



House of Representatives

General Assembly

File No. 184

February Session, 2016

House Bill No. 5339

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 PENALTIES FOR THE FAILURE TO REGISTER A RESIDENTIAL PROPERTY BY A FORECLOSING PARTY.

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

1 Section 1. Section 7-148ii of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2016*):

3 (a) Any person who, on or after October 1, 2011, commences an
4 action to foreclose a mortgage on residential property shall register
5 such property with the town clerk of the municipality in which the
6 property is located at the time and place of the recording of the notice
7 of lis pendens as to the residential property being foreclosed in
8 accordance with section 52-325. Such registration shall be maintained
9 by the municipality separate and apart from the land records.

10 (b) Registration made pursuant to subsection (a) of this section shall
11 contain (1) the name, address, telephone number and electronic mail
12 address of the plaintiff in the foreclosure action and, if such plaintiff is

13 an entity or an individual who resides out-of-state, the name, address,
14 telephone number and electronic mail address of a direct contact in the
15 state, provided such a direct contact is available; (2) the name, address,
16 telephone number and electronic mail address of the person, local
17 property maintenance company or other entity serving as such
18 plaintiff's contact with the municipality for any matters concerning the
19 residential property; and (3) the following heading in at least ten-point
20 boldface capital letters: NOTICE TO MUNICIPALITY:
21 REGISTRATION OF PROPERTY BEING FORECLOSED. The plaintiff
22 in the foreclosure action shall indicate on such registration whether it
23 prefers to be contacted by first class mail or electronic mail and the
24 preferred addresses for such communications. Such plaintiff shall
25 report to the town clerk of the municipality in which the property is
26 located, by mail or other form of delivery, any change in the
27 information provided on the registration not later than thirty days
28 following the date of the change of information. At the time of
29 registration, such plaintiff shall pay a land record filing fee to the
30 municipality as specified in section 7-34a.

31 (c) Any person in whom title to a residential property has vested on
32 or after October 1, 2011, through a foreclosure action pursuant to
33 sections 49-16 to 49-21, inclusive, or 49-26, shall register such property,
34 in accordance with subsection (d) of this section, with the municipality
35 in which such property is located not later than fifteen days after
36 absolute title vests in such person. If such person is the plaintiff in the
37 foreclosure action, such person shall, prior to the expiration of such
38 fifteen-day period, update the registration with any change in
39 registration information for purposes of complying with said
40 subsection (d). The updated registration shall include the following
41 heading in at least ten-point boldface capital letters: NOTICE TO
42 MUNICIPALITY: UPDATED REGISTRATION FOR PROPERTY
43 ACQUIRED THROUGH FORECLOSURE.

44 (d) Registration made pursuant to subsection (c) of this section shall
45 be mailed or delivered to the town clerk of the municipality in which
46 the residential property is located and include (1) the name, address,

47 telephone number and electronic mail address of the registrant and, if
48 the registrant is an entity or an individual who resides out-of-state, the
49 name, address, telephone number and electronic mail address of a
50 direct contact in the state, provided such a direct contact is available;
51 (2) the date on which absolute title vested in the registrant; (3) the
52 name, address, telephone number and electronic mail address of the
53 person, local property maintenance company or other entity
54 responsible for the security and maintenance of the residential
55 property; and (4) the following heading in at least ten-point boldface
56 capital letters: NOTICE TO MUNICIPALITY: REGISTRATION OF
57 PROPERTY ACQUIRED THROUGH FORECLOSURE. The
58 registration, or updated registration, shall be accompanied by a land
59 record filing fee payable to the municipality as specified in section 7-
60 34a. The registrant shall report to the town clerk by mail or other form
61 of delivery any change in the information provided on the registration
62 not later than thirty days from the date of the change in information.

63 (e) If a registrant required to register pursuant to subsection (c) of
64 this section fails to comply with any provision of the general statutes
65 or of any municipal ordinance concerning the repair or maintenance of
66 real estate, including, without limitation, an ordinance relating to the
67 prevention of housing blight pursuant to subparagraph (H)(xv) of
68 subdivision (7) of subsection (c) of section 7-148, the maintenance of
69 safe and sanitary housing as provided in subparagraph (A) of
70 subdivision (7) of subsection (c) of section 7-148, or the abatement of
71 nuisances as provided in subparagraph (E) of subdivision (7) of
72 subsection (c) of section 7-148, the municipality may issue a notice to
73 the registrant citing the conditions on such property that violate such
74 provisions. Such notice shall be sent by either first class or electronic
75 mail, or both, and shall be sent to the address or addresses of the
76 registrant identified on the registration. A copy of such notice shall be
77 sent by first class mail or electronic mail to the person, property
78 maintenance company or other entity responsible for the security and
79 maintenance of the residential property designated on the registration.
80 Such notice shall comply with section 7-148gg.

81 (f) The notice described in subsection (e) of this section shall provide
82 a date, reasonable under the circumstances, by which the registrant
83 shall remedy the condition or conditions on such registrant's property.
84 If the registrant, registrant's contact or registrant's agent does not
85 remedy the condition or conditions on such registrant's property
86 before the date following the date specified in such notice, the
87 municipality may enforce its rights under the relevant provisions of
88 the general statutes or of any municipal ordinance.

89 (g) A municipality shall only impose registration requirements upon
90 registrants and plaintiffs in foreclosure actions in accordance with this
91 section, except that any municipal registration requirements effective
92 on or before October 1, 2009, shall remain effective.

93 (h) Any plaintiff in a foreclosure action who fails to register in
94 accordance with this section shall be subject to a civil penalty of one
95 [hundred] thousand dollars for each violation, up to a maximum of
96 five thousand dollars. Each property for which there has been a failure
97 to register shall constitute a separate violation.

98 (i) Any person in whom title to a residential property has vested on
99 or after October 1, 2011, through a foreclosure action pursuant to
100 sections 49-16 to 49-21, inclusive, or 49-26, and who has not registered
101 in accordance with subsection (c) of this section within thirty days of
102 absolute title vesting in such owner shall be subject to a civil penalty of
103 one thousand two hundred fifty dollars for each violation, up to a
104 maximum of twenty-five thousand dollars. Each property for which
105 there has been a failure to register shall constitute a separate violation.

106 (j) An authorized official of the municipality may file a civil action
107 in Superior Court to collect the penalties imposed pursuant to
108 subsections (h) and (i) of this section, which penalties shall be payable
109 to the treasurer of such municipality. Such penalties shall not create or
110 constitute a lien against the residential property.

111 (k) Neither the registration by a foreclosing party nor the failure to
112 register in accordance with subsection (a) of this section shall imply or

113 create any legal obligations on the part of the foreclosing party to
114 repair, maintain or secure the residential property for which a
115 registration is required prior to the time that title passes to the
116 foreclosing party.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	7-148ii

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 \$
Various Municipalities	Revenue Gain	Potential	Potential

Explanation

The bill increases penalties for failure to register residential property: 1) subject to a foreclosure action from \$100 to \$1,000 or 2) obtained through foreclosure from \$250 to \$1,250.

There is a potential revenue gain associated with increasing the fines for failure to register residential property subject to foreclosure. This revenue gain varies based on the number of plaintiffs that fail to file foreclosure information.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of plaintiffs in foreclosure actions that fail to file certain foreclosure information.

OLR Bill Analysis**HB 5339*****AN ACT CONCERNING PENALTIES FOR THE FAILURE TO REGISTER A RESIDENTIAL PROPERTY BY A FORECLOSING PARTY.*****SUMMARY:**

This bill increases the civil penalties for failure to register residential property (1) subject to a foreclosure action or (2) obtained through foreclosure. The bill increases, from \$100 to \$1,000, the penalty for noncompliant plaintiffs in a foreclosure action. It increases, from \$250 to \$1,250, the penalty for noncompliant owners who take title through foreclosure. The bill does not change the maximum cumulative penalties municipalities can assess against these entities.

Under existing law, there is a registration system for tracking (1) entities that initiate a foreclosure action on residential property and (2) owners of residential property obtained through foreclosure.

EFFECTIVE DATE: October 1, 2016

BACKGROUND***Registration Under CGS § 7-148ii***

The law requires anyone who commences a foreclosure action on a residential property to register the property with the town clerk in the municipality where the property is located. Registrations must include contact information for the (1) registrant and (2) person, local property maintenance company, or other entity serving as the contact with the municipality for any matters concerning the residential property. An entity that takes title to a residential property through a foreclosure action must submit similar contact information.

COMMITTEE ACTION

Housing Committee

Joint Favorable

Yea 6 Nay 5 (03/08/2016)