before making any application thereof to the reduction of such principal. If any tax, at the time of assessment or because of a subsequent division, represents two or more items of property, the collector may receive payment in full of such part of the principal and interest of such tax as represents one or more of such items, even though interest in full on the entire amount of the principal of such tax has not been received up to the date of such payment; in which event, interest on the remaining portion of the principal of any such tax shall be computed, as the case may be, from the due date of such tax if no other payment after delinquency has been made or from the last date of payment of interest in full on the whole amount or unpaid balance of the principal of such delinquent tax if previous payment of interest has been made. Each collector shall keep a separate account of such interest and the time when the same has been received and shall pay over the same to the treasurer of the municipality of the collector as a part of such tax. No tax or installment thereof shall be construed to be delinquent under the provisions of this section if [\(A\) such tax or installment was paid through a municipal electronic payment service within the time allowed by statute for payment of such tax or installment, or \(B\)](#) the envelope containing the amount due as such tax or installment, as received by the tax collector of the municipality to which such tax is payable, bears a postmark showing a date within the time allowed by statute for the payment of such tax or installment. Any municipality may, by vote of its legislative body, require that any delinquent property taxes shall be paid only in cash or by certified check or money order. Any municipality adopting such requirement may provide that such requirement shall only be applicable to delinquency exceeding a certain period in duration as determined by such municipality. Any municipality shall waive all or a portion of the interest due and payable under this section on a delinquent tax with respect to a taxpayer who has received compensation under chapter 968 as a crime victim.

Sec. 3. Section 12-146a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

Any municipality, as defined in subsection (a) of section 12-41, or any district health department, formed under chapter 368f, may withhold or revoke any license or permit, issued by such municipality or district health department, to operate a business enterprise if any taxes or water, sewer or sanitation charges levied by a water pollution control authority or such municipality or, in the case of a district department of health, by any constituent municipality of such district, against any property owned by or used in such business enterprise are delinquent and have been so delinquent for a period of not less than one year.

Sec. 4. Subsection (b) of section 12-155 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(b) After demand has been made in the manner provided in subsection (a) of this section, the collector for the municipality, alone or jointly with the collector of any other municipality owed taxes by such person, may (1) levy for any unpaid tax or any unpaid water or sanitation charges on any goods and chattels of such person and post and sell such goods and chattels in the manner provided in case of executions, or (2) enforce by levy and sale any lien or warrant upon real estate for any unpaid tax or levy upon and sell such interest of such person in any real estate as exists at the date of the levy for such tax.

Sec. 5. Section 12-157 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(a) When a collector levies one or more tax warrants on real estate, he or she shall prepare notices thereof, containing the name of the taxpayer, a legal description of the real property or citation to an instrument in the land records, an assessor's map or another publicly available document identifying the real property's boundaries, the street address, if such real property has one, the amount of the tax or taxes due, including any interest and charges attributable to the property as of the last day of the month immediately preceding the notice, a statement that additional taxes, interest, fees and other charges authorized by law accruing after the last day of the month immediately preceding the notice [**have been added**] are owed in addition to the amount indicated as due and owing in the notice, and the date, time and place of sale. The collector shall post one notice on a bulletin board in or near the collector's office in the town where such real estate is situated, if any, or at some other exterior place near the office of the town clerk, which is nearest thereto; one shall be filed in the town clerk's office of such town and such town clerk shall record and index the same as a part of the land records of such town, which recording shall serve as constructive notice equivalent to a lis pendens for all purposes, and one shall be sent by certified mail, return receipt requested, to the taxpayer and each mortgage, lienholder and other encumbrancer of record whose interest is choate and will be affected by the sale. Such posting, filing and mailing shall be done not more than twelve and not less than nine weeks before the time of sale and shall constitute a legal levy of such warrant or warrants upon the real estate referred to in the notice. Such collector shall also publish a similar notice for three weeks, at least once each week, in a newspaper published in such town, or in a newspaper published

in the state having a general circulation in such town. The first notice shall be published beginning not more than twelve and not less than nine weeks before the time of sale and the last shall be published not more than four weeks nor less than two weeks before such sale. He shall also send by certified mail, return receipt requested, to the delinquent taxpayer and to each mortgagee, lienholder and other encumbrancer of record whose interest in such property is choate and will be affected by such sale, a similar notice which shall not be required to list information pertaining to properties in which the person to whom the notice is directed has no interest. The notice shall be sent at least twice, the first not more than eight nor less than five weeks before such sale and the last not more than four weeks nor less than two weeks before such sale. The notice shall be addressed to his or her place of residence, if known to the collector, or to his or her estate or the fiduciary thereof if the collector knows him or her to be deceased, or to the address, or the agent of such person, to which such person has requested that tax bills be sent. If there is no address of such person, or if no such agent is given in the records of such town, the notice shall be sent to the place where such person regularly conducts business or other address as the collector believes will give notice of the levy and sale. If a person is a corporation, limited partnership or other legal entity, the notice may be sent to any person upon whom process may be served to initiate a civil action against such corporation, limited partnership or entity or to any other address that the collector believes will give notice of the levy and sale. If no place of residence or business is known and cannot be determined by the tax collector for any owner, taxpayer, mortgagee, lienholder or other encumbrancer whose interest in the property is choate and will be affected by the sale, in lieu of notice by certified mail as provided in this subsection, the notice, together with the list of mortgagees, lienholders, and other encumbrancers of record whose interests in the property are choate and will be affected by such sale, shall be published in a newspaper published in this state, having a general circulation in the town in which such property is located at least twice, the first not more than eight weeks nor less than five weeks before such sale and the last not more than four weeks nor less than two weeks before such sale.

(b) The collector may, for any reason, adjourn such sale from time to time by causing public notice of such adjournment and the time and place of such adjourned sale to be given either by oral announcement or posting of a written notice at the time and place designated for the sale in the notices of such sale. If the adjourned date is set for a date more than three days from the date of the original or rescheduled sale date, the tax collector shall provide a postage prepaid written notice of the new time and place of the sale to the delinquent taxpayer and each mortgagee, lienholder and other encumbrancer of record whose interest is choate and will be affected by the sale.

(c) At the time and place stated in such notices, or, if such sale is adjourned, at the time and place specified at the time of adjournment as aforesaid, such collector (1) may sell at public auction to the highest bidder all of said real property, to pay the taxes with the interest, fees and other charges allowed by law, including, but not limited to, those charges set forth in section 12-140, or (2) may sell all of said real property to his municipality if there has been no bidder or the amount bid is insufficient to pay the amount due.

(d) The collector shall post, at the time and place of the sale, a written notice stating the amount of all taxes, interest, fees and other charges authorized by law with respect to each property to be sold. The tax collector may publish or announce any rules for the orderly conduct of the auction and the making of payment by successful bidders which are not inconsistent with the requirements of law. The tax collector or the municipality may retain the services of auctioneers, clerks and other persons to assist the tax collector in the conduct of the sale and the cost of such persons paid for their services shall be added to the taxes due from the delinquent taxpayer. If more than one property is sold, the tax collector shall apportion all shared costs equally among all the properties.

(e) Within two weeks after such sale, the collector shall execute a deed thereof to the purchaser or to the municipality conducting the sale and shall lodge the same in the office of the town clerk of such town, where it shall remain unrecorded six months from the date of such sale.

(f) Within sixty days after such sale, the collector shall cause to be published in a newspaper having a daily general circulation in the town in which the real property is located, and shall send by certified mail, return receipt requested, to the delinquent taxpayer and each mortgagee, lienholder and other encumbrancer of record whose interest in such property is choate and is affected by such sale, a notice stating the date of the sale, the name and address of the purchaser, the amount the purchaser paid for the property and the date the redemption period will expire. The notice shall include a statement that if redemption does not take place by the date stated and in the manner provided by law, the delinquent taxpayer, and all mortgagees, lienholders and other encumbrancers who have received actual or constructive notice of such sale as provided by law, that their respective titles, mortgages, liens, [restraints on alienation](#) and other encumbrances in such property shall be extinguished. **[Not]** [After such notice is published, and not](#) later than six months after the date of the sale or within sixty days if the property was abandoned or meets other conditions established by ordinance adopted by the legislative body of the **[town]** [municipality](#), if the delinquent taxpayer, mortgagee, lienholder or other encumbrancer whose interest in the property will be affected by such sale, pays to the collector, the amount of taxes, interest and charges which were due and owing at the time of the sale together with interest on the total purchase price paid by the purchaser at the rate of eighteen per cent per annum from the date of such sale plus any taxes and debts owed to the municipality that were not recovered by the sale and any additional charges under section 12-140, such deed, executed pursuant to subsection (e) of this section, shall be delivered to the collector by the town clerk for cancellation and the collector shall provide a certificate of satisfaction to the person paying the money who, if not the person whose primary duty it was to pay the tax or taxes, shall have a claim against the person whose primary duty it was to pay such tax or taxes for the amount so paid, and may add the same with the equivalent precedence, [rate of interest](#) and priority as the tax paid over other [nongovernmental](#) encumbrances but without precedence or priority over [any state or municipal tax lien or](#) any tax that was not yet due and payable when notice of the levy was first published to any claim for which he has security upon the property sold, provided the certificate of satisfaction is recorded on the land records but the interests of other persons in the property shall not be affected. Within ten days of receipt of such amounts in redemption of the levied property, the collector shall



notify the purchaser by certified mail, return receipt requested, that the property has been redeemed and shall tender such payment, together with the amount held pursuant to subparagraph (A) of subdivision (1) of subsection (i) of this section, if any, to the purchaser. If the purchase money and interest are not paid within such redemption period, the deed shall be recorded and have full effect.

(g) During the redemption period, the purchaser or the municipality shall have a sufficient insurable interest in buildings and improvements upon such property to insure them against fire and other risk of physical loss, and may petition the Superior Court for the appointment of a receiver or for other equitable relief if there shall be imminent danger of damage or destruction thereto or imminent danger of injury to persons or to other property resulting from conditions thereon or on adjoining properties. The purchaser or the municipality shall not be liable to any person, or subjected to forfeiture of their interest, solely by reason of acquisition by the person of the tax deed, for any condition existing or occurrence upon such property or adjoining public sidewalks and streets, or for any failure to act to remedy or investigate any such condition or occurrence during such redemption period. The expenses of any receiver appointed on the application of such purchaser or municipality in excess of any rents or profits paid to the receiver, all taxes and debts owed to the municipality that were not recovered by the sale, and any additional charges under section 12-140 shall be added to the amount of the purchase money and interest required to be paid by any person to the purchaser or municipality for the collector's deed and paid to the party that incurred such expenses.

(h) Any municipality holding a lien for unpaid taxes on real estate, other than the municipality conducting the sale, may purchase all of such property at a tax sale.

(i) (1) If the sale realizes an amount in excess of the amount needed to pay all delinquent taxes, interest, penalties, fees, and costs, the amount of the excess shall be held in an interest-bearing escrow account separate from all other accounts of the municipality. Any interest earned from such escrow account shall be the property of the municipality. (A) If the property is redeemed prior to the expiration of the redemption period, the amount held in escrow shall, within ten days of the tax collector receiving notice of redemption, be turned over to the purchaser. **[Any interest earned shall be the property of the municipality.]** (B) If the property is not redeemed in the redemption period, the amount held in escrow may be used to pay the delinquent taxes, interest, penalties, fees and costs on the same or any other property of the taxpayer, including personal property and motor vehicles. In the case of subparagraph (B) of this subdivision, the tax collector shall, within ten days of the expiration of the redemption period, pay to the clerk of the court for the judicial district in which the property is located the amount held in escrow remaining after paying the delinquent taxes, interest, fees, penalties and costs owed by the taxpayer to the municipality. The tax collector shall, within five days of the payment, provide notice to the delinquent taxpayer, any mortgagee, lienholder, or other encumbrancer of record whose interest in such property is choate and is affected by the sale, by certified mail, return receipt requested of the name and address of the court to which the moneys were paid, the person's right to file an application with the court for return of said money, and the amount of money paid to the court.

(2) If the tax collector pays to the court any moneys pursuant to subparagraph (B) of subdivision (1) of this subsection, the delinquent taxpayer, any mortgagee, lienholder or other encumbrancer whose interest in such property is choate and is affected by the sale may, within ninety days of the date the tax collector paid the moneys to the court, file an application with the court for return of the proceeds. Any person may make an application for payment of moneys deposited in court as provided for in this subsection to the superior court for the judicial district in which the property that is the subject of the proceedings referred to is located, or if said court is not in session to any judge thereof, for a determination of the equity of the parties having an interest in such moneys. Notice of such application shall be served in the same manner as to commence a civil action on all persons having an interest of record in such property on the date the collector's deed is recorded, provided neither the purchaser nor the municipality shall [not] be a party to such action without [its] such purchaser's or municipality's consent. The court or judge upon such motion or upon its own motion may appoint a state referee to hear the facts and to make a determination of the equity of the parties in such moneys. Such referee, after providing at least ten days' notice to the parties interested of the time and place of hearing, shall hear the applicant and any parties interested, take such testimonies as such referee deems material and determine the equities of the parties having a record interest in such moneys and immediately report to the court or judge. The report shall contain a detailed statement of findings by the referee, sufficient to enable the court to determine the considerations upon which the referee based his conclusions. The report may be rejected for any irregular or improper conduct in the performance of the duties of such referee. If the report is rejected, the court or judge shall appoint another referee to make such determination and report. If the report is accepted, such determination of the equities shall be conclusive upon all parties given notice of such hearing, subject to appeal to the Appellate Court. If no appeal to the Appellate Court is filed within the time allowed by law, or if one is filed and the proceedings have terminated in a final judgment determining the amount due to each party, the clerk shall send a certified copy of the statement of compensation and of the judgment to the prevailing party or parties, as the case may be, which shall, upon receipt thereof, pay such parties the amount due them as compensation.

(3) If no application is filed with the court, any moneys held by the court shall escheat to the state pursuant to the provisions of part III of chapter 32.

Sec. 6. Subsection (a) of section 12-158 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(a) The deed given by any collector for real estate sold by him for taxes shall be in substance in the form following:

Know all men by these presents, that, whereas the (here insert the name of the taxing authority) did on the . . . day of . . . , 20. . , lay a tax on its grand list next to be (or last) perfected, a rate bill for which and for a personal tax (if such be the fact), in all respects made out according to law with a warrant thereto attached, was placed in my hands, I being the duly appointed and qualified collector thereof, for collection, which tax became due on the . . . day of . . . , 20. . ; and, whereas A. B. , upon demand made, neglected and refused

to pay the tax set opposite his name in said rate bill, and thereupon, on the . . . . day of . . . . , 20. . . , I levied upon the parcel of real estate hereinafter described for that portion of said tax which was assessed thereon, to wit: \$ . . . . and accrued interest (or if the levy was for the whole tax, for the amount of said tax, to wit: \$ . . . . and accrued interest) and gave due notice thereof to said taxpayer and to . . . . as by law provided, which real estate so levied upon is situated in . . . . and bounded . . . . , and on the . . . . day of . . . . , 20. . . , no one having previously tendered me said tax with interest and my fees, in pursuance of said levy, and in accordance with the terms of said notice, I sold at public auction the whole of (or the following portion of) said real estate of . . . . (to wit) to C. D. , for the sum of \$ . . . . . Now, therefore, in consideration of the premises, and of said sum of money, received to my full satisfaction, of said C. D. , I hereby bargain and sell unto him the premises last above described, with the appurtenances, to have and to hold the same to him and his heirs forever, subject only to taxes laid by such municipality which were not yet due and payable when I first published notice of levy and sale [and any other liens in favor of such municipality or the state](#), easements, covenants and restrictions in favor of other parcels of land, interests exempt from levy and sale under the Constitution and laws of the United States and such other interests, if any, hereinafter described, to wit . . . . . And also, I, the said collector, acting in the name of and for (name of municipality), do by these presents bind (name of municipality), forever, to warrant and defend the above granted and bargained premises to the said grantee, his heirs and assigns, against all claims and demands arising from any necessary act omitted or unlawful act done by me in connection with the aforesaid levy or sale which impairs the same. In witness whereof I have hereunto set my hand and seal this . . . . day of . . . . , 20. . .

E. F. , (Seal).

Collector as aforesaid.

Signed, sealed, and delivered

in the presence of

(Usual form of acknowledgment).

Sec. 7. Section 12-159b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

No action alleging the invalidity of a collector's deed, substantially, in the form provided in section 12-158, [as amended by this act](#), on any grounds other than fraud, shall be brought by any person except within one year from the date the collector's deed was recorded. **[or from the date of the sale, whichever is longer. ]**

Approved June 30, 2015