

# Environment Committee JOINT FAVORABLE REPORT

**Bill No.:** HB-5227

AN ACT CONCERNING THE RELEASE OF CERTAIN LIENS OF THE

**Title:** DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION.

**Vote Date:** 3/8/2024

**Vote Action:** Joint Favorable

**PH Date:** 2/28/2024

**File No.:**

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## **SPONSORS OF BILL:**

Environment Committee  
Rep. Greg S. Howard, 43rd Dist.

## **REASONS FOR BILL:**

The Department of Energy and Environmental Protection (DEEP) has the right to place a lien upon property such as to act as collateral for a debt owed. The lien prevents the property owner from taking certain actions such as selling or developing the property. After a debt has been covered, there can be a substantial waiting time between when the final payment is made and when this lien is discharged. The bill therefore seeks to limit this timeframe to within 60 days of final payment, such that property owners are not unnecessarily hindered in their commercial or personal proceedings by DEEP failing to discharge the lien in a reasonable timeframe.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

### **Katie S. Dykes, Commissioner Connecticut Department of Energy & Environmental Protection:**

DEEP supports the concepts of: providing certainty regarding the status of a lien, avoiding creating a cloud on title, and easing real estate transactions on sites subject to cleanup cost recovery. However, DEEP believes the bill will not provide the intended certainty; they therefore provided suggested language.

Rather than expedite transactions by saving the step of obtaining and recording a release, the bill will just substitute that step with the new step of verifying that automatic discontinuance has indeed occurred. Instead, DEEP suggests enacting a mandatory requirement that the Department prepare and record, or provide to the property owner for

recording, a release of a lien not more than 60 days after: (1) satisfaction of all conditions, including final payment and interest as appropriate, or (2) a court's disposition that terminates, or otherwise renders invalid, a lien. It is their belief that this requirement that the Department prepare and share the release within the deadline will provide assurances that the Department will act quickly while also ensuring a complete record of the transaction is recorded on the land records.

#### **NATURE AND SOURCES OF SUPPORT:**

##### **Representative Vincent J. Candelora, 86<sup>th</sup> District**

The Representative believes property owners who have invested significant time and money to discharge a lien should not be left waiting several months for a government agency to do its part. He states that instituting this deadline will require action from DEEP in a timely manner and provide lienees with a maximum timeframe of 60 days before they are released of such lien.

##### **Mary La Scala**

The testifier expresses support for the bill.

##### **Maizie Ogren**

The testifier expresses support for the bill.

#### **NATURE AND SOURCES OF OPPOSITION:**

None expressed.

**Reported by: Judy Ganswindt**

**Date: 3/19/2024**