



House of Representatives

General Assembly

File No. 620

January Session, 2025

Substitute House Bill No. 6963

House of Representatives, April 9, 2025

The Committee on Planning and Development reported through REP. KAVROS DEGRAW of the 17th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING THE ENFORCEMENT OF REQUIREMENTS
IMPOSED BY CERTAIN MUNICIPAL APPROVALS AND THE NEW
HOME CONSTRUCTION GUARANTY FUND.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (m) of section 8-3 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2025*):

4 (m) (1) Notwithstanding the provisions of this section, any site plan
5 approval made under this section prior to July 1, 2011, that has not
6 expired prior to July 12, 2021, except an approval made under
7 subsection (j) of this section, shall expire not less than fourteen years
8 after the date of such approval and the commission may grant one or
9 more extensions of time to complete all or part of the work in connection
10 with such site plan, provided no approval, including all extensions,
11 shall be valid for more than nineteen years from the date the site plan
12 was approved.

13 (2) Notwithstanding the provisions of this section, any site plan
14 approval made under this section on or after July 1, 2011, but prior to
15 June 10, 2021, that did not expire prior to March 10, 2020, except an
16 approval made under subsection (j) of this section, shall expire not less
17 than fourteen years after the date of such approval and the commission
18 may grant one or more extensions of time to complete all or part of the
19 work in connection with such site plan, provided no approval, including
20 all extensions, shall be valid for more than nineteen years from the date
21 the site plan was approved.

22 (3) For the purposes of this subdivision, "incomplete work" means
23 any physical improvement required by the site plan approval that is
24 incomplete due to a suspension in construction, and "business" means a
25 sole proprietorship, trust, corporation, limited liability company, union,
26 association, firm, partnership or other organization or group of persons.
27 Any business that fails to complete any physical improvement required
28 by a site plan approval may be deemed in violation of this subsection if
29 the zoning enforcement officer finds that (A) such approval has not
30 expired, (B) work required pursuant to such approval has been
31 suspended before the completion of such work and the zoning
32 enforcement officer determines the business has no intent to resume
33 such work within a reasonable time period, and (C) the incomplete work
34 creates a condition constituting a public health or safety hazard. The
35 zoning enforcement officer may initiate an enforcement action pursuant
36 to section 8-12 against a business that violates this subsection.

37 Sec. 2. Subsection (a) of section 8-12a of the general statutes is
38 repealed and the following is substituted in lieu thereof (*Effective October*
39 *1, 2025*):

40 (a) Any municipality may, by ordinance adopted by its legislative
41 body, establish penalties for violations of zoning regulations adopted
42 under section 8-2 or by special act, or for violations of subdivision (3) of
43 subsection (m) of section 8-3, as amended by this act, subdivision (3) of
44 subsection (e) of section 8-26c, as amended by this act, or subsection (d)
45 of section 22a-44, as amended by this act. The ordinance shall establish

46 the types of violations for which a citation may be issued and the
47 amount of any fine to be imposed thereby and shall specify the time
48 period for uncontested payment of fines for any alleged violation under
49 any such regulation. No fine imposed under the authority of this section
50 may exceed one hundred fifty dollars for each day a violation continues.
51 Any fine imposed pursuant to this section shall be payable to the
52 treasurer of the municipality.

53 Sec. 3. Subsection (e) of section 8-26c of the general statutes is
54 repealed and the following is substituted in lieu thereof (*Effective October*
55 *1, 2025*):

56 (e) (1) Notwithstanding the provisions of this section, any
57 subdivision approval made under this section prior to July 1, 2011, that
58 has not expired prior to July 12, 2021, shall expire not less than fourteen
59 years after the date of such approval and the commission may grant one
60 or more extensions of time to complete all or part of the work in
61 connection with such subdivision, provided no subdivision approval,
62 including all extensions, shall be valid for more than nineteen years
63 from the date the subdivision was approved.

64 (2) Notwithstanding the provisions of this section, any subdivision
65 approval made under this section on or after July 1, 2011, but prior to
66 June 10, 2021, that did not expire prior to March 10, 2020, shall expire
67 not less than fourteen years after the date of such approval and the
68 commission may grant one or more extensions of time to complete all or
69 part of the work in connection with such subdivision, provided no
70 subdivision approval, including all extensions, shall be valid for more
71 than nineteen years from the date the subdivision was approved.

72 (3) For the purposes of this subdivision, "incomplete work" means
73 any physical improvement required by the subdivision plan approval
74 that is incomplete due to a suspension in construction, and "business"
75 means a sole proprietorship, trust, corporation, limited liability
76 company, union, association, firm, partnership or other organization or
77 group of persons. Any business that fails to complete any physical
78 improvement required by a subdivision approval may be deemed in

79 violation of this subsection if the zoning enforcement officer finds that
80 (A) such approval has not expired, (B) work required pursuant to such
81 approval has been suspended before the completion of such work and
82 the zoning enforcement officer determines the business has no intent to
83 resume such work within a reasonable time period, and (C) the
84 incomplete work creates a condition constituting a public health or
85 safety hazard. The zoning enforcement officer may initiate an
86 enforcement action pursuant to section 8-12 against a business that
87 violates this subsection.

88 Sec. 4. Section 22a-44 of the general statutes is repealed and the
89 following is substituted in lieu thereof (*Effective October 1, 2025*):

90 (a) If the inland wetlands agency or its duly authorized agent finds
91 that any person is conducting or maintaining any activity, facility or
92 condition [which] that is in violation of sections 22a-36 to 22a-45,
93 inclusive, or of the regulations of the inland wetlands agency, the
94 agency or its duly authorized agent may issue a written order, by
95 certified mail, to such person conducting such activity or maintaining
96 such facility or condition to cease immediately such activity or to correct
97 such facility or condition. [Within] Not more than ten days [of] after the
98 issuance of such order the agency shall hold a hearing to provide the
99 person an opportunity to be heard and show cause why the order
100 should not remain in effect. The agency shall consider the facts
101 presented at the hearing and within ten days of the completion of the
102 hearing notify the person by certified mail that the original order
103 remains in effect, that a revised order is in effect, or that the order has
104 been withdrawn. The original order shall be effective upon issuance and
105 shall remain in effect until the agency affirms, revises or withdraws the
106 order. The issuance of an order pursuant to this section shall not delay
107 or bar an action pursuant to subsection (b) of this section. The agency
108 may file a certificate of such order in the office of the town clerk of the
109 town in which the land is located and the town clerk shall record such
110 certificate on the land records of such town. Such certificate shall be
111 released upon compliance with such order. The commissioner may
112 issue orders pursuant to sections 22a-6 to 22a-7, inclusive, concerning

113 an activity, facility or condition (1) [which] that is in violation of said
114 sections 22a-36 to 22a-45, inclusive, if the municipality in which such
115 activity, facility or condition is located has failed to enforce its inland
116 wetlands regulations, or (2) for which an approval is required under
117 sections 22a-36 to 22a-45, inclusive, and for which such approval has not
118 been obtained.

119 (b) Any person who commits, takes part in, or assists in any violation
120 of any provision of sections 22a-36 to 22a-45, inclusive, including
121 regulations adopted by the commissioner and ordinances and
122 regulations promulgated by municipalities or districts pursuant to the
123 grant of authority herein contained, shall be assessed a civil penalty of
124 not more than one thousand dollars for each offense. Each violation of
125 said sections shall be a separate and distinct offense, and, in the case of
126 a continuing violation, each day's continuance thereof shall be deemed
127 to be a separate and distinct offense. The Superior Court, in an action
128 brought by the commissioner, municipality, district or any person, shall
129 have jurisdiction to restrain a continuing violation of said sections, to
130 issue orders directing that the violation be corrected or removed and to
131 assess civil penalties pursuant to this section. All costs, fees and
132 expenses in connection with such action shall be assessed as damages
133 against the violator together with reasonable attorney's fees which may
134 be allowed, all of which shall be awarded to the commissioner,
135 municipality, district or person which brought such action. All penalties
136 collected pursuant to this section shall be used solely by the
137 Commissioner of Energy and Environmental Protection (1) to restore
138 the affected wetlands or watercourses to their condition prior to the
139 violation, wherever possible, (2) to restore other degraded wetlands or
140 watercourses, (3) to inventory or index wetlands and watercourses of
141 the state, or (4) to implement a comprehensive training program for
142 inland wetlands agency members.

143 (c) Any person who wilfully or knowingly violates any provision of
144 sections 22a-36 to 22a-45, inclusive, shall be fined not more than one
145 thousand dollars for each day during which such violation continues, or
146 be imprisoned not more than six months, or both. For a subsequent

147 violation, such person shall be fined not more than two thousand dollars
148 for each day during which such violation continues or be imprisoned
149 not more than one year or both. For the purposes of this subsection,
150 "person" shall be construed to include any responsible corporate officer.

151 (d) For the purposes of this subdivision, "incomplete work" means
152 any physical improvement required by the inland wetlands approval
153 that is incomplete due to a suspension in construction, and "business"
154 means a sole proprietorship, trust, corporation, limited liability
155 company, union, association, firm, partnership or other organization or
156 group of persons. Any business that fails to complete any physical
157 improvement required by an inland wetlands approval may be deemed
158 in violation of this subsection if the authorized agent of the inland
159 wetlands agency, or where no such agent has been appointed, the
160 zoning enforcement officer, finds that (1) such approval has not expired,
161 (2) work required pursuant to such approval has been suspended before
162 the completion of such work and the agent, or the zoning enforcement
163 officer if no such agent has been appointed, determines the business has
164 no intent to resume such work within a reasonable time period, and (3)
165 the incomplete work creates a condition constituting a public health or
166 safety hazard. The authorized agent of the inland wetlands agency, or
167 where no such agent has been appointed, the zoning enforcement
168 officer, may initiate an enforcement action pursuant to section 8-12
169 against a business that violates this subsection.

170 Sec. 5. Section 20-417a of the general statutes is repealed and the
171 following is substituted in lieu thereof (*Effective October 1, 2025*):

172 As used in this section and sections 20-417b to 20-417j, inclusive:

173 (1) "Certificate" means a certificate of registration issued under
174 section 20-417b;

175 (2) "Commissioner" means the Commissioner of Consumer
176 Protection or any person designated by the commissioner to administer
177 and enforce this section and sections 20-417b to 20-417j, inclusive;

178 (3) "Completion" means the stage of construction of a new home in
179 which the new home construction contractor is in receipt of the
180 certificate of occupancy for such new home issued by the municipality
181 in which such new home is constructed;

182 (4) "Consumer" means the buyer or prospective buyer, or the buyer's
183 or prospective buyer's heirs or designated representatives, of any new
184 home or the owner of property on which a new home is being or will be
185 constructed, regardless of whether such owner obtains a building
186 permit as the owner of the premises affected pursuant to section 29-263;

187 ~~[(3)]~~ (5) "Contract" means any agreement between a new home
188 construction contractor and a consumer for the construction or sale of a
189 new home or any portion of a new home prior to occupancy;

190 ~~[(4)]~~ (6) "Engage in the business" means that the person engages in
191 the business for the purpose of compensation or profit;

192 (7) "New home" means any newly constructed (A) single-family
193 dwelling unit, (B) dwelling consisting of not more than two units, or (C)
194 unit, common element or limited common element in a condominium,
195 as defined in section 47-68a, or in a common interest community, as
196 defined in section 47-202;

197 ~~[(5)]~~ (8) "New home construction contractor" means any person who
198 contracts with a consumer to construct or sell a new home or any portion
199 of a new home prior to occupancy;

200 ~~[(6)]~~ "New home" means any newly constructed (A) single-family
201 dwelling unit, (B) dwelling consisting of not more than two units, or (C)
202 unit, common element or limited common element in a condominium,
203 as defined in section 47-68a, or in a common interest community, as
204 defined in section 47-202;]

205 ~~[(7)]~~ (9) "Person" means one or more individuals, partnerships,
206 associations, corporations, limited liability companies, business trusts,
207 legal representatives or any organized group of persons; and

208 [(8) "Consumer" means the buyer or prospective buyer, or the buyer's
209 or prospective buyer's heirs or designated representatives, of any new
210 home or the owner of property on which a new home is being or will be
211 constructed regardless of whether such owner obtains a building permit
212 as the owner of the premises affected pursuant to section 29-263; and

213 (9) "Completion" means the stage of construction of a new home in
214 which the new home construction contractor is in receipt of the
215 certificate of occupancy for such new home issued by the municipality
216 in which such new home is constructed.]

217 (10) "Proprietor" means an individual who (A) has an ownership
218 interest in a business entity that holds or has held a certificate issued
219 under section 20-417b, and (B) has been found by a court of competent
220 jurisdiction to have violated any provision of this chapter related to the
221 conduct of a business entity holding a certificate or that has held a
222 certificate issued under section 20-417b within two years of the effective
223 date of entering into a contract with a consumer harmed by the actions
224 of such business entity or the owner of such business entity.

225 Sec. 6. Section 20-417i of the general statutes is repealed and the
226 following is substituted in lieu thereof (*Effective October 1, 2025*):

227 (a) The commissioner shall establish and maintain the New Home
228 Construction Guaranty Fund.

229 (b) Each person who receives a certificate pursuant to sections 20-
230 417a to 20-417j, inclusive, as amended by this act, shall pay a fee of two
231 hundred forty dollars annually to the New Home Construction
232 Guaranty Fund. Such fees shall be payable with the fee for an
233 application for a certificate or renewal of a certificate.

234 (c) (1) For fiscal years commencing on or after July 1, 2003, payments
235 received under subsection (b) of this section shall be credited to the New
236 Home Construction Guaranty Fund until the balance in the fund equals
237 [seven] six hundred fifty thousand dollars. Annually, if the balance in
238 the fund exceeds [seven] six hundred fifty thousand dollars, the first

239 [three] four hundred thousand dollars of the excess shall be deposited
240 in the consumer protection enforcement account established in section
241 21a-8a. On June 1, 2004, and each June first thereafter, if the balance in
242 the fund exceeds [seven] six hundred fifty thousand dollars, the excess
243 shall be deposited in the General Fund.

244 (2) Any money in the New Home Construction Guaranty Fund may
245 be invested or reinvested in the same manner as funds of the state
246 employees retirement system and the interest arising from such
247 investments shall be credited to the fund.

248 (d) Whenever a consumer obtains a binding arbitration decision, a
249 court judgment, order or decree against or regarding any new home
250 construction contractor holding a certificate or who has held a certificate
251 under sections 20-417a to 20-417j, inclusive, as amended by this act, or
252 against a proprietor within two years of the date [of entering] such
253 contractor entered into the contract with the consumer, for loss or
254 damages sustained by reason of any violation of the provisions of
255 sections 20-417a to 20-417j, inclusive, as amended by this act, by a person
256 holding a certificate under said sections, such consumer may, upon the
257 final determination of, or expiration of time for taking, an appeal in
258 connection with any such decision, judgment, order or decree, apply to
259 the commissioner for an order directing payment out of the New Home
260 Construction Guaranty Fund of the amount, not exceeding [thirty] fifty
261 thousand dollars, unpaid upon the decision, judgment, order or decree
262 for actual damages and costs taxed by the court against such contractor
263 or proprietor, exclusive of punitive damages. The application shall be
264 made on forms provided by the commissioner and shall be
265 accompanied by a copy of the decision, court judgment, order or decree
266 obtained against the new home construction contractor or proprietor
267 together with a statement signed and sworn to by the consumer,
268 affirming that the consumer has: (1) Complied with all the requirements
269 of this subsection; (2) obtained a decision, judgment, order or decree
270 stating the amount of the decision, judgment, order or decree and the
271 amount owing on the decision, judgment, order or decree at the date of
272 application; and (3) made a good faith effort to satisfy any such decision,

273 judgment, order or decree in accordance with the provisions of chapter
274 906 which effort may include causing to be issued a writ of execution
275 upon such decision, judgment, order or decree, [but] provided the
276 officer executing the same has made a return showing that no bank
277 accounts or personal property of such contractor liable to be levied upon
278 in satisfaction of the decision, judgment, order or decree could be found,
279 or that the amount realized on the sale of them or of such of them as
280 were found, under the execution, was insufficient to satisfy the actual
281 damage portion of the decision, judgment, order or decree or stating the
282 amount realized and the balance remaining due on the decision,
283 judgment, order or decree after application on the decision, judgment,
284 order or decree of the amount realized, except that the requirements of
285 this subdivision shall not apply to a judgment, order or decree obtained
286 by the consumer in small claims court. A true and attested copy of such
287 executing officer's return, when required, shall be attached to such
288 application. Whenever the consumer satisfies the commissioner or the
289 commissioner's designee that it is not practicable to comply with the
290 requirements of subdivision (3) of this subsection and that the consumer
291 has taken all reasonable steps to collect the amount of the decision,
292 judgment, order or decree or the unsatisfied part of the decision,
293 judgment, order or decree and has been unable to collect the same, the
294 commissioner or the commissioner's designee may, in the
295 commissioner's or the commissioner's designee's discretion, dispense
296 with the necessity for complying with such requirement. No application
297 for an order directing payment out of the fund shall be made later than
298 two years from the final determination of, or expiration of time for
299 taking, an appeal of such decision, court judgment, order or decree and
300 no such application shall be for an amount in excess of [thirty] fifty
301 thousand dollars.

302 (e) Upon receipt of such application together with such copy of the
303 decision, court judgment, order or decree, statement and, except as
304 otherwise provided in subsection (d) of this section, true and attested
305 copy of the executing officer's return, the commissioner or the
306 commissioner's designee shall inspect such documents for their veracity
307 and upon a determination that such documents are complete and

308 authentic and that the consumer has not been paid, the commissioner
309 shall order payment out of the New Home Construction Guaranty Fund
310 of the amount not exceeding [thirty] fifty thousand dollars unpaid upon
311 the decision, judgment, order or decree for actual damages and costs
312 taxed by the court against the contractor or proprietor, exclusive of
313 punitive damages.

314 (f) [Beginning] (1) Between October 1, 2000, and September 30, 2025,
315 whenever a consumer is awarded an order of restitution against any
316 new home construction contractor for loss or damages sustained as a
317 result of any violation of the provisions of sections 20-417a to 20-417j,
318 inclusive, as amended by this act, by a person holding a certificate or
319 who has held a certificate under said sections within two years of the
320 date of entering into the contract with the consumer, in [(1)] (A) a
321 proceeding brought by the commissioner pursuant to subsection [(h)] (i)
322 of this section or subsection (d) of section 42-110d, [(2)] (B) a proceeding
323 brought by the Attorney General pursuant to subsection (a) of section
324 42-110m or subsection (d) of section 42-110d, or [(3)] (C) a criminal
325 proceeding pursuant to section 20-417e, such consumer may, upon the
326 final determination of, or expiration of time for taking, an appeal in
327 connection with any such order of restitution, apply to the
328 commissioner for an order directing payment out of the New Home
329 Construction Guaranty Fund of the amount not exceeding [thirty] fifty
330 thousand dollars unpaid upon the order of restitution. The
331 commissioner may issue such order upon a determination that the
332 consumer has not been paid.

333 (2) Beginning on October 1, 2025, whenever a consumer is awarded
334 an order of restitution against any new home construction contractor or
335 proprietor for loss or damages sustained as a result of any violation of
336 the provisions of sections 20-417a to 20-417j, inclusive, as amended by
337 this act, by a person holding a certificate or who has held a certificate
338 under said sections within two years of the date such contractor entered
339 into the contract with the consumer, in (A) a proceeding brought by the
340 commissioner pursuant to subsection (i) of this section or subsection (d)
341 of section 42-110d, (B) a proceeding brought by the Attorney General

342 pursuant to subsection (a) of section 42-110m or subsection (d) of section
343 42-110d, or (C) a criminal proceeding pursuant to section 20-417e, such
344 consumer may, upon the final determination of, or expiration of time for
345 taking, an appeal in connection with any such order of restitution, apply
346 to the commissioner for an order directing payment out of the New
347 Home Construction Guaranty Fund of the amount not exceeding fifty
348 thousand dollars unpaid upon the order of restitution. The
349 commissioner may issue such order upon a determination that the
350 consumer has not been paid.

351 (g) Whenever the commissioner orders payment to a consumer from
352 the New Home Construction Guaranty Fund based upon a decision,
353 judgment, order or decree of restitution, the contractor and proprietor
354 shall be liable for the resulting debt to the New Home Construction
355 Guaranty Fund.

356 [(g)] (h) Before the commissioner may issue any order directing
357 payment out of the New Home Construction Guaranty Fund to a
358 consumer pursuant to subsection (e) or (f) of this section, the
359 commissioner shall first notify the new home construction contractor of
360 the consumer's application for an order directing payment out of the
361 fund and of the new home construction contractor's right to a hearing
362 to contest the disbursement in the event that such contractor or
363 proprietor has already paid the consumer. Such notice shall be given to
364 the new home construction contractor not later than fifteen days after
365 receipt by the commissioner of the consumer's application for an order
366 directing payment out of the fund. If the new home construction
367 contractor requests a hearing, in writing, by certified mail not later than
368 fifteen days after receiving the notice from the commissioner, the
369 commissioner shall grant such request and shall conduct a hearing in
370 accordance with the provisions of chapter 54. If the commissioner does
371 not receive a written request for a hearing by certified mail from the new
372 home construction contractor on or before the fifteenth day from the
373 contractor's receipt of such notice, the commissioner shall conclude that
374 the consumer has not been paid, and the commissioner shall issue an
375 order directing payment out of the fund for the amount not exceeding

376 [thirty] fifty thousand dollars unpaid upon the judgment, order or
377 decree for actual damages and costs taxed by the court against the new
378 home construction contractor or proprietor, exclusive of punitive
379 damages, or for the amount not exceeding [thirty] fifty thousand dollars
380 unpaid upon the order of restitution.

381 [(h)] (i) The commissioner or the commissioner's designee may
382 proceed against any new home construction contractor holding a
383 certificate or who has held a certificate under sections 20-417a to 20-417j,
384 inclusive, as amended by this act, within two years of the effective date
385 of entering into the contract with the consumer, for an order of
386 restitution arising from loss or damages sustained by any consumer as
387 a result of any violation of the provisions of said sections 20-417a to 20-
388 417j, inclusive, by the contractor or proprietor. Any such proceeding
389 shall be held in accordance with the provisions of chapter 54. In the
390 course of such proceeding, the commissioner or the commissioner's
391 designee shall decide whether to (1) exercise the powers specified in
392 section 20-417c, (2) order restitution arising from loss or damages
393 sustained by any consumer as a result of any violation of the provisions
394 of sections 20-417a to 20-417j, inclusive, as amended by this act, and (3)
395 order payment out of the New Home Construction Guaranty Fund.
396 Notwithstanding the provisions of chapter 54, the decision of the
397 commissioner or the commissioner's designee shall be final with respect
398 to any proceeding to order payment out of the fund and the
399 commissioner and the commissioner's designee shall not be subject to
400 the requirements of chapter 54 as such requirements relate to an appeal
401 from any such decision. The commissioner or the commissioner's
402 designee may hear complaints of all consumers submitting claims
403 against a single new home construction contractor in one proceeding.

404 [(i)] (j) No application for an order directing payment out of the New
405 Home Construction Guaranty Fund shall be made later than two years
406 from the final determination of, or expiration of time for, an appeal in
407 connection with any judgment, order or decree of restitution, and no
408 such application shall be for an amount in excess of [thirty] fifty
409 thousand dollars.

410 [(j)] (k) In order to preserve the integrity of the New Home
411 Construction Guaranty Fund, the commissioner, in the commissioner's
412 sole discretion, may order payment out of the fund of an amount less
413 than the actual loss or damages incurred by the consumer or less than
414 the order of restitution awarded by the commissioner or the Superior
415 Court. In no event shall any payment out of the fund be in excess of
416 [thirty] fifty thousand dollars for any single claim by a consumer.

417 [(k)] (l) If the money deposited in the New Home Construction
418 Guaranty Fund is insufficient to satisfy any duly authorized claim or
419 portion of a claim, the commissioner shall, when sufficient money has
420 been deposited in the fund, satisfy such unpaid claims or portions of
421 claims not exceeding [thirty] fifty thousand dollars, in the order that
422 such claims or portions of claims were originally determined.

423 [(l)] (m) Whenever the commissioner has caused any sum to be paid
424 from the New Home Construction Guaranty Fund to a consumer, the
425 commissioner shall be subrogated to all of the rights of the consumer up
426 to the amount paid plus reasonable interest, and prior to receipt of any
427 payment from the fund, the consumer shall assign all of the consumer's
428 right, title and interest in the claim up to such amount to the
429 commissioner, and any amount and interest recovered by the
430 commissioner on the claim shall be deposited in the fund.

431 [(m)] (n) If the commissioner orders the payment of any amount as a
432 result of a guaranty fund claim against a new home construction
433 contractor or proprietor, the commissioner shall determine if such
434 contractor is possessed of assets liable to be sold or applied in
435 satisfaction of the claim on the New Home Construction Guaranty
436 Fund. If the commissioner discovers any such assets, the commissioner
437 may request that the Attorney General take any action necessary for the
438 reimbursement of the fund.

439 [(n)] (o) If the commissioner orders the payment of an amount as a
440 result of a guaranty fund claim against a new home construction
441 contractor, the commissioner may, after notice and hearing in
442 accordance with the provisions of chapter 54, revoke the certificate of

443 such contractor and such contractor shall not be eligible to receive a new
 444 or renewed certificate until such contractor has repaid such amount in
 445 full, plus interest from the time such payment is made from the New
 446 Home Construction Guaranty Fund, at a rate to be in accordance with
 447 section 37-3b, except that the commissioner may, in the commissioner's
 448 sole discretion, permit a new home construction contractor to receive a
 449 new or renewed certificate after such contractor has entered into an
 450 agreement with the commissioner whereby such contractor agrees to
 451 repay the fund in full in the form of periodic payments over a set period
 452 of time. Any such agreement shall include a provision providing for the
 453 summary suspension of any and all certificates held by the new home
 454 construction contractor if payment is not made in accordance with the
 455 terms of the agreement.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2025</i>	8-3(m)
Sec. 2	<i>October 1, 2025</i>	8-12a(a)
Sec. 3	<i>October 1, 2025</i>	8-26c(e)
Sec. 4	<i>October 1, 2025</i>	22a-44
Sec. 5	<i>October 1, 2025</i>	20-417a
Sec. 6	<i>October 1, 2025</i>	20-417i

PD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Consumer Protection, Dept.	New Home Construction Guaranty Fund - Various	See Below	See Below
Consumer Protection, Dept.	Consumer Protection Enforcement Account - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
All Municipalities	Potential Revenue Gain	See Below	See Below

Explanation

Sections 1-4 expand the authority of municipal Zoning Enforcement Officers (ZEO) to initiate enforcement action against businesses that violate various building requirements, resulting in a potential revenue gain to municipalities to the extent that fines are imposed by the ZEO¹.

Sections 5-6 make various changes to the New Home Construction Guaranty Fund and the Consumer Protection Enforcement account resulting in the following impacts.

¹ The fines imposed by the ZEO must not exceed \$150 per day that the business is in violation of the statutes related to the bill.

1. The cap on the New Home Construction Guaranty Fund² (NHCGF) is reduced from \$750,000 to \$650,000 resulting in a potential revenue loss to the fund to the extent future revenues exceed the cap.
2. The excess transfer from NHCGF to the Consumer Protection Enforcement account is increased from \$300,000 to \$400,000 resulting in a potential revenue gain to the extent excess funding is transferred.³
3. The maximum payment per claim from the NHCGF is increased from \$30,000 to \$50,000 and consumers are allowed to make claims against the fund if a judgement is awarded against a proprietor⁴ resulting in a potential cost to the fund depending on the number and size of future claims.
4. New home construction contractors and proprietors are held liable for the resulting debt to the fund resulting in a potential revenue gain to the NHCGF to the extent violations occur and contractors and proprietors repay the Fund.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of civil penalties imposed on businesses and the number of claims requested from the NHCGF.

²The New Home Construction Guaranty Fund can reimburse consumers who are unable to collect for losses resulting from work performed by a registered new home builder. Homeowners may be eligible to receive up to \$30,000 from the fund if certain criteria are met.

³In FY 24 there were four restitution claims paid from the fund totaling \$105,000 and \$300,000 was transferred to the Consumer Protection Enforcement Account.

⁴Current law only allows for payments from the fund for judgments against construction companies.

OLR Bill Analysis**sHB 6963*****AN ACT CONCERNING THE ENFORCEMENT OF REQUIREMENTS IMPOSED BY CERTAIN MUNICIPAL APPROVALS AND THE NEW HOME CONSTRUCTION GUARANTY FUND.*****SUMMARY**

This bill allows zoning enforcement officers (ZEOs) to take enforcement action against businesses that suspend work required by an unexpired site plan, subdivision (with less than 400 units), or inland wetlands approval. Under the bill, the ZEO may generally do so if he or she determines the (1) business has no intent to resume the work within a reasonable time period and (2) incomplete work creates a public health or safety hazard. These enforcement actions include (1) imposing fines (up to \$150 per day) that the bill authorizes municipalities to adopt by ordinance and (2) those existing law sets for zoning violations under CGS § 8-12, including civil penalties and imprisonment (see BACKGROUND).

Separately, the bill expands eligibility for the New Home Construction Guaranty Fund. Under existing law, a consumer may recuperate money from the fund for uncollectable judgments against a new home construction contractor for losses or damages they caused. The bill additionally allows consumers to do so for these uncollectable judgments against a proprietor (an individual who has an ownership interest in the new home construction company).

With respect to the home guaranty fund, the bill also (1) increases, from \$30,000 to \$50,000 per claim, the maximum amount consumers may recuperate from the fund and (2) lowers, from \$750,000 to \$650,000, the fund's annual cap. It correspondingly increases (from \$300,000 to \$400,000) the funds exceeding this cap that must be annually transferred into the Consumer Protection Enforcement Account. Existing law

requires any remaining excess to be transferred into the General Fund.

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

§§ 1-4 — BUSINESSES SUSPENDING WORK REQUIRED BY CERTAIN LAND USE APPROVALS

Enforcement via Statutory Penalties in CGS § 8-12

Under certain circumstances, the bill makes it a violation of the law for a business to leave physical improvements on a project unfinished if the work is required by an unexpired site plan, subdivision (with less than 400 units), or inland wetlands approval. Specifically, the bill makes it a violation if the municipal ZEO or the inland wetlands agency's agent, as applicable, determine that the (1) business has no intent to resume the required work within a reasonable time period and (2) incomplete work creates a public health or safety hazard.

If the ZEO or agent determines a violation exists, the bill authorizes him or her to take enforcement action against the business. He or she may pursue any enforcement action available under the law on enforcing zoning regulations (CGS § 8-12), including issuing written orders to remedy conditions that violate zoning regulations and seeking civil and criminal penalties in Superior Court (see BACKGROUND).

Under the bill, a business is a sole proprietorship, trust, corporation, limited liability company, union, association, firm, partnership, or other organization or group of people.

Enforcement via Municipal Citations Authorized by CGS § 8-12a

Under existing law, any municipality may establish, by ordinance, penalties for violations of its zoning regulations. The bill additionally allows municipalities to establish penalties for businesses that engage in the violation described above (by suspending work and creating a public health or safety hazard).

Under existing law and the bill, the ordinance must establish the

types of violations for which a citation may be issued and the amount of any fine to be imposed (up to \$150 for each day the violation continues), which are payable to the municipality's treasurer. By law, these citations may be contested through a municipal hearing procedure and appealed to Superior Court.

§§ 5 & 6 — NEW HOME CONSTRUCTION GUARANTY FUND

Under current law, a consumer who is awarded a judgment (e.g., a binding arbitration decision or a court judgment, order, or decree) against a registered new home construction contractor but is unable to obtain payment from the contractor (satisfy the judgement), may apply to the Department of Consumer Protection (DCP) to instead recuperate the judgment amount, up to a specified maximum, from the New Home Construction Guaranty Fund. (New home construction contractors annually pay into this fund when renewing their registrations.)

Under the bill, beginning October 1, 2025, consumers may also recuperate money from the fund if the judgment was awarded against certain individuals with an ownership interest in a new home construction company who have been found by a court to have violated certain laws ("proprietors").

More specifically, to qualify as a proprietor, the person must meet two criteria. First, he or she must have an ownership interest in a new home construction company that is currently, or was previously, registered by DCP. Second, he or she must have been found by a court to have violated the state's new home construction contractor laws for the company's conduct. The company must either be currently registered as a new home construction company or have been registered within two years before it entered into the contract with the consumer harmed by the company's or owner's actions.

The bill increases, from \$30,000 to \$50,000, the maximum award payable from the fund. It makes consumers awarded a judgement against a proprietor eligible for funds from the New Home Construction Guaranty Fund subject to the same conditions and requirements the law

sets for consumers with a judgment against a contractor. For example, among other things, the consumer:

1. must apply in writing to DCP within two years of the judgment being finalized;
2. is eligible to receive payment from the fund for the actual damages and costs he or she was awarded by the court (excluding punitive damages) and minus any amount already recovered; and
3. must affirm that he or she has made a good faith effort to satisfy the judgment by following statutory post-judgment procedures.

Additionally, the bill makes conforming changes to make proprietors liable for consumer payouts from the New Home Construction Guaranty Fund that result from a judgment against them.

BACKGROUND

Penalties Under CGS § 8-12

By law, a municipality's zoning enforcement authority may issue written orders to remedy conditions on a property that violate zoning regulations. The authority may also issue cease-and-desist orders for violations involving the land grading, soil removal, or soil erosion or sediment control.

CGS § 8-12 subjects a person to a civil penalty of up to \$2,500 if he or she (1) has been served with a written order and fails to comply with it within 10 days, (2) has been served with a cease-and-desist order and fails to comply immediately, or (3) continues to violate the specific regulation identified in the order. In addition, the court can grant the municipality injunctive relief if a person subject to an order does not comply with it.

In addition to these penalties for violating an order, a violation of the underlying regulations is subject to civil and criminal penalties. Ordinarily, violations are subject to a court-imposed fine of between \$10

and \$100 per day. However, if the violation is willful, the violator is subject to a fine of between \$100 and \$250 per day, imprisonment of up to 10 days for each day of the violation (up to a maximum of 30 days), or both. A willful violator may also be responsible for the municipality's costs and attorney's fees.

Related Bill

sSB 1357, §§ 10 & 11, favorably reported by the General Law committee, also (1) expands when a person may recover from the fund to include circumstances involving a proprietor and (2) increases the maximum guaranty fund award to \$50,000.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/21/2025)