



**PA 25-53—sHB 6963**

*Planning and Development Committee*

**AN ACT CONCERNING THE ENFORCEMENT OF REQUIREMENTS  
IMPOSED BY CERTAIN MUNICIPAL APPROVALS AND THE NEW  
HOME CONSTRUCTION GUARANTY FUND**

**SUMMARY:** This act allows zoning enforcement officers (ZEOs) to take enforcement action against businesses that either (1) suspend work required by an unexpired site plan, subdivision (with less than 400 units) plan, or inland wetlands approval or (2) make improvements that do not conform to the plan's or approval's specifications.

Under the act, the ZEO may generally take certain enforcement actions if he or she determines the business has no intent to resume the work within a reasonable time period and the incomplete or nonconforming work creates a public health or safety hazard. These enforcement actions include (1) imposing fines (up to \$150 per day) that the act authorizes municipalities to adopt by ordinance and (2) those existing law sets for zoning violations under CGS § 8-12, including civil penalties and imprisonment (see BACKGROUND).

Separately, the act expands eligibility for the New Home Construction Guaranty Fund. Under existing law, a consumer may recoup money from the fund for uncollectable judgments against a new home construction contractor for losses or damages they caused. The act additionally allows consumers to do so for these uncollectable judgments against a proprietor (an individual who has an ownership interest in the new home construction company).

For the home guaranty fund, the act also (1) increases, from \$30,000 to \$50,000 per claim, the maximum amount consumers may recoup from the fund and (2) lowers, from \$750,000 to \$650,000, the fund's annual cap. It correspondingly increases (from \$300,000 to \$400,000) the funds exceeding this cap that must be annually transferred into the Consumer Protection Enforcement Account. Existing law requires any remaining excess to be transferred into the General Fund.

Lastly, the act makes technical and conforming changes.

**EFFECTIVE DATE:** October 1, 2025

**§§ 1-4 — INCOMPLETE OR NONCONFORMING WORK REQUIRED BY  
CERTAIN LAND USE APPROVALS**

*Enforcement via Statutory Penalties in CGS § 8-12*

Under certain circumstances, the act makes it a violation of the law for a business to leave improvements on a project unfinished if the work is required by an unexpired site plan, subdivision (with less than 400 units) plan, or inland wetlands approval. It similarly makes it a violation for a business to construct an

improvement that does not conform to these plans' or approvals' specifications. Specifically, the act makes the suspended or nonconforming work a violation if the municipal ZEO or the inland wetlands agency's agent, as applicable, determines that the:

1. business has suspended its efforts to complete work needed to meet the requirements,
2. business has no intent to resume the required work within a reasonable time, and
3. incomplete or nonconforming work creates a public health or safety hazard.

If the ZEO or agent determines a violation exists, the act authorizes them to take enforcement action against the business. They may pursue any enforcement action available under the law on enforcing zoning regulations (CGS § 8-12), including issuing written orders to remedy conditions that violate zoning regulations and seeking civil and criminal penalties in Superior Court (see BACKGROUND).

Under the act, a "business" is a sole proprietorship, trust, corporation, limited liability company, union, association, firm, partnership, or other organization or group of people.

*Enforcement via Municipal Citations Authorized by CGS § 8-12a*

By law, a municipality may establish, by ordinance, penalties for violations of its zoning regulations. The act additionally allows municipalities to establish penalties for businesses that engage in the violation described above (by suspending work or completing nonconforming work and creating a public health or safety hazard).

Under existing law and the act, the ordinance must establish the types of violations for which a citation may be issued and the amount of any fine to be imposed (up to \$150 for each day the violation continues), payable to the municipality's treasurer. These citations may be contested through a municipal hearing procedure and appealed to Superior Court.

§§ 5 & 6 — NEW HOME CONSTRUCTION GUARANTY FUND

Using the New Home Construction Guaranty Fund, the Department of Consumer Protection (DCP) compensates certain consumers, up to a specified maximum, who are awarded judgments (e.g., a binding arbitration decision or a court judgment, order, or decree) but cannot obtain payment from the person who owes it. Under prior law, only consumers who were awarded a judgment against a registered new home construction contractor could apply to recoup the judgment amount from the fund. (New home construction contractors annually pay into this fund when renewing their registrations.)

Under the act, beginning October 1, 2025, consumers may also recoup money from the fund if the judgment was awarded against certain individuals with an ownership interest in a new home construction company who have been found by a court to have violated certain laws ("proprietors").

More specifically, to qualify as a proprietor, the person must meet two criteria.

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First, he or she must have an ownership interest in a new home construction company that is currently, or was previously, registered by DCP. Second, he or she must have been found by a court to have violated the state's new home construction contractor laws for the company's conduct. The company must either be currently registered as a new home construction company or have been registered within two years before it entered into the contract with the consumer harmed by the company's or owner's actions.

The act also increases, from \$30,000 to \$50,000, the maximum award payable from the fund. It makes consumers awarded a judgment against a proprietor eligible for funds from the New Home Construction Guaranty Fund subject to the same conditions and requirements the law sets for consumers with a judgment against a contractor. For example, among other things, the consumer:

1. must apply in writing to DCP within two years after the judgment is finalized;
2. may receive payment from the fund for the actual damages and costs awarded by the court (excluding punitive damages), minus any amount already recovered; and
3. must affirm that he or she made a good faith effort to satisfy the judgment by following statutory post-judgment procedures.

The act also makes conforming changes to make proprietors liable for consumer payouts from the New Home Construction Guaranty Fund that result from a judgment against them.

### BACKGROUND

#### *Penalties Under CGS § 8-12*

By law, a municipality's zoning enforcement authority may issue written orders to remedy conditions on a property that violate zoning regulations. The authority may also issue cease-and-desist orders for violations involving the land grading, soil removal, or soil erosion or sediment control.

CGS § 8-12 subjects a person to a civil penalty of up to \$2,500 if he or she (1) has been served with a written order and fails to comply with it within 10 days, (2) has been served with a cease-and-desist order and fails to comply immediately, or (3) continues to violate the specific regulation identified in the order. In addition, the court can grant the municipality injunctive relief if a person subject to an order does not comply with it.

In addition to these penalties for violating an order, a violation of the underlying regulations is subject to civil and criminal penalties. Ordinarily, violations are subject to a court-imposed fine of between \$10 and \$100 per day. However, if the violation is willful, the violator is subject to a fine of between \$100 and \$250 per day, imprisonment of up to 10 days for each day of the violation (up to a maximum of 30 days), or both. A willful violator may also be responsible for the municipality's costs and attorney's fees.

#### *Related Act*

## OLR PUBLIC ACT SUMMARY

PA 25-111, §§ 9 and 10, contains similar provisions on payments from the New Home Construction Guaranty Fund.