



Senate

File No. 839

General Assembly

January Session, 2001

(Reprint of File No. 237)

Senate Bill No. 774
As Amended by House
Amendment Schedule "A"

Approved by the Legislative Commissioner
May 31, 2001

**AN ACT CONCERNING MUNICIPAL BLIGHT ORDINANCES AND THE
POWER OF A MUNICIPALITY TO APPOINT A RECEIVER OF RENTS.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subparagraph (H) (xv) of subdivision (7) of subsection (c)
2 of section 7-148 of the general statutes is repealed and the following is
3 substituted in lieu thereof:

4 (xv) Make and enforce regulations preventing housing blight,
5 including regulations reducing assessments, provided such regulations
6 define housing blight, and including regulations establishing a duty to
7 maintain property and specifying standards to determine if there is
8 neglect; prescribe fines for the violation of such regulations of not less
9 than ten nor more than one hundred dollars for each day that a
10 violation continues and, if such fines are prescribed, such municipality
11 shall adopt a citation hearing procedure in accordance with section 7-
12 152c.

13 Sec. 2. Section 47a-56a of the general statutes is repealed and the
14 following is substituted in lieu thereof:

15 Whenever any order issued under the provisions of section 47a-53,
16 or section 47a-55, or under the provisions of any municipal charter or
17 special act or ordinance relating to the abatement of nuisances in
18 tenement houses is not complied with, or not so far complied with as
19 the appropriate authority finds reasonable, within the time allowed, or
20 whenever a landlord has not substantially complied with the
21 provisions of section 47a-7, the authority appointed under the
22 provisions of section 47a-56, [shall] may apply to the superior court for
23 the judicial district where the property is situated for an order
24 requiring the owner and any mortgagees or lienors of record to show
25 cause why a receiver of rents, issues and profits should not be
26 appointed and why said receiver should not remove or remedy such
27 condition and obtain a lien in favor of the municipality, having priority
28 with respect to all existing mortgages or liens, to secure payment of the
29 costs incurred by the receiver in removing or remedying such
30 condition. Such application shall contain (1) proof by affidavit that an
31 order of the proper authority has been issued and served on the
32 owner, mortgagees and lienors; (2) a statement that a nuisance exists
33 because a landlord has been in substantial noncompliance with the
34 provisions of section 47a-7 or a nuisance exists that constitutes a fire
35 hazard or a serious threat to life, health or safety and that such
36 nuisance continued to exist in such property after the time fixed for the
37 removal thereof in such order, and such statement shall contain a
38 description of the property and the conditions constituting such
39 nuisance; (3) a brief description of the nature of the work required to
40 remove or remedy the condition and an estimate as to the cost thereof.

41 Sec. 3. Section 47a-56d of the general statutes is repealed and the
42 following is substituted in lieu thereof:

43 (a) The receiver's appointment shall not be effective until [he] the
44 receiver furnishes a bond, with sufficient surety, in an amount to be
45 determined by the court, and until [he] the receiver provides evidence
46 [that he has obtained] of liability insurance coverage in an amount to
47 be set by the court, but at least in an amount, for a single injury, equal
48 to one hundred per cent of the appraised value of the property,

49 disregarding encumbrances.

50 (b) The receiver shall with all reasonable speed remove the
51 delinquent matters and deficiencies in the property constituting a
52 serious fire hazard or a serious threat to life, health or safety. During
53 the term of the receivership the receiver shall repair and maintain the
54 property in a safe and healthful condition. The receiver shall have the
55 power to let contracts [therefor] in accordance with the provisions of
56 local laws, ordinances, rules and regulations applicable to contracts for
57 public works. Notwithstanding any such laws, ordinances, rules or
58 regulations, the receiver may let contracts or incur expenses for
59 individual items of repairs, improvements or supplies without
60 advertisement or the procurement of competitive bids where the total
61 amount of any such individual item does not exceed five hundred
62 dollars or where there exists a condition which constitutes an
63 imminent and substantial danger to life, health or safety, but in such
64 event the receiver shall endeavor to obtain contracts on the most
65 advantageous terms.

66 (c) The receiver shall collect the accrued and accruing rents, issues
67 and profits of the property and apply the same to the cost of removing
68 or remedying such nuisance, to the payment of expenses reasonably
69 necessary to the proper operation and management of the property,
70 including insurance and the fees of the managing agent, if any, and to
71 unpaid taxes, assessments, water rents and sewer rents and penalties
72 and interest thereon.

73 (d) If the income of the property is insufficient to cover the cost of
74 remedying or removing such nuisance, the municipality [shall] may
75 advance to the receiver any sums required to cover such cost and
76 thereupon shall have a lien against the property having the priority
77 provided in section 47a-56a.

78 (e) Any excess of income of the property in the hands of the receiver
79 shall be applied to the necessary expenses in regard to such property
80 of [his office as receiver] the receiver's office and then to sums due to

81 mortgagees or lienors.

82 (f) The receiver shall have the power to bring a summary process
83 action pursuant to the provisions of chapter 832 against any tenant or
84 occupant of the property.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: None

Municipal Impact: Potential Indeterminate Cost, Potential
Minimal Revenue Gain, Potential
Indeterminate Savings

Explanation

Municipal Impact:

This bill allows municipalities to adopt regulations regarding housing blight that establish a duty to maintain property and that specify standards to determine if there is neglect. It is expected that interested municipalities will be able to adopt such regulations within their normal administrative actions.

Municipalities that choose to implement such regulations may be required to hold additional citation hearings if more property owners are found in violation of the regulations and request such hearings. This could lead to additional administrative costs to these municipalities, which cannot be determined at this time. The municipalities may also realize a minimal revenue gain due to the imposition of fines for violations of the new blight regulations.

To the extent that the bill provides for more flexibility for municipalities in resolving circumstances where a landlord's property is declared a nuisance, passage of the bill could result in potential indeterminate savings. The bill gives municipalities more options in

taking action against property owners particularly regarding the appointment of receivers to collect rents, evict tenants, or resolve nuisances.

House "A" added the provisions concerning municipal options for properties that have been declared a nuisance. This provision may result in indeterminate savings.

OLR Amended Bill Analysis

SB 774 (as amended by House "A")*

AN ACT CONCERNING MUNICIPAL BLIGHT ORDINANCES AND THE POWER OF A MUNICIPALITY TO APPOINT A RECEIVER OF RENTS.**SUMMARY:**

This bill authorizes municipalities to make and enforce property maintenance regulations that must include standards to determine neglect. Current law allows municipalities to make regulations preventing housing blight and to impose fines of from \$10 to \$100 a day for each violation. The bill authorizes the same level of daily fines for each violation of property maintenance regulations. As under current law, if a municipality chooses to impose fines, it must adopt a citation hearing procedure as set by statutes.

By law, municipal legislative bodies can appoint a person or committee (i.e., an authority) to act for the municipality in dealing with landlords whose property is declared a nuisance. This bill allows, rather than requires, these authorities to seek rent receivership action against a property owner. It also gives municipalities discretion whether to pay for remedying or removing the nuisance causing the action.

*House Amendment "A" adds the provisions related to municipal rent receivers.

EFFECTIVE DATE: October 1, 2001

RENT RECEIVERS

Whenever a municipally appointed authority finds a landlord did not (1) keep his property habitable or (2) comply with a municipal order to remedy or remove a public nuisance, current law requires it to apply to Superior Court for an order requiring the property owner (who, under statutes, may or may not be the landlord) to prove why a rent receiver should not be appointed. The bill gives the authority the

option of seeking a court-appointed receiver in such cases. By law, when appointed by the court, a receiver can collect rents, take steps to resolve the nuisance, and evict tenants.

Also under current law, if the income from the property in receivership does not cover the cost of resolving the nuisance or hazard, the municipality must advance the necessary funds to the receiver to cover such costs, and it must place a lien on the property. Under the bill, the municipality can provide funds to resolve the nuisance but is not required to do so.

BACKGROUND

Related Bill

HB 6850, An Act Concerning the Power of a Municipality to Appoint a Receiver of Rents, (File 542) contains the same rent receivership provisions as this bill.

Legislative History

On April 18, the Senate referred the bill to the Judiciary Committee, which reported it favorably without changes on April 25.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Report
Yea 17 Nay 0

Judiciary Committee

Joint Favorable Report
Yea 38 Nay 0