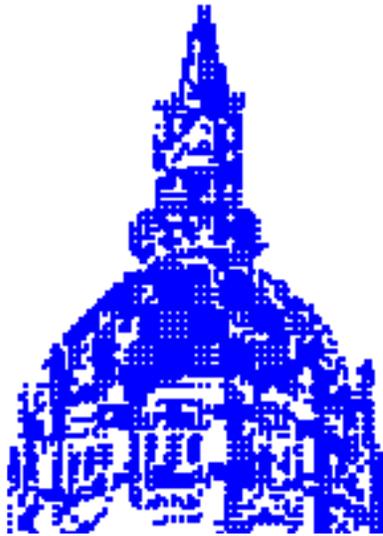


Office of Legislative Research  
Connecticut General Assembly



**ACTS AFFECTING REAL ESTATE**



2010-R-0231

Janet L. Kaminski Leduc, Senior Legislative Attorney

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## **NOTICE TO READERS**

This report provides brief highlights of new laws affecting real estate enacted during the 2010 regular session. Each summary indicates the public act (PA) number and effective date.

Not all provisions of the acts are included here. Complete summaries of all 2010 public acts will be available when OLR publishes its Public Act Summary book; some are already on OLR's website ([www.cga.ct.gov/olr/OLRPASums.asp](http://www.cga.ct.gov/olr/OLRPASums.asp)).

Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, House Clerks Office, or General Assembly's website ([www.cga.ct.gov/](http://www.cga.ct.gov/)).

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## **APPRAISAL MANAGEMENT COMPANIES**

**PA 10-77** requires appraisal management companies to register with the Department of Consumer Protection (DCP) and pay a \$1,000 application fee before doing business in Connecticut. It sets out requirements for such companies. It also authorizes the DCP commissioner to investigate the companies, impose penalties for violations, and adopt implementing regulations.

EFFECTIVE DATE: October 1, 2010

## **BRADLEY DEVELOPMENT ZONE**

**PA 10-98** creates an intermunicipal development zone around Bradley International Airport and extends enterprise zone tax incentives to manufacturers and other specified businesses that develop or acquire property in the zone and create jobs. The zone, called the Bradley Airport Development Zone (BADZ), encompasses specified contiguous census tract blocks in East Granby, Suffield, Windsor, and Windsor Locks. The bill designates these blocks as “distressed municipalities,” a designation that qualifies projects in BADZ for other economic assistance.

EFFECTIVE DATE: October 1, 2011 and (1) the property tax

exemptions apply to assessment years beginning on or after October 1, 2012 and (2) the corporation business tax credit applies to income years beginning on or after January 1, 2013.

## **BROWNFIELDS**

**PA 10-135** expands the scope of several brownfield clean-up programs and establishes a working group to study brownfield issues. It allows the Department of Economic and Community Development (DECD) commissioner to use the funds from another brownfield program as a funding source for two newer programs opened to municipalities and private developers.

The act allows municipalities to fix the assessment on contaminated property before the owner begins to remediate it. It also allows them to forgive back taxes on a contaminated property if a developer proposes to remediate it under a state-approved plan.

The act sets narrow conditions under which a regulated activity must be permitted on municipally owned sites undergoing remediation in aquifer protection areas.

EFFECTIVE DATE: Various

## **CAPTIVE REAL ESTATE INVESTMENTS TRUSTS**

**PA 10-188** eliminates a state corporation tax deduction for federally deductible dividends companies receive from “captive” real estate investment trusts (REITs) unless the captive REIT is also subject to the Connecticut corporation tax. Under the act, a “captive REIT” is one that (1) for any taxable year, qualifies for special federal tax treatment, (2) is not regularly traded on an established securities market, (3) has more than 50% of its shares directly or constructively owned or controlled by a single entity subject to the federal tax law on corporate distributions, and (4) is not a “qualified” REIT under existing state corporation tax law.

EFFECTIVE DATE: Upon passage and applicable to income years starting on or after January 1, 2010.

## **COASTAL PERMITTING**

**PA 10-106** requires anyone receiving a wetlands regulated activity permit, dredging permit, certificate of permission for routine maintenance, or emergency authorization for corrective action on or after October 1, 2010, to file a certified copy of the document on the land records of the municipality where the property is located within 30 days of issuance. It requires a property owner transferring land

for which such a document is issued to record the document in the land records before the transfer.

The act establishes a fee for retaining structures built without the required building or dredging permit and ineligible for a certificate of permission. The fee is four times the fee for a permit to build the structure, although the environmental protection commissioner may lower the fee upon a finding of significant extenuating circumstances.

EFFECTIVE DATE: October 1, 2010

## **COMMON INTEREST OWNERSHIP ACT**

**PA 10-186** makes numerous changes to the Common Interest Ownership Act (CIOA). It:

1. adds to the list of CIOA provisions that automatically apply to common interest communities created in Connecticut before January 1, 1984;
2. applies requirements for declaration amendments affecting the priority of a security holder’s interest to bylaw amendments on the same issue;
3. provides for the election of officers by either unit owners or the executive board, unless otherwise specified in the declaration;
4. provides that association rules that restrict residential leasing are

- unenforceable unless the restriction is recorded in land records;
5. modifies requirements for resale certificates, including changes regarding disclosure of the number of owners delinquent in paying their common charges; and
  6. reduces the required days' notice for executive board meetings from 10 to five, except for meetings called to adopt, amend, or repeal a rule, and specifying the notice requirement for meetings concerning a rule.

EFFECTIVE DATE: July 1, 2010

### **CONSERVATION AND PRESERVATION RESTRICTIONS**

By law, anyone seeking a permit from a state or local land use agency, local building official, or health director generally must notify holders of conservation or preservation restrictions on the affected property before filing an application, other than for permits for interior or exterior work not expanding or altering the building's footprint. **PA 10-85** specifies that it does not prohibit filing a permit application or requiring written notice when the activity that is the subject of the application will take place on a portion of property not restricted under the

terms of the conservation or preservation restriction.

The act creates a civil penalty of up to \$5,000 for anyone who files a permit application without proof of having provided written notice to the state agency holding the restriction, as well as a fine of \$1,000 per day for violations continuing beyond the initial penalty.

The act requires a municipality to record certain information in the land records whenever it (1) acquires real property with the intent to place a conservation, preservation, or other restriction on its use or (2) intends to permanently protect municipal property by dedicating it as park or open space land.

EFFECTIVE DATE: October 1, 2010, except that the municipal land records provisions take effect upon passage.

### **FORECLOSURE MEDIATION PROGRAM**

**PA 10-181** (1) extends the foreclosure mediation program for another two years, to July 1, 2012, and (2) requires that a mortgagee represented by counsel who is absent from a foreclosure mediation session be available by phone instead of by phone or electronic means.

EFFECTIVE DATE: Upon passage

## **HOMESTEAD EXEMPTION FOR JUDGMENT DEBTORS**

**PA 10-181** specifies that for purposes of the homestead exemption for judgment debtors, “homestead” includes co-op properties.

EFFECTIVE DATE: October 1, 2010

## **LANDSCAPE ARCHITECTS**

**PA 10-48** allows landscape architects to form professional practices with architects, professional engineers, and land surveyors.

EFFECTIVE DATE: July 1, 2010.

## **REAL ESTATE LICENSE EXAMINATIONS**

**PA 10-9** allows applicants for a real estate broker’s or sales person’s license to take the exam as many times as it is offered. Prior law limited applicants to four exams per year.

EFFECTIVE DATE: Upon passage

## **SITES UNDERGOING REMEDIATION**

**PA 10-86** allows a regulated activity to be conducted in an aquifer protection area where hazardous waste is being cleaned up at the time the particular area is designated on a municipal zoning district or inland wetland

map, subject to certain conditions.

It also makes the owner of a site formerly occupied by a dry cleaning establishment eligible for grants from the dry cleaning establishment remediation account.

EFFECTIVE DATE: Upon passage

## **TAX CREDIT FOR FILM PRODUCTION**

**PA 10-107** amends the statute authorizing tax credits for development studios and other motion picture infrastructure. By law, developers constructing buildings, facilities, and installations needed to produce films in Connecticut qualify for tax credits regardless of whether they intend to sell the infrastructure or lease it. The act limits the credits for leased facilities to those leased only under a capital lease.

EFFECTIVE DATE: July 1, 2010, and applies to income years beginning on or after January 1, 2010.

## **TAX CREDIT FOR HISTORIC STRUCTURES**

Property owners who rehabilitate historic structures for mixed commercial and residential use are eligible for business tax credits. Those completing projects in phases can receive tax credit vouchers for completing work on, and placing in service, an identifiable

part of the building. **PA 10-188** allows an owner to receive a voucher for a substantial rehabilitation of an identifiable part of a building even if the completed portion includes no residential units.

Under the act, if the property owner fails to complete the residential portion of the project within the schedule specified in his or her rehabilitation plan, the owner must repay (“recapture”) 100% of the credit voucher amount on his or her tax return for the income year following the year of the failure. The act allows the Commission on Culture and Tourism, which administers the tax credit program, to extend the completion deadline for the residential portion for a maximum of three years.

EFFECTIVE DATE: July 1, 2010 and applies to income years beginning on or after January 1, 2010.

### **TAX EXEMPTION IN ENTERPRISE ZONES**

**PA 10-162** extends enterprise zone property tax exemptions and corporation business tax credits to businesses acquiring or developing facilities in municipalities hurt by major aerospace or defense plant closings, as determined by the DECD commissioner based on statutory criteria.

EFFECTIVE DATE: Upon passage

### **TENANTS OF FORECLOSED HOMES**

**PA 10-181** establishes that the minimum “cash for keys” incentive that mortgagees or other successors in interest may offer tenants to vacate a foreclosed residential property is \$2,000.

EFFECTIVE DATE: October 1, 2010

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