



House of Representatives

File No. 810

General Assembly

January Session, 2025

(Reprint of File No. 620)

Substitute House Bill No. 6963
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 30, 2025

**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2 repealed and the following is substituted in lieu thereof (*Effective October*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, "business" means a sole
23 proprietorship, trust, corporation, limited liability company, union,
24 association, firm, partnership or other organization or group of persons.
25 A business that fails to complete any improvement required by a site
26 plan approval, or constructs an improvement that does not conform to
27 the specifications required by the site plan approval applicable to such
28 improvement, may be deemed in violation of this subsection if the
29 zoning enforcement officer finds that (A) such approval has not expired,
30 (B) the business has suspended efforts to complete work necessary to
31 meet the requirements of such approval prior to the completion of such
32 work and the zoning enforcement officer determines the business has
33 no intent to resume such work within a reasonable time, and (C) the
34 incomplete or nonconforming work creates a condition constituting a
35 public health or safety hazard. The zoning enforcement officer may
36 initiate an enforcement action pursuant to section 8-12 against a
37 business that violates this subdivision.

38 Sec. 2. Subsection (a) of section 8-12a of the general statutes is
39 repealed and the following is substituted in lieu thereof (*Effective October*
40 *1, 2025*):

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

46 of section 22a-44, as amended by this act. The ordinance shall establish
47 the types of violations for which a citation may be issued and the
48 amount of any fine to be imposed thereby and shall specify the time
49 period for uncontested payment of fines for any alleged violation under
50 any such regulation. No fine imposed under the authority of this section
51 may exceed one hundred fifty dollars for each day a violation continues.
52 Any fine imposed pursuant to this section shall be payable to the
53 treasurer of the municipality.

54 Sec. 3. Subsection (e) of section 8-26c of the general statutes is
55 repealed and the following is substituted in lieu thereof (*Effective October*
56 *1, 2025*):

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

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

73 (3) For the purposes of this subdivision, "business" means a sole
74 proprietorship, trust, corporation, limited liability company, union,
75 association, firm, partnership or other organization or group of persons.
76 A business that fails to complete any improvement required by a
77 subdivision plan approval, or constructs an improvement that does not

78 conform to the specifications required by the subdivision plan approval
79 applicable to such improvement, may be deemed in violation of this
80 subsection if the zoning enforcement officer finds that (A) such approval
81 has not expired, (B) the business has suspended efforts to complete work
82 necessary to meet the requirements of such approval prior to the
83 completion of such work and the zoning enforcement officer determines
84 the business has no intent to resume such work within a reasonable
85 time, and (C) the incomplete or nonconforming work creates a condition
86 constituting a public health or safety hazard. The zoning enforcement
87 officer may initiate an enforcement action pursuant to section 8-12
88 against a business that violates this subdivision.

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

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

112 released upon compliance with such order. The commissioner may
113 issue orders pursuant to sections 22a-6 to 22a-7, inclusive, concerning
114 an activity, facility or condition (1) [which] that is in violation of said
115 sections 22a-36 to 22a-45, inclusive, if the municipality in which such
116 activity, facility or condition is located has failed to enforce its inland
117 wetlands regulations, or (2) for which an approval is required under
118 sections 22a-36 to 22a-45, inclusive, and for which such approval has not
119 been obtained.

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

144 (c) Any person who wilfully or knowingly violates any provision of
145 sections 22a-36 to 22a-45, inclusive, shall be fined not more than one

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

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

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

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

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

177 (2) "Commissioner" means the Commissioner of Consumer

178 Protection or any person designated by the commissioner to administer
179 and enforce this section and sections 20-417b to 20-417j, inclusive;

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

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

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

192 ~~[(4)]~~ (6) "Engage in the business" means that the person engages in
193 the business for the purpose of compensation or profit;

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

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

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

207 ~~[(7)]~~ (9) "Person" means one or more individuals, partnerships,

208 associations, corporations, limited liability companies, business trusts,
209 legal representatives or any organized group of persons; and

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

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

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

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

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

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

236 (c) (1) For fiscal years commencing on or after July 1, 2003, payments
237 received under subsection (b) of this section shall be credited to the New

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

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

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

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

304 (e) Upon receipt of such application together with such copy of the
305 decision, court judgment, order or decree, statement and, except as

306 otherwise provided in subsection (d) of this section, true and attested
307 copy of the executing officer's return, the commissioner or the
308 commissioner's designee shall inspect such documents for their veracity
309 and upon a determination that such documents are complete and
310 authentic and that the consumer has not been paid, the commissioner
311 shall order payment out of the New Home Construction Guaranty Fund
312 of the amount not exceeding [thirty] fifty thousand dollars unpaid upon
313 the decision, judgment, order or decree for actual damages and costs
314 taxed by the court against the contractor or proprietor, exclusive of
315 punitive damages.

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

335 (2) Beginning on October 1, 2025, whenever a consumer is awarded
336 an order of restitution against any new home construction contractor or
337 proprietor for loss or damages sustained as a result of any violation of
338 the provisions of sections 20-417a to 20-417j, inclusive, as amended by
339 this act, by a person holding a certificate or who has held a certificate

340 under said sections within two years of the date such contractor entered
341 into the contract with the consumer, in (A) a proceeding brought by the
342 commissioner pursuant to subsection (i) of this section or subsection (d)
343 of section 42-110d, (B) a proceeding brought by the Attorney General
344 pursuant to subsection (a) of section 42-110m or subsection (d) of section
345 42-110d, or (C) a criminal proceeding pursuant to section 20-417e, such
346 consumer may, upon the final determination of, or expiration of time for
347 taking, an appeal in connection with any such order of restitution, apply
348 to the commissioner for an order directing payment out of the New
349 Home Construction Guaranty Fund of the amount not exceeding fifty
350 thousand dollars unpaid upon the order of restitution. The
351 commissioner may issue such order upon a determination that the
352 consumer has not been paid.

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

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

374 home construction contractor on or before the fifteenth day from the
375 contractor's receipt of such notice, the commissioner shall conclude that
376 the consumer has not been paid, and the commissioner shall issue an
377 order directing payment out of the fund for the amount not exceeding
378 [thirty] fifty thousand dollars unpaid upon the judgment, order or
379 decree for actual damages and costs taxed by the court against the new
380 home construction contractor or proprietor, exclusive of punitive
381 damages, or for the amount not exceeding [thirty] fifty thousand dollars
382 unpaid upon the order of restitution.

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

406 [(i)] (j) No application for an order directing payment out of the New
407 Home Construction Guaranty Fund shall be made later than two years

408 from the final determination of, or expiration of time for, an appeal in
409 connection with any judgment, order or decree of restitution, and no
410 such application shall be for an amount in excess of [thirty] fifty
411 thousand dollars.

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

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

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

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

440 reimbursement of the fund.

441 [(n)] (o) If the commissioner orders the payment of an amount as a
 442 result of a guaranty fund claim against a new home construction
 443 contractor, the commissioner may, after notice and hearing in
 444 accordance with the provisions of chapter 54, revoke the certificate of
 445 such contractor and such contractor shall not be eligible to receive a new
 446 or renewed certificate until such contractor has repaid such amount in
 447 full, plus interest from the time such payment is made from the New
 448 Home Construction Guaranty Fund, at a rate to be in accordance with
 449 section 37-3b, except that the commissioner may, in the commissioner's
 450 sole discretion, permit a new home construction contractor to receive a
 451 new or renewed certificate after such contractor has entered into an
 452 agreement with the commissioner whereby such contractor agrees to
 453 repay the fund in full in the form of periodic payments over a set period
 454 of time. Any such agreement shall include a provision providing for the
 455 summary suspension of any and all certificates held by the new home
 456 construction contractor if payment is not made in accordance with the
 457 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

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-Variou	See Below	See Below
Consumer Protection, Dept.	Consumer Protection Enforcement Account - Potential Revenue Gain	See Below	See Below

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 makes various changes to the New Home Construction Guaranty Fund and the Consumer Protection Enforcement account

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.

resulting in the following impacts.

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.

House Amendment "A" removed the definition of "incomplete work" from sections 1, 3, and 4, which does not result in a fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would

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.

continue into the future subject to the number of civil penalties imposed on businesses and the number of claims requested from the NHC GF.

OLR Bill Analysis**sHB 6963 (as amended by House "A")******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 either (1) suspend work required by an unexpired site plan, subdivision (with less than 400 units) plan, or inland wetlands approval or (2) make improvements that do not conform to the plan's or approval's specifications.

Under the bill, the ZEO may generally take certain enforcement actions if he or she determines the business has no intent to resume the work within a reasonable time period and the incomplete or nonconforming 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 recoup 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).

For the home guaranty fund, the bill also (1) increases, from \$30,000 to \$50,000 per claim, the maximum amount consumers may recoup 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.

*House Amendment "A" primarily expands what constitutes a violation under the bill to include improvements that do not conform with site plans, subdivision plans, or inland wetlands approvals. It also makes (1) any required but incomplete (or nonconforming) work a violation, rather than only allowing enforcement in cases of incomplete physical improvements, and (2) additional minor and technical changes.

EFFECTIVE DATE: October 1, 2025

§§ 1-4 — INCOMPLETE OR NONCONFORMING 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 improvements on a project unfinished if the work is required by an unexpired site plan, subdivision (with less than 400 units) plan, or inland wetlands approval. It similarly makes it a violation for a business to construct an improvement that does not conform to these plans' or approvals' specifications. Specifically, the bill makes the suspended or nonconforming work a violation if the municipal ZEO or the inland wetlands agency's agent, as applicable, determine that the:

1. business has suspended its efforts to complete work needed to meet the plan's or approval's requirements,
2. business has no intent to resume the required work within a reasonable time, and
3. incomplete or nonconforming 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 or completing nonconforming 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 recoup 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

recoup 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. may receive payment from the fund for the actual damages and costs he or she was awarded by the court (excluding punitive damages), minus any amount already recovered; and
3. must affirm that he or she 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 (File 569), §§ 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)