

Town of East Hartford
Tax Collection Policy, including Delinquent Accounts
Updated as of October 8, 2015

The Tax Collection Policy: The tax collection policy on all accounts (Real Estate, Personal Property, and Motor Vehicles) is guided by Connecticut General State Statutes and includes a legal notice published by the Collector in June noticing the community of taxes due for a grand list year and is followed closely by the issuance of a tax bill. A second legal notice is published by the Collector in December noticing the community of taxes due related to the second installment for a grand list year. **All taxes remain collectable for 15 years.**

For Real Estate tax collections, in instances where the two actions detailed above did not result in full payment to the town, the Collector will issue a delinquent notice to the property owner. Should full payment not be secured through the Collector's delinquent notice, the Collector will then send a demand notice. If amounts remain due, the Collector will send a notice of intention to lien to each property owner. Finally, all delinquent accounts are liened annually by the Collector with the Town Clerk by grand list year.

Enforcement Action:

Residential: Action will commence when outstanding taxes on an account (properties owned individually or collectively by one owner) exceed \$10,000, or outstanding taxes are owed wholly or in part from three different grand list years and includes referral to tax lien assignment, rent receivership, and denial of building permits.

Commercial: Action will commence when outstanding taxes on an account (properties owned individually or collectively by one owner) exceed \$10,000, or outstanding taxes are owed wholly or in part from three different grand list years and includes referral to tax lien assignment, foreclosure, strict foreclosure, tax sale, or denial of building permits.

Mobile Homes: Action will commence when outstanding taxes on an account (properties owned individually or collectively by one owner) exceed \$3,000, or outstanding taxes are owed wholly or in part from three different grand list years and includes referral to tax lien assignment, public auction, or denial of building permits. **See Additional Discussion at the end.

For Motor Vehicle tax collections, in instances where the two actions detailed above did not result in full payment to the town, the Collector will issue a delinquent / demand notice. During this time, the Collector will place a flag on all delinquent motor vehicle bills and report them to the MVD. As a result of this flag, MVD registrations will not be renewed by until the town is paid all delinquent taxes due and at that time a clearance for the MVD will be issued.

Enforcement Action:

Motor Vehicle: Action will commence once a tax becomes delinquent and includes all delinquencies are flagged and reported to MVD (meaning motor

vehicle registration will be denied), alias tax warrants may be issued, referral to a collection agency, vehicle booting, and jeopardy collection.

For Personal Property taxes, in instances where the two actions detailed above did not result in full payment to the town, the Collector will issue a delinquent / demand notice followed by a notice of intent to file a UCC1 Lien.

Enforcement Action:

Personal Property: Action may commence when delinquency occurs or has aged beyond 12 months and includes UCC1 lien placement, denial of building or health permits, referral to State Marshall, rent receivership, placement with a collection agency, and or jeopardy collection.

Parking Ticket Collections: Once violation notices have been issued by the Police Department, a carbon copy is turned over to the Department of Finance by the Police Department. Tickets are then entered on the parking system. Once tickets are on the system, payments of fines are ready to be accepted. Should someone come in to pay a fine prior to a ticket being input on the system, it will be processed in the in the system with partial information, waiting to be input fully on the system.

Enforcement Action:

Parking Tickets: Action will commence at aging of tickets including a report to MVD for denial of registration, referral to a collection agency, and booting (immobilizing) of vehicle

Enforcement tools by list:

- Foreclosure of Liens (Sale/Strict) – Real Estate
- Rent Receivership – Real Estate
- Alias Tax Warrants _- Constables – State Marshall
- Tax Collector's Tax Sales
- Tax Lien Assignments
- Collection Agency
- Report delinquencies to Credit Bureau
- Jeopardy Collection
- Secretary of State business liens
- Denial/Revocation of Motor Vehicle Registration
- Booting (immobilizing) of Motor Vehicle
- Denial/Revocation of Health Department Certification

Permits – Building and Health

The Town of East Hartford will not issue building or health permits where delinquent taxes are due to the town. However, in certain instances, the town will issue a building permit to a property where taxes are delinquent when the withholding of the permit would jeopardize the safety of the occupants of the building or the integrity of the structure.

The Town will also issue building and health permits if the owner of a property with delinquent taxes establishes and maintains a payment plan to include at least a 25% down payment of delinquent taxes due, has no other property code violations, makes timely monthly payments, and remits the July and January installments of newly levied taxes timely.

Additional Mobile Home Discussion:

When a mobile homeowner fails to pay the land rent or maintenance costs, an owner of a mobile home park may evict that tenant. To do so, they must follow both the general summary process rules (47a-42) AND some of the rules with respect to mobile homes (21-80). Unfortunately, these statutes set up two unique summary process procedures. 47a-42 contains the traditional eviction procedures where a tenant is evicted and his/her belongings brought to the curb for the Town to pick up and auction. 21-80 provides an alternative eviction method which involves the sale of the mobile home by the mobile home park owner.

Owners of mobile home parks have tried to force the Town to remove mobile homes (at the Town's) expense after an eviction. They have made an argument that under 47a-42, the mobile home is like personal property. So, just like the Town has to remove and store the TV and stereo that are put to the side of a curb, so too do we have to remove and store the trailer. In conversations with counsel for similarly situated municipalities (i.e. municipalities with large mobile home parks) we understand that the position of mobile home park owners (that the Town must remove the trailer) has some judicial support (although there have been no reported decisions). It appears that these courts have considered the foreclosure provisions of 21-80 as an alternative method that is at the option of the mobile home park owner, not the Town. Accordingly, it appears that other Towns have been forced to remove, store and sell a mobile home after the eviction of a tenant.

With respect to taxes, the town loses under both scenarios. Evictions normally happen when mobile homes are worthless. So, regardless of the methods employed in getting rid of the mobile home, overdue taxes are rarely paid off. The Town has a double loss however, when it is forced to bear the expense of the removal and sale of the mobile home (i.e. summary process under 47a-42).

The decision by a mobile home park owner to proceed under 47a-42 (summary process) or 21-80 (a "foreclosure" type sale by the owner) will be driven by the value of the mobile home. If the owner determines that he can pay expenses of sale and taxes and make a profit on the sale of the mobile home, he will do so. If not, he will work under 47a-42 and demand that the Town pick up the mobile home. If it appears that the Town may be facing a large number of situations in which it may bear the expense of removing and selling mobile homes (\$1,000-2,000) the Town should consider negotiating with mobile home park owners to conduct the sale on site and see if the owner may be willing to bid on the mobile home or somehow bear/share the expense of the removal of the trailer and its destruction if there are no bidders at the sale.