
OLR Bill Analysis

sHB 5087

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE REAL ESTATE PROPERTY CONDITION DISCLOSURE REPORT FORM REVISION WORK GROUP.

SUMMARY:

This bill requires the consumer protection commissioner to update, by January 1, 2013, the regulations prescribing what must be disclosed on forms describing the condition of a residential property offered for sale. In addition to the required disclosures in existing law, the bill requires the disclosure form to state whether:

1. a property located in a common interest community is subject to any community or association dues or fees;
2. the prospective purchaser should consult with the municipal building official where the property is located to confirm that applicable building permits and certificates of occupancy have been issued for work on the property;
3. the prospective purchaser should have the property inspected by a licensed home inspector;
4. the seller is aware of any prior or pending litigation, government agency, or administrative action, order, or lien on the premises related to the release of any hazardous substance; and
5. during the seller's ownership, there is or has ever been an underground storage tank on the property, if so, whether it has been removed. If the tank has been removed, the seller must provide documentation of the removal with information on when and who removed it.

The bill also increases the credit, from \$300 to \$500, that the seller must give the purchaser at closing if he or she does not furnish the

written residential condition report.

EFFECTIVE DATE: July 1, 2012

BACKGROUND

Property Condition Reports

With certain exceptions, the law requires someone who offers residential property with one to four units for sale, exchange, or lease with the option to buy, to provide a property disclosure report to a potential buyer before the transaction is executed. A copy of the report must be attached to any written offer, binder, or contract to purchase. By law, the report must include information on municipal water or sewer assessments, the presence of leased equipment on the premises, and whether the property is located in a historic or village district or on the National Register of Historic Places.

The seller's representations are limited to his or her actual knowledge and the report does not create any new express or implied warranties.

RELATED BILL

The Insurance and Real Estate Committee reported out HB 5141, which also amends the property disclosure report form disclosure requirements.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/13/2012)