





Acts Affecting Housing and Real Estate

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Notice to Readers

This report provides summaries of new laws (public acts and special acts) significantly affecting housing and real estate enacted during the 2022 regular session. OLR's other Acts Affecting reports, including Acts Affecting Municipalities and Acts Affecting Taxes, are, or will soon be, available on OLR's website: <u>https://www.cga.ct.gov/olr/actsaffecting.asp</u>.

Each summary indicates the public act (PA) or special act (SA) number. Not all provisions of the acts are included. The report does not include vetoed acts unless the veto was overridden. Complete summaries of public acts are, or will soon be, available on OLR's website: https://www.cga.ct.gov/olr/olrpasums.asp.

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

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Building and Fire Safety Codes

State Building Code Variations List

A new law requires the Department of Administrative Services (DAS) to publish on its website the biennial list of variations or exemptions from, or equivalent or alternate compliance with, the State Building Code granted to existing buildings, rather than sending the list to all local building officials and taking appropriate action to publicize the list. As under the prior law, the act requires DAS do so within available appropriations (<u>PA 22-118</u>, § 407, effective July 1, 2022).

Smoke Detector Affidavits

This session, the legislature passed a law changing the requirements for affidavits that a seller of a one- or two-family residence must give a buyer regarding the residence's smoke detectors (e.g., certifying that they comply with the Fire Safety Code, State Fire Prevention Code, and State Building Code). It also expands the properties for which this affidavit must be provided to include any one- or two-family residence, instead of just those for which a new occupancy building permit was issued before October 1, 2005. Under existing law, unchanged by the act, sellers may credit the buyer with \$250 at the closing instead of providing an affidavit (<u>PA 22-75</u>, § 3, effective October 1, 2022).

Smoke Detector Requirements in Code

New legislation specifies that the Fire Safety Code must require smoke detectors in single and multifamily residences but eliminates the requirement that the smoke detectors be capable of operating using any power source allowed in the code's adopted standards (<u>PA 22-75</u>, § 2, effective October 1, 2022).

Working Group on Digitizing State Building Code Records

A new law requires the DAS commissioner to convene a 12-member working group to develop a standardized system for scanning or digitizing records related to the State Building Code and storing them in a publicly available, searchable online database. The working group must (1) identify funding sources to create and maintain the system and (2) consider best practices for using various digital file types, security protocols for their storage, and backing-up and recovering them. The act requires the working group to submit its findings and any legislative recommendations to the Planning and Development Committee by January 1, 2023 (SA 22-14, § 1, effective upon passage).

Green Initiatives

Electric Vehicles (EV)

This session, the legislature passed initiatives on electric vehicle requirements related to residential and commercial properties. One new law requires municipalities to require each new construction of a commercial building or multi-unit residential building with at least 30 parking spaces to be equipped with EV charging infrastructure in at least 10% of parking spaces (PA 22-25, §§ 5 & 17, effective October 1, 2022).

A second new law exempts from property tax certain EV-related equipment, including (1) EV charging stations located on residential property, (2) level two EV charging stations located on commercial or industrial property, and (3) refueling equipment for fuel cell electric vehicles. The exemption applies to equipment located on all such properties, not just those that are newly constructed (PA 22-25, § 6, effective October 1, 2022, and applicable to assessment years starting on and after that date).

EV Right to Charge Provisions for Renters and Unit Owners

A new law establishes right to charge provisions for condominium and common interest community unit owners and renters. For condominiums and common interest communities, the act generally (1) voids governing document provisions that unreasonably restrict EV charging installation in a unit or limited common element parking space and (2) establishes requirements for processing applications and provisions applicable to charging station installation. For rental units, the act (1) generally requires landlords to approve a tenant's written request to install an EV charging station at the tenant's dedicated parking space, but staggers implementation of the requirement based on the landlord's number of units and (2) specifies the contents and terms of the written request and the landlord-tenant agreement (PA 22-25, §§ 2-4, effective October 1, 2022).

Solar Panels in Planned Community Associations

A new law prohibits planned community associations from adopting or enforcing rules that effectively ban unit owners from installing solar power generating systems (i.e., solar panels) on their own units' roofs, so long as the roof is not shared with another unit owner. (The act exempts condominiums and cooperatives from this ban). Under the act, planned community associations may adopt rules governing these systems with respect to (1) their size; (2) how they are attached, installed, and removed; and (3) the unit owner's responsibility for their maintenance and periodic upkeep (PA 22-25, § 16, effective October 1, 2022).

Housing and Rental Affordability

Fair Rent Commissions

Recently passed legislation requires all municipalities with a population of 25,000 or more to adopt an ordinance creating a fair rent commission through their legislative bodies by July 1, 2023. It also requires the chief executive officers of these municipalities, within 30 days after an ordinance is adopted, to notify the housing commissioner and give her a copy of the ordinance. Under the act, municipalities' populations are determined by the U.S. Census Bureau's most recent decennial census (PA 22-30, effective October 1, 2022).

Homeownership Incentive Program

This session, the legislature modified a homeownership incentive program authorized for Hartford that provides tax incentives to residents meeting specified criteria. Specifically, the new law (1) limits the tax benefits provided under the program to a 100% income tax exemption and (2) expands the areas Hartford must designate for the program from two census blocks to at least two census tracts (PA 22-146, § 8, effective October 1, 2022).

Rent Bank Program

The FY 23 budget implementer act relaxes requirements for participation in the rent bank grant component of the Department of Housing's (DOH) Eviction and Foreclosure Prevention Program. Specifically, it eliminates a requirement that families receiving this assistance participate in an assessment and mediation component of the program. It also increases, from \$1,200 to \$3,500, the maximum amount of rent bank assistance an eligible family may receive during an 18-month period (PA 22-118, § 482, effective July 1, 2022).

Housing Planning and Development

Department of Housing Homeownership Initiative

A new law earmarks up to \$20 million in Urban Act bonds for a DOH homeownership initiative for certain housing construction and redevelopment activities. This initiative must be in collaboration with one or more local community development financial institutions in federally qualified census tracts where (1) at least 50% of households have incomes below 60% of the area median gross income or (2) the federal poverty rate is at least 25% (<u>PA 22-118</u>, § 330, effective July 1, 2022).

Health Care Worker Housing Program

Legislation enacted this session requires the DOH commissioner and Connecticut Housing Finance Authority executive director to partner with one or more hospitals in the state to increase health care workforce housing options. They must report on the partnership's status and related recommendations to the Housing Committee by January 1, 2023.

Additionally, the act authorizes up to \$20 million in state bonds for DOH to develop the housing, along with the chief workforce officer, and fund the costs associated with the partnership (PA 22-118, § 359, effective July 1, 2022).

Posting of Municipal Affordable Housing Plans

Existing law requires every municipality, at least once every five years, to prepare or amend and adopt an affordable housing plan specifying how the municipality will increase the number of affordable housing developments in its jurisdiction. This session, the legislature eliminated the requirement that the Office of Policy and Management (OPM) post municipalities' submitted affordable housing plans on its website, but continues to require municipalities to post their plans on their websites (PA 22-74, § 20, effective upon passage).

Property Tax Assessment of Capital Region Development Authority (CRDA) Apartments

A new law expands the CRDA apartment properties that are treated as residential property for property tax assessment purposes and thus qualify for a lower assessment ratio. Under prior law, this property tax treatment applied to apartments CRDA constructs or converts in the statutorily designated Capital City Economic Development District. The new law extends it to CRDA apartments throughout Hartford (PA 22-146, § 10, effective October 1, 2022, and applicable to assessment years beginning on or after that date).

Public Health and Safety

Private and Semipublic Well Testing

A new law requires (1) property owners, starting October 1, 2022, to test the water quality of their newly constructed private or semipublic wells and (2) prospective homebuyers and renters to be given educational materials on well testing. It additionally requires clinical laboratories to report water quality test results conducted on these wells to the Department of Public Health and local health departments within 30 days after completing the testing. (Prior law only required this if the testing was related to a real estate transaction.) (PA 22-58, § 60, effective October 1, 2022.)

Sodium Chloride Reporting System

The FY 23 budget implementer act requires local health districts to establish electronic reporting systems for owners of homes or wells that are directly damaged by sodium chloride. It also (1) requires the health departments to submit the reports from the previous calendar year to OPM and (2) allows OPM to identify financial resources to help the owners with related remediation, mitigation, or repair costs (PA 22-118, § 141, effective upon passage).

Real Estate and Property Law

Release of Probate Fee and Succession and Estate Tax-Related Property Liens

A new law creates a process by which a person who has title interest in real property subject to liens for unpaid probate fees can petition the probate court to have the liens released. Among other things, the act requires the probate court to release the lien and issue a certificate of release within 10 days after all the requirements have been met, including the filing of an affidavit and submission of an estate tax return by the petitioner.

The act also releases liens imposed under the succession and estate tax laws in effect before January 1, 2005. It deems certain other estate tax liens to be released 10 years after a decedent's death. Regardless of any other state tax law, under the new act, any lien on real estate in Connecticut for the estate tax, as in effect after December 31, 2004, is deemed released 10 years after the decedent's death, except for estates that have filed a return or been assessed an estate tax before 10 years after the decedent's death (PA 22-136, effective upon passage).

Uniform Commercial Real Estate Receivership Act

This session, the legislature enacted a law delaying the effective date of the Uniform Commercial Real Estate Receivership Act (UCRERA) by one year, until July 1, 2023, and specifying that it does not apply to receiverships for which a receiver was appointed before that date (UCRERA was adopted under <u>PA 21-80</u>, effective July 1, 2022).

By law, UCRERA applies to commercial receiverships for an interest in real property and any personal property related to, or used in, operating the real property. With limited exceptions, it does not apply to residential properties with four or fewer units (<u>PA 22-26</u>, §§ 64 & 65, various effective dates).

Seniors and Individuals With Disabilities

Charitable Housing Property Tax Exemption Expansion

This session the legislature eliminated a restriction on the types of housing owned by federally taxexempt, charitable organizations that are exempt from the property tax, making various types of housing for vulnerable populations exempt even if they are not temporary housing. The exemption applies to property used mainly as (1) an orphanage; (2) a drug or alcohol treatment or rehabilitation facility; (3) housing for people who are homeless, have a mental health disorder or an intellectual or physical disability, or are domestic violence victims; (4) housing for ex-offenders or participants in judicial branch- or Department of Corrections- sponsored programs; or (5) short-term housing where the average stay is less than six months.

By removing the requirement that these types of housing be temporary in nature, the new law expands the tax exemption to the first four categories of properties, regardless of how long people stay in them (<u>PA 27-73</u>, effective October 1, 2022, and applicable to assessment years starting on or after that date).

Elderly Housing Complexes and Assisted Living

This session, the legislature enacted a law that allows certain elderly housing complexes that intend to arrange for assisted living services to do so with a currently licensed assisted living services agency, exempting them from having to register as a managed residential community. This applies if the complex is funded and assisted through the federal Department of Housing and Urban Development's Assisted Living Conversion Program. Upon the Department of Public Health's request, such a complex must inform the department of its arrangement with a licensed agency (PA 22-58, §§ 53 & 54, effective July 1, 2022).

Renters' Rebate Program Application Deadline

By law, older adults or individuals with total disability seeking a rebate under the Renters' Rebate Program apply annually to local assessors or their agents between April 1 and October 1 for reimbursement for payments made in the preceding calendar year. A new law moves up the deadline, from December 15 to November 15, by which renters with extenuating health circumstances or other good cause must apply to OPM for an application extension. It also requires the OPM secretary, rather than the housing commissioner, to prepare annual Renters' Rebate income eligibility adjustments for distribution to municipal tax assessors, conforming to current practice (PA 22-74, § 4, effective July 1, 2022).

Working Group on Managed Residential Communities

Under a new law, the Long-Term Care ombudsman must convene a working group to study specified issues involving managed residential communities (MRCs) that are not affiliated with continuing care retirement communities. Specifically, the working group must study (1) what notice MRCs should provide residents about rent and other fee increases that exceed certain percentages and (2) resident health transitions and determinations of care levels (PA 22-57, § 11, effective July 1, 2022).

Miscellaneous

Insurance Company Property Loss Records

The legislature made several changes to the laws on access to insurance company records relating to the company's investigation of certain property losses. Under the new law, authorized agencies can request materials acquired during the company's investigation into losses due to explosions, as well as fires, of undetermined or incendiary origins (rather than only fire losses due to suspicious or incendiary origins). It also expands the agencies that are authorized to request these materials, from only the Insurance Department commissioner and certain fire marshals, to include federal, state, and local law enforcement officers that are responsible for investigating fires or explosions at the place where they occurred (PA 22-75, § 1, effective October 1, 2022).

Low-Income Energy Advisory Board Membership

A new law adds the Connecticut Fair Housing Center executive director and the Connecticut Green Building Council executive director to the Low-Income Energy Advisory Board. The act also adds four other new members and makes other minor changes. By law, the board advises executive branch agencies on developing, planning, implementing, and coordinating energy assistance-related programs and policies (<u>PA 22-105</u>, effective July 1, 2022).

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