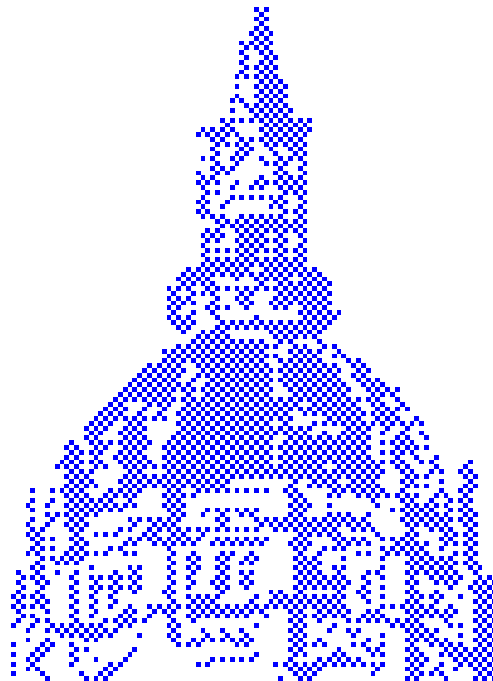


Office of Legislative Research
Connecticut General Assembly



OLR ACTS AFFECTING

HOUSING



2013-R-0261

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NOTICE TO READERS

This report provides brief highlights of new laws affecting housing enacted during the 2013 regular session. Each summary indicates the public act (PA) number and effective date. In some cases, these acts have other effective dates for their provisions that are not related to housing.

Not all provisions of the acts are included here. Complete summaries of all 2013 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).

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

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AFFORDABLE HOUSING

Connecticut Housing Finance Authority's (CHFA) Mortgage Purchases

A new law increases, from \$1.5 billion to \$2.25 billion, the maximum amount of mortgage purchases and loans that CHFA can make that are not insured or guaranteed by (1) a federal or state agency, department, or instrumentality; (2) a congressionally-chartered public corporation (e.g., Freddie Mac); (3) a Connecticut-licensed mortgage insurance company; or (4) CHFA.

CHFA is a quasi-public agency that provides financing for low- and moderate-income home buyers and developers of low- and moderate-income housing projects.

([PA 13-65](#), effective July 1, 2013)

Impediments to Fair Housing Task Force

A new law creates a 15-member task force to study legislative solutions to address impediments to fair housing choice (i.e., laws, regulations, and administrative policies and practices that impact housing affordability, availability, and accessibility). The task force must report its findings to the Housing and Planning and Development committees by February 5, 2014.

([SA 13-3](#), effective upon passage)

BANKING AND INSURANCE

Foreclosure Mediation Program

A new law makes many changes to the state's foreclosure mediation program, including:

1. identifying the objectives of the program;
2. expanding the scope of foreclosure mediation to include the disposition of the property through means other than foreclosure;
3. establishing a pre-mediation process;
4. establishing an expedited foreclosure procedure for vacant and abandoned properties; and
5. extending the mediation program by two years for certain return dates.

([PA 13-136](#), effective July 15, 2013)

Mediation Program for Disputes Arising from Losses during a State of Emergency

A new law allows the Insurance Department to establish a program to mediate disputes between insureds and insurance companies to settle certain claims that involve losses from catastrophic events for which the governor has declared a state of emergency.

The program must address disputes where the difference between the parties' positions on the actual cash value or amount of the loss is \$5,000 or more, notwithstanding any applicable

deductible. The parties may agree to mediate a dispute involving a smaller amount.

([PA 13-148](#), effective October 1, 2013)

BOND AUTHORIZATIONS

Bonds for Housing Programs

The legislature's bond act authorizes:

1. in both FY 14 and FY 15, \$70 million for housing development and rehabilitation, including improvement to various kinds of state-assisted affordable housing;
2. in FY 14, \$20 million for supportive housing initiatives; and
3. in FY 14, \$2 million for grants to municipalities for the incentive housing zone program.

It also transfers, from the Department of Economic and Community Development (DECD) to Department of Housing (DOH), responsibility for bond authorizations for (1) housing development and rehabilitation and (2) a grant to CHFA for its Emergency Mortgage Assistance Program. It also transfers, from the Office of Policy and Management (OPM) to DOH, (1) responsibility for the Main Street Investment Fund and the related grant program and (2) a previous bond authorization for the incentive housing zone program. A related act, PA 13-234, transfers various housing-related responsibilities to DOH from other agencies.

([PA 13-239](#), effective July 1, 2013 for FY 14 bond authorizations and the OPM transfer; July 1, 2014 for FY 15 authorizations; and upon passage for the DECD transfer provision)

DECD Grants

Another new law authorizes up to \$1.5 million in general obligation bonds for DECD to provide grants-in aid, of up to \$500,000 each, to:

1. the Metropolitan Economic Development Commission to create elderly housing,
2. Catholic Charities of Hartford to create affordable housing with supportive services, and
3. the John E. Rogers African American Cultural Center to convert the former Northwest-Jones School to a cultural center.

([PA 13-268](#), § 2, effective July 1, 2013)

COMMON INTEREST COMMUNITIES

Associations' Priority Liens

A new law makes several changes to the Common Interest Ownership Act (CIOA). CIOA, among other things, gives common interest community associations seeking to collect unpaid common charges a priority lien over previously recorded first or second security interests (e.g., mortgages). Changes made by the new law include:

1. extending the period covered by the lien from six to nine months and
2. specifying that the lien applies in all actions the mortgage holder brings to foreclose its mortgage on the unit as well as all actions the association brings to foreclose its lien for unpaid common charges (presumably, this allows the association to invoke the priority lien more than once, if assessments continue to go unpaid — i.e., it is an “evergreen” priority lien).

It also specifies that association assessments under CIOA and related attorneys’ fees and costs owed by a mortgagor (the borrower) and paid by a mortgagee, are part of the debt the mortgagor owes to the mortgagee or lienor.

([PA 13-156](#), the priority lien provisions are effective upon passage and apply to actions pending on or filed on or after that date and the mortgage debt provision is effective October 1, 2013)

Budget and Special Assessment Approval Process

A new law makes it easier for unit owners in certain large common interest communities (e.g., condominiums) to reject annual budgets and special assessments.

Under CIOA, common interest community annual budgets and special assessments are

approved unless a majority of all unit owners (not just a majority of those voting), or a larger number specified in the association’s declaration, votes to reject them. A new exception provides that, for certain large communities and master associations, a proposed budget or assessment is approved unless (1) a majority of unit owners participating in the vote rejects it and (2) at least one-third of unit owners entitled to vote on the measure vote to reject it.

([PA 13-182](#), effective October 1, 2013)

Liability for CIOA and Condominium Act Violations

A new law subjects community association managers to disciplinary action for knowing and material violations of CIOA or the Condominium Act.

It also exempts board members or association officers under CIOA and the Condominium Act from criminal liability, under certain circumstances, for alleged violations of the state building or fire safety code or a municipal health, housing, or safety code. This immunity applies when the board proposes a special assessment to cover the cost of repairs needed to ensure compliance with the codes and the unit owners vote to reject the assessment.

The new law also modifies CIOA's provisions related to making meeting agendas available, proxy voting, and receipt and expenditure records.

([PA 13-289](#), effective October 1, 2013)

CONSTRUCTION AND REHABILITATION

Historic Homes Rehabilitation Tax Credit

A new law expands the business tax credit for rehabilitating historic homes by:

1. making the credit available statewide, not just in statutorily designated areas;
2. reducing, from more than \$25,000 to more than \$15,000, the minimum amount of money that must be spent rehabilitating a historic home; and
3. increasing, from \$30,000 to \$50,000 per unit, the maximum amount of credit businesses can claim when contributing funds to nonprofit corporations rehabilitating historic homes.

As was the case under prior law, the credit's total value equals 30% of the eligible rehabilitation costs.

([PA 13-266](#), effective July 1, 2015, and applicable to income years beginning on or after January 1, 2015)

Home Improvement Contractors Study

A new law requires the Department of Consumer Protection (DCP) commissioner to conduct a study on registered home improvement contractors. It must consider:

1. whether home improvement contractors should be tested and licensed, instead of registered, by DCP;
2. what problems, if any, exist with the current home improvement contractor registration system;
3. how other states permit or license home improvement contractors; and
4. recommendations, if any, for improvement of the current registration system in this state.

The DCP commissioner must report the study's results to the General Law Committee by July 1, 2014.

([SA 13-18](#), effective July 1, 2013)

DEPARTMENT OF HOUSING

Agency Responsibilities

In 2012, legislation established DOH and made it the lead state agency responsible for all housing matters, including housing and neighborhood policy, development, redevelopment, preservation, maintenance, and improvement. A new law completes DOH's establishment by transferring to it various housing-related

responsibilities from DECD, OPM, and the Department of Social Services (DSS).

([PA 13-234](#), most provisions take effect July 1, 2013)

LANDLORD AND TENANT

Rent Payment by Electronic Funds Transfer

For residential leases or rental agreements executed on or after October 1, 2013, a new law prohibits landlords from requiring that rent or security deposits be paid by electronic funds transfer (e.g., payment through an Internet portal or credit card transaction).

([PA 13-35](#), effective October 1, 2013)

Sexual Assault Victim's Right to Terminate a Rental Agreement

A new law extends to sexual assault victims the ability existing law gives to those victimized by family violence crimes to terminate a rental agreement without penalty. The law covers agreements entered into or renewed on or after January 1, 2014 and applies to victims of the following crimes:

1. 1st, 2nd, 3rd, or 4th degree sexual assault;
2. 1st degree aggravated sexual assault;
3. 3rd degree sexual assault with a firearm;
4. sexual assault in a spousal or cohabiting relationship; and
5. aggravated sexual assault of a minor, when the victim

is the custodial child of the tenant.

([PA 13-214](#), § 4, effective October 1, 2013)

MUNICIPALITIES

Blight Task Force

A new law establishes a 15-member task force to study procedural problems in addressing blight at the municipal level. The task force must draft model municipal blight ordinances and propose legislation to help municipalities address blight more effectively. The task force must report its findings and recommendations to the Planning and Development Committee by February 5, 2014.

([PA 13-132](#), § 1, effective upon passage)

Municipal Fair Rent Commissions

By law, municipal fair rent commissions have the authority to investigate and address complaints regarding rental charges for rental housing, including mobile homes and mobile home lots, but not housing that is rented on a seasonal basis. A new law specifies that "rental charge" includes any fee or charge, in addition to rent, that a landlord imposes or seeks to impose on a tenant.

([PA 13-36](#), effective October 1, 2013)

Properties on State or National Register of Historic Places

A new law authorizes municipalities to adopt ordinances to protect the historic or architectural character of properties and districts that are listed on, or being considered for listing on, the state or national register of historic places.

([PA 13-181](#), effective October 1, 2013)

***REAL ESTATE TRANSACTIONS
Conveyance Forms***

A new law requires that a document conveying land include the grantee’s current mailing address. Under the new law, failure to include the grantee’s current mailing address in a document that affects any interest in real property in the state is considered an insubstantial defect. Under existing law, any such document is as valid as if the address had been included.

([PA 13-87](#), effective October 1, 2013)

Private Transfer Fees

A new law bans private transfer fees on and after June 24, 2013. A “private transfer fee” is, with some exceptions, a fee or charge payable (1) upon the conveyance and subsequent conveyance of an interest in real property located in Connecticut or (2) for the right to make or accept the conveyance. Under the new law, anyone aggrieved by a

private transfer fee imposed on or after June 24, 2013 may sue for damages in Superior Court.

For any private transfer fee obligation in existence as of June 24, 2013, the new law requires the obligation to be (1) disclosed in any future sale contract and (2) recorded in the municipality’s land records by December 31, 2013. The new law also specifies how real property can become unencumbered by an existing obligation.

([PA 13-229](#), effective upon passage)

Recording Fees for Nominees of Mortgages

A new law (1) increases the fees a “nominee of a mortgagee” must pay to town clerks when recording certain documents, including warranty deeds, quitclaim deeds, mortgage deeds, or mortgage assignments, and (2) specifies how the fee revenue must be allocated.

It defines a “nominee of a mortgagee” as any person who (1) serves as mortgagee for a mortgage registered on a national electronic database meeting certain criteria and (2) is a nominee or agent for the promissory note’s owner or a subsequent transferee.

([PA 13-247](#), §§ 81-82, effective July 15, 2013)

Smoke and Carbon Monoxide Detectors

A new law, with exceptions, requires a seller, before transferring title to a one- or two-

family dwelling for which a new occupancy building permit was issued before October 1, 2005, to give the buyer an affidavit certifying that the (1) permit was issued on or after October 1, 1985 or (2) dwelling is equipped with smoke detection and warning equipment (smoke detectors) complying with the new law. The affidavit must also certify that the building (1) is equipped with carbon monoxide (CO) detection and warning equipment (CO detector) complying with the new law or (2) does not pose a risk of CO poisoning because the building does not have a fuel-burning appliance, fireplace, or attached garage. A transferor who fails to provide the affidavit must credit the transferee with \$250 at the closing.

([PA 13-272](#), effective January 1, 2014)

HOMELESSNESS

Homeless Person's Bill of Rights

A new law establishes a bill of rights for the state's homeless individuals and allows municipalities to post it in the usual location for municipal notices. Under the bill of rights, each homeless person has the right to:

1. move freely in public spaces (e.g., parks, buildings, sidewalks, and public transportation) in the same manner as other people and without harassment or intimidation

- by law enforcement officers;
2. have equal employment opportunities;
3. receive emergency medical care;
4. register to vote and vote;
5. have their personal information protected and a reasonable expectation of privacy in their personal property; and
6. receive equal treatment by state and municipal agencies.

([PA 13-251](#), effective October 1, 2013)

Norwich/New London Continuum of Care

For FY 14 and FY 15, the state budget act allocates \$250,000 of DOH's annual General Fund appropriation for Housing/Homeless Services for the Norwich/New London Continuum of Care to facilitate rehousing and homelessness prevention in southeastern Connecticut.

([PA 13-184](#), § 65, effective July 1, 2013)

MISCELLANEOUS

Livable Communities Initiative

A new law requires the Commission on Aging to establish a "Livable Communities" initiative to serve as a (1) forum for best practices and (2) resource clearinghouse to help municipal and state leaders design livable communities that allow residents to age in place

(i.e., remain in their own homes and communities regardless of age or disability).

The commission must report annually on the initiative to the legislature starting by July 1, 2014. It must also, by January 1, 2014, establish a single portal on its website for information and resources on the initiative.

([PA 13-109](#), effective July 1, 2013)

Pilot Program for Alcohol-Dependent People

A new law requires the Department of Mental Health and Addiction Services (DMHAS) commissioner to establish and implement a pilot program to help alcohol-dependent people discharged from New Haven-area hospitals. The program must help these people obtain outpatient treatment and community support services, including housing.

([PA 13-247](#), § 74, effective October 1, 2013)

Supportive Housing Services

A new law authorizes the DSS, DMHAS, and correction commissioners; the OPM secretary; and the Judicial Branch's Court Support Services Division's executive director to (1) develop a plan to provide supportive housing services, including housing rental subsidies during FY 14 and FY 15 for an additional 160 individuals and families who frequently use expensive state services and (2) enter into

memoranda of understanding to reallocate, within existing appropriations, the necessary support and housing resources for this purpose.

([PA 13-247](#), § 60, effective July 1, 2013)

JSB:ro