

House Republican Press Release

August 2, 2007
Press Office: 860-240-8700

Gov. Rell Signs Legislation Protecting Property Owners



Bill Co-Sponsored by Rep. O'Neill

HARTFORD – On Thursday, July 26, Governor M. Jodi Rell signed legislation into law cosponsored by State Rep. Arthur J. O'Neill, R-Southbury, that will provide homeowners additional protections against municipalities taking property through eminent domain for private development purposes. Components of Public Act 07-141 are currently in effect and additional components take effect on October 1, 2007.

PA 07-141 was approved by the House of Representatives during a rare Saturday session on June 2. It will help prevent eminent domain instances such as the use of eminent domain in New London, which was the subject of a landmark 2005 U.S. Supreme Court ruling. That court ruling allowed the city to seize seven middle-class homes to allow a private developer to build a hotel, conference center, offices and upscale housing. Prior to this Supreme Court decision, it was widely interpreted that government could only take a person's private property for eminent domain if it was to be used for public purposes, such as for a roadway or municipal building.

PA 07-141 specifies how towns must compensate owners when taking their property for economic development. Prior law did not specify how towns had to determine compensation, but most based it on a property's fair market value as determined by an appraisal. The new law explicitly requires them to determine value based on two independent appraisals when taking property.

“This bill represents an improvement over the preexisting law that gave rise to the New London case,” said Rep. O'Neill. “While it does not go as far as I wished it to or as far as legislation I personally proposed in the last couple of years, it is an important step toward protecting property rights in Connecticut.”

In addition, PA 07-141 changes the procedure the court must follow when reviewing a town's offer of compensation for economic development and other takings. The changes include allowing a tax judge, in addition to a judge trial referee, to review the statement of compensation and allowing the parties to use the offer of compromise statute, which provides a procedure to offer to settle a case.

The new law also requires towns to compensate owners and their tenants for being displaced from the property. In most instances, it increases these relocation benefits when towns take property for economic development.

Finally PA 07-141 establishes a right of first refusal for owners whose property was taken for this purpose. If a town decides that it cannot use the property as intended or for a public purpose, it must offer the property for sale back to the original owner. The town must do this before offering to sell the property to anyone else.