



# House of Representatives

General Assembly

**File No. 524**

January Session, 2015

Substitute House Bill No. 6653

*House of Representatives, April 8, 2015*

The Committee on Planning and Development reported through REP. MILLER, P. of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING MUNICIPAL NOTICE PROVISIONS, BLIGHT LIENS AND VOTING REQUIREMENTS FOR ESTABLISHING A DISTRICT TO MAINTAIN WATER QUALITY.***

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

1 Section 1. (NEW) (*Effective October 1, 2015*) Whenever a municipality  
2 issues a written warning or citation for violation of a municipal  
3 ordinance concerning real property, such municipality shall, if the  
4 property is encumbered by a mortgage that secures a loan, make  
5 reasonable efforts to send notice of such warning or citation, by  
6 certified mail, return receipt requested, to the mortgage lender for such  
7 property. Such notice shall describe the violation and specify the date  
8 on which such violation occurred.

9 Sec. 2. Section 7-148aa of the general statutes is repealed and the  
10 following is substituted in lieu thereof (*Effective October 1, 2015*):

11 (a) Any unpaid penalty imposed by a municipality pursuant to the

12 provisions of an ordinance regulating blight, adopted pursuant to  
13 subparagraph (H)(xv) of subdivision (7) of subsection (c) of section 7-  
14 148, shall constitute a lien upon the real estate against which the  
15 penalty was imposed from the date of such penalty.

16 (b) Any unpaid penalty described in subsection (a) of this section  
17 may be secured by a lien placed upon any real estate in the state  
18 owned by the same person or entity that owns the real estate on which  
19 a lien is placed pursuant to subsection (a) of this section.

20 (c) Each such lien may be continued, recorded and released in the  
21 manner provided by the general statutes for continuing, recording and  
22 releasing property tax liens. Each such lien shall take precedence over  
23 all other liens filed after July 1, 1997, and encumbrances except taxes  
24 and may be enforced in the same manner as property tax liens.

25 Sec. 3. Subsection (b) of section 7-148ii of the general statutes is  
26 repealed and the following is substituted in lieu thereof (*Effective*  
27 *October 1, 2015*):

28 (b) Registration made pursuant to subsection (a) of this section shall  
29 contain (1) the name, address, telephone number and electronic mail  
30 address of the plaintiff in the foreclosure action and, if such plaintiff is  
31 an entity or an individual who resides out-of-state, the name, address,  
32 telephone number and electronic mail address of a direct contact in the  
33 state, provided such a direct contact is available; (2) the name, address,  
34 telephone number and electronic mail address of the person, local  
35 property maintenance company, local property manager or other  
36 entity serving as such plaintiff's contact with the municipality for any  
37 matters concerning the residential property; and (3) the following  
38 heading in at least ten-point boldface capital letters: NOTICE TO  
39 MUNICIPALITY: REGISTRATION OF PROPERTY BEING  
40 FORECLOSED. The plaintiff in the foreclosure action shall indicate on  
41 such registration whether it prefers to be contacted by first class mail  
42 or electronic mail and the preferred addresses for such  
43 communications. Such plaintiff shall report to the town clerk of the  
44 municipality in which the property is located, by mail or other form of

45 delivery, any change in the information provided on the registration  
46 not later than thirty days following the date of the change of  
47 information. At the time of registration, such plaintiff shall pay a land  
48 record filing fee to the municipality as specified in section 7-34a.

49 Sec. 4. Section 7-325 of the general statutes is repealed and the  
50 following is substituted in lieu thereof (*Effective October 1, 2015*):

51 (a) Upon the petition of fifteen or more voters [, as defined by  
52 section 7-6,] of any town, specifying the limits of a proposed district for  
53 any or all of the purposes set forth in section 7-326, the selectmen of  
54 such town shall call a meeting of the voters residing within such  
55 specified limits to act upon such petition, which meeting shall be held  
56 at such place within such town and such hour as the selectmen  
57 designate, within thirty days after such petition has been received by  
58 such selectmen. Such limits shall contain only contiguous property,  
59 except any proposed district which is proposed to be established only  
60 to plan, lay out, acquire, construct, reconstruct, repair, maintain,  
61 operate and regulate the use of a community water system or to  
62 construct and maintain drains and sewers or both and which does not  
63 exercise any of the other powers enumerated in section 7-326, may  
64 contain noncontiguous properties if the properties proposed to be  
65 included are, or are to be, served by a common water or sewer main.  
66 Such meeting shall be called by publication of a written notice of the  
67 same, signed by the selectmen, at least fourteen days before the time  
68 fixed for such meeting in two successive issues of some newspaper  
69 published or circulated in such town. Not later than twenty-four hours  
70 before such meeting, (1) two hundred or more voters or ten per cent of  
71 the total number of voters, whichever is less, may petition the  
72 selectmen in writing for a referendum, or (2) the selectmen in their  
73 discretion may order a referendum, on the sole question of whether  
74 the proposed district should be established. Any such referendum  
75 shall be held not less than seven nor more than fourteen days after the  
76 receipt of such petition or the date of such order, on a day to be set by  
77 the selectmen for a vote by paper ballots or by a "yes" or "no" vote on  
78 the voting machines, during the hours between twelve o'clock noon

79 and eight o'clock p.m.; except that any town may, by vote of its  
80 selectmen, provide for an earlier hour for opening the polls but not  
81 earlier than six o'clock a.m., notwithstanding the provisions of any  
82 special act to the contrary. If two-thirds of the voters, or, in the case of  
83 a proposed district to maintain water quality in a lake, a majority of  
84 voters, casting votes in such referendum vote in favor of establishing  
85 the proposed district, the selectmen shall reconvene such meeting not  
86 later than seven days after the day on which the referendum is held.  
87 Upon approval of the petition for the proposed district by two-thirds  
88 of the voters present at such meeting, or if a referendum is held, upon  
89 the reconvening of such meeting after the referendum, the voters may  
90 name the district and, upon the vote of a majority of such voters,  
91 choose necessary officers therefor to hold office until the first annual  
92 meeting thereof; and the district shall, upon the filing of the first report  
93 required pursuant to subsection (c) of this section, thereupon be a body  
94 corporate and politic and have the powers, not inconsistent with the  
95 general statutes, in relation to the objects for which it was established,  
96 that are necessary for the accomplishment of such objects, including  
97 the power to lay and collect taxes. The clerk of such district shall cause  
98 its name and a description of its territorial limits and of any additions  
99 that may be made thereto to be recorded in the land records of each  
100 town in which such district is located.

101 (b) Any district may enlarge or reduce its territorial limits if the  
102 board of directors of the district approves a resolution proposing such  
103 an enlargement or reduction and stating the proposed boundaries of  
104 the area proposed to be included or excluded, as the case may be,  
105 provided: (1) The board of directors of the district shall call a meeting  
106 of voters of the area proposed to be included or excluded, which  
107 meeting shall be held within thirty days of the board of directors'  
108 approval of such resolution and shall be called by publication of a  
109 written notice of the same, signed by the members of the board of  
110 directors of the district, at least fourteen days before the time fixed for  
111 such meeting in two successive issues of some newspaper published or  
112 circulated in such town, provided not later than twenty-four hours  
113 before any such meeting, two hundred or more such voters or ten per

114 cent of the total number of such voters, whichever is less, may petition  
115 the clerk of the district, in writing, that a referendum on the question  
116 of whether the area proposed to be included or excluded should join or  
117 leave the district be held in the manner provided in section 7-327; (2) a  
118 two-thirds majority of the voters of the area proposed to be included or  
119 excluded in attendance at such meeting, or, if a referendum is held,  
120 two-thirds of such voters casting votes in such referendum, vote in  
121 favor of joining or leaving such district; (3) that any area to be added is  
122 contiguous with some portion of the existing district; [,] and (4) if the  
123 enlargement of the territorial limits of the district will overlap the  
124 territorial limits of another district within the town, the legislative  
125 body of the town approves such enlargement. If any district enlarges  
126 or reduces its territorial limits, the clerk of such district shall notify the  
127 town clerk of each town affected by such enlargement or reduction  
128 within thirty days after the vote.

129 (c) The clerk of each district created pursuant to this chapter or any  
130 provisions of the general statutes or any special act, shall report to the  
131 town clerk of each town in which such district is located: (1) If created  
132 by approval of a petition pursuant to subsection (a) of this section on  
133 or after July 1, 1987, within seven days of such approval; and (2) on or  
134 before July 31, 1993, and annually thereafter for each such district,  
135 irrespective of the date of creation. The first report filed after the  
136 creation of a district shall include a list of the officers of such district, a  
137 copy of the charter or special act of such district and such other  
138 information on the organization and the financial status of such district  
139 as the Secretary of the Office of Policy and Management may  
140 recommend. A copy of the charter or special act of such district shall  
141 be included in any subsequent report if such charter or special act was  
142 amended after the date of the previous filing. No district, irrespective  
143 of the date of creation, created by approval of a petition pursuant to  
144 subsection (a) of this section shall exist as a body corporate and politic  
145 until the clerk of such district has filed at least one report required by  
146 this subsection. If a district is located in more than one town, the report  
147 shall be filed by the district clerk with the town clerk of each town in  
148 which the district is located.

149 (d) Any fine imposed on and after July 1, 1992, on a clerk for failure  
150 to file a report required pursuant to subsection (c) of this section shall  
151 be waived.

152 (e) For the purposes of this section, "voter" means a person  
153 authorized to vote pursuant to section 7-6, except that, in the case of a  
154 proposed district to maintain water quality in a lake, a person is not  
155 required to be an elector of the town in which such district is proposed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	New section
Sec. 2	October 1, 2015	7-148aa
Sec. 3	October 1, 2015	7-148ii(b)
Sec. 4	October 1, 2015	7-325

**Statement of Legislative Commissioners:**

The title was changed.

**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.

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

<b>Municipalities</b>	<b>Effect</b>	<b>FY 16 \$</b>	<b>FY 17 \$</b>
All Municipalities	Revenue Gain	Potential	Potential
All Municipalities	Cost	Less than \$1,000	Less than \$1,000

**Explanation**

The bill 1) requires municipalities to mail notice of violation of an ordinance, in certain circumstances; 2) allows municipalities to place blight liens on any real property owned by a property owner; 3) makes changes regarding who can participate in elections to create special taxing districts or lake improvement districts.

There is a cost, estimated to be less than \$1,000, associated with printing and mailing violation notices. This cost is at least partially offset by any revenue gain resulting from blight liens on any real property.

The provisions regarding special taxing districts and lake improvement districts have no fiscal impact.

**The Out Years**

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

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**OLR Bill Analysis**

**sHB 6653**

***AN ACT CONCERNING MUNICIPAL NOTICE PROVISIONS,  
BLIGHT LIENS AND VOTING REQUIREMENTS FOR  
ESTABLISHING A DISTRICT TO MAINTAIN WATER QUALITY.***

**SUMMARY:**

This bill authorizes municipalities to place liens (“blight liens”) on any real property in the state owned by a property owner who is responsible for unpaid blight fines. Under current law, municipalities can only place a lien for unpaid blight fines on the blighted property. By law, blight liens (1) take precedence over all other liens filed after July 1, 1997 and encumbrances, except taxes, and (2) may be enforced like property tax liens.

The bill requires municipalities, whenever they issue a written warning or citation for an ordinance violation concerning real property, to make reasonable efforts to send notice of such warning or citation to the property’s mortgage lender, if the property is mortgaged. The notice must (1) be sent by certified mail, return receipt requested and (2) describe the violation and date when it occurred.

Additionally, the bill makes it easier to create a special taxing district to maintain water quality in a lake by allowing a simple majority of voters, rather than a two-thirds majority as required under current law, to approve its creation. It also explicitly specifies that people voting at a meeting or referendum concerning a lake water quality district’s creation need not be electors of the municipality in which the district is proposed. Existing law already specifies that a person can vote at a meeting or referendum to create a district if he or she is either (1) an elector of the municipality (i.e., a registered voter) or (2) a U.S. citizen over age 18 who is liable to the municipality for taxes on an assessment of at least \$1,000. The latter group includes (1)

nonresident property owners and (2) resident property owners over 18 who are not registered voters.

Lastly, existing law requires plaintiffs in a foreclosure action to provide to the municipality in which the property in foreclosure is located the name and contact information of the person, local property maintenance company, or other entity serving as the plaintiff's contact with the municipality for matters concerning the property. The bill specifies that the plaintiff must provide the name and contact information of the local property manager if he or she is serving as the plaintiff's contact with the municipality.

EFFECTIVE DATE: October 1, 2015

## **BACKGROUND**

### ***Blight Fines and Liens***

By law, municipalities may (1) adopt and enforce regulations to prevent and remediate housing blight and (2) establish fines for violations of such regulations (CGS § 7-148(c)(7)(H)(xv)). Before taking any enforcement action, municipalities must give written notice of a violation to the property's owner and occupant and provide them with a reasonable opportunity to remediate the conditions. Municipalities that issue fines for blight violations must also establish a citation hearing procedure (CGS § 7-152c). If a property owner fails to pay fines, the law allows the municipality to place a lien on the blighted property (CGS § 7-148aa).

### ***Forming Special Taxing Districts***

The residents of an area within a municipality can form a special taxing district to perform a number of services, including providing police and fire protection and water services, regulating land uses, and enforcing the building code (CGS §§ 7-324 to 7-329). The statutes specify the process for forming a special taxing district. Residents of the proposed district may establish a district either at a special meeting called for that purpose or through a referendum.

## **COMMITTEE ACTION**

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Planning and Development Committee

Joint Favorable Substitute

Yea 10 Nay 9 (03/20/2015)