



# House of Representatives

General Assembly

**File No. 259**

*January Session, 2005*

House Bill No. 6726

*House of Representatives, April 11, 2005*

The Committee on Commerce reported through REP. BERGER of the 73rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING THE LAND BANK AND LAND TRUST PROGRAM.**

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

1 Section 1. Subsection (b) of section 8-214d of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2005*):

4 (b) A nonprofit corporation holding title to real property acquired  
5 with state financial assistance made under this section may convey title  
6 to structures and improvements situated upon such real property to  
7 very low, low and moderate income families, limited equity  
8 cooperatives or other corporations, provided (1) the terms and  
9 conditions of any instrument conveying such title requires that such  
10 structures and improvements be developed and used solely for the  
11 purpose of housing for very low, low or moderate income families,  
12 except that such terms and conditions, in the discretion of the  
13 commissioner and with the approval of the State Bond Commission,

14 may be subordinated in the case of a subsequent first mortgage or a  
 15 requirement of a governmental program relating to such real property,  
 16 (2) the nonprofit corporation retains title to the real property upon  
 17 which such structures and improvements are situated, and (3) the  
 18 nonprofit corporation shall have first option to purchase any structures  
 19 and improvements transferred at a below-market price agreed to at the  
 20 time of such transfer. A nonprofit corporation holding title to real  
 21 property acquired with state financial assistance made under this  
 22 section for which a declaration of condominium has been filed may  
 23 transfer the units in such condominium to (A) another eligible  
 24 nonprofit corporation as determined by the commissioner, or (B) very  
 25 low, low or moderate income families in accordance with chapter 828,  
 26 subject to deed restrictions, acceptable to the commissioner, requiring  
 27 that the units be used solely for the purpose of housing for very low,  
 28 low and moderate income families, provided in the case of a transfer  
 29 under subparagraph (B) of this subdivision, the original nonprofit  
 30 corporation shall have first option to purchase the unit at a below-  
 31 market price agreed to at the time of acquisition of the unit by the  
 32 family.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2005	8-214d(b)

**CE**      *Joint Favorable*

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:

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Effect</b>	<b>FY 06 \$</b>	<b>FY 07 \$</b>
Department of Economic & Community Development	None	None	None

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

Giving nonprofit organizations an additional option for transferring property acquired under the Department of Economic and Community Development's (DECD) Land Bank and Trust Program will not impact the workload or increase costs to DECD.

**OLR Bill Analysis**

HB 6726

***AN ACT CONCERNING THE LAND BANK AND LAND TRUST PROGRAM.*****SUMMARY:**

This bill gives nonprofit organizations another option for transferring property they acquired under the Department of Economic and Community Development's (DECD) Land Bank and Trust Program, which provides funds for acquiring land needed to develop low- and moderate-income housing.

Current law allows these organizations to transfer units in a condominium developed on land they acquired under the program. They can transfer the units to very low-, low-, or moderate- income people on the condition that the units be used only for housing people in these income groups. The bill additionally allows nonprofits to transfer interest to another nonprofit entity eligible for funds under the program. Transfers are subject to the commissioner's approval under contract law and the bills.

EFFECTIVE DATE: October 1, 2005

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Report

Yea 25      Nay 0