



CONNECTICUT REALTORS®

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## Statement on

# **H.B. 5480, AN ACT CONCERNING THE APPLICATION OF LIENS RESULTING FROM UNPAID BLIGHT FINES, THE ESTABLISHMENT OF A LOAN FUND TO REMEDIATE BLIGHTED PROPERTIES, THE ESTABLISHMENT OF A TASK FORCE TO STUDY HOARDING AND THE MAINTENANCE OF PROPERTIES IN FORECLOSURE.**

## **OPPOSE**

March, 2016

By

James Heckman

General Counsel

Connecticut REALTORS®

The Connecticut REALTORS® (CTR) would like to submit testimony in **OPPOSITION** of **HB 5480, AN ACT CONCERNING THE APPLICATION OF LIENS RESULTING FROM UNPAID BLIGHT FINES, THE ESTABLISHMENT OF A LOAN FUND TO REMEDIATE BLIGHTED PROPERTIES, THE ESTABLISHMENT OF A TASK FORCE TO STUDY HOARDING AND THE MAINTENANCE OF PROPERTIES IN FORECLOSURE.**

The proposal would require any unpaid penalty of an ordinance regulating blight may be secured by a lien placed upon any real estate in Connecticut owned by the same person. CTR opposes this provision as we do not believe it will solve the problem, but instead will contribute to it by slowing the sale of additional properties in Connecticut that if left unsold may then turn into additional new blighted properties.

For properties that cannot be sold because of the unpaid blight lien, the consequential yet unintended victim is the attempted buyer of the property. To illustrate, the seller has a blight lien on

the property and does not pay the lien. The buyer wishing to purchase the property cannot purchase the property because the sale price agreed to between seller and buyer is not enough to cover the blight lien plus other liens against the property. The buyer discovers the lien during the purchase process and is forced to abandon the attempted purchase due to lack of funds. In this scenario, the conveyance does not occur which means the blight lien is not paid and any other municipal or state tax liens recorded against the property remain unpaid. When the property sale does not occur it adds to the supply of the housing stock available for purchase. As housing stock continues to increase, this in turn can have the effect of depressing housing prices not just for that one unsold property, but for all properties on the market to be sold and effectively depressing housing values statewide. Lower property values are bad for Connecticut homeowners and bad for Connecticut municipalities. When the property goes unsold, it results in the continued slow growth of the housing market statewide, the blight lien remains unpaid and the blighted property remains in disarray.

CTR acknowledges the problem blight and abandoned properties have on communities. We support resolving blight. However, we believe this bill as drafted is not the correct action to solve the problem. CTR is willing to work with members of the General Assembly and municipalities to build a better solution; one addressing the problem of blight in a way that won't depress or decrease property values, encourages property conveyances and thereby enables municipalities to collect the appropriate conveyance taxes they need to sustain their budgets. Thank you for your attention to this important matter.