****

**To: Art Ward, Mayor, City of Bristol**

**From: Betsy Gara, Executive Direct, COST**

**Date: April 3, 2013**

**Re: Mandate on Delinquent Sewer, Water and Property Tax Bills**

A mandate adopted during the June 2012 Special Session is imposing considerable burdens on municipal water, sewer and tax departments by requiring a “Notice of Community-Based Resources Form” developed by the judicial branch to be attached to each and every statement issued to residents regarding delinquent public sewer, water and property tax bills. The form directs property owners to community-based counseling and resources. Property owners receiving the notices are understandably confused regarding the applicability of the notice to their situation, necessitating numerous calls to tax collectors and other municipal staff. In addition, some municipal departments have indicated that they must hand sort the notices to determine which ones the form must be attached to because their billing systems process regular and delinquent bills in one batch.

Originally, this provision was included in SB-360, An Act Implementing the Recommendations of the Connecticut Housing Finance Authority Task Force. The bill was aimed at making changes to the Emergency Mortgage Assistance Program, including promoting greater distribution of the Judicial Branch form directing homeowners to community-based counseling and resources. The bill died on the House calendar.

Certain provisions were included in a budget implementer bill adopted during the June special session, including Section 129 of Public Act 12-1, as follows:

Sec. 129. (NEW) (*Effective October 1, 2012*) (a) A mortgagee, as defined in section 49-8a of the general statutes, shall include the form promulgated by the judicial branch, in accordance with subdivision (3) of subsection (c) of section 49-31*l* of the general statutes, concerning notice of community-based resources to parties involved in foreclosure mediation with any notice to a mortgagor, as defined in said section 49-8a, of an intent to accelerate the mortgage loan.

**(b) A municipality shall include such form with any statements sent to a homeowner regarding an arrearage owed by the homeowner for public sewer or water services or for property taxes.**

(c) The judicial branch shall provide such form to parties involved in foreclosure mediation to public libraries, religious organizations and community-based programs throughout this state to ensure that such form is readily available to mortgagors.

(d) Such form shall include the following:

(1) A reference to CHFA/HUD-Approved Housing Counselors in lieu of a reference to CHFA-Approved Housing Counselors;

(2) A column in the approved housing counselor chart that includes the counties in which each housing counselor serves; and

(3) A notification to mortgagors who are currently parties to a foreclosure action that they should contact the Department of Banking's foreclosure assistance hotline for assistance with time sensitive foreclosure concerns. *(emphasis added)*

Under the Act, the form must include: 1) a reference to both CHFA and Housing and Urban Development-approved counselors, 2) a column in the approved housing counselor chart that includes the counties in which each counselor serves, and 3) a notification to mortgagors currently in foreclosure that they should contact the Department of Banking's foreclosure assistance hotline for assistance with time sensitive foreclosure concerns.

Also attached is testimony on a related bill this session urging repeal.

**COST urges lawmakers to repeal Section 129(b) of Public Act 12-1** which is an unfunded mandate that is cumbersome to administer and confusing to our property taxpayers.

*COST is an advocacy organization committed to giving small towns a strong voice in the legislative process. Its members are Connecticut towns with populations of less than 30,000. COST champions the major policy needs and concerns of Connecticut’s suburban and rural towns.*





***Town of Manchester***

***Water and Sewer Department***

Memorandum

DATE: March 18, 2013

TO: Planning & Development Committee

FROM: Edward J. Soper, Administrator

**RE: SB-1113, An Act Eliminating Certain Municipal Mandates**

Manchester Water & Sewer Department respectfully requests your assistance in addressing concerns regarding a new mandate imposes on municipalities last session. The new law has the unintended consequence of requiring water and sewer departments to attach a two-page legal notice to any statement or bill indicating that a property owner is in arrears in payment.

In addition to adding to the cost and burden of issuing delinquent notices, the new law is causing some distress with customers who receive the notice. The notice appears to indicate that the property owner is at risk of foreclosure or some other legal action and is understandably confusing.

It is our understanding that this form is now required by Public Act 12-1. It is unclear why this notice requirement was adopted in special session but it has created much confusion in municipal water and sewer departments.

We are asking that this law be repealed to address these concerns.

Thank you for the opportunity to comment. If you have any questions, please contact me at 860-647-3115.

