



General Assembly

January Session, 2017

**Proposed Bill No. 6005**

LCO No. 602



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:  
REP. BARAM, 15th Dist.

**AN ACT AUTHORIZING BONDS OF THE STATE TO ESTABLISH A  
FUND TO ASSIST HOMEOWNERS WITH CRUMBLING  
FOUNDATIONS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 That the general statutes be amended to require that before a  
2 certificate of occupancy is issued for a new residential home, each  
3 individual or entity that supplied and delivered the concrete for the  
4 foundation for the home shall provide written evidence to the  
5 municipal building inspector that the concrete has been tested by a  
6 licensed laboratory and that the results show no evidence of the  
7 mineral pyrrhotite in the concrete, and that the State Bond  
8 Commission be empowered to authorize the issuance of bonds of the  
9 state in accordance with section 3-20 of the general statutes, in  
10 principal amounts not exceeding in the aggregate thirty-five million  
11 dollars, the proceeds of which shall be used by the Department of  
12 Consumer Protection for the purpose of establishing a fund to be  
13 distributed to homeowners with crumbling foundations caused by  
14 concrete tainted with pyrrhotite mineral compounds, which  
15 distribution to an applicant shall not exceed the lesser of the actual cost  
16 of repair or the sum of seventy-five thousand dollars, and which

17 amount shall not exceed fifty thousand dollars in grants and twenty-  
18 five thousand dollars in loans, at an interest rate not to exceed the then  
19 prime rate charged by the Federal Reserve Bank of the United States  
20 and a repayment term of fifteen years. The Department of Consumer  
21 Protection shall establish the criteria for proving contaminated  
22 concrete caused the crumbling foundation and the rules for  
23 distribution of the grants and loans. The state shall be subrogated to  
24 the rights of the homeowner applicant to pursue legal action to recover  
25 the value of such grants and loans from any parties found negligent in  
26 the supply of contaminated concrete and insurers that are liable under  
27 homeowners insurance coverage for such damages to the premises and  
28 insurers providing liability insurance to any party found liable or  
29 negligent. Any monies recovered by the state for any awards and loan  
30 repayments shall be deposited into the fund to replenish it, except that  
31 ten per cent of recovered monies shall be turned over to the state to  
32 help cover costs for administration of the fund.

***Statement of Purpose:***

To assist homeowners with crumbling foundations.