



General Assembly

**Amendment**

January Session, 2019

LCO No. 10500



Offered by:

REP. SCANLON, 98 <sup>th</sup> Dist.	REP. HADDAD, 54 <sup>th</sup> Dist.
REP. CURREY, 11 <sup>th</sup> Dist.	REP. ELLIOTT, 88 <sup>th</sup> Dist.
REP. VAIL, 52 <sup>nd</sup> Dist.	REP. HALL, 59 <sup>th</sup> Dist.
REP. LUXENBERG, 12 <sup>th</sup> Dist.	REP. ROJAS, 9 <sup>th</sup> Dist.
REP. DELNICKI, 14 <sup>th</sup> Dist.	REP. GENGA, 10 <sup>th</sup> Dist.
REP. DOUCETTE, 13 <sup>th</sup> Dist.	REP. WILSON PHEANIOUS, 53 <sup>rd</sup> Dist.
REP. DAVIS C., 57 <sup>th</sup> Dist.	SEN. ANWAR, 3 <sup>rd</sup> Dist.
REP. ACKERT, 8 <sup>th</sup> Dist.	SEN. CHAMPAGNE, 35 <sup>th</sup> Dist.
REP. WINKLER, 56 <sup>th</sup> Dist.	SEN. CASSANO, 4 <sup>th</sup> Dist.
REP. BOYD, 50 <sup>th</sup> Dist.	SEN. OSTEN, 19 <sup>th</sup> Dist.

To: Subst. House Bill No. 7179

File No. 349

Cal. No. 227

**"AN ACT CONCERNING CRUMBLING CONCRETE FOUNDATIONS."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Subsections (b) to (h), inclusive, of section 38a-91vv of the  
4 general statutes are repealed and the following is substituted in lieu  
5 thereof (*Effective July 1, 2019*):

6 (b) In addition to any other requirements imposed by law applicable  
7 to captive insurance companies, the captive insurance company

8 established pursuant to this section shall:

9 (1) Upon request of the joint standing committees of the General  
10 Assembly having cognizance of matters relating to planning and  
11 development, public safety and housing, or the Governor, make  
12 recommendations regarding the expansion of eligibility for financial  
13 assistance pursuant to this section and modifications to improve the  
14 efficiency and operation of the captive insurance company in order to  
15 serve its public purpose;

16 (2) Establish a board of directors who shall serve in a volunteer  
17 capacity. The membership of the board of directors shall include, but  
18 need not be limited to, a real estate agent or broker, two owners of  
19 residential buildings who have concrete foundations that have  
20 deteriorated due to the presence of pyrrhotite, a chief executive or such  
21 chief executive's designee of a municipality in which residential  
22 buildings with concrete foundations that have deteriorated due to the  
23 presence of pyrrhotite are located, an individual with professional  
24 investment experience and currently registered as an investment  
25 adviser pursuant to title 36b, the executive directors of the Capitol  
26 Region Council of Governments and the [Eastern Region]  
27 Northeastern Connecticut Council of Governments or such executive  
28 directors' designees and representatives from the insurance and  
29 banking industries, who shall not have professional relationships with  
30 any bank or insurance company that has a financial interest in  
31 residential buildings subject to the provisions of this section and  
32 sections 7-374b, 8-441, 8-442, 8-443, 8-444, subparagraph (B) of  
33 subdivision (20) of subsection (a) of section 12-701 and section 29-265f.  
34 The speaker, the minority leader of the House of Representatives, the  
35 president pro tempore of the Senate and the Senate Republican  
36 president pro tempore shall each appoint a member of the General  
37 Assembly as a nonvoting, ex-officio member of the board of directors.  
38 It shall not constitute a conflict of interest for a member of the board of  
39 directors, who is the owner of a residential building which has a  
40 concrete foundation that has deteriorated due to the presence of  
41 pyrrhotite, or the spouse or dependent child of such member, to apply

42 for or receive assistance from the captive insurance company  
43 established under this section, to repair or replace such concrete  
44 foundation, provided such member shall abstain from deliberation,  
45 action or vote by the board of directors in specific respect to such  
46 member's application or the application of such spouse or dependent  
47 child;

48 (3) Develop eligibility requirements and underwriting guidelines for  
49 financial assistance for repair or replacement of concrete foundations.  
50 Such requirements and guidelines shall, not later than [thirty] fifteen  
51 days prior to their adoption, amendment or modification, be published  
52 on a public Internet web site maintained by the captive insurance  
53 company;

54 [(4) Develop in coordination with the Department of Housing,  
55 Connecticut Housing Finance Authority and participating lenders in  
56 the Collapsing Foundations Credit Enhancements Program,  
57 established pursuant to section 8-442, a single, unified application for  
58 owners of residential buildings to apply for all financial assistance  
59 available pursuant to this section and sections 8-442 and 8-443;]

60 [(5)] (4) Provide financial assistance to such owners of residential  
61 buildings for the repair or replacement of concrete foundations that  
62 have deteriorated due to the presence of pyrrhotite, including, but not  
63 limited to, financial reimbursement to [homeowners] owners who  
64 have had such repair or replacement performed prior to October 31,  
65 2017;

66 [(6)] (5) Assist such owners of residential buildings to obtain  
67 additional financing necessary to fully fund the repair or replacement  
68 of concrete foundations that have deteriorated due to the presence of  
69 pyrrhotite;

70 [(7)] (6) Approve contractors or other vendors for eligibility to  
71 perform foundation repairs or replacements on behalf of claimants;

72 [(8)] (7) Disburse such financial assistance to approved contractors

73 or other vendors on behalf of claimants;

74 [(9)] (8) Ensure that the financial assistance is used solely for costs of  
75 repairing and replacing concrete foundations that have deteriorated  
76 due to the presence of pyrrhotite;

77 [(10)] (9) Require the disclosure of the amount of all financial  
78 compensation received by an owner of such a residential building, if  
79 any, arising out of a claim for coverage under the property coverage  
80 provisions of the personal risk insurance policy, including, but not  
81 limited to, a homeowners policy, for foundation deterioration due to  
82 the presence of pyrrhotite and ensure that such amount is considered  
83 when determining the amount of financial assistance offered to such  
84 owner;

85 [(11)] (10) When appropriate, apply for, qualify for and receive any  
86 federal funds made available under any federal act, for assistance to  
87 owners of residential buildings [and residential condominium units]  
88 having concrete foundations that have deteriorated due to the presence  
89 of pyrrhotite. To the extent permissible under federal law, all such  
90 federal funds shall be deposited into the Crumbling Foundations  
91 Assistance Fund established pursuant to section 8-441; and

92 [(12)] (11) Enter into agreements, as necessary, with the Connecticut  
93 Housing Finance Authority and any participating lender, as defined in  
94 section 8-442, to develop and implement additional loan programs or  
95 financial products to assist such owners to repair or replace concrete  
96 foundations that have deteriorated due to the presence of pyrrhotite,  
97 while employing terms and conditions that are preferable to the open  
98 market.

99 (c) Except as provided in subsection (d) of this section, such captive  
100 insurance company shall not be considered a state agency for purposes  
101 of any provision of the general statutes, and shall not be considered to  
102 perform a governmental function for purposes of chapter 14. Such  
103 captive insurance company may, subject to the provisions of this  
104 section, do all things necessary and desirable in its discretion to

105 accomplish its purposes, including hiring employees and contracting  
106 for administrative or operational services, and entering into  
107 agreements with the Connecticut Housing Finance Authority created  
108 pursuant to section 8-244, as amended by this act, and any  
109 participating lender, as defined in section 8-442, to develop and  
110 implement additional loan programs or financial products that will  
111 assist owners of residential buildings to repair or replace concrete  
112 foundations that have deteriorated due to the presence of pyrrhotite on  
113 terms and conditions that are preferable to the open market. Not more  
114 than ten per cent of all moneys allocated or made available to the  
115 captive insurance company in any calendar year shall be used for  
116 administrative or operational costs.

117 (d) Employees and agents of the captive insurance company shall  
118 not be deemed state employees, except that employees and directors  
119 shall be subject to the provisions of sections 1-84, 1-84a, 1-84b, 1-85 and  
120 1-86. Any agent, consultant or contractor of the captive insurance  
121 company shall be subject to the provisions of sections 1-86e and 1-  
122 101nn. The Office of State Ethics shall have the authority to enforce the  
123 provisions of this subsection.

124 (e) Notwithstanding sections 38a-11 and 38a-91bb, the captive  
125 insurance company shall not be required to pay a license fee for the  
126 first year of licensure or a renewal fee for any year thereafter, as set  
127 forth in said sections.

128 (f) In addition to any report required to be filed by not-for-profit  
129 entities generally under regulations of the Internal Revenue Service,  
130 the captive insurance company shall submit quarterly reports to the  
131 joint standing committees of the General Assembly having cognizance  
132 of matters relating to insurance, finance, planning and development,  
133 housing and public safety on its operation and financial condition.  
134 Such quarterly reports shall include, but need not be limited to,  
135 information concerning: (1) Moneys allocated or made available to it  
136 pursuant to this section, (2) total financial assistance and financial  
137 assistance, by town, provided to owners of such residential buildings

138 pursuant to this section, (3) administrative and operational  
139 expenditures, (4) the total number and number, by town, of  
140 applications for assistance received during the quarter and to date, (5)  
141 the total number and number, by town, of applications for assistance  
142 granted during the quarter and to date, (6) the average time to process  
143 applications, and (7) the total number and number, by town, of  
144 applications pending and amount of such claims.

145 (g) The joint standing committees of the General Assembly having  
146 cognizance of matters relating to insurance, finance, planning and  
147 development, housing and public safety shall, not less than annually,  
148 hold a joint public hearing on the operation and financial condition of  
149 the captive insurance company.

150 (h) A decision on an application for assistance pursuant to this  
151 section shall be made in writing and provided to the [homeowner]  
152 owner and shall include the information relied upon and the basis for  
153 such decision, including the relevant eligibility and underwriting  
154 criteria. An owner of such a residential building may request a review  
155 of any decision by the captive insurance company relating to such  
156 [homeowner] owner not later than thirty days after the decision. A  
157 final determination on such a request for review shall be made in  
158 writing and provided to the [homeowner] owner not later than thirty  
159 days after receipt of the [homeowner's] owner's request, unless an  
160 extension is agreed to by the [homeowner] owner. The final  
161 determination shall be subject to approval by the board of directors.  
162 There shall be no right to appeal such final determination.

163 Sec. 2. Section 8-440 of the general statutes is repealed and the  
164 following is substituted in lieu thereof (*Effective July 1, 2019*):

165 For purposes of sections 7-374b, sections 8-441 to 8-444, inclusive,  
166 [and] sections 12-701, 29-265f and 38a-91vv, as amended by this act,  
167 and sections 7 to 11, inclusive, of this act, "residential building" means  
168 [a one-family, two-family, three-family or four-family dwelling  
169 including, but not limited to, a condominium unit or dwelling in a

170 planned unit development] (1) a single-family or multifamily  
171 residential dwelling, including, but not limited to, (A) a residential  
172 unit in a condominium, as such terms are defined or used in section  
173 47-68a, or (B) a unit that is used for residential purposes and located in  
174 a common interest community, as such terms are defined in section 47-  
175 202, and (2) a building containing one or more of the units described in  
176 subparagraph (A) or (B) of subdivision (1) of this section.

177 Sec. 3. Section 38a-331 of the general statutes is repealed and the  
178 following is substituted in lieu thereof (*Effective from passage*):

179 (a) (1) [Beginning on January 1, 2019, until December 31, 2029, there  
180 shall be imposed a surcharge at the rate of twelve dollars on the named  
181 insured under each policy of homeowners insurance delivered, issued  
182 for delivery, renewed, amended or endorsed on or after January 1,  
183 2019, for a personal risk insurance policy on owned dwellings with  
184 four or fewer units or on condominiums.] There is imposed a twelve-  
185 dollar surcharge on the issuance or renewal of each insurance policy  
186 providing:

187 (A) Personal risk insurance coverage for an owned dwelling in this  
188 state with four or fewer units, except for a mobile home;

189 (B) Coverage for an individual unit in this state that is part of a  
190 condominium, as such terms are defined in section 47-68a; or

191 (C) Coverage for an individual unit in this state that is part of a  
192 common interest community and exclusively used for residential  
193 purposes, as such terms are defined in section 47-202.

194 (2) The surcharge imposed under this subsection shall be assessed  
195 on insurance policies issued or renewed during the period beginning  
196 on January 1, 2019, and ending on December 31, 2029. Such surcharge  
197 is not premium and shall not be considered premium for any purpose.

198 (b) Payment of the surcharge imposed under subsection (a) of this  
199 section shall be the obligation of the person that is first listed as an

200 insured under the policy, provided collection and remittance of such  
201 surchage may be effected in such manner as the insurer, insured and  
202 any mortgagee may reasonably determine. Such surcharge is payable  
203 in full upon commencement or renewal of coverage, and no portion of  
204 such surcharge shall be reimbursed, whether on policy cancellation or  
205 otherwise.

206 [(b)] (c) (1) Acting on behalf of, and as a collection agent of the  
207 Healthy Homes Fund established pursuant to section 8-446, as  
208 amended by this act, each admitted [and nonadmitted] insurer, or, for  
209 nonadmitted insurers, one or more surplus lines brokers licensed  
210 pursuant to section 38a-794 procuring from the nonadmitted insurer  
211 an insurance policy providing coverage of a type described in  
212 subdivision (1) of subsection (a) of this section, shall remit to the  
213 Insurance Commissioner, not later than the thirtieth day of April  
214 annually, all surcharges imposed under subsection (a) of this section  
215 on the named insured that were collected during the calendar year  
216 next preceding. [for each such policy delivered, issued or renewed  
217 before January first of the then current calendar year.] Each such  
218 remittance shall include documentation, in the form and manner  
219 prescribed by the commissioner, to substantiate the total surcharge  
220 amount being remitted by such insurer or licensee.

221 (2) All such remittances under subdivision (1) of this subsection,  
222 except for the amount of remittances equal to the cost of funding an  
223 administrative officer position at the Insurance Department to facilitate  
224 the surcharge collection, shall be deposited in the Healthy Homes  
225 Fund established in section 8-446, as amended by this act. Not later  
226 than thirty days after such deposit in the Healthy Homes Fund, eighty-  
227 five per cent of such deposits shall be transferred to the Crumbling  
228 Foundations Assistance Fund established in section 8-441.

229 (3) The surcharge imposed [pursuant to] under subsection (a) of this  
230 section shall constitute a special purpose assessment for the purposes  
231 of section 12-211.



232 [(c)] (d) The commissioner may adopt regulations, in accordance  
233 with chapter 54, to implement the provisions of this section.

234 Sec. 4. Subsections (a) and (b) of section 8-446 of the general statutes  
235 are repealed and the following is substituted in lieu thereof (*Effective*  
236 *from passage*):

237 (a) There is established an account to be known as the "Healthy  
238 Homes Fund" which shall be a separate, nonlapsing account within the  
239 General Fund. The account shall contain any moneys required by law  
240 to be deposited in the account. Moneys in the account shall be  
241 expended by the Department of Housing for the purposes of:

242 (1) Funding of not more than one million dollars, from remittances  
243 transferred pursuant to section 38a-331, as amended by this act, for the  
244 period beginning January 1, 2019, and ending December 31, 2019, shall  
245 be remitted to the Department of Economic and Community  
246 Development to be used for grants-in-aid to homeowners with homes  
247 located in the immediate vicinity of the West River in the Westville  
248 section of New Haven and Woodbridge for structurally damaged  
249 homes due to subsidence and to homeowners with homes abutting the  
250 Yale Golf Course in the Westville section of New Haven for damage to  
251 such homes from water infiltration or structural damage due to  
252 subsidence; and

253 (2) Funding a program, and any related administrative expense, to  
254 reduce health and safety hazards in residential dwellings in  
255 Connecticut, including, but not limited to, lead, radon and other  
256 contaminants or conditions, through removal, remediation, abatement  
257 and other appropriate methods. For purposes of this subdivision,  
258 "administrative expense" means any administrative or other cost or  
259 expense incurred by the Department of Housing in carrying out the  
260 provisions of this section, including, but not limited to the hiring of  
261 necessary employees and entering into necessary contracts.

262 (b) The Department of Housing shall notify the Department of  
263 Public Health not later than thirty days after the deposit of remittances

264 in the Healthy Homes Fund pursuant to subdivision (2) of subsection  
265 [(b)] (c) of section 38a-331, as amended by this act. Not later than thirty  
266 days after the deposit of remittances pursuant to subdivision (2) of  
267 subsection [(b)] (c) of section 38a-331, as amended by this act, the  
268 Department of Public Health shall notify each municipal health  
269 department in the state annually regarding funds available pursuant to  
270 the Healthy Homes Fund established pursuant to subsection (a) of this  
271 section.

272 Sec. 5. Section 20-327b of the general statutes is repealed and the  
273 following is substituted in lieu thereof (*Effective October 1, 2019*):

274 (a) Except as otherwise provided in this section, each person who  
275 offers residential property in the state for sale, exchange or for lease  
276 with option to buy, shall provide a written residential condition report  
277 or reports to the prospective purchaser at any time prior to the  
278 prospective purchaser's execution of any binder, contract to purchase,  
279 option or lease containing a purchase option. A photocopy, duplicate  
280 original, facsimile transmission or other exact reproduction or  
281 duplicate of the written residential condition report or reports  
282 containing the prospective purchaser's written receipt shall be attached  
283 to any written offer, binder or contract to purchase. A photocopy,  
284 duplicate original, facsimile transmission or other exact reproduction  
285 or duplicate of the written residential condition report or reports  
286 containing the signatures of both seller and purchaser shall be attached  
287 to any agreement to purchase the property.

288 (b) The following shall be exempt from the provisions of this  
289 section: (1) Any transfer from one or more co-owners solely to one or  
290 more of the co-owners; (2) transfers made to the spouse, mother,  
291 father, brother, sister, child, grandparent or grandchild of the  
292 transferor where no consideration is paid; (3) [transfers pursuant to an  
293 order of the court; (4)] transfers of newly-constructed residential real  
294 property for which an implied warranty is provided under chapter  
295 827; [(5)] (4) transfers made by executors, administrators, trustees or  
296 conservators; [(6)] (5) transfers by the federal government, any political

297 subdivision thereof or any corporation, institution or quasi-  
298 governmental agency chartered by the federal government; [(7)  
299 transfers by deed in lieu of foreclosure; (8)] (6) transfers by [the state of  
300 Connecticut or] this state; (7) except as provided in subsections (g) and  
301 (h) of this section, transfers by any political subdivision [thereof; (9)] of  
302 this state; (8) transfers of property which was the subject of a contract  
303 or option entered into prior to January 1, 1996; and [(10)] (9) except as  
304 provided in subsections (g) and (h) of this section, any transfer of  
305 property acquired by a judgment of strict foreclosure or by foreclosure  
306 by sale or by a deed in lieu of foreclosure.

307 (c) The provisions of this section shall apply only to transfers by  
308 sale, exchange or lease with option to buy, of residential real property  
309 consisting of not less than one nor more than four dwelling units  
310 which shall include cooperatives and condominiums, and shall apply  
311 to all transfers, with or without the assistance of a licensed real estate  
312 broker or salesperson, as defined in section 20-311.

313 (d) The Commissioner of Consumer Protection shall, within  
314 available appropriations, prescribe the written residential [disclosure  
315 report] condition reports required by this section and sections 20-327c  
316 to 20-327e, inclusive, as amended by this act. The written residential  
317 [disclosure report] condition reports shall be based upon [a template]  
318 templates that the commissioner shall prescribe. Such [template]  
319 templates shall: Fit on pages being not more than eight and one-half  
320 inches in height and eleven inches in width, with type size no smaller  
321 than nine-point type, other than checkboxes or section headers, which  
322 may be in a smaller size; include the address of the subject property on  
323 each page; include page numbers on each page; include section  
324 headings in bold type and include space for the buyer and the seller's  
325 initials on each page, except the signature page. [The report] Each  
326 written residential condition report, other than the written residential  
327 condition report required pursuant to subsections (g) and (h) of this  
328 section, shall contain the following, in the order indicated:

329 (1) A section entitled "Instructions to Sellers"

330 You MUST answer ALL questions to the best of your knowledge.

331 Identify/Disclose any problems regarding the subject property.

332 YOUR REAL ESTATE LICENSEE CANNOT COMPLETE THIS  
333 FORM ON YOUR BEHALF.

334 UNK means Unknown, N/A means Not Applicable.

335 If you need additional space to complete any answer or explanation,  
336 attach additional page(s) to this form. Include subject property  
337 address, seller's name and the date.

338 (2) Pursuant to the Uniform Property Condition Disclosure Act, the  
339 seller is obligated to answer the following questions and to disclose  
340 herein any knowledge of any problem regarding the following:

341 (A) A subsection entitled "Subject Property"

342 (i) Name of seller(s)

343 (ii) Street address, municipality, zip code

344 (B) A subsection entitled "General Information"

345 (i) Indicate the YEAR the structure was built:

346 (ii) Indicate HOW LONG you have occupied the property: If not  
347 applicable, indicate with N/A.

348 (iii) Does anyone else claim to own any part of your property,  
349 including, but not limited to, any encroachment(s)? If YES, explain:

350 (iv) Does anyone other than you have or claim to have any right to  
351 use any part of your property, including, but not limited to, any  
352 easement or right-of-way? If YES, explain:

353 (v) Is the property in a flood hazard area or an inland wetlands  
354 area? If YES, explain:

355 (vi) Do you have any reason to believe that the municipality in  
356 which the subject property is located may impose any assessment for  
357 purposes such as sewer installation, sewer improvements, water main  
358 installation, water main improvements, sidewalks or other  
359 improvements? If YES, explain:

360 (vii) Is the property located in a municipally designated village  
361 district, municipally designated historic district or listed on the  
362 National Register of Historic Places? If YES, explain:

363 (viii) Special Statement: Information concerning village districts and  
364 historic districts may be obtained from the municipality's village or  
365 historic district commission, if applicable.

366 (ix) Is the property located in a special tax district? If YES, please  
367 explain:

368 (x) Is the property subject to any type of land use restrictions, other  
369 than those contained within the property's chain of title or that are  
370 necessary to comply with state laws or municipal zoning? If YES,  
371 explain:

372 (xi) Is the property located in a common interest community? If  
373 YES, is it subject to any community or association dues or fees? Please  
374 explain:

375 (xii) Do you have any knowledge of prior or pending litigation,  
376 government agency or administrative actions, orders or liens on the  
377 property related to the release of any hazardous substance? If YES,  
378 please explain:

379 (C) A subsection entitled "Leased Equipment"

380 Does the property include any Leased or Rented Equipment that  
381 would necessitate or obligate either of the following: The assignment  
382 or transfer of the lease or rental agreement(s) to the buyer or the  
383 replacement or substitution of the equipment by the buyer? If YES,  
384 indicate by checking ALL items that apply: PROPANE FUEL TANK;

385 WATER HEATER; SECURITY ALARM SYSTEM; FIRE ALARM  
386 SYSTEM; SATELLITE DISH ANTENNA; WATER TREATMENT  
387 SYSTEM; SOLAR DEVICES; MAJOR APPLIANCES; OTHER

388 (D) A subsection entitled "Mechanical/Utility Systems"

389 (i) Heating system problems? If YES, explain. List Fuel Types.

390 (ii) Hot water heater Type: Age: Hot water problems? If YES,  
391 explain:

392 (iii) Is there an underground storage tank? If YES, give AGE of tank  
393 and LOCATION.

394 (iv) Are you aware of any problems with the underground storage  
395 tank? If YES, explain:

396 (v) During the time you have owned the property, has there ever  
397 been an underground storage tank located on the property? If YES, has  
398 it been removed? If YES, what was the date of removal and what was  
399 the name and address of the person or business who removed such  
400 underground storage tank? Provide any and all written documentation  
401 of such removal within your control or possession by attaching a copy  
402 of such documentation to this form.

403 (vi) Air conditioning problems? If YES, explain: Air conditioning  
404 Type: Central; Window; Other

405 (vii) Plumbing system problems? If YES, explain:

406 (viii) Electrical System problems? If YES, explain:

407 (ix) Electronic security system problems? If YES, explain:

408 (x) Are there carbon monoxide or smoke detectors located in a  
409 dwelling on the property? If YES, state the NUMBER of such detectors  
410 and whether there have been problems with such detectors;

411 (xi) Fire sprinkler system problems? If YES, explain:

- 412 (E) A subsection entitled "Water System"
- 413 (i) Domestic Water System Type: Public; Private Well; Other
- 414 (ii) If Public Water:
- 415 (I) Is there a separate expense/fee for water usage? If YES, is the  
416 expense/fee for water usage flat or metered? Give the AMOUNT and  
417 explain:
- 418 (II) Are there any UNPAID water charges? If YES, state the amount  
419 unpaid:
- 420 (iii) If Private Well:
- 421 Has the well water been tested for contaminants/volatile organic  
422 compounds? If YES, attach a copy of the report.
- 423 (iv) If Public Water or Private Well: Are you aware of any problems  
424 with the well, or with the water quality, quantity, recovery, or  
425 pressure? If YES, explain:
- 426 (F) A subsection entitled "Sewage Disposal System"
- 427 (i) Sewage Disposal System Type: Public; Septic; Cesspool; Other
- 428 (ii) If Public Sewer:
- 429 (I) Is there a separate charge made for sewer use? If YES, is it Flat or  
430 Metered?
- 431 (II) If it is a Flat amount, state amount and due dates:
- 432 (III) Are there any UNPAID sewer charges? If any unpaid sewer  
433 charges, state the amount:
- 434 (iii) If Private:
- 435 (I) Name of service company

- 436 (II) Date last pumped: AND frequency:
- 437 (III) For any sewage system, are there problems? If YES, explain:
- 438 (G) A subsection entitled "Asbestos/Lead"
- 439 (i) Are asbestos containing insulation or building materials present?  
440 If YES, location:
- 441 (ii) Is lead paint present? If YES, location:
- 442 (iii) Is lead plumbing present? If YES, location:
- 443 (H) A subsection entitled "Building/Structure/Improvements"
- 444 (i) Is the foundation made of concrete? If NO, explain:
- 445 (ii) Foundation/Slab problems or settling? If YES, explain:
- 446 (iii) Basement Water Seepage/Dampness? If YES, explain Amount,  
447 Frequency and Location:
- 448 (iv) Sump pump problems? If YES, explain:
- 449 (v) Do you have any knowledge of any testing or inspection done by  
450 a licensed professional related to a foundation on the property? If YES,  
451 disclose the testing or inspection method, the areas or locations that  
452 were tested or inspected, the results of such testing or inspection and  
453 attach a copy of the report concerning such testing or inspection.
- 454 (vi) Do you have any knowledge of any repairs related to a  
455 foundation on the property? If YES, [explain:] describe such repairs,  
456 disclose the areas repaired and attach a copy of the report concerning  
457 such repairs.
- 458 (vii) Do you have any knowledge related to the presence of  
459 pyrrhotite in a foundation on the property? If YES, explain:
- 460 [(vii)] (viii) Roof type; Age?



- 461        [(viii)] (ix) Roof leaks? If YES, explain:
- 462        [(ix)] (x) Exterior siding problems? If YES, explain:
- 463        [(x)] (xi) Chimney, Fireplace, Wood or Coal Stove problems? If YES,  
464 explain:
- 465        [(xi)] (xii) Patio/deck problems? If YES, explain:
- 466        [(xii)] (xiii) If constructed of Wood, is the Wood Treated or  
467 Untreated?
- 468        [(xiii)] (xiv) Driveway problems? If YES, explain:
- 469        [(xiv)] (xv) Water drainage problems? If YES, explain:
- 470        [(xv)] (xvi) Interior Floor, Wall and/or Ceiling problems? If YES,  
471 explain:
- 472        [(xvi)] (xvii) Fire and/or Smoke damage? If YES, explain:
- 473        [(xvii)] (xviii) Termite, Insect, Rodent or Pest Infestation problems?  
474 If YES, explain:
- 475        [(xviii)] (xix) Rot or Water damage problems? If YES, explain:
- 476        [(xix)] (xx) Is house insulated? If YES, Type: Location:
- 477        [(xx)] (xxi) Has a test for Radon been performed? If YES, attach a  
478 copy of the report.
- 479        [(xxi)] (xxii) Is there a Radon Control System in place? If YES,  
480 explain:
- 481        [(xxii)] (xxiii) Has a Radon control system been in place in the  
482 previous 12 months? If YES, explain:
- 483        (I) The Seller should attach additional pages to further explain any  
484 item(s) above. Indicate here the number of additional pages attached:

485 (J) Questions contained in subparagraphs (A) to (I), inclusive, of this  
486 subdivision shall contain checkboxes indicating "yes", "no", "not  
487 applicable" or "unknown".

488 (3) The written residential [disclosure] condition report shall contain  
489 the following immediately below the questions contained in  
490 subparagraphs (A) to (I), inclusive, of subdivision (2) of this  
491 subsection:

492 A certification by the seller in the following form:

493 SELLER'S CERTIFICATION

494 "To the extent of the seller's knowledge as a property owner, the  
495 seller acknowledges that the information contained above is true and  
496 accurate for those areas of the property listed. In the event a real estate  
497 broker or salesperson is utilized, the seller authorizes the brokers or  
498 salespersons to provide the above information to prospective buyers,  
499 selling agents or buyers' agents.

T1 .... (Date) .... (Seller)  
T2 .... (Date) .... (Seller)"

500 (4) The written residential [disclosure] condition report shall contain  
501 the following in a separate section immediately below the seller's  
502 certification:

503 IMPORTANT INFORMATION

504 (A) RESPONSIBILITIES OF REAL ESTATE BROKERS

505 This report in no way relieves a real estate broker of the broker's  
506 obligation under the provisions of section 20-328-5a of the Regulations  
507 of Connecticut State Agencies to disclose any material facts. Failure to  
508 do so could result in punitive action taken against the broker, such as  
509 fines, suspension or revocation of license.

510 (B) STATEMENTS NOT TO CONSTITUTE A WARRANTY

511 Any representations made by the seller on the written residential  
512 [disclosure] condition report shall not constitute a warranty to the  
513 buyer.

514 (C) NATURE OF [DISCLOSURE] REPORT

515 This Residential Property Condition [Disclosure] Report is not a  
516 substitute for inspections, tests and other methods of determining the  
517 physical condition of property.

518 (D) INFORMATION ON THE RESIDENCE OF CONVICTED  
519 FELONS

520 Information concerning the residence address of a person convicted  
521 of a crime may be available from law enforcement agencies or the  
522 Department of Public Safety.

523 (E) BUILDING PERMITS AND CERTIFICATES OF OCCUPANCY

524 Prospective buyers should consult with the municipal building  
525 official in the municipality in which the property is located to confirm  
526 that building permits and certificates of occupancy have been issued  
527 for work on the property.

528 (F) HOME INSPECTION

529 Buyers should have the property inspected by a licensed home  
530 inspector.

531 (G) CONCRETE FOUNDATION

532 Prospective buyers may have a concrete foundation inspected by a  
533 licensed professional engineer who is a structural engineer for  
534 deterioration of the foundation due to the presence of pyrrhotite.

535 (5) The written residential [disclosure] condition report shall contain  
536 the following immediately below the statements contained in  
537 subparagraphs (A) to (G), inclusive, of subdivision (4) of this  
538 subsection:

539 A certification by the buyer in the following form:

540 BUYER'S CERTIFICATION

541 "The buyer is urged to carefully inspect the property and, if desired,  
542 to have the property inspected by an expert. The buyer understands  
543 that there are areas of the property for which the seller has no  
544 knowledge and that this [disclosure statement] report does not  
545 encompass those areas. The buyer also acknowledges that the buyer  
546 has read and received a signed copy of this [statement] report from the  
547 seller or seller's agent.

T3 ... (Date) ... [(Seller)] (Buyer)

T4 ... (Date) ... [(Seller)] (Buyer)"

548 (e) On or after January 1, 1996, the Commissioner of Consumer  
549 Protection shall make available the written residential [disclosure  
550 report] condition reports prescribed in accordance with the provisions  
551 of this section and sections 20-327c to 20-327e, inclusive, as amended  
552 by this act, to the Division of Real Estate, all municipal town clerks, the  
553 Connecticut Association of Realtors, Inc., and any other person or  
554 institution that the commissioner believes would aid in the  
555 dissemination and distribution of such [form] forms. The  
556 commissioner shall also cause information concerning such [form]  
557 forms and the completion of such [form] forms to be disseminated in a  
558 manner best calculated, in the commissioner's judgment, to reach  
559 members of the public, attorneys and real estate licensees.

560 (f) Any written residential [disclosure] condition report prescribed  
561 in accordance with the provisions of this section and sections 20-327c  
562 to 20-327e, inclusive, as amended by this act, shall take effect for new  
563 listings thirty days following posting of the notice regarding such  
564 report on the Department of Consumer Protection's Internet web site.

565 (g) In any transfer of residential real property that is located in a  
566 municipality that the Capitol Region Council of Governments  
567 determines is affected, or potentially affected, by crumbling

568 foundations and was acquired by a political subdivision of this state or  
569 was acquired by a judgment of strict foreclosure or by foreclosure by  
570 sale or by a deed in lieu of foreclosure, the owner or political  
571 subdivision shall, through a written residential condition report  
572 described in subsection (h) of this section, disclose to the prospective  
573 purchaser of such real property, at any time prior to the prospective  
574 purchaser's execution of any binder, contract to purchase, option or  
575 lease containing a purchase option, any facts that are within such  
576 owner's or political subdivision's actual knowledge concerning:

577 (1) The presence of pyrrhotite in any concrete foundation on such  
578 property;

579 (2) Any damage or deterioration in any concrete foundation on such  
580 property, including, but not limited to, any damage or deterioration  
581 caused by the presence of pyrrhotite in any foundation on such  
582 property; and

583 (3) Any repairs or remediation to any concrete foundation on such  
584 property.

585 (h) In any transfer of residential real property that is located in a  
586 municipality that the Capitol Region Council of Governments  
587 determines is affected, or potentially affected, by crumbling  
588 foundations and was acquired by a political subdivision of this state or  
589 was acquired by a judgment of strict foreclosure or by foreclosure by  
590 sale or by a deed in lieu of foreclosure, the owner or political  
591 subdivision shall satisfy the provisions of subsection (g) of this section  
592 through a written residential condition report prescribed by the  
593 Commissioner of Consumer Protection pursuant to subsection (d) of  
594 this section, which report shall be entitled "Residential Foundation  
595 Condition Report" and exclusively contain the following in the  
596 following order:

597 (1) A section entitled "Instructions to Sellers"

598 You MUST answer ALL questions based on your knowledge. You

599 are not required to undertake investigations or inspections of the  
600 foundation to verify your answers.

601 YOUR REAL ESTATE LICENSEE CANNOT COMPLETE THIS  
602 FORM ON YOUR BEHALF.

603 UNK means Unknown, N/A means Not Applicable.

604 If you need additional space to complete any answer or explanation,  
605 attach additional page(s) to this form. Include subject property  
606 address, seller's name and the date.

607 (2) Pursuant to the Uniform Property Condition Disclosure Act, the  
608 seller is obligated to answer the following questions and to disclose  
609 herein any knowledge of any problem regarding the following:

610 (A) A subsection entitled "Subject Property"

611 (i) Name of seller(s)

612 (ii) Street address, municipality, zip code

613 (B) A subsection entitled "Information About the Foundation"

614 (i) Do you have any knowledge related to the presence of pyrrhotite  
615 in any concrete foundation on the subject property? If YES, explain:

616 (ii) Are you aware of any damage or deterioration in any concrete  
617 foundation on the subject property, including, but not limited to, any  
618 damage or deterioration caused by the presence of pyrrhotite in any  
619 concrete foundation on the property? If YES, explain:

620 (iii) Are you aware of any repairs or remediation to any concrete  
621 foundation on the subject property? If YES, explain:

622 (3) In a separate section immediately below the questions contained  
623 in subdivision (2) of this subsection, the following information in the  
624 following form:

625     IMPORTANT INFORMATION

626     (A) RESPONSIBILITIES OF REAL ESTATE BROKERS

627     This report in no way relieves a real estate broker of the broker's  
628 obligation under the provisions of section 20-328-5a of the Regulations  
629 of Connecticut State Agencies to disclose any material facts. Failure to  
630 do so could result in punitive action taken against the broker, such as  
631 finances, suspension or revocation of license.

632     (B) STATEMENTS NOT TO CONSTITUTE A WARRANTY

633     Any representations made by the seller in this residential  
634 foundation condition report shall not constitute a warranty to the  
635 buyer.

636     (C) NATURE OF REPORT

637     This report is not a substitute for inspections, tests and other  
638 methods of determining the physical condition of the foundation.  
639 Prospective buyers may have a concrete foundation inspected by a  
640 licensed professional engineer who is a structural engineer for  
641 deterioration of the foundation due to the presence of pyrrhotite.

642     (4) Immediately following the information contained in subdivision  
643 (3) of this subsection, a certification by the buyer in the following form:

644     BUYER'S CERTIFICATION

645     "The buyer is urged to carefully inspect the foundation and, if  
646 desired, to have the foundation inspected by an expert. The buyer  
647 understands that there are parts of the property, including the  
648 foundation, for which the seller has no knowledge and that this report  
649 does not encompass those parts. The buyer also acknowledges that the  
650 buyer has read and reviewed a signed copy of this report from the  
651 seller or the seller's agent.

T5     .... (Date)

.... (Buyer)

T6        .... (Date)                                .... (Buyer)"

652        (5) Immediately below the buyer's certification, a certification by the  
653        seller in the following form:

654        SELLER'S CERTIFICATION

655        "To the extent of the seller's knowledge as an owner of a property  
656        acquired through foreclosure or deed in lieu of foreclosure, the seller  
657        acknowledges that the information contained above is true and  
658        accurate. In the event a real estate broker or salesperson is utilized, the  
659        seller authorizes the broker or salesperson to provide the above  
660        information to prospective buyers, selling agents or buyers' agents.

T7        .... (Date)                                .... (Seller)

T8        .... (Date)                                .... (Seller)"

661        Sec. 6. Section 20-327c of the general statutes is repealed and the  
662        following is substituted in lieu thereof (*Effective January 1, 2020*):

663        (a) On or after January 1, 1996, every agreement to purchase  
664        residential real estate, for which a written residential condition report  
665        is, or written residential condition reports are, required pursuant to  
666        section 20-327b, as amended by this act, shall include a requirement  
667        that the seller credit the purchaser with the sum of five hundred  
668        dollars at closing should the seller fail to furnish the written residential  
669        condition report or reports as required by sections 20-327b to 20-327e,  
670        inclusive, as amended by this act.

671        (b) (1) No seller who credits a purchaser pursuant to subsection (a)  
672        of this section shall, by reason of such credit, be excused from  
673        disclosing to the purchaser any defect in the residential real estate if  
674        such defect:

675        (A) Is subject to disclosure pursuant to section 20-327b, as amended  
676        by this act;



677 (B) Is within the seller's actual knowledge of such residential real  
678 estate; and

679 (C) Significantly impairs (i) the value of such residential real estate,  
680 (ii) the health or safety of future occupants of such residential real  
681 estate, or (iii) the useful life of such residential real estate.

682 (2) A purchaser may, without limiting any other remedies available  
683 to the purchaser, bring a civil action in the judicial district in which the  
684 residential real estate is located to recover actual damages from a seller  
685 who fails to disclose any defect described in subdivision (1) of this  
686 subsection to such purchaser.

687 Sec. 7. (NEW) (*Effective from passage*) As used in this section and  
688 sections 8 to 11, inclusive, of this act:

689 (1) "Authority" means the Connecticut Housing Finance Authority  
690 created under section 8-244 of the general statutes, as amended by this  
691 act;

692 (2) "Bank" means a bank or an out-of-state bank, each as defined in  
693 section 36a-2 of the general statutes;

694 (3) "Captive insurance company" means the captive insurance  
695 company established pursuant to section 38a-91vv of the general  
696 statutes, as amended by this act;

697 (4) "Credit union" means a Connecticut credit union or a federal  
698 credit union, each as defined in section 36a-2 of the general statutes;

699 (5) "Department" means the Department of Banking;

700 (6) "Eligible borrower" means the owner or occupant of a residential  
701 building who has received a participation agreement from the captive  
702 insurance company;

703 (7) "Eligible financial institution" means a bank or credit union that  
704 has a physical presence in this state;

705 (8) "Participation agreement" means an agreement by the captive  
706 insurance company to pay for a portion of the cost to repair or replace a  
707 concrete foundation that has deteriorated due to the presence of  
708 pyrrhotite; and

709 (9) "Residential building" has the same meaning as provided in  
710 section 8-440 of the general statutes, as amended by this act.

711 Sec. 8. (NEW) (*Effective from passage*) (a) The authority shall  
712 administer a supplemental collapsing foundation loan program to  
713 guarantee the repayment of loans made by an eligible financial  
714 institution to an eligible borrower pursuant to sections 7 to 11,  
715 inclusive, of this act. Subject to the cessation of new claim approvals  
716 under subsection (d) of section 10 of this act, the authority shall submit  
717 all processed claims to the Comptroller, who shall pay from the  
718 General Fund any and all claims submitted by the authority.

719 (b) (1) Except as provided in subsection (d) of this section, any  
720 eligible financial institution may participate in the loan guarantee  
721 program after providing the department and the authority with  
722 advance written notice of the eligible financial institution's intention to  
723 participate in the program. Such notice shall be in the form and  
724 manner prescribed by the department and the authority, and shall  
725 include contact information for the eligible financial institution.  
726 Nothing in this section shall be construed to preclude an eligible  
727 financial institution that has elected to participate in the program from  
728 issuing loans to eligible borrowers outside of the loan guarantee  
729 program.

730 (2) An eligible financial institution may suspend its participation in,  
731 or withdraw from, the loan guarantee program five business days after  
732 providing advance written notice to the department and the authority  
733 specifying the date on which such suspension or withdrawal becomes  
734 effective. Such withdrawal or suspension shall not affect the eligible  
735 financial institution's ability to submit a guarantee claim on any loan  
736 for which the eligible financial institution provided notice to the

737 authority pursuant to subsection (d) of this section prior to the  
738 effective date of the withdrawal or suspension.

739 (3) Not later than September 1, 2019, the department and the  
740 authority shall each publish on their Internet web sites a summary of  
741 the program and a list of the eligible financial institutions that have  
742 elected to participate in the program. The list shall be updated from  
743 time to time and shall include the contact information of each  
744 participating eligible financial institution. The department shall also  
745 provide information concerning the loan guarantee program to  
746 mortgage servicers licensed pursuant to section 36a-718 of the general  
747 statutes.

748 (c) (1) The authority may develop, in consultation with  
749 representatives from the banking industry, one or more standard  
750 promissory note and mortgage deed forms that may be used by  
751 eligible financial institutions making loans under the program  
752 pursuant to section 9 of this act.

753 (2) Not later than September 1, 2019, the authority shall develop, in  
754 consultation with representatives from the banking industry, (A)  
755 reasonable standards an eligible financial institution may rely upon to  
756 demonstrate good faith collection efforts described in subsection (a) of  
757 section 10 of this act, and (B) a readily accessible communication portal  
758 by which participating eligible financial institutions may verify in real  
759 time the total dollar amount of loans that have been reported to the  
760 authority pursuant to subsection (d) of this section and the total dollar  
761 amount of claims submitted to the Comptroller pursuant to subsection  
762 (a) of section 10 of this act. The forms and standards developed  
763 pursuant to this section shall, to the maximum extent feasible, be  
764 closely aligned with existing forms, policies and procedures used by  
765 eligible financial institutions participating in the program, but shall not  
766 require post-delinquency collection efforts extending beyond ninety  
767 days.

768 (d) Each eligible financial institution that makes a loan pursuant to

769 section 9 of this act, shall notify the authority in writing not later than  
770 one business day after making the loan, specifying the amount of the  
771 loan and any other information about the borrower and the loan the  
772 authority may request. When the total amount of loans reported to the  
773 authority reaches twenty million dollars, the authority shall  
774 immediately close participation in the program under subsection (a) of  
775 this section and notify each eligible financial institution participating  
776 in the program. A participating eligible financial institution may  
777 condition the availability of any loan commitment on the availability of  
778 the loan guarantee program.

779 Sec. 9. (NEW) (*Effective from passage*) Each eligible financial  
780 institution that is participating in the program may make loans to an  
781 eligible borrower, provided:

782 (1) The eligible borrower demonstrates to the satisfaction of the  
783 financial institution that the eligible borrower has a participation  
784 agreement with the captive insurance company.

785 (2) The loan shall (A) be secured by a mortgage deed on the eligible  
786 borrower's residential building, (B) be made in accordance with the  
787 eligible financial institution's underwriting policy and standards, (C)  
788 be in an amount not to exceed seventy-five thousand dollars, and (D)  
789 bear an interest rate that does not exceed the applicable rate of the  
790 Federal Home Loan Bank of Boston for Amortizing Advances through  
791 the New England Fund program. For the purposes of this subdivision,  
792 "applicable rate" means the New England Fund rate that (i) is  
793 published on the Internet web site of the Federal Home Loan Bank of  
794 Boston as of the date the interest rate is locked-in by the eligible  
795 borrower and financial institution, and (ii) has an advance term and  
796 amortization schedule that most closely corresponds to the term and  
797 amortization schedule of the loan being made by the participating  
798 eligible financial institution.

799 (3) The eligible financial institution may recover up to eight  
800 hundred dollars from the eligible borrower for expenses paid by the

801 eligible financial institution to third parties for services related to  
802 processing the application and closing the loan, including obtaining a  
803 credit report, flood certification, title search, appraisal or other  
804 valuation, and any recording fees. Such expenses may be financed as  
805 part of the loan subject to the seventy-five-thousand-dollar limit  
806 described in subparagraph (C) of subdivision (2) of this subsection or  
807 paid separately by the eligible borrower.

808 (4) The loan agreement shall require the eligible borrower to repay  
809 the loan in full not later than twenty years after the date the loan is  
810 issued.

811 (5) The loan proceeds shall be used by the borrower only for eligible  
812 repair expenses. For the purposes of this subdivision, "eligible repair  
813 expenses" means repair or replacement expenses that are (A) necessary  
814 to complete the repair or replacement of the foundation, or (B)  
815 otherwise necessary to restore the functionality and appearance of the  
816 property to the extent that the functionality and appearance of the  
817 property were compromised by the deterioration of the foundation or  
818 the demolition and construction process, including, but not limited to,  
819 the repair or replacement of wall framing, drywall, paint and other  
820 wall finishes, porches or decks, gutters, landscaping, outbuildings or  
821 sheds and swimming pools. "Eligible repair expenses" do not include  
822 any costs associated with significant upgrades to the property that are  
823 not otherwise included in subparagraphs (A) and (B) of this  
824 subdivision. A participating eligible financial institution may decline  
825 an application for a loan under the program that includes a request to  
826 fund expenses associated with upgrades to the property that may not  
827 qualify as eligible repair expenses, but the failure to do so shall not  
828 affect the ability of the eligible financial institution to include the loan  
829 in the loan guarantee program for the full amount of principal  
830 extended to the eligible borrower.

831 Sec. 10. (NEW) (*Effective from passage*) (a) An eligible financial  
832 institution that has made a good faith effort to collect the outstanding  
833 principal from a loan issued pursuant to section 9 of this act may make

834 a claim to the authority for recovery of an amount equal to the  
835 outstanding principal for such loan. Except as provided in subsection  
836 (d) of this section, if the eligible financial institution demonstrates to  
837 the satisfaction of the authority that the eligible financial institution  
838 has made a good faith effort to collect the outstanding principal from  
839 the eligible borrower in accordance with the financial institution's loan  
840 servicing and collection policies, the authority shall process and  
841 submit the claim to the Comptroller for payment. Upon payment of a  
842 claim by the Comptroller, and as a condition of such payment, (1) the  
843 loan shall be assigned to the state, and (2) the authority, as agent for  
844 the state, shall have the right to continue collection efforts on the loan.  
845 Any amount necessary for payment by the Comptroller to honor loan  
846 guarantees under this section shall be deemed appropriated from the  
847 General Fund, and any funds collected by the authority in accordance  
848 with this subsection shall be deposited to the General Fund.

849 (b) The authority shall maintain records in the regular course of  
850 administration of the loan guarantee program, including a record of  
851 loans issued and of payments made to honor loan guarantees issued  
852 under this section.

853 (c) The authority may terminate any loan guarantee if the financial  
854 institution misrepresents any information pertaining to the guarantee  
855 or fails to comply with any requirements of this section in connection  
856 with the guarantee of the underlying loan.

857 (d) The total amount of claims processed by the authority and paid  
858 by the Comptroller to honor loan guarantees under this section shall  
859 not exceed two million dollars. When the total amount of claims  
860 processed by the authority and paid by the Comptroller reaches two  
861 million dollars, the authority shall immediately cease to process claims  
862 and shall notify the Comptroller and each eligible financial institution  
863 participating in the program that the authority has ceased honoring  
864 loan guarantees.

865 Sec. 11. (NEW) (*Effective from passage*) The Comptroller, the authority

866 and the department may enter into a memorandum of understanding  
867 to carry out the provisions of sections 7 to 12, inclusive, of this act.

868 Sec. 12. Subsection (a) of section 8-244 of the general statutes is  
869 repealed and the following is substituted in lieu thereof (*Effective from*  
870 *passage*):

871 (a) There is created a body politic and corporate to be known as the  
872 "Connecticut Housing Finance Authority". Said authority is constituted  
873 a public instrumentality and political subdivision of this state and the  
874 exercise by the authority of the powers conferred by this chapter and  
875 sections 7 to 11, inclusive, of this act shall be deemed and held to be the  
876 performance of an essential public and governmental function. The  
877 Connecticut Housing Finance Authority shall not be construed to be a  
878 department, institution or agency of the state. The board of directors of  
879 the authority shall consist of sixteen members as follows: (1) The  
880 Commissioner of Economic and Community Development, the  
881 Commissioner of Housing, the Secretary of the Office of Policy and  
882 Management, the Banking Commissioner and the State Treasurer, ex  
883 officio, or their designees, with the right to vote, (2) seven members to  
884 be appointed by the Governor, and (3) four members appointed as  
885 follows: One by the president pro tempore of the Senate, one by the  
886 speaker of the House of Representatives, one by the minority leader of  
887 the Senate and one by the minority leader of the House of  
888 Representatives. The member initially appointed by the speaker of the  
889 House of Representatives shall serve a term of five years; the member  
890 initially appointed by the president pro tempore of the Senate shall  
891 serve a term of four years. The members initially appointed by the  
892 Senate minority leader shall serve a term of three years. The member  
893 initially appointed by the minority leader of the House of  
894 Representatives shall serve a term of two years. Thereafter, each  
895 member appointed by a member of the General Assembly shall serve a  
896 term of five years. The members appointed by the Governor and the  
897 members of the General Assembly shall be appointed in accordance  
898 with section 4-9b and among them be experienced in all aspects of  
899 housing, including housing design, development, finance,

900 management and state and municipal finance, and at least one of  
901 whom shall be selected from among the officers or employees of the  
902 state. At least one shall have experience in the provision of housing to  
903 very low, low and moderate income families. On or before July first,  
904 annually, the Governor shall appoint a member for a term of five years  
905 from said July first to succeed the member whose term expires and  
906 until such member's successor has been appointed, except that in 1974  
907 and 1995 and quinquennially thereafter, the Governor shall appoint  
908 two members. The chairperson of the board shall be appointed by the  
909 Governor. The board shall annually elect one of its appointed members  
910 as vice-chairperson of the board. Members shall receive no  
911 compensation for the performance of their duties hereunder but shall  
912 be reimbursed for necessary expenses incurred in the performance  
913 thereof. The Governor or appointing member of the General Assembly,  
914 as the case may be, shall fill any vacancy for the unexpired term. A  
915 member of the board shall be eligible for reappointment. Any member  
916 of the board may be removed by the Governor or appointing member  
917 of the General Assembly, as the case may be, for misfeasance,  
918 malfeasance or wilful neglect of duty. Each member of the board  
919 before entering upon such member's duties shall take and subscribe  
920 the oath of affirmation required by article XI, section 1, of the State  
921 Constitution. A record of each such oath shall be filed in the office of  
922 the Secretary of the State. Each ex-officio member may designate such  
923 member's deputy or any member of such member's staff to represent  
924 such member at meetings of the board with full power to act and vote  
925 on such member's behalf.

926 Sec. 13. (NEW) (*Effective July 1, 2019*) (a) There is established a  
927 program to encourage the development of technologies and techniques  
928 regarding the prevention, identification and repair of properties that  
929 have, or may suffer from, crumbling foundations due to the presence  
930 of pyrrhotite.

931 (b) Connecticut Innovations, Incorporated, shall administer the  
932 program established under subsection (a) of this section within  
933 existing resources and, in conjunction with a volunteer panel of subject



934 matter experts convened by Connecticut Innovations, Incorporated,  
935 develop criteria for the program established under subsection (a) of  
936 this section.

937 (c) Connecticut Innovations, Incorporated, may administer the  
938 program established under subsection (a) of this section in  
939 coordination with the coordinating agency from another state or other  
940 states.

941 Sec. 14. (NEW) (*Effective July 1, 2019*) (a) The Chief Data Officer  
942 shall, in consultation with the Department of Housing, the State  
943 Geologist, the captive insurance company established pursuant to  
944 section 38a-91vv of the general statutes, as amended by this act, and  
945 the volunteer panel convened pursuant to subsection (b) of section 13  
946 of this act, develop and implement a plan to collect the data necessary  
947 to conduct research regarding crumbling foundations.

948 (b) Any data collected under the plan developed and implemented  
949 pursuant to subsection (a) of this section shall be confidential and  
950 exempt from the Freedom of Information Act, as defined in section 1-  
951 200 of the general statutes, except that the Chief Data Officer may  
952 make such data available for research purposes subject to data sharing  
953 agreements that maintain the confidentiality of personally identifying  
954 information and the specific location of any property.

955 Sec. 15. (*Effective from passage*) (a) There is established a working  
956 group to develop a model quality control plan for quarries and to  
957 study the workforce of contractors engaged in the repair and  
958 replacement of concrete foundations that have deteriorated due to the  
959 presence of pyrrhotite.

960 (b) The working group shall consist of the following members:

961 (1) Two appointed by the speaker of the House of Representatives,  
962 one of whom shall have expertise in residential home building and one  
963 of whom shall have expertise in the construction industry;

964 (2) Two appointed by the president pro tempore of the Senate, one  
965 of whom shall be a member of the Capitol Region Council of  
966 Governments;

967 (3) One appointed by the majority leader of the House of  
968 Representatives;

969 (4) One appointed by the majority leader of the Senate;

970 (5) One appointed by the minority leader of the House of  
971 Representatives; and

972 (6) One appointed by the minority leader of the Senate.

973 (c) Any member of the working group may be a member of the  
974 General Assembly.

975 (d) All appointments to the working group shall be made not later  
976 than thirty days after the effective date of this section. Any vacancy  
977 shall be filled by the appointing authority.

978 (e) The speaker of the House of Representatives and the president  
979 pro tempore of the Senate shall select the chairpersons of the working  
980 group from among the members of the working group. Such  
981 chairpersons shall schedule the first meeting of the working group,  
982 which shall be held not later than sixty days after the effective date of  
983 this section.

984 (f) The administrative staff of the joint standing committee of the  
985 General Assembly having cognizance of matters relating to consumer  
986 protection shall serve as administrative staff of the working group.

987 (g) Not later than February 1, 2020, the working group shall submit  
988 a report on its findings and recommendations to the joint standing  
989 committee of the General Assembly having cognizance of matters  
990 relating to consumer protection, in accordance with the provisions of  
991 section 11-4a of the general statutes. The working group shall  
992 terminate on the date that it submits such report or February 1, 2020,

993 whichever is later."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019</i>	38a-91vv(b) to (h)
Sec. 2	<i>July 1, 2019</i>	8-440
Sec. 3	<i>from passage</i>	38a-331
Sec. 4	<i>from passage</i>	8-446(a) and (b)
Sec. 5	<i>October 1, 2019</i>	20-327b
Sec. 6	<i>January 1, 2020</i>	20-327c
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>from passage</i>	New section
Sec. 12	<i>from passage</i>	8-244(a)
Sec. 13	<i>July 1, 2019</i>	New section
Sec. 14	<i>July 1, 2019</i>	New section
Sec. 15	<i>from passage</i>	New section