



**HOME BUILDERS & REMODELERS ASSOCIATION  
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*Your Home  
Is Our  
Business*

## **2021 LEGISLATIVE WRAP UP REPORT**

### **OVERVIEW**

Given the 2020 November election results, and initial projections of budget deficits, there was a lot to be anxious about in anticipation of the 2021 legislative session. Democrats grew their majorities and their progressive wing. We saw an immediate push to redistribute wealth, with an income surcharge for households earning more than \$500k, new and increased property taxes, conveyance taxes, increased capital gains taxes and more. We also saw an opportunity for the land use reform that stemmed from the social unrest that occurred in the summer of 2020 surrounding issues of justice and equity.

It was a unique session again as the pandemic caused the state capitol complex to be closed to the public and the legislative process was conducted virtually. The HBRA adapted to meet the needs of our members by deploying Voter Voice which allowed our members to engage at the grassroots level quickly and easily. We fended off many bills that, if enacted, would have negatively impacted the residential construction industry. Examples of bills that were defeated this year include:

- Climate Change Mitigation Municipal Conveyance Tax
- New Energy Efficiency Inspections by DEEP
- Statewide Property Tax
- Stretch Codes for Multifamily Construction
- New Mansion Tax
- Additional Building Permit Fees
- Landlord Restrictions and Requirements

**A special thank you, to Lisa Fecke** and the team at **Gaffney Bennett & Associates** for their hard work and vigilance. As always, we extend our sincere gratitude to **Government Affairs Committee Chair, Bob Wiedenmann** for the countless hours and guidance he has given as the HBRA develops and executes its policy initiatives. The association and our industry owe Bob a debt of gratitude. Lastly, thank you to all who when called upon, called and e-mailed legislators, submitted testimony or testified before legislative committees. Without your grassroots advocacy, there is no doubt that outcomes would have been different. And thank you, to all who participated on our Government Affairs Committee. Your participation shaped our policies and objectives this session and overall strengthened HBRA advocacy efforts

Enjoy this review of the 2021 Legislative Session. If you have any questions or if there is anything that you would like me to expand upon, please do not hesitate to contact me directly.

## **BUDGET IMPACTS TO OUR INDUSTRY**

Despite initial deficit projections, the 2021 budget bakes in a \$2.3 billion surplus. The bipartisan budget does not raise any of the taxes proposed earlier in the session, including; no new digital advertising tax, no consumption tax increases, no capital gains taxes, no health insurance tax and no new payroll taxes (**a detailed synopsis provided by Gaffney Bennett can be found [here](#)**).

In the final hours of session, the legislature passed the yearly bond bill but failed to pass the implementers bills that give context to the budget. The legislature is expected to go into special session to pass the necessary implementers and recreational marijuana bill prior to the end of June. Examples of bond authorization pertinent to the residential construction industry include ([See entire bond bill here](#)):

- New bond authorizations for the Housing Trust Fund are funded at \$55 million in FY 22 and \$50 million in FY 23, consistent with the Finance, Revenue and Bonding Committee and Governor's proposed budgets.
- New Bond authorizations for the Affordable Housing Flex Fund are funded at \$100 million for each year of the biennium, which includes \$30 million each year for the State Sponsored Housing Portfolio, consistent with the Finance, Revenue and Bonding Committee and Governor's proposed budgets
- New bond authorizations for the Healthy Homes initiative are funded at \$10 million in FY 22.
- New bond authorizations for the Healthy Homes Lead Abatement initiative are funded at \$10 million in FY 22.

## **HBRAC T PRIORITY LEGISLATION: SUPPORTED BILLS**

- **Supported [HB 6107](#) (PASSED)** – This land use bill is an amalgamation of a number of land use bills seen in the 2021 legislative session (Including SB 1024 & SB 2026) which were support by the HBRAC T. This bill does the following:
  - Rewrites the 8-2 the Zoning Enabling Act for clarity
  - It substitutes passive language for more affirmative language to reinforce municipal Fair Housing obligations
  - Removes the characteristic of the community from 8-2
  - Includes the creation of a working group to assist towns with complying with their existing obligations to submit affordable housing plans
  - Requires annual training for municipal zoning officials
- **Supported [HB 6541](#) (PASSED)** – This bill extends the life of land use permits. **It was recommended by the HBRA to the legislature to allow our industry greater flexibility to deal with the unpredictable state of our industry resulting from COVID.** ([See page 8 of this OLR report](#)).
- **Supported [HB 5027](#) – (DEAD)** This bill would have required that the Commissioner to establish a first-time homebuyers savings account program to create a state income tax deduction for first time homebuyers in an amount not to exceed \$5k a year for an unmarried individual and \$10k for married individuals filing jointly. NAHB/Wells Fargo Housing Market Index recently revealed first-time homebuyers account for 43% of the new home market in 2021. **This bill breeze through the committee process and garnered unanimous support in the**

House and then got hung up in Senate on the second to last day of the session because certain Senators thought it was not fair to non-homeowners.

- **Supported [HB 6630](#) (DEAD)** - This bill would exempt new homes from the 2019 sellers' conveyance tax imposed on consideration in excess of \$2.5 million. This bill received strong support in the Finance Committee but was not included in the final budget. We laid some great groundwork on this bill, and we have already begun to develop a strategy that we intend to deploy over the summer to strongly position this effort for passage in 2022.

### **HBRACT PRIORITY LEGISLATION: OPPOSED BILLS**

- **Opposed [HB 6572](#) (DEAD)** – This bill would have allowed municipalities to establish a requirement that new or substantially renovated buildings over 40,000 square feet demonstrate that they use at least 10% per square foot less energy than maximum levels permitted under the state building code. The HBRA lobbied hard in opposition to this legislation to protect our current code adoption process. ([Click here to read HBRA testimony on this bill](#))
- **Opposed [HB 6441](#) (AMENDED)** – This bill would have allowed towns to impose a conveyance tax on either the seller or buyer or a combination thereof in an amount ranging up to 1.5%. The HBRACT worked in concert with the realtors and was successful in removing the provision in this bill that would have allowed towns to impose this conveyance tax.
- **Opposed [SB 172](#) (DEAD)** – This bill would have established a statewide tax on commercial and residential property to encourage affordable housing as defined by 8-30g. The tax has a “sliding scale” which reflects how far a town is from the required 10%. This bill never received a vote and died in the Finance Committee with the expectation that the provisions in the bill would be folded into the majority's budget. ([Click here to read HBRA testimony on this bill](#))
- **Opposed [SB 171](#) – (DEAD)** This bill referred to as the ‘Mansion Tax’ would have imposed an increased statewide property tax on homes with an assessed value over \$300,000, or market value over \$430,000. This bill never received a vote and died in the Finance Committee with the expectation that the provisions in the bill would be folded into the majority's budget. ([Click here to read HBRA testimony on this bill](#))

### **BILLS THAT PASSED WHICH IMPACT OUR INDUSTRY**

- **[SB 266](#)** – This bill makes substantial changes to the New Home Construction Contractor and Home Improvement Contractor Statutes including the following ([Click here to read HBRA testimony on this bill](#)):
  - requires NHBs and HICs to show proof of general liability insurance providing at least \$20,000 in coverage when registering, which under the bill must be done online;
  - specifies the contents of an enforceable contract between an NHB and consumer,
  - raises the maximum payout from the guaranty fund for claims involving HICs from \$15,000 to \$25,000; and
  - provides additional methods for consumers to access the guaranty funds; and

- raises the maximum claim amount that can be litigated using the Superior Court's small claims process, if the issue is related to a registered HIC or NHB; and
- [SB 891](#) – This bill extends the existing foreclosure mitigation program. The bill also establishes an emergency lien assistance program, within the Connecticut Housing Finance Authority's (CHFA) Emergency Mortgage Assistance Program (EMAP), to provide loans to homeowners who are facing foreclosure due to liens from (1) municipal water or sewer charges, (2) municipal tax debt, or (3) condominium or common interest association assessments and fines.
- [SB 356](#) – This requires the DEEP to create a grant award program to install energy efficient upgrades to affordable housing. The bill also expands eligibility of the new residential clean energy program that electric distribution companies must make available to certain residential customers living in multifamily.
- [SB 700](#) - This bill adds a question about dams to the standard written residential condition report that the law generally requires a seller of residential property to provide to a prospective buyer before the transaction occurs.
- [HB 6600](#) –The bill, among other things, eliminates the requirement for new single-family homes built on or after October 1, 1985, to have smoke detector equipment capable of operating using alternating current and batteries.
- [HB 6442](#) – This bill requires the State Building Code to be revised to require that new construction or major alterations of a commercial or multifamily building include a minimum infrastructure requirement to support broadband service.
- [HB 6606](#) – This bill requires DEDCD to conduct a study economic development issues affecting distressed municipalities and opportunity zones. The bill also creates a task force to study the impediments to the renovation of historic mixed-use buildings which must include an individual with expertise in construction or rehabilitation of historic properties.
- [HB 6624](#) – This bill increases the minimum prior work experience required to apply for a real estate broker's license. The bill also establishes a registration process for real estate "teams," which are groups of at least two licensed real estate brokers, or salespeople affiliated with the same sponsoring broker, that advertise using a team name.
- [HB 6412](#) - This bill requires heating oil sold in the state to be a low-carbon fuel blend with a specified percentage of biodiesel that increases over time, beginning July 1, 2022. The bill allows the DEEP commissioner to adopt regulations, by July 1, 2022, on disclosure requirements for heating oil retailers regarding the percentage or approximate range of low-carbon fuel blend contained in the home heating oil delivered to consumers.
- [HB 6449](#) – This bill, among other things, makes it easier for individuals employed in the trades out of state to obtain CT credentials if they move to CT. The bill also allows DCP to deny a license or issue one under consent order with conditions that an applicant must meet, if the applicant reports that he or she has been found guilty or convicted of a felony in CT or elsewhere. This authority applies to electricians; plumbers; solar, heating, piping, and cooling contractors and journeymen; elevator and fire protection sprinkler craftsmen; irrigation contractors and journeymen; gas hearth installer contractors and journeymen; and residential

stair lift technicians. The bill also eliminates a requirement that applicants for these licenses demonstrate good moral character.

- [HB 6494](#) – This bill (1) requires the Connecticut Housing Finance Authority (CHFA), by October 1, 2021, to establish certain guidelines for issuing loans under its homeownership loan program (also called the “Down payment Assistance Program”) and (2) allows CHFA to establish affordability incentive zones under the program to incentivize home purchases in municipalities that are subject to the affordable housing appeals procedure.
- [HB 6643](#) – This bill allows municipalities and taxing districts to adopt programs for FYs 22 and 23 to provide temporary property tax or municipal utility charge relief to residents, businesses, and nonprofits
- [HB 6646](#) – This bill makes the Connecticut Foundation Solutions Indemnity Company (CFSIC) permanent by eliminating the current June 30, 2022, termination date. The bill also requires CFSIC to study the extent of pyrrhotite-related foundation damage in nonresidential buildings and remits up to \$175,000 from the Healthy Homes Fund for the study’s expenses. Lastly, the bill requires concrete aggregate quarry operators to test and report on their aggregate’s total sulfur content (“total S”). It imposes restrictions on the use of aggregate that has a relatively high total S and, in certain circumstances, requires additional testing to identify the presence of pyrrhotite. The bill authorizes the Department of Energy and Environmental Protection (DEEP) commissioner to adopt regulations on aggregate testing and impose restrictions on aggregate that contains pyrrhotite.
- [HB 6531](#) - The bill establishes a statewide “right to counsel program” to provide free legal representation to income-eligible tenants, lessees, or occupants of any residential building or land in a covered matter initiated on or after July 1, 2021. Under the bill, a “covered matter” is an eviction proceeding or administrative proceeding necessary to preserve a state or federal housing subsidy or prevent a proposed lease termination. Like [HB 6541](#), this bill also extends the expiration date of certain land use approvals.
- [HB 6100](#) - The bill requires contracts for work on private residential property by licensed tradespeople to meet certain specifications. The bill limits how long a tradesperson has to apply for license reinstatement after it is suspended or revoked. Lastly, the bill makes home improvement contractors’ annual registrations expire on March 31, rather than November 30
- [HB 6547](#) - The bill establishes a thirteen-member working group to develop a plan to preserve buildings, structures, objects, sites, and landmarks listed on the National Register of Historic Places or designated by a municipality as historically significant.