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New Year, new laws: CT rings 2020 with five public acts - by Laurie Mentz Nichols

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Connecticut rings in the new year with five Public Acts which affect the real estate profession. Following are summaries of the acts; detailed information on all Public Acts can be found on the Connecticut General Assembly website: <https://www.cga.ct.gov>

An Act Improving The Integrity Of The Connecticut Business Registry. Public Act No. 19-40 (See Sec. 1-12. 16-17)

Senate Bill No. 1083 Summary: Makes various changes in laws that govern certain business entities operating in the state. It primarily makes changes related to information that these entities must provide the secretary of the state that is used in the Connecticut Business Registry she maintains.

An Act Concerning Abandoned And Blighted Property Receivership. Public Act No. 19-92 (See Sec. 1)

Senate Bill No. 1070 Summary: Establishes a mechanism to rehabilitate abandoned properties in municipalities with populations of at least 35,000 by providing that if an owner of a residential, commercial, or industrial building fails to maintain it in accordance with applicable municipal codes, the Superior Court may appoint a receiver. Under the act, a "receiver" is a person or entity that takes possession of a building under the act's provisions to rehabilitate or otherwise dispose of it. In addition to the existing authority municipalities have to address blight, the act's receiver mechanism provides an additional option.

An Act Making Changes To Department Of Consumer Protection Enforcement Statutes. Public Act No. 19-177 (See Sec. 128) House Bill No. 7299 Summary

§§ 32-34 — Real Estate Appraisers

Allows appraisal management companies to receive an appraisal review request or order, instead of just receiving an appraisal request or order as under prior law. An appraisal review is a report that reviews, among other things, the accuracy of an appraisal. The act also prohibits a person from

owning an appraisal management company if the person had an appraiser license or certificate denied, refused to be renewed, suspended, or revoked. Prior law allowed such person to own up to 10% of the company. The act completely prohibits appraisal management companies from removing appraisers from the company's appraiser panel or refusing to assign requests or orders without (1) notifying them of the reasons for their removal and the nature of the alleged conduct or violation, if applicable and (2) providing them with an opportunity to respond. Under prior law, the company could take these actions without notice or an opportunity to respond if it did so within the first 30 days after the appraiser was initially added to a panel.

§ 35 — Real Estate License Revocation Hearings

Eliminates the automatic license forfeiture for real estate brokers and salespersons who are convicted of certain crimes involving fraud or money and instead allows DCP to revoke the license under existing law's revocation procedures. These crimes are forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or other similar offenses.

An Act Concerning Crumbling Concrete Foundations. Public Act No. 19-192 (See Sec. 6)

House Bill No. 7179 Summary: Changes various policies affecting residential homes with foundations that are crumbling due to the presence of pyrrhotite (crumbling concrete foundations). Specifically, the act makes more buildings and building owners eligible for several assistance programs that support repairing or replacing crumbling concrete foundations by broadening the definition of "residential building" to include, among other things, buildings containing more than four condominium units (§ 2). It also correspondingly expands a concrete seller disclosure requirement and certain municipal bonding authorities and makes conforming changes to income tax and other statutes.

An Act Concerning Conforming, Minor And Technical Changes To Statutes Concerning Insurance And Real Estate. Public Act No. 19-196 (See Sec. 2)

House Bill No. 7269 Summary: Makes a number of unrelated changes to insurance and related statutes. It resolves a conflict between two public acts passed in 2018: PA 18-41 and PA 18-43. It does so by inserting a reference to "special enrollment periods" in PA 18-41, which takes effect January 1, 2020, to conform to a change adopted in PA 18-43, which took effect January 1, 2019 (§ 2). The act also makes a change in PA 19-192 to indicate that prospective buyers of certain residential properties may have a concrete foundation inspected by any licensed professional engineer, not just a structural engineer (§ 7).

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