

# Bond Case Briefs

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## TAX LIENS - CONNECTICUT

### **Cazenovia Creek Funding I, LLC v. White Eagle Society of Brotherly Help, Inc.**

**Supreme Court of Connecticut - April 15, 2025 - A.3d - 2025 WL 1085249**

Holder of municipal tax liens, which were originally assigned to holder's predecessor in interest by city collector of revenue, brought foreclosure action against owner of real property.

The Superior Court granted holder's motion for summary judgment as to liability. Another holder was substituted as plaintiff, and subsequent holder was later substituted as plaintiff. The Superior Court rendered a judgment of foreclosure by sale, and owner appealed. The Appellate Court affirmed, and owner filed petition for certification of appeal. The Supreme Court granted petition.

The Supreme Court held that:

- Substitute lienholder met *prima facie* burden of establishing ability to foreclose on liens;
- Language in city council meeting agendas and minutes did not preclude assignment of tax liens for two years' grand lists;
- Liens for two years prior to fiscal year referenced in city council's meeting agendas and minutes could be encompassed in that specific fiscal year;
- City council was not required to authorize predecessor's subsequent assignment of lien to substitute lienholder;
- Supreme Court could not determine whether trial court ruled in favor of substitute lienholder as to three of six special defenses asserted by property owner; and
- Any claims related to procedural irregularities in proceedings were deemed waived by property owner.

Substitute holder of municipal tax liens met its *prima facie* burden of establishing its ability to foreclose on the liens, where holder submitted certification documents including certified copies of certificates of continuing tax liens for taxes due on property relating to grand lists for two years.

Language contained in city council meeting agendas and minutes, which referenced assignment of tax liens for specific fiscal year, did not preclude assignment of tax liens for prior and subsequent years' grand lists, as required for substitute holder of municipal tax liens to have ability to foreclose on liens; city council was not required to specifically enumerate grant list year as opposed to fiscal year, governing statute section did not use terms "fiscal year" or "grand list," and although meeting agendas and minutes referenced "fiscal year," actual resolutions approved by council did not contain "fiscal year" language, instead providing for assignment of all tax liens by tax collector to secure unpaid property taxes.

Tax liens for two years prior to specific fiscal year referenced in city council's meeting agendas and minutes could be encompassed in that specific fiscal year, as required for substitute holder of municipal tax liens to have assignment of and ability to foreclose on liens; taxes assessed in connection with grand list for two years before specified fiscal year would not have been overdue

until specified fiscal year, and assignment of tax liens from grand lists for two years prior to specified fiscal year were approved within two years of those grant list years.

City council was not required to authorize predecessor's subsequent assignment of municipal tax lien to substitute holder of lien, as would render subsequent assignment invalid, where assignments at issue were executed approximately six to seven years before legislature amended governing statute section to add requirement of prior written consent of subsequent assignment by city council.

Supreme Court could not determine whether trial court ruled in favor of substitute holder of municipal tax liens, in rendering judgment of foreclosure on liens by sale of real property, regarding three of special defenses asserted by owner of foreclosed property in response to holder's complaint, where trial court granted holder's motion for summary judgment as to liability, as well as on three special defenses raising question of whether holder had authority to bring tax foreclosure action, and trial court at least implicitly appeared to have considered and ruled on remaining special defenses related to liability, but there was no written memorandum of decision from trial court, given that no trial was held after summary judgment motion, and there was no clear articulation of the record.

Any claims related to procedural irregularities in proceedings wherein substitute holder of municipal tax liens obtained judgment of foreclosure by sale were waived by owner of real property subject to that foreclosure, where owner had responded to the complaint and asserted six special defenses, to which holder never replied and was never required to reply by the trial court, the trial court noted in granting holder summary judgment as to liability that three of those special defenses relating to liability would be subject of a trial, but no trial followed motion for summary judgment, and owner never objected to procedural irregularities.