



House of Representatives

General Assembly

File No. 56

February Session, 2024

House Bill No. 5227

House of Representatives, March 20, 2024

The Committee on Environment reported through REP. GRESKO of the 121st Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE RELEASE OF CERTAIN LIENS OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION.

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

1 Section 1. Section 22a-5c of the general statutes is amended by adding
2 subsection (c) as follows (*Effective from passage*):

3 (NEW) (c) Notwithstanding any provision of title 22a, any lien with
4 the Department of Energy and Environmental Protection as the claiming
5 party shall not continue in force for a period longer than sixty days after
6 such lien is discharged either by final payment or disposition, including,
7 but not limited to, the final disposition of any appeal taken with respect
8 to such lien.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	22a-5c(c)
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ENV 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:

Agency Affected	Fund-Effect	FY 24	FY 25	FY 26
Department of Energy and Environmental Protection	GF - Potential Revenue Loss	Potential	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Department of Energy and Environmental Protection (DEEP) to release a lien within 60 days after final payment or disposition. This requirement may result in a General Fund revenue loss beginning in FY 24, to the extent that "final payment" is allowed to exclude interest. In such a situation, interest otherwise due might not be paid before the lien must be released within the bill's timeframe. The magnitude of the potential fiscal impact depends on the number of times this situation occurs, and the interest accumulated on each such lien.

The department issues liens for cost recovery (e.g., spill clean-up). DEEP currently holds approximately 30 active liens, all of which are at least five years old. Lien interest may be significant over a long period of time. The department has released two liens to date in FY 24.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the value of liens and lien interest rates.

OLR Bill Analysis**HB 5227*****AN ACT CONCERNING THE RELEASE OF CERTAIN LIENS OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION.*****SUMMARY**

By law, the Department of Energy and Environmental Protection may record a lien against a property to secure repayment for expenses it paid to comply with certain environmental requirements (e.g., spill cleanup and response). This bill discontinues these liens once 60 days pass from when they were discharged by final payment or court disposition (including one on an appeal of a lien).

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Environment Committee

Joint Favorable

Yea 34 Nay 0 (03/08/2024)