



# OLR ACTS AFFECTING

## REAL ESTATE



2012-R-0224

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May 25, 2012

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## **NOTICE TO READERS**

This report provides brief highlights of new laws affecting real estate enacted during the 2012 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 2012 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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## LICENSURE REQUIREMENTS

By law, to renew their licenses, real estate brokers and salespersons must complete continuing education requirements, which can be satisfied, among other things, through courses approved by the Real Estate Commission within the Department of Consumer Protection (DCP). **PA 12-113** provides that such courses must include practices and laws on common interest communities (e.g., condominiums). It also specifies that the DCP commissioner's regulations on coursework approval must include such matters.

EFFECTIVE DATE: October 1, 2012

## REAL ESTATE DEVELOPMENT

### *Bonds for Subdivisions and Site Improvements*

The law allows municipal land use commissions to require developers to post a bond to guarantee that site plan and subdivision improvements are completed. **sHB 5320**, as amended by House "A," among other things:

1. limits the types of site improvements and activities for which a zoning commission can require a bond;
2. eases the restriction on commissions requiring

- financial guarantees to secure the maintenance of certain improvements;
3. allows, rather than requires, municipal planning and zoning commissions to accept surety bonds;
4. creates an exception to the requirement that a developer post a bond before a certificate of occupancy is issued or lots are transferred; and
5. prohibits commissions from requiring developers to establish a homeowners association or placing a deed restriction on the property to maintain approved site improvements.

Prior law allowed municipalities to enact ordinances prohibiting or regulating building permits for structures on lots that abut unaccepted streets, except for farm or accessory buildings that conform to the municipality's zoning or building regulations. The act bars such ordinances from prohibiting buildings or structures on approved site plans and subdivisions as long as the approvals have not expired.

EFFECTIVE DATE: Upon passage; the provisions concerning financial guarantees for site plan and subdivision approvals are applicable to approvals or extensions granted on or after that date.

## ***Brownfield Remediation***

**sHB 5342**, as amended by House "A," makes programmatic and administrative changes to the Department of Economic and Community Development's (DECD) program providing financial assistance to clean up and redevelop brownfields. The program consists of separate grant and loan components. The act narrows the range of entities eligible for assistance under both components, allows loan proceeds to be used to develop affordable housing, and allows the DECD commissioner to use a portion of the funds allocated to the program to cover staffing and marketing costs.

The act makes many procedural changes to the Brownfield Liability Protection Program, which protects developers from liability to the state and third parties for cleaning up brownfields according to the program's requirements. It makes changes to the process for accepting brownfields into the program; gives developers more time to pay the program's application fees; and resets the deadlines for completing specified tasks, including investigating and remediating brownfields.

The act also establishes a pilot program for expeditiously conducting environmental reviews of redevelopment projects in designated areas.

EFFECTIVE DATE: July 1, 2012 for the programmatic and

administrative changes and upon passage for the pilot program

## ***Development in Coastal Areas***

PA 12-101 changes the Coastal Management Act by:

1. modifying its general goals and policies to consider (a) private property owners' rights when developing, preserving, or using coastal resources and (b) the potential impact of a rise in sea level when planning coastal development to minimize certain needs or effects;
2. requiring zoning commissions to approve a coastal site plan for a shoreline flood and erosion control structure under certain circumstances; and
3. requiring these commissions or the Department of Energy and Environmental Protection (DEEP) commissioner to propose structural alternatives or mitigation measures and techniques if they deny a shoreline flood and erosion control structure application for certain reasons.

EFFECTIVE DATE: October 1, 2012, except the provision concerning coastal site plans for shoreline flood and erosion control structures, which is effective upon passage

## ***Development in the Capital Region***

**sSB 22**, as amended by Senate “A,” re-designates the quasi-public Capital City Economic Development Authority (CCEDA) as the Capital Region Development Authority (CRDA), preserving many of CCEDA's powers, duties, and functions, including the authority to issue bonds. CCEDA currently oversees several completed and ongoing development projects in a statutorily designated area in Hartford.

The act expands the district and the range of eligible projects and allows CRDA to plan and implement some of these projects outside the district. It authorizes CRDA to (1) develop and redevelop property anywhere in Hartford, (2) develop riverfront improvements anywhere in Hartford and East Hartford, (3) demolish and redevelop vacant buildings in East Hartford, and (4) increases the number of housing units CRDA may construct or rehabilitate in the district.

EFFECTIVE DATE: Upon passage

## ***Private Rental Investment Mortgage and Equity Program***

**sHB 5106**, as amended by House “A,” among other things, makes programmatic and administrative changes to the Private Rental Investment Mortgage and Equity Program

(PRIME). Under this program, the DECD commissioner subsidizes multifamily housing projects financed by the quasi-public Connecticut Housing Finance Authority (CHFA). The projects must include units that are affordable to low-income people and may include offices, health care centers, and other specified types of non-housing uses. The act expands the range of such uses to include stores, shops, and other retail uses incidental to the housing. It also caps the proportion of low-income units a project can have to qualify for PRIME subsidies.

The act also (1) requires the state to receive equity in all PRIME-subsidized projects rather than allowing it to do so for some projects; (2) allows the commissioner to provide subsidies directly to a project's developer or mortgagor instead of only through CHFA; and (3) changes the account for depositing PRIME funds.

EFFECTIVE DATE: July 1, 2012

## ***Stormwater Permits***

**sHB 5344**, as amended by House “B,” provides a framework for allowing qualified professionals to certify compliance with stormwater and waste water discharge general permits if doing so would not violate the federal Water Pollution Control or the Safe Drinking Water acts.

By law, the DEEP commissioner issues permits for activities that cause (1) polluted rain water and melted snow to run off into rivers, lakes, and other water bodies and (2) waste water to discharge into them. He issues general permits for activities that affect the environment in similar ways, basing his approval on whether they comply with specified requirements. He also issues individual permits for activities that potentially affect the environment in unique or diffused ways, thus requiring more in-depth reviews. The act permits the DEEP commissioner to require a certification by a qualified professional when issuing a general permit.

EFFECTIVE DATE: Upon passage

## **REAL ESTATE TRANSACTIONS**

### ***Influencing Real Estate Appraisals***

The law prohibits any person from influencing real estate appraisals of residential property. PA 12-96 redefines the meaning of such influence.

Prior law defined “influencing residential real estate appraisals” as directly or indirectly coercing, influencing, or otherwise encouraging an appraiser to misstate or misrepresent the value of residential property.

The act defines “influencing real estate appraisals” as directly or indirectly causing or

attempting to cause, through coercion, extortion, inducement, bribery intimidation, compensation, instruction, or collusion, the value assigned to the residential property to be based on any factor other than the appraiser's independent judgment.

EFFECTIVE DATE: Upon passage

### ***Recording Fees***

**sHB 5539**, as amended by House “A,” requires anyone filing a mortgage or lien release, partial release, or assignment with a town clerk to be recorded on the land records to file a separate document for each property, unless the instrument being released, partially released, or assigned encumbers more than one property.

Prior law authorized town clerks to charge a \$1 fee per page for a copy of any document recorded or filed in their offices. The act allows them to charge the fee for a copy in any format (e.g., CD-ROM or microfilm).

The act also eliminates the \$1 fee for recording a marginal notation of a mortgage assignment after the first two assignments.

EFFECTIVE DATE: October 1, 2012

### ***Real Estate Property Condition Disclosure Report***

sHB 5087, as amended by House “A,” expands the kind of

information that must be disclosed in the real estate property condition disclosure report and requires the consumer protection commissioner to update, by January 1, 2013, the regulations prescribing the information the form must disclose.

EFFECTIVE DATE: July 1, 2012

### ***Transfer Act Exemptions***

PA 12-32 among other things, reinstates exemptions to the Transfer Act removed by PA 11-241. The Transfer Act regulates conveyances of businesses that handle hazardous waste. The act reinstates exemptions for:

1. conversions of a general or limited partnership to a limited liability corporation (LLC),
2. transfers of titles from a municipality or bankruptcy court to a nonprofit organization, and
3. acquisition of brownfields that are remediated or undergoing remediation under the Abandoned Brownfield Cleanup Program or the Brownfield Remediation and Revitalization Program.

EFFECTIVE DATE: January 1, 2014

## **PROPERTY OWNERS**

### ***Municipal Blight Ordinances***

**HB 5319**, as amended by House "B," requires towns that have housing blight ordinances to include in their implementing regulations provisions mandating (1) written notice to the property's owner and occupant of a violation and (2) a reasonable opportunity to remediate the conditions before any enforcement action.

Under prior law, an ordinance could establish fines of between \$10 and \$100 for each day a violation continues and, if the town establishes fines, requires a citation hearing process for people to pay and appeal the fines. The act (1) renames these fines as civil penalties and makes a conforming change to the law imposing liens on property cited for violating anti-blight regulations and (2) imposes new fines of up to \$250 per day for a willful violation of a blight regulation when it can be shown for each day, based on actual inspection of the property, that blighted conditions continued after a person received written notice and had a reasonable opportunity to remediate the conditions.

The act also allows new owners or occupants of a blighted property to request a 30-day extension with regard to these penalties.

EFFECTIVE DATE: October 1, 2012



### ***Property Taxes***

sHB 5035 explicitly authorizes municipalities to impose property taxes on structures that are partially completed or under construction.

EFFECTIVE DATE: October 1, 2012, and applicable to assessment years beginning on or after that date

### ***Smoke and Carbon Monoxide Detectors and Alarms in Residential Buildings***

**sHB 5394**, as amended by House "A," requires that battery-operated smoke detection and warning equipment be installed temporarily when a private residential dwelling designed to be occupied by one or two families is occupied during interior alterations or additions requiring a building permit. If there is a fuel-burning appliance, fireplace or attached garage present, battery-operated carbon monoxide detection and warning equipment must also in the vicinity of the alterations or additions during construction. The equipment must be tested and certified pursuant to standards issued by the American National Standards Institute or Underwriters Laboratories. The equipment may combine smoke and carbon monoxide detection technology into a single device.

The act also allows the commissioner of Construction Services to establish, within

available appropriations, a public awareness campaign to educate the public on the dangers of not having smoke and carbon monoxide detection and warning equipment in residential dwellings and to promote the installation of such equipment in all residential dwellings.

EFFECTIVE DATE: October 1, 2012

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