



The status and text of all bills and public acts can be found at <http://www.cga.ct.gov>

CASE LAW:

Meribear Productions, Inc. v. Joan E. Frank, et al., AC 37507 (Released May 10, 2016).

The defendants Joan and George Frank resided at 3 Cooper Lane in Westport. They decided to sell their home and hired the plaintiff to provide design and decorating services, which included the staging of home furnishings owned by the plaintiff, in an effort to make their residence more attractive to potential purchasers. They signed a "Staging Services and Lease Agreement" for \$19,000 to cover the initial lease period of four months. If the property was not sold within four months, the lease continued on a month-to-month at a rental amount of \$1,900 per month. The property had not been sold and neither party had terminated the staging services agreement. The plaintiff sent invoices for the additional monthly rental amounts, which never were paid by the defendants. When the plaintiff sent a crew of movers to the defendants' property to remove the furnishings, they were denied access to the home. The court determined that Joan Frank had breached the staging services agreement by failing to pay the rent due, by wrongfully using the furniture in the defendants' personal residence for approximately three years, and by thwarting the plaintiff's efforts to retrieve its inventory, thereby resulting in the total loss of that inventory to the plaintiff. The court found credible the evidence presented by the plaintiff as to the value of its inventory. Accordingly, the court awarded the plaintiff \$235,598 for the inventory loss and \$47,508 for the rental loss and related late fees, for a total amount of \$283,106.

2016 CT PUBLIC ACTS:

The following Public Acts were passed by the Connecticut General Assembly during the 2016 Legislative Session. Copies of these acts and their legislative history can be found at www.cga.ct.gov.

PROPERTY TAXES AND FEES

PA 16-3 **Property Tax Exemption for Real Estate Signs** (Effective July 1, 2016)

This Act exempts for sale or lease signs placed on properties from the property tax.

FAIR HOUSING

PA 16-16 **Disclosure of Housing Discrimination and Fair Housing Laws** (Effective on passage)

This Act requires CHRO to create a one-page disclosure form on housing discrimination and fair housing laws. Anyone offering to sell, lease with the option to buy, or exchange a residential property with at least two units must, at the time of closing, attach a copy of the disclosure, signed by the prospective purchaser.

CONSUMER PROTECTION

PA 16-117 **Real Estate Guaranty Fund** (Effective July 1, 2016)

This Act eliminates (1) "trickery" as a cause of action for recovering from the Real Estate Guaranty Fund and (2) a requirement that the Real Estate Commission automatically revoke real estate brokers or salespersons licenses when judgments are entered against them.

PA 16-35 **Residential Restoration Service Providers** (Effective January 1, 2017)

This Act requires people performing water, fire, or storm restoration or mold remediation to register as a home improvement contractor. It also requires any contract for repair, remediation, or mitigation work relating to a claim under an insurance policy to comply with the home improvement law's contract requirements. Contractors must provide disclosures to these insureds regarding their right to cancel.

PA 16-45 Concrete Foundations

(Effective on passage)

This Act establishes requirements for residential and commercial concrete foundations. It: (1) adds requirements for obtaining a certificate of occupancy for a new structure; (2) requires municipalities, at an owner's request, to revalue residential properties with foundation problems; and (3) requires the Department of Consumer Protection to investigate the causes of concrete foundation failure and report findings to the legislature.

LANDLORD AND TENANT

PA 16-51 Bed Bug Infestations in Residential Rental Properties

(Effective October 1, 2016)

This Act assigns duties for landlords and tenants relating to bed bug infestations, including notice, inspection, and treatment requirements. Public housing is covered by the Act, but detached single-family homes are excluded.

PA 16-65 Security Deposits: All Tenants

(Effective July 1, 2016)

This Act requires landlords to provide tenants with a written notice stating the name and address of the financial institution at which the tenant's security deposit is being held and the amount of the deposit. In addition, landlords who fail to pay tenants interest on security deposits are now subject to a minimum \$10 penalty.

PA 16-74 Security Deposits: Certain Seniors and Individuals with Disabilities

(Effective October 1, 2016 and applicable to individuals whose tenancy begins on or after that date)

This Act requires housing authorities, community housing development corporations, and other corporations providing state-assisted public housing to the elderly and individuals with disabilities to allow these tenants to pay security deposits in installments, pursuant to a written agreement. It also requires them to return the security deposits when the tenancy terminates.

MORTGAGES AND FORECLOSURES

PA 16-65 (Sections 73-92) Foreclosures

(Effective October 1, 2016)

This Act creates an alternative to foreclosure whereby a court may enter a judgment of loss mitigation allowing (1) certain underwater mortgages to be modified without a junior lienholder's consent or (2) the mortgagor (borrower) to satisfy his or her obligation by conveying the property using a transfer agreement.

LIMITED LIABILITY COMPANIES

PA 16-97 Connecticut Uniform Limited Liability Company Act

(Effective July 1, 2017)

This Act changes the laws governing limited liability companies (LLCs). Its rules apply when an LLC's operating agreement does not cover a particular matter, except for certain items that the bill does not allow in an agreement or that an agreement cannot change. Among its major provisions, the Act:

1. gives an LLC perpetual duration;
2. allows the operating agreement to designate whether it's managed by members or a manager; and
3. changes the name of "articles of organization" to "certificate of organization."

INHERITANCE RIGHTS

PA 16-168 Inheritance Rights in Certain Cases

(Effective October 1, 2016)

Existing law prohibits defendants found guilty of certain crimes from inheriting or receiving part of the victim's estate. A new law extends these prohibitions to defendants found not guilty by reason of mental disease or defect. It also adds two crimes to those covered by the prohibitions: 2nd degree manslaughter and 2nd degree manslaughter with a firearm.