



Acts Affecting Real Estate

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Revised

Notice to Readers

This report provides summaries of new laws (Public Acts) affecting real estate enacted during the 2017 regular session. OLR's other Acts Affecting reports, including Acts Affecting Housing and Acts Affecting Insurance, are, or will soon be, available on OLR's website:

<https://www.cga.ct.gov/olr/actsaffecting.asp>.

Each summary indicates the Public Act (PA) number and effective date. Not all provisions of the acts are included. The report does not include vetoed acts unless the veto was overridden.

Complete summaries of Public Acts are, or will soon be, available on OLR's website:

<https://www.cga.ct.gov/olr/olrsums.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: <http://www.cga.ct.gov>.

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Affordable Housing

Changes to CGS § 8-30g (VETOED; VETO OVERRIDDEN)

The legislature made changes to the affordable housing land use appeals procedure (CGS § 8-30g), which requires municipalities to defend their decisions to reject affordable housing development applications or approve them with costly conditions. Generally, the new law (1) makes it easier for municipalities to qualify for a moratorium (i.e., temporary suspension of procedure) by, among other things, expanding the unit types that count toward the moratorium calculation and (2) extends the length of the moratorium for certain municipalities. It also changes how the law categorizes certain mobile manufactured homes for purposes of calculating the exemptions and moratorium ([PA 17-170](#), effective on passage, but certain provisions sunset in five years).

Municipal Affordable Housing Planning Requirement (VETOED; VETO OVERRIDDEN)

A new law requires each municipality, at least once every five years, to prepare or amend and adopt an affordable housing plan. The plan must specify how the municipality will increase the number of affordable housing developments in its jurisdiction ([PA 17-170](#), § 2, effective on passage).

Blight and Tax Lien Actions

A new law makes privileged, with respect to assignment for trial, actions to foreclose a blight or municipal tax lien commenced on or after January 1, 2018 ([PA 17-126](#), effective January 1, 2018).

Blight Fines and Nuisance Abatement Task Force

A new law establishes an eight-member task force to study how to prevent the issuance of mortgages to persons with excessive blight fines or who have violated nuisance abatement laws. The task force must report its findings and recommendations to the Banking Committee by July 1, 2018 ([PA 17-236](#), § 18, effective on passage).

Brownfields

Land Banks to Remediate Brownfields

Under a new law, the Department of Economic and Community Development may certify new and existing nonprofit organizations as Connecticut Brownfield Land Banks (CBLB), with access to the same remediation tools and incentives available to municipalities. A certified CBLB may acquire, remediate, and sell only those brownfields identified in its land banking agreement with one or more towns ([PA 17-214](#), §§ 1-13, effective July 1, 2017).

Expanded Brownfield Liability Protection

The legislature made it easier for developers to remediate and develop brownfields under the state's Brownfield Remediation and Revitalization Program. A new law:

1. allows developers to remediate a brownfield one section at a time, instead of all at once, and receive the program's protection for each section they complete;
2. relieves them from having to investigate and remediate any hazardous substance, including a plume, beyond the brownfield's boundaries; and
3. extends the program's liability protection to lenders that hold or held a security interest in the property remediated under the program ([PA 17-214](#), § 14, effective July 1, 2017).

Building Permits

Starting October 1, certain building permits can no longer remain open indefinitely. A new law automatically closes open building permits for one- or two-family homes and associated structures nine years after a municipality issues them if a certificate of occupancy has not been granted for the building or structure. Under the new law, automatic closure serves as a bar to enforcement actions based on work started or completed under an open building permit ([PA 17-176](#), effective October 1, 2017).

Commercial Property Assessed Clean Energy (C-PACE) Program

The legislature substantially revised the C-PACE program, which provides financing for energy efficiency or renewable energy improvements on certain commercial properties in participating municipalities. Among other things, these revisions:

1. expand the purposes for which C-PACE financing may be provided;
2. specify that foreclosures on C-PACE liens are limited to late assessment payments and that liens for C-PACE payments that will become due in the future survive the foreclosure, and
3. specify that when a property with a C-PACE lien is subject to a property tax foreclosure or levy and sale, the lien for any late C-PACE payments will be extinguished but the lien for C-PACE payments due in the future will remain with the property ([PA 17-201](#), effective October 1, 2017).

Commercial Real Estate Disclosures and Notices

A new law delays when a real estate broker or salesperson acting as an agent must disclose who he or she represents in commercial real estate transactions, from the first meeting to before the purchaser or lessee signs the contract or lease. It also changes when commercial real estate brokers must file notices of commission rights with town clerks ([PA 17-169](#), effective January 1, 2018).

Common Interest Community Association Rules

The Common Interest Ownership Act (CIOA) allows unit owner associations of common interest communities to adopt rules apart from their declarations and bylaws. A new law narrows CIOA's definition of "rule" and clarifies the permissible scope of such rules. It specifies that such rules regulate (1) conduct occurring within the common interest community or (2) the use, maintenance, repair, replacement, modification, or appearance of the common interest community ([PA 17-224](#), effective October 1, 2017).

Community Housing Land Bank and Trust Projects

Under a new law, nonprofit housing developers may use Community Housing Land Bank and Trust funds to convey land or interests in land, not just the structures and improvements situated on the land, to eligible families and limited equity cooperatives as long as the structures and improvements are used to provide affordable housing. When they convey property to another nonprofit housing developer or entity, the sales proceeds must be returned to the program for deposit in its account ([PA 17-240](#), § 4, effective October 1, 2017).

Filing False Records

A new law makes it a class D felony to file a false record on a municipal land record or under the Uniform Commercial Code and gives victims a cause of action to petition the court to have such a record invalidated ([PA 17-99](#), §§ 46-49, effective January 1, 2018).

Lead Abatement Interest Rate Reduction

A new law requires the Banking and Housing departments, within available appropriations, to study the development of a lead abatement interest rate reduction program that provides interest rate subsidies to owners who experience difficulty obtaining lead abatement financing. The departments' commissioners must report their findings and recommendations to the Banking, Housing, and Planning and Development committees by January 1, 2018 ([PA 17-236](#), § 20, effective on passage).

Nonconforming Uses, Buildings, and Structures

The legislature clarified the law's protections for nonconforming uses, buildings, and structures by specifying that municipal zoning regulations cannot terminate them or deem them abandoned unless the property owner voluntarily discontinues the nonconforming use, building, or structure with the intent not to reestablish it. The new law also specifies that demolishing or deconstructing a nonconforming use, building, or structure is not, by itself, evidence of an owner's intent to abandon it ([PA 17-39](#), effective July 1, 2017).

Real Estate Brokerage Businesses

A new law explicitly allows limited liability partnerships to operate as real estate brokerage businesses in Connecticut ([PA 17-77](#), § 4, effective July 1, 2017).

Real Estate Student Intern Program

A new law eliminates the real estate student intern program, under which interns enroll in an accredited school and are directly supervised by a licensed real estate broker. Upon the Real Estate Commission's approval, an intern was exempt from real estate licensing requirements while enrolled in the program ([PA 17-75](#), § 5, effective January 1, 2018).

Recording Trust Instruments

A new law establishes the validity of conveyance of interest in real property by, or to, trusts and trustees and requires town clerks to index an instrument by the name of the trust and trustee identified in the instrument if the grantor, grantee, releasor, releasee, assignor, assignee, transferor, or transferee is a trust ([PA 17-99](#), § 50, effective October 1, 2017).

Security Deposit

Under a new law, landlords, at a tenant's request, must return any security deposit that exceeds one month's rent if the tenant turned age 62 after paying the deposit ([PA 17-236](#), § 17, effective October 1, 2017).

Septic Systems

A new law increases the size of household and small commercial subsurface sewage disposal systems (generally, septic systems) over which the Department of Public Health and local health departments, rather than the Department of Energy and Environmental Protection, have jurisdiction, from a maximum capacity of 5,000 gallons per day to a maximum of 7,500 gallons per day ([PA 17-146](#), § 30, effective July 1, 2017).

Temporary Health Care Structures

A new law establishes conditions under which property owners may place temporary health care structures on residential property to care for individuals with qualifying mental or physical impairments. Municipalities that choose to bar such structures must follow a specified process ([PA 17-155](#), effective October 1, 2017).

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