



*Written Testimony before the Banking Committee
Department of Social Services
February 14, 2019*

R.B. 7076 AN ACT PRESERVING THE INTERESTS OF PRIOR TITLE HOLDERS

The Department of Social Services has significant concerns with this bill.

Specifically, Section 1 is unnecessary because it states the current law – that a previously recorded real property lien supersedes the state’s lien. Additionally, the proposed language at lines 31 to 36 is misplaced and, if it is to be enacted, should be added to section 17b-79 because that is the section of the General Statutes that authorizes the state to place public assistance liens on property.

Section 2 of the raised bill negates the requirement that the Commissioner consent to the sale, assignment, transfer, encumbrance or other disposition of any property. The Department strongly opposes the elimination of the requirement that recipients of public assistance obtain the Commissioner’s consent. Removing the consent requirement will greatly hamper, if not render impossible, the Department’s ability to recapture assets fraudulently transferred by recipients of public assistance.

Section 2 also violates the rules of statutory construction. Every part of a sentence in a statute has a purpose and the new language eliminates the requirement that the commissioner consent to the sale, assignment, etc. of real property. The new language makes the Commissioner’s consent to transfers involving real property a nullity.

As this bill eliminates the requirement for recipients of assistance to obtain such consent, the bill will result in a negative fiscal impact and will impede on the Department’s ability to recoup from improperly disposed property. Annually, DSS collects approximately \$10 million in real property collections (liens/mortgages).

For these reasons, the Department must oppose this bill.