



House of Representatives

General Assembly

File No. 353

February Session, 2012

Substitute House Bill No. 5454

House of Representatives, April 11, 2012

The Committee on Planning and Development reported through REP. GENTILE of the 104th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING THE VALUATION OF REAL PROPERTY
ACQUIRED BY EMINENT DOMAIN.***

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

1 Section 1. Subdivision (2) of subsection (a) of section 8-129 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2012*):

4 (2) For any real property to be acquired by eminent domain
5 pursuant to section 8-128 or 8-193, or by condemnation pursuant to
6 section 32-224, pursuant to a redevelopment plan approved under this
7 chapter or a development plan approved under chapter 132 or 588l, the
8 agency shall have two independent appraisals conducted on the real
9 property in accordance with this subdivision. Each appraisal shall be
10 conducted by a state-certified real estate appraiser without
11 consultation with the appraiser conducting the other independent
12 appraisal, and shall be conducted in accordance with generally
13 accepted standards of professional appraisal practice as described in

14 the Uniform Standards of Professional Appraisal Practice issued by the
 15 Appraisal Standards Board of the Appraisal Foundation pursuant to
 16 Title XI of FIRREA and any regulations adopted pursuant to section
 17 20-504. Each appraiser shall provide a copy of the appraisal to the
 18 agency and the property owner. The amount of compensation for such
 19 real property shall be equal to the greater of (A) the average of the
 20 amounts determined by the two independent appraisals [, except that
 21 the compensation for any] or, if such real property is to be acquired by
 22 eminent domain pursuant to section 8-193 or by condemnation
 23 pursuant to section [32-244 shall be] 32-224, one hundred twenty-five
 24 per cent of such average amount, or (B) the assessed value of such real
 25 property according to the most recent grand list. If the agency acquires
 26 real property that is subject to this subdivision five years or more after
 27 acquiring another parcel of real property within one thousand feet of
 28 the property pursuant to a redevelopment plan or development plan,
 29 the agency shall increase the amount of compensation for the
 30 subsequent acquisition of real property by an additional five per cent
 31 for each year from the sixth year until the tenth year after the
 32 acquisition of the first parcel of real property. With respect to a
 33 redevelopment plan or development plan for a project that is funded
 34 in whole or in part by federal funds, the provisions of this subdivision
 35 shall not apply to the extent that such provisions are prohibited by
 36 federal law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2012	8-129(a)(2)

Statement of Legislative Commissioners:

The new language was rephrased and reordered for clarity.

PD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 13 \$	FY 14 \$
Various Municipalities	Potential Cost	See Below	See Below

Explanation

Under the bill, the costs to acquire real property by eminent domain or condemnation could increase if the appraised value of the property is greater than the assessed value. Municipalities would be required to pay the property holder the greater of the appraised value or the assessed value, resulting in a potential increased cost.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5454*****AN ACT CONCERNING THE VALUATION OF REAL PROPERTY ACQUIRED BY EMINENT DOMAIN.*****SUMMARY:**

This bill requires a redevelopment agency to look at a property's assessed value as well as its appraised value when considering compensation for taking a property owner's property.

Under current law, the agency must compensate the owner based on the average of two independent appraisals. Owners of property taken for certain eminent domain and condemnation projects receive 125% of that amount. The bill requires that property owners receive the greater of these amounts or the property's assessed value according to the most recent grand list.

EFFECTIVE DATE: October 1, 2012

BACKGROUND***Compensation and Appraisal***

By law, local and state agencies must compensate property owners when taking their property. An agency must have the property appraised by two state-certified appraisers who must work independently of each other and use generally accepted professional standards as described in the Uniform Standards of Professional Appraisal Practice issued by the Appraisal Standards Board of the Appraisal Foundation pursuant to federal and state law. Each appraiser must provide a copy of the appraisal to the property owner and the agency.

Statutory Right to Challenge Compensation Offer

The law gives property owners the right to go to court to challenge the compensation a municipality or redevelopment agency offers for their property in an eminent domain case. In determining fair market value in such a case, courts consider everything that legitimately affects the property's value. But they may not consider factors that do not affect market value.

When the court awards more than the agency offered, the law also gives property owners court costs including reasonable fees. These fees can include the costs of any witness necessary for the court's determination of the property's value, not just for appraisers (CGS § 8-133).

The law allows the property owner to appeal the court's ruling.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 15 Nay 5 (03/23/2012)