

OFFICE OF FISCAL ANALYSIS

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SB-1339

AN ACT CONCERNING THE ASSIGNMENT OF CERTAIN LIENS.

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 27, (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 27.

The Out Years

State Impact: None

Municipal Impact: None