Washington, Tanya

From: SOTS Regulations
Sent: Friday, April 25, 2014 3:06 PM
To: Washington, Tanya
Subject: RE: Notices of Intent for Publishing

Hi Tanya.

Your notices were posted today, 4/25/2014.

NOI	Consumer Protection	Residential property condition disclosure report	20-327b-1	04/25/2014	05/25/2014	2014_0425_03
NOI	Consumer Protection	Signs — Retail Gasoline Outlets	16a-15-9	04/25/2014	05/25/2014	2014_0425_02

From: Washington, Tanya
Sent: Thursday, April 24, 2014 11:03 AM
To: SOTS Regulations
Subject: Notices of Intent for Publishing

Please publish the attached notices as soon as possible.

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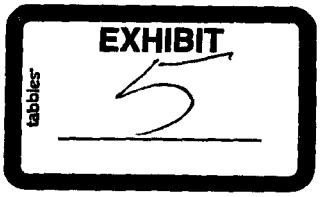

STATE OF CONNECTICUT

DEPARTMENT OF CONSUMER PROTECTION

Notice of Decision to Take Action on Proposed Regulation

Re: Regulations concerning The Residential Property Condition Disclosure Form

The Department of Consumer Protection held a public hearing on Wednesday, May 28, 2014 to solicit public input regarding proposed new administrative regulations concerning The Residential Property Condition Disclosure Form. Said public hearing had been properly noticed through the Secretary of State on April 25, 2014. At the hearing, an additional week of time was provided for interested parties to provide written comments for consideration, through Wednesday, June 4, 2014.

The purpose of these regulations is to update the Real Estate Property Condition Disclosure Form to conform to recent legislative changes. The form, publicly available from the Department's website, is mandated by statute to be used during the sale of most residential properties in Connecticut.

The legal effect of this proposal would be to modify the Residential Property Condition Disclosure Form to incorporate new statutory mandates for the disclosure of property information by sellers.

The professional association CT Realtors provided oral comments through James Heckman, Government Affairs Director, as well as written comments (entered into the record as Exhibit "F") suggesting changes to the proposed regulations. CT Realtors asked for the removal of the new requirement that a seller disclose the specific locations of carbon monoxide detectors, as this was said to create an unnecessary burden on sellers, and was not a statutory mandate. CT Realtors also requested the removal of part of Question 37 dealing with the disclosure of actual common interest fees, as the statute merely requires asking whether a property is subject to such fees. No other changes were suggested as a result of the public hearing and comment period.

Oral and written comments in support of the proposed regulations were provided by Director Richard Maloney of the Department of Consumer Protection's Division of Trade Practices (see Exhibit "E"). It should be noted that Mr. Heckman stated that CT Realtors was "generally in favor of" the proposed regulations, but went on to suggest the two changes listed above.

The Department reviewed the requests made by CT Realtors to modify Question 14, related to carbon monoxide and smoke detectors. The Department agrees that requiring disclosure of the specific locations of these detectors is a burden on sellers, while not providing a commensurate increase in public safety, as the buyers of property are easily able to locate and check the operating condition of these detectors. The statutory authority grants the Commissioner the ability to add questions to the Property Condition Disclosure Form where he deems it necessary to do so. Given the burden of information disclosure placed upon sellers, the final copy of this section of the regulation will be modified from the original version noticed by the Secretary of State by removing this disclosure requirement. Question 14 shall read "Are there carbon monoxide or smoke detectors anywhere on the property? If yes, state whether you have experienced any problems with such detectors. Explain any such problems."

Also reviewed by the Department was the suggestion that Question 37 be modified. Due to the seller of residential property having to disclose information related to common interest charges and association fees as part of any normal real estate closing, the disclosure of these fees as part of the Property Condition Disclosure Form is duplicative. This information, together with related information, is provided to the buyer as part of the "Condominium Documents" ordered during the closing process. Again, the Commissioner is granted the statutory authority to add questions to the Property Condition Disclosure Form as he deems necessary. However, the Form should not be used to duplicate the disclosure of common interest charges. As such, the final copy of this section will be modified from the original version noticed by the Secretary of State by removing this disclosure requirement. Question 37 shall read "Is the property located in a common interest community?"

After a thorough review of the text, some additional edits will be made as follows:

In the first paragraph, the final sentence shall read "The seller will be required to credit the purchaser with $500 or the amount set forth in section 20-327c of the Connecticut General Statutes, whichever is higher, at the closing if the seller fails to furnish this report as required by said act."

In Question 6c, the first sentence shall read "Was an underground storage tank on the property removed during the time you owned the property?"

Question 19 shall read "Roof leaks? If yes, explain:"

In Question 38, the final sentence shall be simplified to read "If yes, please explain:"

A copy of the final version of these regulations is attached hereto. The process leading to approval of this proposed regulation by the Regulation Review Committee of the General Assembly will continue. Thank you for your interest in this proposed regulation and the work of the Department of Consumer Protection.

Very truly yours,

William M. Rubenstein
Commissioner

Dated: 10/3/14

Attachment: Regulations (final copy).