

SPECIAL JOINT MEETING

CITY COUNCIL & WPC AUTHORITY AND BOARD OF FINANCE

SEPTEMBER 24, 2014

A **SPECIAL JOINT MEETING** was held by the City Council & WPC Authority and the Board of Finance in the Auditorium on Wednesday, September 24, 2014.

Those in attendance included Mayor Elinor Carbone, Corporation Counsel Ray Rigat, City Councilors Drake Waldron, Gregg Cogswell, Anne Ruwet, Christopher Anderson, and Paul Cavagnero and members of the Board of Finance Bill Lamoin, Laurene Pesce, Mark Bushka, Tom Scoville, Frank Rubino and Joshua Ferreira. City Councilor Paul Samele was absent.

Mayor Carbone called the meeting to order at 6:30 p.m. beginning with the Pledge of Allegiance.

OVERVIEW: FORENSIC ACCOUNTING INVESTIGATION REPORT

Mayor Carbone presented an overview of the Forensic Accounting Investigation Report by Ron L. Beaulieu & Co. (Addendum 1) She said this report will help reform deficiencies in our tax collection policies and procedures, accomplished through clearly defined contract language that eliminates ambiguities. Mayor Carbone noted that certain reports contained in the scope of services could not be generated due to a lack of access to the Tax Collector's records.

Mayor Carbone listed the benefits that include a 100% tax collection rate, a favorable bond rating, seamless execution of tax foreclosures and jeopardy tax collections. She said the City is not burdened with the minutia of running an office such as bounced checks, DMV reporting, lien filing, mailing costs, constable and sheriff service fees and staff salaries and benefits. She said the drawbacks are that tax collection may be more aggressive than that used by elected or appointed tax collectors, the office may not be as responsive to the public, and supervision of the office of the Tax Collector is limited to management under the terms of the contract.

Major Findings - Deposits

Mayor Carbone said that a major finding in the report is that the deposit of funds should be with the City as required by CGS 12-147, whereas they are currently deposited into a business account entitled "R. Thomas Crovo, Tax Collector LLC". She noted that 100% of all taxes and sewer fees due to the City on the rate bill issued by the Board of Finance and delivered to the Tax Collector were paid on time and in full, without exception.

Major Findings - Refund of Excess Payments

Mayor Carbone said the Tax Collector has been refunding excess payments through his checking account, not in accordance with CGS 12-129. She said it is important to note that while the Tax Collector has been in compliance with the terms of the contract, when the terms of the contract contradict State Statute, State Statute must prevail. She said that pending the negotiation of a refunding procedure, she will request the Tax Collector turn over the \$86,253.35 in unclaimed overpayments that were due to expire on July 1, 2014 to his attorney to be held in escrow. Mayor Carbone said that additionally the City will negotiate the refund of overpayments on the Grand List for 2011, 2012, and do so prior to the expiration of the 3-year claim period as provided for in CGS 12-129. She recommended that future contracts cause all overpayments to be turned over to the City and every effort be made by the City to return overpayments.

Major Findings - Interest on Uncollected Taxes

Mayor Carbone noted that the Tax Collector purchases the current Grand List outstanding tax receivable on the first Monday in November and the first Monday in May. She said that in his review of Special Act 19-31, Mr. Beaulieu asserts that the interest collected prior to those dates does not belong to the Tax Collector. Mayor Carbone referred to Atty. Rigat's Memorandum of Opinion dated August 28, 2014 (Addendum 2), and said that contract language should clearly define the expectations regarding interest collection, whereas the existing contract appears to be silent on interest.

Taxes Collected

Mayor Carbone said that for the first time in 90 years we have a clear picture of what tax collection looks like in the City. She compared the total amount due on the rate book for each grand list year with the amount of tax collected by the Tax Collector, and showed the deficit of collection. She said that is the total of unpaid taxes, which the Tax Collector had to pay to the City to fulfill his 100% obligation.

Mayor Carbone noted that in each of the 2009 and 2010 Grand List years, that was in excess of \$2,000,000. She compared this to other municipalities in our socio-economic group listed on the Office of Policy and Management's website. Our collection rates for all taxes, real estate, motor vehicle, motor vehicle supplemental and personal property are right in the range of what our counterparts are collecting, she said.

Sewer Fee Collections and Total Interest

Mayor Carbone said that this collection rate is considerably lower than regular taxes and the total interest collected by the Tax Collector still did not total the 100% collection amount.

Collection Fees and Lien Fees Charged to Taxpayers

Mayor Carbone said taxpayers were unsure what the additional fees were that appear on their tax bills, and the accountant provides a breakdown of those fees by grand list year in his report. She said these are all reimbursements for costs advanced by the Tax Collector, directly related to Motor Vehicle Tax Collection paid to the DMV.

Mayor Carbone explained that liens are recorded so the taxpayer cannot sell or further encumber property without first paying their taxes, interest and fees, and those recording fees are collected from the Tax Collector by the Town Clerk.

Outstanding Tax and Interest Owed

Mayor Carbone reported that the uncollected taxes and interest that will continue to be due and owing to the Tax Collector should he no longer be serving the City is over \$31,000,000 through January 24th. She added that this isn't accurate because we were in the middle of collecting the second installment of taxes in addition to motor vehicle, and that she will seek additional information to get a better idea of what our exposure is under paragraph 11 of the Tax Collector contract.

Unrefunded Overpayments Retained by Tax Collector

Mayor Carbone explained that State Statute allows a municipality three years to hold overpayments on the books. If at the end of that 3-year period, a claim for the overpayment has not been filed, prior to October 2013, municipalities had to consider what to do with those unrefunded or unclaimed amounts. She said she contacted some municipalities and received mixed reactions. Some municipalities turned the overpayments over to the State as abandoned property, some were retaining them, but most municipalities made very concerted efforts to refund overpayments. They did not hold overpayments to this magnitude, she said, and their unclaimed overpayments were significantly lower.

Mayor Carbone noted that the Tax Collector's actions were in accordance with his understanding of what he was allowed to do.

Overpayments for which repayment terms will be negotiated

Mayor Carbone said that since the Grand List for 2010 was due to expire on July 1, 2014, she reached out to the Tax Collector through his attorney to see if they would be willing to hold those funds in escrow pending our negotiations. The Grand List for 2011 and 2012 are not due to expire until July 1, 2015 and 2016, she said.

Complaints

Mayor Carbone noted that 46% of the complaints received were with regard to overpayments, 42% were with regard to customer service, and 12% covered other topics. She said there were 56 complaints received by the Mayor's Office from February 2013 to the present time. Mayor Carbone said the total number of tax accounts billed by the Tax Collector is 65,795, so the percentage of complaints in relation to the number of billable accounts is less than 1/10th of 1%. She stressed that all complaints, regardless of the number, are important and deserve our full attention.

Overpayments

Mayor Carbone recounted that in 2011, Mayor Ryan Bingham attempted to make the system more transparent by requiring the Tax Collector to post all overpayments online three months prior to the three-year expiration date. In May 2013, 952 notices were mailed by the City to taxpayers notifying them that they may be entitled to a refund. Those letters resulted in ensuing litigation filed against the City by the Tax Collector, who said it was a violation of his contract for us to have done so. Mayor Carbone said that prior to Oct 2013, the disposition of unclaimed overpayments varied greatly from municipality to municipality. Some kept funds while others turned them over to the state in accordance with abandoned property statutes.

Customer Service

Mayor Carbone said that many complainants reported unprofessional and discourteous treatment, specifically by the Tax Office Manager. She noted that there are some very fine individuals that work in that Tax Collector's office and people have come upstairs and made a point to say how well they were treated by those individuals at the front window. There seems to be an extraordinary number of complaints with regard to the Office Manager, she said.

Next Steps

Mayor Carbone said that all taxpayers and residents deserve to be treated in a professional and respectful way and her intention is to seek an immediate reformation of the current contract to include language that requires all overpayments to be turned over to the City and that the City process applications for refunds in accordance with the State Statutes. She said she will establish an Ombudsman to work with the Tax Collector's and Mayor's offices, providing oversight of procedures and policies and fielding complaints. Mayor Carbone said she will have the Tax Collector publish all policies with regard to tax collection in accordance with the contract provisions and post them on the City website. She reported that the Tax Collector is open to negotiating these items.

Mayor Carbone said she will seek to establish a committee consisting of the Tax Collector and City Staff, including the Mayor, Treasurer, Assessor, Ombudsman and members of the Finance Dept. to meet on a monthly basis to discuss tax collection matters. She said she will work to establish the ability for sewer users to obtain sewer information and pay sewer fees online and reach out to more credit card processors to seek reduced credit card fees, perhaps through a competitive bid.

In an effort to provide an equal opportunity for potential bidders to review bid specs, contract terms and other relevant information regarding tax collection in the City, Mayor Carbone said she is prepared to proceed with the immediate issuance of a request for qualification containing all of the changes recommended in this report regarding compliance with State Statute, especially where contract terms contradict State Statute. She said all of those terms will be brought into compliance and be consistent.

Conclusion

Mayor Carbone said she is committed to addressing ongoing issues with the Office of the Tax Collector and working to restore confidence that tax collection is being done in accordance with State Statute, that taxpayers are treated respectfully and professionally and that tax and sewer records are easily accessible to all taxpayers.

Forensic Accounting Investigation Report

Mayor Carbone pointed out the accountant's major findings contained the first three pages of the report. She said it is important for everyone to be aware of what the State Statutes are, to be aware of what Corporation Counsel's opinion is, and to recognize that contradictions between the contract and the State Statute must be amended.

Mayor Carbone explained Schedules 1 through 6 to the Council and pointed out the information contained on pages 312 through 318.

Councilor Cavagnero said he wants to see the profit model. Mayor Carbone said the complete cash flow picture couldn't be created without access to the Tax Collector's expenses. Councilor Cavagnero commended the Mayor on her extremely good work.

Councilor Anderson said the scope limitations were significant, so the answers to Councilor Cavagnero's questions were not provided in this report. He said this report is within the scope of information that was requested, but information such as what the Tax Collector is getting when he forecloses on a property and what his profit is from property sales was not provided here. He said that due to the scope limitations, there isn't a clear answer for a profit model.

Mayor Carbone noted that back taxes, interest and the \$100,000 annual fee paid by the City also add to the Tax Collector's cash flow. She said the Council can get an idea without that additional information, while remembering what it costs the City to run a five or six person department. The department that most closely resembles tax collection is the Tax Assessor's office, she said, and their annual budget is a little over \$500,000 a year. Mayor Carbone said the tax collection office budgets of four different municipalities that were interviewed during the last Charter Revision process were between \$300,000 and \$550,000.

Councilor Cavagnero questioned the tax collection rate. Mayor Carbone said the percentage rates were included in her presentation and pulled from OPM's website for similar municipalities within our socio-economic group. She said those municipalities experienced between 95% and 98%, while only Torrington had a 100% collection rate.

Mr. Lamoin asked what pieces of information are missing. Mayor Carbone said the sale of properties, the fees paid to the Tax Collector, what overpayments are retained, jeopardy tax collection and any profit on sales. She said she cannot provide information on expenses, and noted that the long-term benefit of this tax collection is that the Tax Collector will continue to receive uncollected taxes as they come in, and 18% interest on them, long after he is no longer serving as the Tax Collector for the City of Torrington.

Councilor Ruwet complimented the Mayor on the presentation and the thoroughness of her review. She said she appreciated the work that the Mayor and Atty. Rigat put into it. Councilor Ruwet said that with a 100% tax collection rate and 56 complaints, she feels very strongly that the tax collection we have in the City of Torrington should not be questioned at this point. She said that additions to the new contract in May 2015 should be considered.

Mayor Carbone said she wants to get this RFQ out immediately to allow time for contract negotiations. She said this investigation report provides a lot of information to any potential future bidder.

Councilor Ruwet noted that people are concerned about the interest rate. Atty. Rigat said the statutory interest rate is 18%. He explained that there has been a lack of a system of controls to have municipal oversight over our tax collection. He said the Tax Collector is a public official who holds office for 4-year terms, complying with all state laws, within a contract. Atty. Rigat explained that if the City wants to keep this tax collection system, it has to be reformed to comply with State Statute.

Mayor Carbone explained that if contract language exonerates somebody from complying with certain State Statutes, and they're in compliance with the contract, it is certainly no fault of theirs that they've done everything they were supposed to do in accordance with the contract. She said that ensuring our contract is in strict compliance with State Statutes is most imperative.

Mrs. Pesce agreed that we need to go out to bid right now. She recalled that there were two bidders four years ago. If someone was going to make a decent proposal to us, they are going to need some time, she said, as this isn't the norm.

Atty. Rigat added that this is a lucrative contract and there should be no shortage of bidders for this. He recommended that the line of credit necessary to be a bidder was too high. Mayor Carbone said those incidentals would be addressed as this RFQ is developed.

ADJOURNMENT

On a motion by Councilor Ruwet, seconded by Councilor Cogswell, the meeting was adjourned at 7:46 p.m.

ATTEST: JOSEPH L. QUARTIERO, CMC
CITY CLERK

Carol L. Anderson CMC
Asst. City Clerk

Addendum 1

<p>City of Torrington Tax Collection Presentation</p> <p>September, 2014</p> 	<p>Opening Statement</p> <ul style="list-style-type: none">“The tax collector is responsible for running an office with concern for the bottom line – the collection rate; for case management; for accuracy and accounts in balance; for the security of the office and its personnel; and for the quality of the personal contact with taxpayers.” <small>Handbook for Connecticut Tax Collectors by Edward T. Dowling</small>
<p>Background</p> <ul style="list-style-type: none">Private Tax Collection for the City of Torrington was established by CT Special Act 1923, #374For the past 90 years, with the exception of the years in which a company named Angram served as tax collector, our current tax collection model has been successful. Each contract presents an opportunity to improve tax collection.	<p>Contract</p> <ul style="list-style-type: none">The terms of tax collection for the City of Torrington are dictated by contract, charter, state statute, and special actsIn 1999, the city and Robert Thomas Crovo entered into a contract for tax collection services. Dr. Crovo immediately began rebuilding tax collection procedures previously left in disarray by AngramJuly 2011, City of Torrington and Robert Crovo entered into the current (fourth) contract term. Copy provided.Contract can and has been amended as needed

Benefits to City

- 100% Tax Collection Rate
- Favorable bond rating (Aa3), resulting from 100% tax collection rate
- Allows for seamless execution of tax foreclosures, bank executions, jeopardy tax collection, etc
- City unburdened with bounced checks, DMV reporting, lien filing, mailing cost, constable services, & staff salaries and benefits

Drawbacks

- Private tax collector may be more aggressive at tax collection than appointed or elected tax collector
- Office may not be as responsive to the public as an appointed or elected official would be
- Supervision of office operations of the tax collector are limited to management under the terms of the contract

Forensic Accounting Investigation Report

Major Findings Deposit of Funds

- Funds collected by Tax Collector were not deposited in the name of the city, as required by C.G.S.A §12-147, instead they were deposited in a business account titled “R. Thomas Crovo, Tax Collector LLC”
- **NOTE:** 100% of all taxes and sewer fees due on the rate books issued by the Board of Finance and delivered to the Tax Collector were paid on time and in full. Without exception.

Deposit of Funds Context

- C.G.S.A. §12-147 states that “All moneys collected by the collector or his duly appointed agent in taxes and interest, penalties, fees and charges and lien fees thereon, during the period in which they are held by the collector . . . Shall be deposited **at least weekly** . . . in the name of the municipality”
- Tax Collector Contract paragraph 1.4 requires the Tax Collector make **daily deposits** equal to prior days receipt of taxes and sewer user fees to the City Treasurer . . .

Deposit of Funds Going Forward

- Contractual terms will provide that funds collected and deposited will be done so in accordance with C.G.S.A. §12-147 and §7-402

Major Finding Refund of Excess Payments

- “Procedurally, the Tax Collector has been refunding excess payments through his checking account. This procedure is not in accordance with C.G.S.A. §12-129. . . ”

Refund of Excess Payments Context

- Per Contract provisions contained in paragraph 1.8 “...Such refunds would be made directly without notation in the rate book and without the need for an annual report to the city”

Refund of Excess Payment Going Forward

- Pending negotiation of refunding procedures, the city has requested tax collector turn over to his attorney, to be held in escrow, the unclaimed overpayments that were due to expire on July 1, 2014 (\$86,253.35)
- The city will also negotiate the refund of overpayments on the Grand List years 2011 (\$156,609.42) and 2012 (\$273,891.08) prior to the expiration of the three-year claim period as provided by C.G.S.A. §12-129
- Future contracts must include provisions that all overpayments will be turned over to the city and all efforts will be made by the city to refund the overpayments in accordance with C.G.S.A. §12-129.

Major Findings Interest on Uncollected Taxes

- Per Special Acts 1931 No. 4, Section 5, the tax collector “purchases” the current Grand List outstanding tax receivable on the first Monday in November and the first Monday in May each year, and asserts that interest collected prior to those dates does not belong to the tax collector

Interest on Uncollected Taxes Context

- Per Torrington City Charter §14-3: "... Collector. . . shall have all rights of action for the collection of unpaid taxes which said City would have under the laws of this state and may proceed in any such action in the name of the town or City, and such unpaid tax, when collected, shall belong to said Collector.
- Per C.G.S.A. §12-146, Tax, when delinquent. Interest. "Each addition of interest shall become, and shall be collectible as a part of such tax".
- NOTE: See Memorandum of Opinion dated August 28, 2014 prepared by Corporation Counsel (Exhibit 3)

Interest on Uncollected Taxes Going Forward

- Contract language should clearly define expectations regarding interest collection.

By the Numbers Taxes Collected

GL Year	% Collected	Total Amount Due	Amt Collected by TC	Unpaid taxes: Amount paid by Tax Collector to City to fulfill 100% obligation
2006	97.48	\$65,083,809.74	\$63,441,929.04	\$1,641,880.70
2007	97.70	\$68,667,818.86	\$67,065,902.04	\$1,581,916.82
2008	97.25	\$68,680,000.78	\$66,788,216.33	\$1,891,784.45
2009	97.04	\$75,648,968.42	\$73,411,640.42	\$2,237,328.00
2010	97.18	\$76,366,984.52	\$74,213,071.31	\$2,153,913.21
2011	98.00	\$79,225,876.09	\$77,837,990.87	\$1,587,885.22

By the Numbers Sewer Fees Collected

GL Year	% Collected	Total Amount Due	Amount Collected by TC	Unpaid Fees: Amount paid by Tax Collector to City of fulfill 100% obligation
2006	91.59	\$3,033,753.90	\$2,778,724.39	\$255,029.51
2007	91.51	\$3,370,725.89	\$3,084,631.44	\$286,094.45
2008	89.30	\$3,440,669.34	\$3,072,632.04	\$368,037.30
2009	86.03	\$3,399,068.95	\$2,924,270.86	\$474,798.09
2010	87.86	\$3,441,099.20	\$3,023,184.46	\$417,914.74
2011	88.50	\$3,465,440.33	\$3,067,063.72	\$398,376.61

By the Numbers Interest Collected

Grand List Year	Total Interest Collected (@ 18%)
(2004)1/2006-6/2006	\$85,620.33
2005	\$470,049.65
2006	\$749,334.66
2007	\$955,703.31
2008	\$869,686.73
2009	\$913,364.28
2010	\$1,239,782.13
2011	\$1,237,095.11
(2012)7/2013-1/2014	\$669,235.00

By the Numbers Collection Fees Charged to Taxpayers

Grand List Year	Total Fees Collected – with a few exceptions, these are reimbursement for costs advanced by Tax Collector
(2004)1/2006-6/2006	\$535.95
2005	\$1,319.65
2006	\$8,180.73
2007	\$24,686.42
2008	\$26,471.73
2009	\$1,360.65
2010	\$2,871.74
2011	\$57,289.68
(2012)7/2013-1/2014	\$56,395.40

By the Numbers Lien Fees

Grand List Year	Total Lien Fees Collected – all reimbursement for filing fees advanced by Tax Collector
(2004)1/2006-6/2006	\$10,111.22
2005	\$23,174.44
2006	\$29,773.52
2007	\$34,646.28
2008	\$32,793.14
2009	\$31,861.35
2010	\$61,631.96
2011	\$54,567.29
(2012)7/2013-1/2014	\$43,081.79

By the Numbers Outstanding Tax & Interest Owed

- The total outstanding taxes and interest through /24/2014 \$31,280,219.23**

NOTE: Because this Investigation Report ends during the collection period for the GL 2012, additional information should be sought to determine estimated exposure under Paragraph 11 of Tax Collector's Contract.

By the Numbers Overpayments

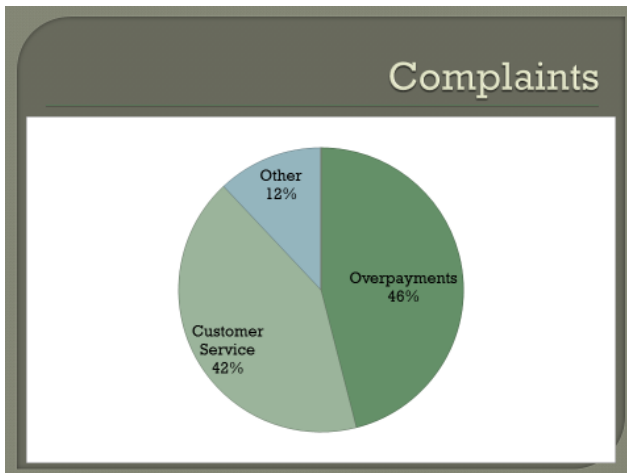
- Overpayments retained by Tax Collector (un-refunded after the expiration of the claim period) for the Grand List years:

GL 2004	\$164,366.03
GL 2005	\$162,279.53
GL 2006	\$135,253.50
GL 2007	\$179,753.62
GL 2008	\$102,798.93
GL 2009	\$194,241.06

By the Numbers Overpayments

- Overpayments for which repayment terms will be negotiated:

GL 2010	\$ 86,253.35
GL 2011	\$156,609.42
GL 2012	\$273,891.08



Complaints

- 56 Complaints received by Mayor's Office between February 2013-Present
- Total # of tax accounts billed by tax collector: 65,795
- Percentage of Complaints: 0.09%
- All complaints, regardless of number are important and deserve full attention

Complaints Overpayments

- If unclaimed after 3 years, historically, all overpayments of taxes have been retained by Tax Collector
- In 2011, under Mayor Bingham, the city attempted to make the system more transparent by requiring the tax collector post all overpayments online 3 months prior to the 3-year expiration date

Complaints Overpayments

- In May of 2013, in an attempt to make information regarding overpayments more accessible to taxpayers, 952 notices were mailed by the City to taxpayers notifying them that they may be entitled to a refund
- Letters resulted in ensuing litigation filed by Tax Collector against the city

Complaints Overpayments

- Prior to October 2013, the disposition of unclaimed overpayments varied greatly from municipality to municipality – some municipalities kept the funds, others turned them over to the State of Connecticut in accordance with statutes governing abandoned property.

Customer Service

- Nearly half of the 56 complaints received were in regard to customer service
- Many complainants reported unprofessional and discourteous treatment by Tax Office Manager

Next Steps

- All taxpayers and residents deserve to be treated in a professional and respectful way

Next Steps Current Contract

- Current contract expires May 2015
- The city will seek an immediate reformation of current contract to include language that requires all overpayments be turned over to the City, and the City will process applications for refunds in accordance with state statute
- The City will seek to establish an Ombudsman that will work with the Tax collector's office and the Mayor's Office providing oversight of procedures and policies and field complaints
- The Tax Collector will publish all policies in accordance with Contract provisions, which policies will also be posted on the City website.

Next Steps Current Contract

- Tax Collector and City staff, consisting of Mayor, Treasurer, Assessor, member of Finance Department and Ombudsman will meet on a monthly basis to discuss tax collection matters.
- Sewer fee information and the ability to pay sewer fees will be made accessible online as soon as possible.

Next Steps New Contract

- The last RFP process for Tax Collection commenced in December prior to the expiration of the contract term.
- In an effort to provide ample opportunity for potential bidders to review bid specs, contract terms and other relevant information regarding tax collection, the City has prepared and will proceed with the immediate issuance of a Request for Qualification

Addendum 2

TO: Mayor Elinor Carbone
FROM: Raymond J. Rigat, Esq.
Date: August 28, 2014

MEMORANDUM OPINION

You have asked whether the tax collector has a right to keep interest earned prior to November 1st of each year under the City Charter and the relevant Special Acts incorporated by that Charter.

Section C14-3 of the Charter states, that "...until said Collector shall have collected the taxes due upon his or her rate in full, he or she shall be subrogated to all rights of action for the collection of any unpaid taxes which said City would have under the laws of this state and may proceed in any such action in the name of the town or City, and such unpaid tax, when collected, shall belong to said Collector, his or her executor or administrator or assigns."

Ron Beaulieu has expressed the opinion that the tax collector is not entitled to any interest which has accrued prior to November 1st, when the tax collector has rendered to the City his final payment on the Grand List rate book. It is Mr. Beaulieu's opinion that upon this installment the delinquent accounts have been purchased by the tax collector, and that his entitlement to the statutory interest rate begins from that moment forward.

Mr. Beaulieu's opinion rests on the language contained in Section 5 of the 1931 Special Act, which states: "... **[w]hen said tax collector shall have made full and final settlement with the City Treasurer for the taxes due in either taxation district**, he shall not be compelled to deliver to his successor in office the rate bills therefor, but as to the unpaid taxes upon said rate bills he may execute his respective tax warrants therefor in any town at any time including any time after the expiration of the year limited for the collection of said taxes and shall have the same powers as sheriffs in performing their duties with reference to said unpaid taxes and until said collector shall have collected the taxes due upon his rate bills in full he shall be subrogated to all rights of action for the collection of any unpaid taxes which said city would have under the laws of this state and may proceed in any such action in the name of the town or city and such unpaid tax when collected shall belong to said collector, his executor or administrator or assigns." (Emphasis added.) That is, the tax collector is only entitled to step into the shoes of the City for purposes of collection of back taxes once he has made full payment ("final settlement") with the City. It is a neat point given the language of the special act.

In my opinion the language can reasonably be interpreted to mean either: (1) the tax collector steps into the shoes of the City for purposes of collection of back taxes (and interest) when final settlement has been made, and once in those shoes is entitled to **all** back taxes and interest for the Grand List year; or (2) the tax collector steps into the shoes of the City for purposes of collection of back taxes (and interest) when final settlement has been made, and once in those shoes is entitled to all back taxes but only the interest from the time of final settlement with the City.

Final settlement occurs on November 1st of each year, which is four months later than the first installment of taxes paid by the Collector. Past praxis has always been to allow the tax collector to keep the interest accruing during that four month window. The City has apparently always taken the first interpretation of the language of the 1931 Special Act.

Given Torrington's unique status, there will be no case law directly on point as to whether the tax collector must return to the City the four month's interest on delinquent accounts once collected. That has never been required by the City, which has taken the language of the Special Act to mean that once final settlement is made with the City, the tax collector is subrogated to the same rights as the City for purposes of collection. This is not an unreasonable interpretation of the language of the Special Act given: (1) the practical difficulties of handling a large number of accounts, with the limited four month window; and (2) the absence of legislative clarity to this specific question. Our Supreme Court has "accorded deference to such a time-tested agency interpretation of a statute, but only when the agency **has consistently followed its construction over a long period of time, the statutory language is ambiguous, and the agency's interpretation is reasonable.**" *State Medical Society v. Board of Examiners in Podiatry*, 208 Conn. 709, 719, 546 A.2d 830 (1988) (emphasis added). Here, the City has a status analogous to an administrative agency for purposes of interpreting the language of both the City Charter and the Special Act of 1931.

Therefore, it is my legal opinion, that the City can continue to allow the appointed tax collector to keep all statutory interest under its prior practice.

Respectfully Submitted,

Raymond J. Rigat, Esq.
Corporation Counsel
City of Torrington