

2024 LEGISLATIVE REPORT



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CT Mortgage Bankers Association (CMBA) 2024 Legislative Session

HB 5523 - AN ACT CONCERNING ALLOCATIONS OF FEDERAL AMERICAN RESCUE PLAN ACT FUNDS AND PROVISIONS RELATED TO GENERAL GOVERNMENT, HUMAN SERVICES, EDUCATION AND THE BIENNIUM ENDING JUNE 30, 2025

Status: Passed, PA 24-81

Signed by the Governor on May 30, 2024

Effective Date: Various

The Connecticut General Assembly declined to adopt modifications to the biennial budget adopted in 2023 during the recent legislative session. Instead, the legislature adopted a bill that allocated ARPA funds (HB 5523), and a bill (HB 5524) that adjusted state bonding, provided funding for school construction projects, and made other minor changes relative to government administrative functions.

HB 5142 AN ACT CONCERNING CONSUMER CREDIT, CERTAIN BANK REAL ESTATE IMPROVEMENTS, THE CONNECTICUT UNIFORM SECURITIES ACT, SHARED APPRECIATION AGREEMENTS, INNOVATION BANKS, THE COMMUNITY BANK AND COMMUNITY CREDIT UNION PROGRAM AND TECHNICAL REVISIONS TO THE BANKING STATUTES

Status: Did Not Pass

As advanced by the House, this bill would have made numerous changes to the state's banking, securities, and mortgage laws. Specifically, the bill contained the following mortgage related proposals:

- Expanded what constitutes sales finance company, small loan, and mortgage servicing activity requiring licensure to when someone receives any payments (including fees) in connection with certain contracts or loans as applicable and makes a similar expansion for education loan servicing licensees and registrants.
- Required licensed mortgage lenders to register on NMLS as "exempt mortgage servicer registrants" before acting as mortgage servicers and authorizes the banking commissioner to suspend, revoke, or refuse to renew these registrations.
- Created a registration timeline and fee requirements for exempt registrants that sponsor the licensing of a mortgage loan originator or a loan processor or underwriter.
- Made technical changes to several banking laws, a securities provision, and a mortgage statute.

However, the Senate did not act on the bill before adjournment, killing the bill for the year.

**HB 5344 AN ACT ESTABLISHING FIRST-TIME HOMEBUYER SAVINGS ACCOUNTS AND A
RELATED TAX DEDUCTION AND CREDIT
Status: Did Not Pass**

As advanced by the Banking Committee, this bill would have created a first-time homebuyer savings program, generally allowing individuals and employers to contribute into specialized accounts to be used for eligible homebuying expenses and receive tax benefits for doing so.

The bill was referred to the Finance Committee for consideration, which did not act on the bill, killing it for the year.

**SB 121 AN ACT CONCERNING THE ATTORNEY GENERAL, THE BANKING COMMISSIONER, THE
DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT AND TELEPHONIC
SALES CALLS FOR SOLICITING CONSUMER GOODS OR SERVICES
Status: Passed, PA 24-75
Signed by the Governor on May 30, 2024
Effective Date: October 1, 2024**

As enacted, the bill expands the attorney general’s pre-trial investigative authority to enforce the federal Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) by, among other things, authorizing him to issue subpoenas for documentary material, testimony, or responses to written interrogatories. It generally makes information he collects under subpoenas confidential and specifies when and to whom it may be disclosed. The bill also allows him to apply to Hartford Superior Court to enforce a subpoena, including requesting the court impose a civil penalty of up to \$10,000.

Under existing law, the attorney general may bring a civil action in a court of competent jurisdiction to enforce the provisions of the Dodd-Frank Act that state attorneys general are authorized to enforce (e.g., Title X of the act, a.k.a. the Consumer Financial Protection Act of 2010). He may also seek any relief that the Dodd-Frank Act authorizes state attorneys general to seek.

The bill states that nothing in it limits the banking commissioner’s authority to enforce the Dodd-Frank Act or any other state or federal law or regulation. It relatedly requires the attorney general to coordinate subpoenas with him and sets out several procedures for this process.

Lastly, the bill makes unrelated minor and technical changes to a 2023-enacted prohibition on telemarketers making a telephonic sales call to a consumer without the consumer’s prior express written consent.

**SB 272 AN ACT CONCERNING ADOPTION OF THE CONNECTICUT UNIFORM TRUST DECANTING
ACT**

Status: Passed, PA 24-104
Signed by the Governor on June 4, 2024
Effective Date: January 1, 2025

As passed in concurrence, the bill adopts the Connecticut Uniform Trust Decanting Act.

The bill generally allows decanting for express irrevocable trusts, or under limited circumstances, revocable trusts. It does not allow decanting of wholly charitable trusts (but sets rules for decanting of charitable interests within other trusts). For a decanting to occur, the authorized fiduciary generally must have the discretionary power under the trust's terms to make principal distributions (except for certain trusts for a beneficiary with a disability). The decanting power differs based on whether the authorized fiduciary has limited or expanded discretion under the first trust to distribute principal.

Under the bill, authorized fiduciaries who choose to decant must do so in line with their fiduciary duties. These fiduciaries generally do not need court approval for decanting, except for testamentary trusts, but must notify qualified beneficiaries and in some cases, certain state officials.

Among other things, the bill:

- protects trustees or other people from liability for reasonably relying on a prior decanting;
- specifically grants the court authority over certain decanting-related matters, upon petition of the authorized fiduciary or certain other parties;
- sets specific standards for decanting involving special needs trusts for a beneficiary with a disability;
- sets certain limits on the decanting power, such as limits to avoid unintended tax consequences; and
- includes a saving provision to address a decanting that does not comply with all of its requirements.

**HB 5254 AN ACT CONCERNING BROKER PRICE OPINIONS BY REAL ESTATE BROKERS AND REAL
ESTATE SALESPERSONS**

Status: Did Not Pass

As proposed and heard within the Insurance Committee, this bill would have permitted real estate brokers and real estate salespersons to estimate the value of real estate for a fee or other valuable consideration and to perform comparative market analyses and provide price opinions or estimates of the value of real estate.

However, like all other bills before the Insurance Committee, the bill was not advanced out of the committee before its JF Deadline, killing it for the year.

HB 5247 AN ACT CONCERNING EMPLOYEE HEALTH BENEFIT CONSORTIUMS
Status: Did Not Pass

As proposed and heard within the Insurance Committee, this bill would have allowed trade and industry associations to aggregate their membership and become an active purchaser of health insurance by authorizing employee health benefit consortiums in the state.

Like all other bills before the Insurance Committee this session, the bill died due to inaction before the committee's JF Deadline.

SB 2 - AN ACT CONCERNING ARTIFICIAL INTELLIGENCE
Status: Did Not Pass

As passed by the Senate, this bill would have established a framework for regulating artificial intelligence within the state. Specifically, the bill would have:

- Required each developer and deployer of a high-risk AI system, beginning February 1, 2026, to use reasonable care to protect consumers from any known or reasonably foreseeable risks of algorithmic discrimination.
- Generally required, beginning February 1, 2026, that any developer making a high-risk AI system available to a deployer give the deployer a general statement describing the system's intended uses and certain documentation that describes the system, other information related to risk mitigation, and a statement summary; allows the attorney general to inspect these documents.
- Generally required deployers, beginning February 1, 2026, to implement a risk management policy and program before deploying high-risk AI systems; complete an impact assessment on the system before deploying or after any intentional and substantial modification of it; review each deployed system at least annually to ensure the system is not causing algorithmic discrimination; and disclose risk management policies, impact assessments, and records to the attorney general if relevant to an investigation.
- Generally required, beginning February 1, 2026, anyone doing business in Connecticut who deploys an AI system that interacts with consumers to ensure it is disclosed to each consumer the system interacts with that the consumer is interacting with an AI system.
- Generally required, beginning February 1, 2026, an AI system developer that generates or manipulates synthetic digital content to include certain labels or technical solutions.

- Specified that the bill’s requirements do not restrict a developer’s or deployer’s ability to take certain actions (e.g., comply with federal and state law, cooperate with law enforcement, and engage in research).
- Would have given the attorney general exclusive authority to enforce the AI provisions listed above; required a one-year grace period to allow violators an opportunity to cure violations; provided certain affirmative defenses; and deemed violations CUTPA violations but did not provide a private right of action.
- Allowed legislative leaders to request CASE members to serve as a liaison between the academy and state government; required liaisons to serve certain purposes, such as designing tools to determine compliance with the bill’s requirements and evaluating the adoption of AI systems by businesses.
- Generally made it a crime for a person (e.g., individual or entity) to knowingly distribute a communication with deceptive synthetic media within 90 days before an election or primary.
- Made it a crime, under certain conditions, to intentionally disseminate a synthetic intimate image; as under existing law, it is a class A misdemeanor if the image is disseminated to one person and a class D felony if it is disseminated to more than one through certain electronic means.
- Required the chief workforce officer to incorporate AI into workforce training programs, support the promotion of access to broadband internet access, and coordinate an application to the federal government to seek federal funding for scholarships and apprenticeships that lead to a bachelor’s degree in certain engineering fields.
- Expanded the information and telecommunication systems strategic plan to include any current or planned use of generative AI and potential opportunities and associated challenges.
- Required BOR to establish a “Connecticut Citizens Academy” to offer online courses on AI and its responsible use and award certificates and badges for completion.
- Required DECD, by December 31, 2025, to conduct a “CT AI Symposium.”
- Required the DECD commissioner to designate an employee as the primary point of contact for economic development in the AI field.
- Established a working group to engage stakeholders and experts to make recommendations on certain AI-related issues.
- Repurposed the “Technology Talent Advisory Committee” to develop programs to expand the technology talent pipeline in the state in the fields of AI and quantum computing.

However, due to concerns raised by the governor’s office, the House did not act on the bill before adjournment, killing it for the year.

SB 3 - AN ACT CONCERNING CONSUMER PROTECTION

Status: Did Not Pass

As passed by the Senate, SB 3 made various separate changes related to consumer protections, including on internet access, consumer fees, cameras and microphones in connected devices, the right-to-repair, and municipal domain names. It also generally prohibited, after a set date, state agencies and municipalities from buying or using drones manufactured by certain foreign entities. Specifically, SB 3:

- Required the consumer counsel to study the merits, feasibility, and available means of ensuring all state residents have access to broadband Internet access service and report to the General Law and Energy and Technology committees by January 30, 2025.
- Required businesses advertising, displaying, or offering any consumer good or service to persons in the state to include all fees, charges, and costs, other than taxes, in the total price; and prohibited deceptive fees.
- Generally prohibited, beginning on varying dates, state agencies, municipalities, and entities who contract with either from purchasing or using a drone assembled or manufactured by a covered foreign entity; allowed agencies and municipalities to waive the prohibition for certain reasons, between July 1, 2024, and December 31, 2034, if they meet certain reporting requirements after using a prohibited drone.
- Required providers to prominently display and disclose certain information about the device's camera or microphone before activating the device and anyone who records and transmits any personally identifying information collected through a device's camera or microphone to use reasonable security measures; deemed certain violations to be CUTPA violations.
- Required certain electronic or appliance manufacturers to make available, on fair and reasonable terms, products' repair manuals, functional parts, and tools; deemed a violation of this requirement a CUTPA violation.
- Required all municipalities, by July 1, 2026, to maintain a .gov internet domain and redirects other domains they use to that website or stop using them.

The House took up SB 3 for consideration on the last day of the session, but due to prolonged debate, the bill was passed temporarily and not taken back up before adjournment at midnight, killing the bill for the year.

**SB 201 – AN ACT CONCERNING UNFAIR REAL ESTATE LISTING AGREEMENTS AND
THE CONNECTICUT UNFAIR TRADE PRACTICES ACT**

Status: Passed, PA 24-101

Signed by the Governor on June 4, 2024

Effective Date: Various

As originally proposed and advanced by the General Law Committee, SB 201 included language requiring anyone selling goods or services in the state to disclose their total price, including fees

and charges other than taxes, and made violations an unfair or deceptive trade practice under the Connecticut Unfair Trade Practices Act (CUTPA).

However, the Senate amended the bill removing these provisions and refocused the bill on real estate listing providers.

As passed in concurrence, SB 201 prohibits real estate listing providers from entering into “unfair real estate listing agreements” with residential property owners, makes these agreements unenforceable, and makes violations of this prohibition an unfair or deceptive trade practice under the Connecticut Unfair Trade Practices Act (CUTPA).

The bill prohibits these agreements from being recorded or rerecorded in the land records and establishes certain legal remedies for property owners if they are recorded. It also requires real estate listing providers that previously entered into real estate listing agreements to rerecord the agreement on the land records and record or rerecord these agreements and assign their rights under these agreements to notify certain individuals and officials of the assignment.

The bill also authorizes the Department of Consumer Protection (DCP) to investigate violations of and enforce the terms of an “assurance of voluntary compliance” under CUTPA and makes these violations a willful CUTPA violation. It also allows these assurances to require the payment of investigative costs.

SB 15 – AN ACT REQUIRING FEE DISCLOSURES

Status: Did Not Pass

As introduced by the governor and advanced by the General Law Committee, SB 15 would have prohibited individuals or legal entities doing business in Connecticut from advertising, displaying, or offering pricing for certain items or services unless they disclose the total price in a clear and obvious way. The bill applied to event tickets in any form, whether issued by a primary or secondary ticket platform and consumer goods or services on food delivery platforms, lodging platforms, or primary or secondary ticket platforms.

Under the bill, the total price must include all mandatory fees or charges, other than taxes. A violation of the bill was an unfair or deceptive trade practice.

However, due to SB 3 being selected as the main vehicle for junk fee legislation, SB 15 was not advanced in the Senate, killing the bill for the year.

SB 123 AN ACT CONCERNING COERCED DEBT

Status: Passed, PA 24-77

Signed by the Governor on May 30, 2024

Effective Date: January 1, 2025

As enacted, the bill prohibits anyone from knowingly making another individual liable for “coerced debt,” which the bill defines as any “debt” incurred in the name of a debtor who is a domestic violence victim in response to any duress, intimidation, threat of force, force, or undue influence used to specifically coerce the debtor into incurring the debt.

The bill also imposes specific obligations and responsibilities on, and gives certain rights to, coerced debt “claimants”. Additionally, if a court determines that a debt is coerced debt, then the individual who knowingly caused the coerced debt is civilly liable to the claimant for all or part of the coerced debt amount and may be civilly liable for the debtor’s reasonable attorney’s fees and costs in establishing that the debt was coerced.

The bill explicitly states that it does not:

- require a court to order a claimant to refund any money already paid on a debt that is determined to be coerced debt;
- diminish the rights of a claimant to recover payment for any coerced debt from any individual who, as determined by the claimant, has coerced a debtor into incurring the coerced debt;
- reduce or eliminate any other rights or defenses available to a debtor at law or in equity; or
- reduce or eliminate any other rights or defenses available to a party determined by the claimant to have coerced the debt.

SB 393 AN ACT IMPLEMENTING THE TREASURER'S RECOMMENDATIONS CONCERNING UNCLAIMED PROPERTY

Status: Passed, PA 24-114

Governor signed on June 4, 2024

Effective Date: Various

As enacted, this bill makes various changes to the state’s unclaimed property laws. The bill:

- establishes circumstances under which virtual currency is presumed abandoned and explicitly subjects it to the state’s unclaimed property law,
- requires business associations and banking or financial organizations holding abandoned virtual currency to liquidate it before delivering its net proceeds to the treasurer as escheated property,
- expands the notice requirements for holders of unclaimed property,
- gives the treasurer discretion to contact apparent property owners in the way he deems most appropriate,

- establishes conditions under which the treasurer may distribute certain unclaimed property for deceased owners, and
- requires the treasurer and the Department of Revenue Services to enter into an agreement establishing a procedure for data sharing to identify property owners and facilitate the electronic return of unclaimed property.

HB 5342 AN ACT CONCERNING MORTGAGE FORECLOSURES AND UNDISCHARGED MORTGAGES

Status: Did Not Pass

As advanced by the Banking Committee, this bill would have established a statute of limitations for bringing an action to foreclose on a mortgage for a one-to-four family dwelling that the mortgagor uses as his or her home. Under the bill, this bar on bringing an action is generally the earliest of 10 years after the date for making the last payment; 10 years after the default date; or 40 years after the mortgage's recording date, or if unrecorded, after its execution date.

The bill also would have reduced, from 20 to 10 years after full performance was due, the time after which an unreleased mortgage is invalid under certain circumstances.

The bill was not acted on by the House before adjournment, killing it for the year.

HB 5152 AN ACT CONCERNING RENTERS IN COMMON INTEREST OWNERSHIP COMMUNITIES

Status: Did Not Pass

As proposed and heard within the Housing Committee, this bill would have prohibited common interest ownership communities from enacting or enforcing restrictions that limit the number of rented units to less than fifty per cent.

The bill was not acted on before the committee's JF Deadline, killing it for the year.

SB 283 AN ACT CONCERNING THE EMERGENCY MORTGAGE ASSISTANCE PROGRAM

Status: Passed, PA 24-66

Signed by the Governor on May 28, 2024

Effective Date: October 1, 2024

As passed, the bill makes the following changes to the Connecticut Housing Finance Authority's (CHFA) Emergency Mortgage Assistance Payment (EMAP) program:

- potentially expands program eligibility by redefining “aggregate household income” to consider the total income of only the adults in the household when determining whether there is financial hardship;
- removes utility and heating expenses from the total housing expense calculation that allows for program participation;
- allows CHFA to use equity as evidence of a homeowner’s ability to timely repay mortgage assistance;
- allows CHFA to make lump sum emergency mortgage payments to mortgagees and gives CHFA other flexibility in making program payments and in setting the repayment agreement terms with homeowners;
- authorizes CHFA to adopt procedures to set an aggregate limit on the amount of emergency mortgage assistance payments that a homeowner may receive; and
- specifies that CHFA must post on its website the funding availability-related notices that current law requires the authority to give all mortgagees and lienholders.

HB 5345 AN ACT CONCERNING MOBILE MANUFACTURED HOMES
Status: Did Not Pass

As proposed and heard within the Banking Committee, this bill would have required a park owner to amend a rental agreement with a mobile manufactured homeowner or purchaser in certain circumstances.

The committee did not act on the bill before its JF Deadline, killing the bill for the year.

HB 5113 AN ACT INCREASING THE HIGHEST MARGINAL RATE OF THE PERSONAL INCOME TAX AND ESTABLISHING A CAPITAL GAINS SURCHARGE TO PROVIDE FUNDING FOR CERTAIN CHILD-RELATED, MUNICIPAL AND HIGHER EDUCATION INITIATIVES
Status: Did Not Pass

As proposed and heard within the Finance Committee, this bill would have increased certain personal income tax marginal rates and establish a capital gains surcharge to provide funding for a child tax credit, a mill rate cap and municipal reimbursements for such cap and support of certain higher education programs and institutions.

The bill was not acted on before the committee’s JF Deadline, killing it for the year.

HB 5144 AN ACT CONCERNING THE ASSIGNMENT OF CERTAIN LIENS

Status: Did Not Pass

As advanced by the Banking and Planning and Development Committees, this bill would have reduced, from 18% to 12%, the annual interest rate on delinquent property taxes when a municipal tax collector files a lien on the property and assigns the lien.

Additionally, the bill would have limited the validity and enforceability of these assignments unless they are in a written contract executed by the municipality and the assignee that includes a requirement that no attorney's fees will be received, claimed, or collected until the start of a foreclosure action or suit on the debt and other provisions required under existing law for assignments executed on or after July 1, 2022. For actions beginning on or after July 1, 2025, the bill also would have capped the attorney's fees in connection with a foreclosure, sale, or other disposition of these assigned liens at 15% of the amount of any judgment entered.

The bill also would have extended the above validity and enforceability provision and attorney's fees cap provision to assigned liens for delinquent municipal sewer assessments, municipal sewer connection and use charges, municipal water charges, regional water authority water assessments or connection or use charges, and regional sewer authority sewer assessments or connection or use charges. These extensions would have applied to assignments executed on or after July 1, 2025, and for actions beginning on or after that date.

However, the bill was not acted on by the House before adjournment, killing it for the year.

HB 5167 AN ACT CONCERNING PROPERTY TAX ABATEMENT FOR CERTAIN FIRST-TIME HOMEBUYERS

Status: Did Not Pass

As passed by the House, this bill would have allowed municipalities to abate up to \$500 in property taxes per assessment year on a residential property owned by someone who purchased it with a Connecticut Housing Finance Authority-issued mortgage for first-time homebuyers.

The Senate did not act on the bill before adjournment, killing it for the year.

SB 6 AN ACT CONCERNING HOUSING

Status: Did Not Pass

As advanced by the Housing Committee, this bill would have made various changes to laws related to state housing assistance programs, housing authorities, and certain state taxes. It

would have established a Housing Growth Fund administered by the Department of Economic and Community Development and a Department of Housing tax credit program for owners that convert commercial buildings into residential developments.

However, the Senate did not act on the bill before adjournment, killing it for the year.

SB 147 AN ACT ESTABLISHING A TASK FORCE TO STUDY THE IMPLEMENTATION OF RENTAL SAVINGS ACCOUNTS

Status: Did Not Pass

As proposed and heard by the Housing Committee, this bill would have established a task force to study the implementation of rental savings accounts. However, the bill was not acted on by the committee before its JF Deadline, killing it for the year.

SB 149 AN ACT CONCERNING FORECLOSURE, ASSIGNMENT AND OTHER ENFORCEMENT ACTIONS FOR UNPAID SEWER ASSESSMENTS AND OTHER FEES AND CHARGES

Status: Did Not Pass

As passed by the Senate, this bill would have limited the enforcement and assignment of liens for delinquent sewer assessments and charges on owner-occupied real estate by municipal and regional sewer or water pollution control authorities (WPCA). It would have done so by prohibiting the following actions on these properties unless a lien's principal amount exceeds \$4,000 or five years have passed since the lien was filed and it remains unpaid:

- municipal WPCAs enforcing liens for delinquent sewer assessments;
- municipal WPCAs foreclosing liens for delinquent connection or use charges;
- regional WPCAs foreclosing liens for delinquent assessments and connection and use charges or taking a civil action to recover the delinquent amounts; and
- municipal WPCAs and regional sewer authorities assigning liens for delinquent assessments or use charges.

For the regional entities, the principal amount of the liens for delinquent assessments and charges must be combined to determine whether they exceed the \$4,000 threshold. For the municipal WPCAs, the threshold is calculated separately for assessments and charges.

The bill was not acted on by the House before adjournment, killing it for the year.