



House of Representatives

File No. 541

General Assembly

February Session, 2004 (Reprint of File No. 239)

House Bill No. 5558
As Amended by House
Amendment Schedule "B"

Approved by the Legislative Commissioner
April 12, 2004

**AN ACT CONCERNING THE CONVEYANCE OF INTERESTS IN REAL
PROPERTY TO LAND TRUSTS AND OTHER NONPROFIT LAND-
HOLDING ORGANIZATIONS.**

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

1 Section 1. (NEW) (*Effective October 1, 2004*) (a) As used in this
2 section:

3 (1) "Nonprofit land-holding organization" means a nonprofit
4 corporation incorporated pursuant to chapter 602 of the general
5 statutes, or any predecessor statute thereto, having as one of its
6 principal purposes the conservation and preservation of land,
7 including, but not limited to, a land trust; and

8 (2) "Conservation restriction" has the same meaning as provided in
9 section 47-42a of the general statutes.

10 (b) Any deed or other instrument of conveyance by which an
11 interest in real property, including, but not limited to, a conservation
12 restriction or easement, is conveyed to a nonprofit land-holding
13 organization on or after the effective date of this section shall, in

14 addition to other requirements of law, be signed by a duly authorized
15 officer of such nonprofit land-holding organization to indicate
16 acceptance of such interest by the nonprofit land-holding organization.

17 (c) Any person who conveys any interest in real property to a
18 nonprofit land-holding organization on or after the effective date of
19 this section by a deed or other instrument of conveyance that is not
20 signed by a duly authorized officer of such nonprofit land-holding
21 organization as required under subsection (b) of this section shall be
22 liable for a civil penalty in the amount of five hundred dollars. Any
23 such conveyance shall be deemed an unfair or deceptive trade practice
24 under subsection (a) of section 42-110b of the general statutes.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>

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:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Resources of the General Fund	GF - Potential Revenue Gain	Minimal	Minimal
Consumer Protection, Dept.; Attorney General	GF - None	None	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill prohibits certain real estate conveyances to nonprofit land-holding organizations by making them unfair or deceptive trade practices. The Department of Consumer Protection and Office of the Attorney General would be able to accommodate any workload increase associated with this change without requiring additional resources since few violations are anticipated.

House Amendment "A" added a civil penalty for violating the bill, which could result in a minimal revenue gain to the state.

OLR BILL ANALYSIS

HB 5558 (as amended by House "B")*

***AN ACT CONCERNING THE CONVEYANCE OF INTERESTS IN
REAL PROPERTY TO LAND TRUSTS AND OTHER NONPROFIT
LAND-HOLDING ORGANIZATIONS***

SUMMARY:

The bill requires any deed or other instrument that conveys an interest in real estate to a nonprofit landholding organization after September 30, 2004 to be signed by a duly authorized officer of the nonprofit landholding organization to indicate the organization's acceptance. The bill specifies that a conveyance includes a conservation restriction or easement.

The bill subjects violators to a civil penalty of \$500. It also makes a violation an unfair or deceptive trade practice.

A nonprofit landholding organization is a nonprofit corporation incorporated under Connecticut law, having as one of its principal purposes the conservation and preservation of land. It includes a land trust.

EFFECTIVE DATE: October 1, 2004

*House Amendment "B" eliminates a provision from the original file explicitly making void any conveyance of an interest in real estate to a nonprofit land-holding organization after September 30, 2004 that does not comply with the signature requirement. The amendment also adds penalties for violating the bill.

BACKGROUND***Conservation Restriction***

A "conservation restriction" means a limitation, whether or not stated

in the form of a restriction, easement, covenant, or condition, in any deed, will, or other instrument executed by or on behalf of the land owner, or in any order of taking such land, whose purpose is to retain land or water areas predominantly in their natural, scenic or open condition or in agricultural, farming, forest, or open space use (CGS § 47-42a).

Unfair or Deceptive Trade Practice

The law (Connecticut Unfair Trade Practices Act) prohibits businesses from engaging in unfair and deceptive acts or practices. It authorizes the consumer protection commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to bring suit. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorneys' fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Report

Yea 38 Nay 0