



Senate

General Assembly

File No. 293

February Session, 2018

Substitute Senate Bill No. 390

Senate, April 5, 2018

The Committee on Banking reported through SEN. WINFIELD of the 10th Dist. and SEN. MARTIN of the 31st Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT PRESERVING THE INTERESTS OF PRIOR TITLE HOLDERS.

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

1 Section 1. Section 17b-93 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2018*):

3 (a) If a beneficiary of aid under the state supplement program,
4 medical assistance program, aid to families with dependent children
5 program, temporary family assistance program or state-administered
6 general assistance program has or acquires property of any kind or
7 interest in any property, estate or claim of any kind, except moneys
8 received for the replacement of real or personal property, the state of
9 Connecticut shall have a claim subject to subsections (b) and (c) of this
10 section, which shall have priority over all other unsecured claims and
11 unrecorded encumbrances, against such beneficiary for the full
12 amount paid, subject to the provisions of section 17b-94, to the
13 beneficiary or on the beneficiary's behalf under said programs; and, in
14 addition thereto, the parents of an aid to dependent children

15 beneficiary, a state-administered general assistance beneficiary or a
16 temporary family assistance beneficiary shall be liable to repay, subject
17 to the provisions of section 17b-94, to the state the full amount of any
18 such aid paid to or on behalf of either parent, his or her spouse, and his
19 or her dependent child or children, as defined in section 17b-75. The
20 state of Connecticut shall have a lien against property of any kind or
21 interest in any property, estate or claim of any kind of the parents of an
22 aid to dependent children, temporary family assistance or state
23 administered general assistance beneficiary, in addition and not in
24 substitution of its claim, for amounts owing under any order for
25 support of any court or any family support magistrate, including any
26 arrearage under such order, provided household goods and other
27 personal property identified in section 52-352b, real property pursuant
28 to section 17b-79, as long as such property is used as a home for the
29 beneficiary and money received for the replacement of real or personal
30 property, shall be exempt from such lien.

31 (b) Any person who received cash benefits under the aid to families
32 with dependent children program, the temporary family assistance
33 program or the state-administered general assistance program, when
34 such person was under eighteen years of age, shall not be liable to
35 repay the state for such assistance.

36 (c) No claim shall be made, or lien applied, against any payment
37 made pursuant to chapter 135, any payment made pursuant to section
38 47-88d or 47-287, any moneys received as a settlement or award in a
39 housing or employment or public accommodation discrimination case,
40 any court-ordered retroactive rent abatement, including any made
41 pursuant to subsection (e) of section 47a-14h or section 47a-4a, 47a-5 or
42 47a-57, or any security deposit refund pursuant to subsection (d) of
43 section 47a-21 paid to a beneficiary of assistance under the state
44 supplement program, medical assistance program, aid to families with
45 dependent children program, temporary family assistance program or
46 state-administered general assistance program or paid to any person
47 who has been supported wholly, or in part, by the state, in accordance
48 with section 17b-223, in a humane institution.

49 (d) Notwithstanding any provision of the general statutes,
50 whenever funds are collected pursuant to this section or section 17b-
51 94, and the person who otherwise would have been entitled to such
52 funds is subject to a court-ordered current or arrearage child support
53 payment obligation in a IV-D support case, such funds shall first be
54 paid to the state for reimbursement of Medicaid funds granted to such
55 person for medical expenses incurred for injuries related to a legal
56 claim by such person which was the subject of the state's lien and such
57 funds shall then be paid to the Office of Child Support Services for
58 distribution pursuant to the federally mandated child support
59 distribution system implemented pursuant to subsection (j) of section
60 17b-179. The remainder, if any, shall be paid to the state for payment of
61 previously provided assistance through the state supplement program,
62 medical assistance program, aid to families with dependent children
63 program, temporary family assistance program or state-administered
64 general assistance program.

65 (e) No lien by the state of Connecticut under subsection (a) of this
66 section, against an interest in land, shall be effective against any other
67 person unless recorded on the land records of the municipality in
68 which the land is located, and no such recorded lien shall be effective
69 against any holder of any prior recorded interest in such land.

70 [(e)] (f) The Commissioner of Social Services shall adopt regulations,
71 in accordance with chapter 54, establishing criteria and procedures for
72 adjustment of the claim of the state of Connecticut under subsection (a)
73 of this section. The purpose of any such adjustment shall be to
74 encourage the positive involvement of noncustodial parents in the
75 lives of their children and to encourage noncustodial parents to begin
76 making regular support payments.

77 Sec. 2. Section 17b-85 of the general statutes is repealed and the
78 following is substituted in lieu thereof (*Effective October 1, 2018*):

79 If any person receiving an award for the care of any dependent
80 child or children, or any person legally liable for the support of such
81 child or children, or any other person being supported wholly or in

82 part under the provisions of the state supplement program, medical
83 assistance program, temporary family assistance program or state-
84 administered general assistance program or any beneficiary under
85 such provisions or any legally liable relative of such beneficiary,
86 receives property, wages, income or resources of any kind, such person
87 or beneficiary, within ten days after obtaining knowledge of or
88 receiving such property, wages, income or resources, shall notify the
89 commissioner thereof, orally or in writing, unless good cause is
90 established for failure to provide such notice, as determined by the
91 commissioner. No such person or beneficiary shall sell, assign,
92 transfer, encumber or otherwise dispose of any property without the
93 consent of the commissioner, provided (1) any sale, assignment,
94 transfer, encumbrance or other disposition of real property before, on
95 or after October 1, 2018, without the consent of the commissioner, shall
96 not invalidate the disposition of such real property or otherwise impair
97 any title or interest in such real property, and (2) nothing in this section
98 shall be construed to invalidate any claim collected in accordance with
99 section 17b-93, as amended by this act, before October 1, 2018. The
100 provisions of section 17b-137 shall be applicable with respect to any
101 person applying for or receiving an award under such provisions.
102 Except for the supplemental nutrition assistance program, any change
103 in the information which has been furnished on an application form or
104 a redetermination of eligibility form shall also be reported to the
105 commissioner, orally or in writing, within ten days of the occurrence of
106 such change, unless good cause is established for failure to provide
107 such notice, as determined by the commissioner. For participants in
108 the supplemental nutrition assistance program, the commissioner shall
109 establish reporting requirements regarding such changes in
110 information in accordance with applicable federal law, as may be
111 amended from time to time.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2018	17b-93
Sec. 2	October 1, 2018	17b-85

BA *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.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
Social Services, Dept.	GF - Revenue Loss	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a revenue loss associated with limiting the ability of the Department of Social Services (DSS) to collect on claims or liens on real property. DSS collected an average of approximately \$8.9 million on related property over the past three fiscal years.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the amount of related claims or liens.

OLR Bill Analysis**sSB 390*****AN ACT PRESERVING THE INTERESTS OF PRIOR TITLE HOLDERS.*****SUMMARY**

Existing law grants the state a claim against, among other things, property a state aid program (e.g., Medicaid) beneficiary has or receives for the amount of aid paid to the beneficiary. The state's claim has priority over all other unsecured and unrecorded encumbrances.

This bill prevents a previously recorded interest in property from losing its priority to an unrecorded or subsequently recorded lien by the state against a person for repayment of state aid. It does so by specifying that the state's lien against an interest in land is:

1. not effective unless it is recorded on the land records in the municipality where the land is located and
2. subordinate to previously recorded interests in the land.

Existing law also prohibits anyone who receives aid under a state aid program from selling, assigning, transferring, encumbering, or disposing of property without the Department of Social Services (DSS) commissioner's approval. Under the bill, a recorded title or interest in real property is not affected if the owner disposed of it without the commissioner's consent, regardless of when the disposition occurred. But the bill provides that claims DSS collected prior to October 1, 2018 are still valid.

This applies to beneficiaries of the state supplement, medical assistance, aid to families with dependent children, temporary family assistance, or state-administered general assistance programs.

EFFECTIVE DATE: October 1, 2018

COMMITTEE ACTION

Banking Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/20/2018)