OLR Bill Analysis
sSB 1010

AN ACT CONCERNING THE DISCLOSURE OF DAMS AND SIMILAR STRUCTURES BY OWNERS OF REAL PROPERTY.

SUMMARY

This bill requires (1) sellers of real property to disclose to prospective buyers certain information about any dams or similar structures on the property prior to signing the purchase and sale agreement and (2) buyers of real property with an unrecorded or unregistered dam or similar structure that must be recorded or registered, to do so, as applicable, within 30 days after the sale.

The bill also adds questions about dams or similar structures to the written residential disclosure report that the law generally requires a seller of residential property to provide to a potential buyer before the transaction occurs.

Lastly, the bill makes technical changes.

EFFECTIVE DATE: July 1, 2019

DISCLOSURE OF DAMS AND SIMILAR STRUCTURES

Under the bill, the seller of any real property with a dam or similar structure must, at least 15 days before signing a purchase and sale agreement, notify the prospective buyer about the dam or structure, including whether it is classified as a high or significant hazard (see BACKGROUND). The seller must also disclose the results of the dam’s or structure’s most recent inspection, if one is required by law. Existing regulations require inspections for dams and similar structures classified as being low, moderate, significant, or high hazard (Conn. Agencies Regs. § 22a-409-2)

RECORDING AND REGISTRATION

The bill requires a buyer of real property with an unrecorded or
unregistered dam or similar structure that, by law should be recorded or registered, to do so within 30 days after the sale.

By law, owners of real property with a high hazard or significant hazard dam or structure must file a document on the municipal land records identifying the dam or structure and its classification. The law also requires owners of dams or similar structures that, by failing, could endanger life or property to register the dam or structure with the Department of Energy and Environmental Protection commissioner. To register, the owner must (1) provide certain information, such as the dam’s or structure’s location and dimensions, and (2) generally pay a fee based on the dam’s or structure’s height (CGS § 22a-409(b)).

**RESIDENTIAL DISCLOSURE REPORT**

Under the bill, the written residential disclosure report for residential property sales must include information about dams or similar structures on the property that are capable of impounding or controlling water flow. These structures include stormwater or detention dams, flood control structures, dikes, or incompletely breached dams, among others.

The bill requires the seller to disclose the hazard classification for any dam or similar structure on the property, if it is known. In addition, the seller must disclose if (1) a dam or similar structure was inspected or has an emergency action plan, if required by law, and (2) there are any obligations relating to the dam or structure that would pass to the buyer.

**BACKGROUND**

*Dam Classifications*

State regulations classify dams by the hazards they would pose if they fail.

A high hazard dam is one whose failure would result in (1) probable loss of life; (2) major damage to habitable structures, homes,
hospitals, convalescent homes, or schools; (3) damage to utility facilities that causes widespread service interruption; (4) damage to main highways; or (5) great economic loss.

A significant hazard dam is one whose failure would result in (1) possible loss of life; (2) minor damage to habitable structures, homes, hospitals, convalescent homes, or schools; (3) damage to utility facilities that causes localized service interruption; (4) damage to primary roadways or railroads; or (5) significant economic loss.

A low hazard dam is one whose failure would result in (1) damage to agricultural land or unpaved local roads or (2) negligible economic loss. A moderate hazard dam is one whose failure would result in (1) damage to normally unoccupied storage structures or paved local roads or (2) minimal economic loss (Conn. Agencies Regs. § 22a-409-2).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute
Yea 21 Nay 0 (03/29/2019)