OLR Bill Analysis

sHB 6957 (as amended by House "A")*

AN ACT ALLOWING A TOWN TO DESIGNATE ITSELF A CITY.

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SUMMARY

This bill makes various unrelated changes to laws on municipalities and housing, including those on municipal taxes, common interest communities, economic development, and land use regulation, as described in the section-by-section analysis below.

EFFECTIVE DATE: Various, see below.

*House Amendment "A" replaces the underlying bill and (1) includes a provision similarly allowing a town to designate itself a city (§ 1) and (2) adds the other provisions (§§ 2-13).

§ 1 — TOWN DESIGNATING ITSELF A CITY IN ITS CHARTER

Specifies a method for a town to designate itself a city

The bill specifies that a town may opt to designate itself a city in its home rule charter. Under the bill, if a town takes this action, it is deemed a consolidated town and city under state law.

Existing law, unchanged by the bill, has no statutory rules dictating when a municipality is a "town" or a "city."

EFFECTIVE DATE: October 1, 2025

§ 2 — INLAND WETLANDS AGENCY TRAINING

Expands who must take DEEP's inland wetlands agency training program to include all inland wetlands agency members and related municipal employees

The bill requires all inland wetlands agency members and municipal employees who staff the agency to complete the Department of Energy and Environmental Protection's (DEEP) inland wetlands agency comprehensive training program. Under current law, just one member or staff person from each agency must complete the training and each agency must annually hold a meeting at which the information is summarized for its members.

The bill requires these members and employees serving an agency on January 1, 2026, to complete their initial training within one year from that date. Those joining after that date must complete the training within one year after their appointment, election, or hire. All members and covered employees must retrain every four years or once per term (for elected or appointed members), whichever is less frequent.

Under the bill, DEEP must make the training program available on its website for agency members and these employees. Current law requires it to provide the training program free to one person for each town and distribute informational videos and written materials to the agencies.

The bill also creates an annual reporting requirement for the agencies, beginning by March 1, 2027, to submit a statement to the municipality's legislative body or board of selectmen affirming that the individuals who had to complete the training during the prior year did so. Under both existing law and the bill, a member or employee's failure to complete the training does not invalidate the agency's actions.

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

HB 6830 (File 41), favorably reported by the Planning and Development Committee, contains almost identical provisions but covers inland wetlands agency employees rather than municipal employees that staff the agency.

§§ 3-5 — CERTIFICATES OF CORRECTION FOR PROPERTY TAX ERRORS

Allows municipalities to extend, by one year, the time during which an assessor may issue certificates of correction to fix certain property tax assessment errors and makes a corresponding change to the deadline for taxpayers to claim a refund based on this correction

The bill allows municipalities to extend, by one year, the time during which an assessor may issue certificates of correction to fix certain property tax assessment errors. By law, assessors may issue them when (1) a clerical omission or mistake was made (e.g., a mathematical error) or (2) the assessor determines tangible personal property was taxed that

should not have been, even if this error was due to information the taxpayer provided (e.g., the taxpayer listed the property on his or her personal property declaration, but it belonged to someone else).

Under current law, the assessor may correct these errors up to three years after the taxes were due for most property types. The bill allows municipalities to extend this, by adopting an ordinance to do so, to four years. (Unchanged by the bill, they may correct motor vehicle assessments at any time.)

Under current law, if a certificate of correction results in the municipality owing the taxpayer a refund, he or she generally has three years from the date the taxes were due to claim it. In municipalities that have adopted an ordinance extending the certificate of correction period as described above, the bill correspondingly increases this refund period to four years. Certificates of correction may also yield higher or new assessments (e.g., if property went untaxed) and can be issued even if the taxpayer did not request one.

EFFECTIVE DATE: July 1, 2025

Background — Related Bill

sHB 6961 (File 619), favorably reported by the Planning and Development Committee, contains similar provisions but, under it, the extended certificate of correction period is mandatory (rather than a municipal option) and the period for taxpayers to claim a refund is not correspondingly extended.

§ 6 — LAND USE STUDIES AND EVALUATIONS

Requires certain disclosures on studies or evaluations submitted in connection with a pending local land use application

The bill requires certain disclosures on studies or evaluations submitted in connection with a pending local land use application. It applies regardless of conflicting provisions in a special act, municipal charter, or home rule ordinance.

Specifically, the disclosure requirement applies to anyone submitting an environmental, health, traffic, or economic impact study or

evaluation to the local legislative body; zoning or planning commission or combined commission; inland wetlands agency; or zoning board of appeals. The person submitting the study or evaluation must include a statement disclosing the following information about it:

1. its author or authors,
2. all costs associated with completing it and the name of the person or entity that paid them, and
3. any conflict of interest that may impact the author or author's ability to provide unbiased data or conclusions.

Under the bill, when making decisions on land use applications for which a study or evaluation was submitted, the legislative body, commission, agency, or board must consider whether the information disclosed, or the failure to provide the disclosure, impacts the study or evaluation's reliability.

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

HB 7152 (File 626), favorably reported by the Planning and Development Committee, contains identical provisions.

§ 7 — TASK FORCE ON ACQUISITION OF RESIDENTIAL PROPERTY BY LARGE CORPORATE ENTITIES

Establishes a task force to study, among other things, how corporations buying residential property is impacting housing affordability and homeownership opportunities

The bill creates a nine-member task force to study (1) the impact of large corporate entities' acquisition of residential real property (including the impact on housing affordability, rental prices, and homeownership opportunities) and (2) policies to limit the number of properties these entities acquire or otherwise regulate these acquisitions.

Under the bill, the task force is comprised of the housing commissioner, or her designee, and eight members appointed by the legislative leaders (two each by the House speaker and Senate president pro tempore and one each by the House and Senate majority and minority leaders). The legislative appointees may be legislators.

Appointing authorities must make their initial appointments within 30 days after the bill's passage and fill any vacancy.

The House speaker and Senate president pro tempore must select the task force chairpersons from among its members. The chairpersons must schedule and hold the first meeting within 60 days after the bill's passage. The Housing Committee's administrative staff serves in that capacity for the task force.

The bill requires the task force to report its findings and recommendations to the Housing and Planning and Development committees by January 1, 2026. The task force terminates when it submits the report or on January 1, 2026, whichever is later.

EFFECTIVE DATE: Upon passage

Background — Related Bill

HB 6962 (File 593), favorably reported by the Planning and Development Committee, contains an identical provision.

§ 8 — MUNICIPAL HOUSING TRUST FUNDS

Expands the purposes for which municipalities may use their housing trust funds

Existing law allows municipalities to impose requirements on people developing land in order to promote affordable housing opportunities, including requiring them to make payments into a housing trust fund or offering the housing trust fund payments as an alternative to other requirements. Current law allows the funds to be used to build, rehabilitate, or repair affordable housing. The bill additionally allows municipalities to use the funds to:

1. acquire real property for affordable housing purposes (but not by eminent domain) and
2. incentivize deed restrictions that preserve real property for affordable housing purposes.

EFFECTIVE DATE: October 1, 2025

§ 9 — COMMON INTEREST COMMUNITY ASSESSMENTS

Requires common interest communities to assess a unit owner for certain changes he or she makes that increase common expenses

The bill requires common interest communities to assess a unit owner for any increase in common expenses (e.g., maintenance, repair, or insurance costs) that result from the owner's addition, alteration, or improvement. (Common interest communities include condominiums, cooperatives, and planned communities.)

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

sHB 7002 (File 272), favorably reported out of the Planning and Development Committee, contains an identical provision.

§§ 10 & 11 — SOLAR PANELS ON CONDOMINIUMS AND PLANNED COMMUNITIES

Prohibits condominiums and planned communities from unreasonably restricting solar panels on detached units and establishes an application and approval process for them; requires unit owners whose panels are approved to agree to certain costs and conditions; generally allows associations to opt out of these provisions if they do so by January 1, 2028

The bill prohibits enforcing any provisions in a condominium or planned community declaration or bylaws that unreasonably restrict solar generating systems (i.e. solar panels) on the roofs of single-family detached units or that otherwise conflict with the bill's solar panel requirements, beginning January 1, 2026. It also establishes (1) a solar panel approval process for unit owners and these associations to follow; (2) terms to which the unit owner must agree (e.g., to assume certain costs and indemnify the association); and (3) a period during which associations may opt out of the bill's solar panel-related requirements. In doing so, the bill repeals a current, narrower provision that restricts planned community associations (but not condominiums or cooperatives) from barring solar panels on units that do not share a roof.

The bill additionally authorizes associations to install solar panels on any common elements for all unit owners' use and develop rules for their use. It also makes minor and conforming changes.

EFFECTIVE DATE: January 1, 2026, except the repeal of the narrower provision in current law is effective October 1, 2025.

Approval Process

The bill requires condominium or planned community unit owners to get their association's approval to install solar panels on single-family detached units. The unit owner must apply with the association's executive board and do so as directed by the board. Upon receiving the unit owner's application, the board must acknowledge receipt in writing within 30 days and issue in writing a decision or request for additional information within 60 days. If the board asks the owner to give additional information about the proposal, it has up to 30 days after receiving the information to deny the application. The application is deemed approved if the board does not deny it in writing within these timeframes.

The board must process these applications in the same way applications for additions, alterations, or improvements are processed under the association's bylaws or declaration. And it may not unreasonably withhold approval if the unit owner complies with the bill's requirements.

Agreement Terms and Owner Responsibilities

Under the bill, if the application is approved or deemed approved, the unit owner and association must enter a written agreement. The agreement may be recorded in the land records of the town or towns in which the association is located. The agreement must require the unit owner to:

1. comply with the declaration or bylaws regarding additions, alterations, or improvements as applicable;

2. hire a registered and insured contractor to install the solar panels who must, within 14 days after the unit owner and association execute the agreement, (a) provide a certificate of insurance for at least $1 million of liability coverage for the association, its manager, and the unit owner; (b) provide proof of any legally required workers' compensation insurance; and (c) give the association a mechanic's lien waiver in its favor;

3. pay any installation costs (e.g., increased master policy premiums, the association's attorney's fees, fees for engineers and other professionals, and fees for permits and zoning compliance requirements);

4. indemnify other unit owners and the association, its executive board, officers, directors, and managers for any damage, loss, or financial obligation the solar panels cause; and

5. assume full responsibility, including sole financial responsibility, for maintaining, repairing, and replacing the unit's roof.

The bill makes the unit owner, or any successive owner who assumed the unit's title and the owner's duties under the bill, responsible for certain costs, including costs to:

1. repair, maintain, or replace the solar panels;

2. repair damage to the association's common elements or units due to installing, using, maintaining, repairing, removing, or replacing the panels;

3. repair the roof after the panels are removed; and

4. cover common expenses for losses due to the solar panels that are uninsured under the association's master policy.

Under the bill, the association may also assess the unit owner for any uninsured portion of a loss (including deductibles) it incurs due to the panels. The association may do so regardless of whether it submits an insurance claim.

Regulatory Requirements. The bill explicitly requires the solar panels to comply with all applicable state, federal, and local health and safety standards and requirements.

Attorney's Fees. Under the bill, if the association brings a legal action to enforce compliance with the written agreement or any of the bill's related requirements, the prevailing party must be awarded

reasonable attorney's fees.

Successive Owners and Buyers

The bill requires the unit owner, or any successive owner, to disclose to any prospective buyers the (1) existence of the solar panels and any related agreements with the association; (2) unit owner's responsibilities associated with the solar panels; and (3) requirement that the buyer will own the solar panels or take over any agreement the unit owner has with the panel owner (e.g., a lease agreement), unless they are removed before the sale.

The association may require the unit owner to remove the panels before the sale if the buyer does not agree to (1) take over ownership of the solar panels or any leasing or other agreement for them; (2) be bound by the indemnification agreement; and (3) be responsible for the full costs of maintaining, repairing, and replacing the unit's roof.

Opt-out

Associations formed by January 1, 2026, may opt out of the bill's solar panel protections and requirements if they do so by January 1, 2028. To opt out, at least 75% of the association's board of directors must vote to do so. Within 30 days after the favorable vote to opt out, the association must record notice of it in the land records of the town or towns in which the association owns real property (e.g., land or buildings).

Background — Related Bill

sHB 7002 (File 272), favorably reported out of the Planning and Development Committee, contains identical provisions.

§ 12 — CAPITAL REGION DEVELOPMENT AUTHORITY (CRDA) CAPITAL REGION

Narrows the region in which CRDA may operate to exclude Newington and West Hartford, in turn allowing these towns to become MRDA member municipalities

CRDA plays a role in development projects primarily in Hartford, but also in the "capital region." Under current law, the "capital region" encompasses seven municipalities that surround Hartford. The bill excludes Newington and West Hartford from the capital region. In doing so, it allows Newington and West Hartford to join the

Connecticut Municipal Redevelopment Authority (MRDA) as member municipalities. By law, municipalities in the CRDA capital region are not eligible to become MRDA member municipalities.

By law, CRDA's regional role is to assist municipalities in the capital region, upon their request, with housing, community, and economic development initiatives. CRDA is also generally responsible for stimulating new investment and economic development in the capital region.

EFFECTIVE DATE: July 1, 2025

Background — MRDA

In 2019, the legislature created MRDA as a quasi-public agency authorized to stimulate economic development and transit-oriented development by, among other things, developing property and managing facilities. Any municipality outside CRDA's capital region may opt to work with MRDA. (In practice, MRDA is now called the Connecticut Municipal Development Authority.)

§ 13 — MILLSTONE RIDGE TAX DISTRICT

Allows a special taxing district in New Milford to apportion its costs equally among district property owners

Regardless of the statutory rules for levying a mill rate on property owners, the bill allows the Millstone Ridge Tax District to equally apportion among lot owners district improvement maintenance costs and administrative costs associated with the district's management. (In practice, Millstone Ridge Tax District already apportions costs equally, instead of levying a mill rate.)

EFFECTIVE DATE: October 1, 2025, and applicable to assessment years beginning on or after that date.

Background — Related Bill

sHB 6993 (File 720), favorably reported by the Planning and Development Committee, provides the same authority to special taxing districts meeting specific criteria.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute
Yea 20 Nay 0 (03/12/2025)