Bill No.: SB-907
Title: AN ACT CONCERNING THE RESIDENTIAL DISCLOSURE REPORT AND CRUMBLING CONCRETE FOUNDATIONS.
Vote Date: 3/19/2019
Vote Action: Joint Favorable Substitute
PH Date: 3/8/2019
File No.: 

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SPONSORS OF BILL:
Insurance and Real Estate Committee

REASONS FOR BILL:
To require sellers to disclose in the “Residential Condition Report”, if known to them, to buyers any knowledge of Pyrrhotite in the concrete of the foundation, results of testing for Pyrrhotite by a licensed professional, and any repairs possible for such problems resulting from the presence of Pyrrhotite for the sake of the buyer to help them avoid potential massive financial burden of a crumbled concrete foundation that may occur after purchase.

SUBSTITUTE LANGUAGE:
LCO #6170
The language changes occur in section 1 which are added provisions to prevent exemptions from property disclosure requirements.

RESPONSE FROM ADMINISTRATION/AGENCY:
None Expressed.

NATURE AND SOURCES OF SUPPORT:
Representative Tim Ackert, 8th District supports the bill, and “want[s] to make sure this is for any sale including tax sale or a bank foreclosure sale.”

Representative Geoff Luxenberg, 12th District testified in support of the bill stating it is myth that “homeowners insurance premiums will skyrocket if homeowner’s insurance policies
have to cover collapsing homes through perils of collapse legislation,” and that the insurance industry is hardly exposed, and those who are exposed have re-insurance to cover such exposure. He also addressed further myths and truths about how insurance coverage would be enough to handle this problem, and that the problem in this and the real estate market is not only within effected towns but has spread through the whole state.

**CT Realtors** wrote testimony in support, with recommended changes, because they feel the issue could be addressed in a better way. They state that under current definition, the buyer would be able to bring action against the seller for damages under unfair trade statutes. They attached their submitted potential language changes to their testimony.

**Linda Tofolowsky** testifies that she has been dealing with an issue of crumbling foundation since 1993, and advocates for condominium owners and legacy victims who she says have been “left behind” in the financial strides made on this topic. She cites the Captive insurance funds will run out by 2022 and there are 790 DCP complaints, while there are only funds for 514 homes. Thus, she urges her strong support for the financial backing necessary, as well as for new construction standards in attempt to prevent future issues.

**John Filchak, NECCOG** testified on the behalf of the organization stating this bill simply needs a language change from “Eastern Region” to “Northeastern Connecticut”.

**Brenda A. Draghi** testified proposing the language be changed to add condo/PUD owners regarding attached language to Disclosure Report.

**Debra MacCoy** testified that the bill would help protect citizens with seller disclosure reports to help ensure that there are no new victims.

**Susan Moran** wrote in testimony that a language change to require the seller to pay for an inspection by a qualified individual would eliminate a potential loophole where the seller could not have an inspection done to avoid disclosing that they knew about the problem.

**Tim Percoski** offered a personal anecdote in testimony which described how having a crumbling concrete foundation was not an expense he had ever prepared for, and how that was such an immense financial burden on his family when other expenses such as illness came up also.

Many owners of condominium units in Ryefield OHA in Vernon, CT expressed their support of the bill through written testimony that explained the assistance provided from the grants is crucial. Many of the residents also are bearing the burden of loans meant to attend to the siding and roofs of their community. It is claimed that Ryefield cannot qualify for a loan concerning its foundation which is “devastated by pyrrhotite”:

**Wojciech Beiniarz**  
**Carol Bohnet**  
**Garvin Boudle**  
**Phylisse Bowen**  
**Nancy Briggett**  
**Jacob Camp**  
**Robert Carlson**
Kimberly Chasse  
Caroline Chistman  
Cheryl Cranick  
Steven Daigle  
Diane Lux  
Katie Ginn  
Barbara Groff  
Greg Heacock  
Sam Hockaday  
Barbara Hopkins  
Lane Huff  
Raghawan Iyer  
Erica Keefe  
Piotr Kluba  
Kathy Labrencis  
Robert and Laura Laskey  
Rebecca Lounsbury  
Thomas and Carolyn Maas  
Mary B. Messenger  
Susan Michaud  
Kimberlee Midford  
Sylvia Morgan  
Beth Palasek  
Diane Peskurich  
Mario Prata  
Niki Rittenhouse  
Jessica Ruman  
Manikandan Subramanian  
Robert Woodbury  
Deborah MacGlaflin wrote about having the same problems in her neighborhood, Lydall Woods, aside from the loans for siding and roofing.

NATURE AND SOURCES OF OPPOSITION:

Jim Perras, CEO, Home Builders & Remodelers Association of Connecticut wrote testimony in opposition to the bill because it would require the seller to disclose relevant facts and prior knowledge of Pyrrhotite. He states concurrence with the CT Realtors Association testimony (above), regarding in avoidance of confusion the disclosure of known defects should only be necessary in the absence of a Residential Disclosure Report.

Reported by: Logan Cotter  
Date: 3/29/19