
OLR Bill Analysis

HB 5171

AN ACT CONCERNING ABANDONED AND BLIGHTED PROPERTY RECEIVERSHIP.

SUMMARY

Current law provides a judicial process to appoint a receiver to rehabilitate and dispose of abandoned residential, commercial, or industrial properties in municipalities with populations of at least 35,000. This bill removes the population limitation, making the process available in any municipality.

EFFECTIVE DATE: October 1, 2022

BACKGROUND

Abandoned and Blighted Property Receiverships

Under existing law, the Superior Court may appoint a receiver for a residential, commercial, or industrial building if its owner fails to maintain it in accordance with applicable municipal codes. Lienholders and individuals and entities with development capacity may seek to be appointed as the receiver and, once appointed, are granted the power to rehabilitate the property pursuant to a court-approved plan. Once the property is rehabilitated, the court may approve its sale, free of any encumbrances; any sale proceeds must be distributed in accordance with the law (CGS § 8-169aa).

Abandoned Property

A building is “abandoned property,” and thus eligible to be overseen by a receiver, only if:

1. in the 12 months immediately preceding the petition’s filing, it has not been legally occupied;
2. the owner fails to present compelling evidence that he or she has either actively marketed the building or only recently acquired

the property;

3. there is no pending foreclosure action by an individual or nongovernmental entity; and
4. the court finds that at least three problematic building conditions exist, which the law specifies (e.g., it is an attractive nuisance to children or creates potential health and safety hazards due to certain conditions) (CGS § 8-169aa).

Covered Buildings and Properties

Under the law, “buildings” are structures and appurtenant land, including vacant lots on which a structure was demolished. Receivership petitions may include adjacent buildings if they share an owner and the properties are used for a single or interrelated purpose (CGS § 8-169aa). (Certain federal government properties and properties owned by U.S. Armed Forces or reserve members are excluded from the definition.)

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 22 Nay 4 (03/04/2022)