



**HOME BUILDERS & REMODELERS ASSOCIATION
OF CONNECTICUT, INC.**

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*Your Home
Is Our
Business*

February 22, 2017

To: Senators Logan and Cassano, and Representative Lamar, Co-Chairs
Representative Zawistowski, Ranking Member
Members of the Planning & Development Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **Concerns regarding SB 649, AAC the Ability of Local Building
Officials to Assess Fines**

The HBRA of Connecticut is a professional trade association with about eight hundred (800) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers. We build between 70% to 80% of all new homes and apartments in the state each year and engage in countless home remodeling projects.

SB 649 proposes to allow local building officials to assess fines for commencing construction without first obtaining a building permit.

Conceptually, we support the notion that all work requiring a building permit should be done pursuant to a valid permit. However, many questions surround the issue, and we believe must be answered before this idea is adopted.

We are also concerned that municipal leaders will pressure building officials to ramp up fine assessments to help support local budgets, and thereby create additional unnecessary conflicts with contractors and property owners.

As the following questions about permits come to life in the real world, this new fine could become a nightmare to administer for both local building officials and the State Building Official as well as penalize good people trying to follow the rules:

- There are many areas, especially in remodeling, where the need for a permit is unclear. Not all work requires a permit. There are exceptions written into the State Building Code, yet some are gray areas (e.g., "finish work").
- In some areas of work, where a number of people can agree the building code is pretty clear regarding what type of work requires a permit - and despite the fact that we have a statewide code that cannot be varied by municipalities - we get different answers from different inspectors in various towns as to what requires a permit. Repairs for damage, maintenance, replacement, and minor work are very gray as to the rules.

Vision: "Building CT's Economy, Communities and Better Lives One Home at a Time"
Mission: "Using Effective Advocacy and New Knowledge to Solve Our Member's Problems"

- What if someone started work that they honestly believed did not require a permit? If I applied for the permit but it isn't issued yet do I get a fine? How long do they have to issue? Would they then charge "expedited permit fees?"
- What about emergency work related to storm damage or fire, where work is often started and a permit is applied for after-the-fact? The State Building Code allows for this, but again it is subject to varying views among local officials.

- What if a permit were applied for but had not been issued?
- What about delays caused by municipal staff vacations, lack of sign-off by other town departments (P&Z, Wetlands, Health Dept.)? These delays can cause real dollar loss or scheduling difficulties for contractors and their clients.
- What are the proposed fees or fines? A flat fee, a percentage of what the permit fee would be? Does it vary town to town or would it be standardized?

- How many towns will treat this as a profit center? Getting pressure from town manager, B.O.'s boss, to raise money from fines would lead to excesses.
- As with many well-intentioned regulations, the homeowners and contractors that want to get around it will continue to do so and the good guys will be stuck trying not to get tripped up. Could this be too complicated to be fair to the good guys?
- How many more stop work orders will occur as pressure to produce revenue from fines ramps up?

- There are so many scenarios to cover that should not involve a fine that, if addressed in legislation, the new law would be unreadable.
- Work often starts before the permit is in our hands every day. We shouldn't have to pay a fine if the permit is applied for and we're waiting for issuance.
- Is there a way to appeal the fines levied?

- When does the work start on a new home? When I cut the trees, or dig the hole, or pour the footings?
- It is common to pull a home permit, and even pay for the full permit, but mechanical subcontractors haven't stopped in and signed their respective portions. They may not even be selected yet. Is that fine triggered for the subcontractor's work only or nothing can start on the entire home until all related permits are pulled? The point is there are "sub-permits" within the new home permit scope that may collect fees differently from town to town.
- The normal catch point now is a contractor can't get any type of inspection if a permit is not pulled and processed. Proceeding without the required inspection would be another opportunity to fine if the door is opened.

- For builders, what about change orders? When do we need to inform the building official of an increase in scope? As it is now, our towns require a cost affidavit at the end of the process, i.e., Certificate of Occupancy, so even if buyers request a finished basement, it gets inspected and cleaned up at the end with a C.O. even though no permit was pulled for that specific work. Would that be another opportunity to assess a fine?
- What about all the existing homes or buildings where work is done (maybe by the owner) but no permit pulled? A lot of remodeling is done by homeowners as well as contractors. Those are often picked up upon re-assessment or upcoming sale of the home. Do they fine for those situations 3 years later, 10 years later? It may not even be the same owner who performed or contracted for the unpermitted work.

There would be a big learning curve as to homeowners and contractors as to what work actually needs a permit, probably different by town – although it should not be under our statewide State Building Code. Just the idea of this as a revenue source will bring a huge variety of responses from town to town.

We urge you not pass this bill unless the questions above can be adequately and fairly addressed with appropriate language.

Thank you for the opportunity to comment on this legislation.