Testimony of Nancy Walkley
President of the Connecticut Title Association

March 4, 2016

To: Sen. Osten and Rep. Miller
Co-Chairs, Planning & Development Committee

RE: HB5482: An Act Concerning Building Permits

Senator Osten, Representative Miller and distinguished members of the Planning & Development Committee, thank you for the opportunity to appear before the committee to comment in support of House Bill No. 5482.

I am currently the President of the Connecticut Title Association (CTA), a non-stock corporation organized under the laws of the State of Connecticut whose primary purposes are to promote the common business interests of title insurance companies licensed in the State of Connecticut and to educate its members, attorneys, lenders and others about the nature, uses and benefits of title insurance in connection with real estate transactions in this state. I am writing to express the support of the CTA for HB5482.

Preliminarily, it should be noted that the objective of this Bill is to have the effect of closing open building permits that are nine years old or older for single family and two-family residential properties. Open building permits have presented issues of concern to purchasers of residential property and the efforts to close out such permits have presented difficulties and costs for sellers of such property, the result of which has been to make transfers of residential property a challenge when such issues arise. Over the last decade or more it has become standard practice for real estate attorneys in many parts of the state to review municipal department records, including building departments, for open matters when representing buyers and lenders of residential properties. As a result, it is not unusual to find one or more open building permits, sometimes going back many years. For the more recent of those, it is often just a matter of having the town inspect and close out the permits with Certificates of Occupancy, but for older permits many municipal building departments either do not have the capacity to inspect, or will not do so, and those permits remain open indefinitely. For some open permits, C.G.S. § 29-265(a) can be relied upon to assuage buyers and avoid further attempts to close out the permits. That statute essentially provides that work done on a single family dwelling more than six years ago will not prevent legal occupancy of that dwelling or require removal, alteration or abandonment subject to health or safety considerations. Although helpful, this statute does not close out open permits, and can also have the result that work done without any permit at all is "grandfathered" under the existing statute after six years, with no open paperwork at all, while work done under a proper permit that has not been closed out still has an unresolved question mark in the town's files, causing potential issues for subsequent owners and their mortgage lenders.

The proposed statute will provide certainty to buyers and sellers of one and two family homes, and their mortgage lenders, regarding the final closure of older building permits.

For the foregoing reasons, the CTA **supports** HB5482.