



House of Representatives

General Assembly

File No. 183

February Session, 2016

House Bill No. 5337

House of Representatives, March 24, 2016

The Committee on Housing reported through REP. BUTLER of the 72nd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE ACQUISITION OF REAL PROPERTY TO BE USED FOR SCHOOL CONSTRUCTION.

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2 general statutes is repealed and the following is substituted in lieu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, 2016*):

4 (2) For any real property to be acquired by eminent domain
5 pursuant to section 8-128, [or] 8-193 or 10-241a, or by condemnation
6 pursuant to section 32-224, pursuant to a redevelopment plan
7 approved under this chapter or a development plan approved under
8 chapter 132 or 588l, the agency shall have two independent appraisals
9 conducted on the real property in accordance with this subdivision.
10 Each appraisal shall be conducted by a state-certified real estate
11 appraiser without consultation with the appraiser conducting the other
12 independent appraisal, and shall be conducted in accordance with
13 generally accepted standards of professional appraisal practice as
14 described in the Uniform Standards of Professional Appraisal Practice

15 issued by the Appraisal Standards Board of the Appraisal Foundation
 16 pursuant to Title XI of FIRREA and any regulations adopted pursuant
 17 to section 20-504. Each appraiser shall provide a copy of the appraisal
 18 to the agency and the property owner. The amount of compensation
 19 for such real property shall be equal to the average of the amounts
 20 determined by the two independent appraisals, except that (A) the
 21 compensation for any real property to be acquired by eminent domain
 22 pursuant to section 8-193 or by condemnation pursuant to section 32-
 23 224 shall be one hundred twenty-five per cent of such average amount,
 24 and (B) the compensation for any real property to be acquired by
 25 eminent domain pursuant to section 10-241a shall be equal to the
 26 average of the amounts determined by the two independent appraisals
 27 or the assessed value of such real property according to the most
 28 recent grand list, whichever is greater. If the agency acquires real
 29 property that is subject to this subdivision five years or more after
 30 acquiring another parcel of real property within one thousand feet of
 31 the property pursuant to a redevelopment plan or development plan,
 32 the agency shall increase the amount of compensation for the
 33 subsequent acquisition of real property by an additional five per cent
 34 for each year from the sixth year until the tenth year after the
 35 acquisition of the first parcel of real property. With respect to a
 36 redevelopment plan or development plan for a project that is funded
 37 in whole or in part by federal funds, the provisions of this subdivision
 38 shall not apply to the extent that such provisions are prohibited by
 39 federal law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2016	8-129(a)(2)

HSG *Joint Favorable*

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 17 \$	FY 18 \$
All Municipalities	STATE MANDATE - Cost	Potential	Potential

Explanation

The bill requires municipalities, when taking land via eminent domain for school construction, to pay the greater of: 1) the average of two appraisals of the property; or 2) the assessed value of the property.

This results in a cost to municipalities, to the extent that the assessment of such property is greater than the average of two appraisals.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in the assessment and market value of land taken via eminent domain and used for school construction.

OLR Bill Analysis**HB 5337*****AN ACT CONCERNING THE ACQUISITION OF REAL PROPERTY TO BE USED FOR SCHOOL CONSTRUCTION.*****SUMMARY:**

This bill changes the basis for determining how much a local or regional school district must compensate someone whose property it takes by eminent domain for public school development.

Under current law, the school district must compensate the property owner in an amount equal to the average of two independent appraisals. The bill instead requires that the compensation equal the greater of the average of the two appraisals or the property's assessed value, according to the most recent grand list.

EFFECTIVE DATE: October 1, 2016

BACKGROUND***Eminent Domain Exceptions***

The law prohibits school districts from taking land by eminent domain when the land (1) has a church on it, unless the ecclesiastical society consents, or (2) is used as a cemetery or for burial purposes.

Independent Appraisals

When school districts take land by eminent domain, they must have the land appraised by two state-certified appraisers. The appraisers must work independently of each other and use generally accepted standards as described in the Uniform Standards of Professional Appraisal Practice. Each appraiser must provide a copy of the appraisal to the property owner and the school district.

COMMITTEE ACTION

Housing Committee

Joint Favorable

Yea 6 Nay 5 (03/08/2016)