
OLR Bill Analysis

sHB 5087 (as amended by House "A")*

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:

1. whether a property located in a common interest community is subject to any community or association dues or fees;
2. (a) whether during the seller's ownership, there is or has ever been an underground storage tank on the property, (b) if so, whether it has been removed, and (c) if the tank was removed and within the seller's possession and control, he or she must provide any and all documentation of removal with information on when and who removed it;
3. that 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;
4. that the prospective purchaser should have the property inspected by a licensed home inspector;
5. if the seller is aware of any prior or pending litigation or government agency or administrative action, order, or lien on the premises related to the release of any hazardous substance; and

6. (a) whether there are smoke and carbon monoxide detectors located in a dwelling on the premises, (b) the number of detectors, and (c) if there have been any problems with the detectors, an explanation of the problems.

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.

*House Amendment "A" (1) clarifies the written documentation a seller must produce for underground storage tanks, (2) adds the smoke and carbon monoxide detector provision, and (3) makes a technical change.

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 (File 20), which also amends the property disclosure report form requirements. Its provisions are included in House Amendment "A."

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/13/2012)