



CITY OF HARTFORD

CITY COUNCIL AGENDA REPORT

Meeting Date: February 20, 2024
Department: Administration
Submitted By: Linnea Rader, Interim City Manager
Prepared By: RoxAnn Rodney-Isbrecht, Clerk
Agenda Title: Lien & Delinquent Taxes

RECOMMENDED ACTION:

With the demolition of blighted buildings, we have come into situations where the blight elimination grant does not cover 100% of costs, or a grant is not available at all. The City will need to develop a policy on how to handle the demolitions moving forward so we are consistent. We have three options, none of which are ideal.

1. If we add it to the tax bill and they don't pay, the property gets foreclosed on by the County Treasurer's office. If the property then sells in the first round of sale, we would receive payment for the lien. If it does not, the lien gets removed from the second auction and we would be billed chargeback for the lien plus penalties & interest.. This has the potential for a very high cost to the City.
2. We place a lien on the property. If we don't add it to the tax bill and they don't pay the lien, the lien is removed at foreclosure. However, we have the ability to file a notice of intent to claim excess proceeds and IF the property is sold for more than sale costs, we would get whatever excess exists back towards the lien amount. The costs here are in attorney fees. Recouping the cost is minimally assured.
3. We apply for grants whenever possible and the City pays for the balance or the full cost if no grants are available.

No option is perfect. Option one and two provide a possibility for partial funding, but also have additional costs that may or may not be recouped.

At this time we would like Council to discuss the three options. Depending on Council's conversation, we would work with the Attorney to ensure we haven't missed any details and write a formal policy.