

**Proposed Substitute
Bill No. 6373**

LCO No. 3716

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 Section 17b-79 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2021*):

3 (a) No person shall be deemed ineligible to receive an award under
4 the state supplement program, medical assistance program, temporary
5 family assistance program, state-administered general assistance
6 program or supplemental nutrition assistance program for himself or
7 herself or for any person for whose support he or she is liable by reason
8 of having an interest in real property, maintained as his or her home,
9 provided the equity in such property shall not exceed the limits
10 established by the commissioner.

11 (b) The commissioner may place a lien against any such real property,
12 after providing notice and opportunity for hearing to the record owner
13 of such property, to secure the claim of the state for all amounts which
14 it has paid or may thereafter pay to such person or in such person's
15 behalf under any such program, or to or on behalf of any person for
16 whose support he or she is liable, except for property maintained as a
17 home in aid to families of dependent children cases, in which case such
18 lien shall secure the state only for that portion of the assistance grant
19 awarded for amortization of a mortgage or other encumbrance
20 beginning with the fifth month after the original grant for principal
21 payment on any such encumbrance is made, and each succeeding
22 month of such grant thereafter. The hearing shall be conducted in

23 accordance with the contested case procedures set forth in chapter 54.

24 (c) The lien shall secure the claim of the state and shall be [secured by
25 filing] effective only upon the recording of a certificate in the land
26 records of the town or towns in which any such real [estate] property is
27 situated, describing such real [estate] property and stating the name of
28 the record owner of such real property. The commissioner shall send a
29 copy of the recorded certificate by first class mail to the record owner of
30 such real property not later than seven days after the date the certificate
31 is recorded. The lien shall not encumber or be deemed superior to any
32 interest in the real property secured by a valid instrument recorded in
33 the land records before the certificate was recorded, except that such lien
34 shall encumber and be deemed superior to the interest of any person
35 who is proven by clear and convincing evidence to have caused an
36 instrument to be recorded in the land records with an intent other than
37 to give notice of such person's bona fide interest in the real property to
38 the record owner.

39 (d) Any such lien may, at any time during which the amount secured
40 by such lien remains unpaid, be foreclosed in an action brought in a
41 court of competent jurisdiction by the commissioner on behalf of the
42 state. Any real [estate] property to which title has been taken by
43 foreclosure under this section, or which has been conveyed to the state
44 in lieu of foreclosure, may be sold, transferred or conveyed for the state
45 by the commissioner with the approval of the Attorney General, and the
46 commissioner may, in the name of the state, execute deeds for such
47 purpose. Such lien shall be released by the commissioner upon payment
48 of the amount secured by such lien, or an amount equal to the value of
49 the beneficiary's interest in such real property if the value of such
50 interest is less than the amount secured by such lien, at the
51 commissioner's discretion, and with the advice and consent of the
52 Attorney General, upon a compromise of the amount due to the state.
53 At the discretion of the commissioner, the beneficiary, or, in the case of
54 a husband and wife living together, the survivor of them, as long as he
55 or she lives, or a dependent child or children, may be permitted to
56 occupy such real property.

57 Sec. 2. Section 17b-85 of the general statutes is repealed and the
58 following is substituted in lieu thereof (*Effective October 1, 2021*):

59 (a) If any person receiving an award for the care of any dependent
60 child or children, or any person legally liable for the support of such
61 child or children, or any other person being supported wholly or in part
62 under the provisions of the state supplement program, medical
63 assistance program, temporary family assistance program or state-
64 administered general assistance program or any beneficiary under such
65 provisions or any legally liable relative of such beneficiary, receives
66 property, wages, income or resources of any kind, such person or
67 beneficiary, within ten days after obtaining knowledge of or receiving
68 such property, wages, income or resources, shall notify the
69 commissioner thereof, orally or in writing, unless good cause is
70 established for failure to provide such notice, as determined by the
71 commissioner. No such person or beneficiary shall sell, assign, transfer,
72 encumber or otherwise dispose of any property without the consent of
73 the commissioner, provided the lack of consent by the commissioner to
74 any sale, assignment, transfer or encumbrance or other disposition of
75 real property before, on or after October 1, 2021, shall not invalidate the
76 disposition of such real property or otherwise impair any title or interest
77 in such real property. Nothing in this subsection shall be construed to
78 (1) impair or affect any penalty, liability or other legal consequence that
79 may result from any such disposition of real property, including,
80 without limitation, any penalty in connection with section 17b-261, (2)
81 impair or affect the rights of the state pursuant to sections 17b-93 to 17b-
82 95, inclusive, or (3) invalidate any claim collected in accordance with
83 section 17b-79, as amended by this act, or sections 17b-93 to 17b-95,
84 inclusive, before October 1, 2021.

85 (b) The provisions of section 17b-137 shall be applicable with respect
86 to any person applying for or receiving an award under such provisions.
87 Except for the supplemental nutrition assistance program, any change
88 in the information which has been furnished on an application form or
89 a redetermination of eligibility form shall also be reported to the
90 commissioner, orally or in writing, within ten days of the occurrence of

91 such change, unless good cause is established for failure to provide such
92 notice, as determined by the commissioner. For participants in the
93 supplemental nutrition assistance program, the commissioner shall
94 establish reporting requirements regarding such changes in information
95 in accordance with applicable federal law, as may be amended from
96 time to time.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2021</i> | 17b-79 |
| Sec. 2 | <i>October 1, 2021</i> | 17b-85 |