



Transfer Act Working Group Report

February 25, 2020

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WORKING GROUP CHARGE

PA 19-75 (§3) required the Commerce and Environment committees' chairpersons to convene a working group to examine the Transfer Act law and recommend potential legislative changes to it. The working group must report its findings and recommendations to the committees by February 1, 2020.

The working group must be composed of the following: (1) the committee chairpersons, or their designees; (2) the Department of Energy and Environmental Protection and Department of Economic and Community Development commissioners, or their designees; and (3) environmental transaction attorneys, commercial real estate brokers, and licensed environmental professionals, each selected by the committee chairpersons. It may also include additional members of the Commerce or Environment committees selected by the chairpersons. A full list of members is available on the next page.

The group must meet monthly until it submits its final report. The working group terminates on the date it submits its final report or February 1, 2020, whichever is later.

WORKING GROUP MEMBERSHIP

<i>Legislators</i>	<i>Departmental Members</i>
Senator Christine Cohen Representative Stephanie Cummings Representative Mike Demicco Senator Joan Hartley Senator Henri Martin Representative Caroline Simmons	Mandi Careathers (DEEP) Commissioner Katie Dykes (DEEP) Deputy Commissioner David Kooris (DECD) Commissioner David Lehman (DECD) Deputy Commissioner Betsey Wingfield (DEEP)
<i>Establishment Subcommittee</i>	<i>Transfer Subcommittee*</i>
Pam Elkow (Chair, Environmental Law) Eric Brown (CBIA) Jan Czczotka (DEEP) Derek Ezovski (Environmental Risk Mgmt.) Nick Hastings (LEP) Jim Heckman (CT Realtors) Ed Hill (Real Estate & Condo Law) Dave Hurley (LEP) Tommy Hyde (DECD) Doug Pelham (LEP) Rachel Rosen (LEP) Jeff Ryer (Commercial Real Estate)	Beth Barton (Co-Chair, Environmental Law) Franca DeRosa (Co-Chair, Environmental Law) Sam Haydock (LEP) Jim Heckman (CT Realtors) Dave Hurley (LEP) Tommy Hyde (DECD) Graham Stevens (DEEP) *Ed Hill and Eric Brown also participated in the Transfer Subcommittee's discussions, as did Dean Applefield, Brendan Schain, and Ken Collette from DEEP

CBIA: Connecticut Business & Industry Association
 DECD: Department of Economic and Community Development
 DEEP: Department of Energy & Environmental Protection
 LEP: Licensed Environmental Professional

INTRODUCTION

2019 Legislation

Connecticut’s property transfer law (CGS § 22a-134 et seq.), commonly referred to as the “Transfer Act,” regulates the transfer of real property on which, or a business operation from which, (1) more than 100 kilograms of hazardous waste was generated or processed in any one month on or after November 19, 1980; or (2) a dry cleaning, furniture stripping, or vehicle body repair business operated. The Transfer Act generally requires: (1) the disclosure of environmental conditions and (2) investigation and, as appropriate, remediation, and monitoring to achieve compliance with the state’s clean-up standards, known as the Remediation Standard Regulations (Conn. Agencies Reg., §§ 22a-133k-1 through 22a-133k-3).

In 2019, the legislature passed PA 19-75, which, among other things, reduced the number of properties and businesses subject to the Transfer Act by exempting certain types of hazardous waste activities that could otherwise trigger the Transfer Act's application. PA 19-75 also (1) shortened, from three years to one year, the window for commencing audits of Transfer Act final verifications received on or after October 1, 2019, and (2) required the Department of Energy and Environmental Protection (DEEP) to complete these audits within three years after receiving the final verification.

Summary of Working Group Activities

The working group held its first meeting on August 22, 2019, and subsequently formed two subcommittees. The “establishment” subcommittee was tasked with addressing various concerns raised about the types of properties and businesses within the definition of an establishment and, therefore, subject to the Transfer Act, particularly with respect to multi-tenant properties. The “transfer” subcommittee was tasked with reviewing the exceptions to the Transfer Act enumerated under the law’s definition of a “transfer of establishment.”

The full working group met once a month from August through January. The subcommittees generally met every two weeks from September through early December. Their meeting dates are listed below.

TRANSFER ACT WORKING GROUP MEETING DATES

Full Working Group

August 22, 2019
September 19, 2019
October 17, 2019
November 21, 2019
December 19, 2019
January 9, 2020

Establishment Subcommittee

September 10, 2019
October 1, 2019
October 15, 2019
October 29, 2019
November 12, 2019
December 10, 2019

Transfer Subcommittee

September 11, 2019
September 25, 2019
October 9, 2019
October 23, 2019
October 31, 2019
November 20, 2019
December 4, 2019

Report Structure

For each subcommittee, this report (1) summarizes the specific issues the subcommittee analyzed and (2) indicates the issues for which it reached conceptual agreement for legislative changes. These summaries were prepared by the respective subcommittee chairpersons.

The report also includes proposed legislative language that reflects these areas of agreement.

ESTABLISHMENT SUBCOMMITTEE

The “establishment” subcommittee met approximately every other week throughout the fall. Several issues fell under the subcommittee’s purview, with a focus on what was referred to as the “geography” of the establishment. The committee hoped to address concerns regarding the sale of “with-occupant” properties – either multi-tenant properties or non-residential condominiums.

In the case of multi-tenant properties, a landlord might find its property subject to the Transfer Act as the result of the activities of a single tenant, but the obligation to investigate and remediate extends to the entire parcel, even those portions of the property occupied by tenants that do not meet the definition of “establishment” in the Transfer Act. An example would be a shopping center with a tenant that was or is a dry cleaner. The sale of the shopping center would require not just the investigation of the dry cleaner’s activities, but also any other possible “area of concern” at the shopping center. In contrast, a shopping center without a dry cleaner would not go through the Transfer Act, even if the remainder of the tenants were similar in nature.

The proposal introduced to the subcommittee was to limit the obligation to investigate and remediate a multi-tenant property to that portion of the parcel where the establishment was or had been. Proposed legislative language is available on p. 10 of this report.

The ownership structure of a condominium is such that a unit owner owns its unit and an undivided interest in the common elements (i.e., everything that is not a unit). If one unit meets the definition of an establishment, all the units are considered establishments because of the undivided, common ownership of the common elements. The concern was how to address this unintended consequence of the Transfer Act as it applies to condominium ownership.

The subcommittee agreed in concept on the need to exempt non-establishment units from the Transfer Act. However, DEEP has indicated it would like to see some sort of filing made in connection with the sale of a non-establishment unit. Proposed legislative language is available on p. 10 of this report.

On a related note, the larger working group committee did reach consensus on the issue of investigations of establishments that are business operations (as opposed to real property). As currently drafted, the Transfer Act requires a seller or certifying party for a business operations establishment to investigate the parcel and remediate releases from the establishment. The working group agreed to limit the investigation, as well as the remedial obligations, to the “establishment.” Language documenting that agreed concept is forthcoming.

Several other relatively minor issues were also addressed by the subcommittee. These included clarifying that the Transfer Act does not apply to “green dry cleaners,” although the subcommittee did not agree on the details of which types of dry cleaning would be exempt.

In addition, the subcommittee agreed to the proposed relocation of the exemption for “universal waste” (a type of hazardous waste) from the listing of exceptions from the definition of “transfers” to an exemption from the definition of an “establishment.”

TRANSFER SUBCOMMITTEE

There are currently 29 exceptions in the Transfer Act to the definition of a “transfer of establishment.” Properties or business operations that meet the definition of an “establishment” are not required to comply with the Transfer Act if their transfer falls within one of the 29 exceptions.

The subcommittee reviewing the Transfer Act “exceptions” had the following focus areas:

1. combine all exceptions for a specific category into one exception (for example, combine all provisions that apply to brownfields programs);
2. clarify the language in various exceptions (for example, limit the obligation to comply with the Transfer Act to the declarant for a residential common interest community and specifically exclude the individual residential unit owner from this obligation);
3. delete current exceptions that reference programs or statutes that no longer exist or are no longer applicable; and
4. update the “corporate” transaction exceptions to better reflect existing corporate statutes.

The “exceptions” subcommittee also reviewed CGS § 22a-134(*l*) with the goal of better defining when a property or business operation will cease to be an “establishment.”

No changes are proposed for exceptions A, C, D, E, F, G, H, I, K, L, M, O, P, Q, R, S, T, U, and BB. Proposed language for the provisions that the members of the subcommittee agreed should be revised is attached for reference.

Combining Exceptions

The subcommittee recommends revising the foreclosure exception (B) to incorporate various foreclosure sections and procedures in other statutes. The subcommittee also recommends revising the brownfields exception (X) to consolidate brownfield redevelopment program exceptions into one easy-to-follow subparagraph, which includes various brownfields programs created by statute.

Clarifying Exceptions

The subcommittee recommends (1) revising exception (W) to fully exempt individual unit owners transferring individually owned units in a residential common interest community that meets the definition of an “establishment” from any obligation to comply with the Transfer Act and (2) updating other related provisions – CGS §§ 47-270 and 47-264 – to further clarify a declarant’s obligation under the Transfer Act, including related notice provisions.

The subcommittee proposes moving the universal waste exception (V) to the definition of “establishment” to reflect that universal waste generation, storage, handling, transportation, or activity does not render a property or business operation an “establishment” under the Transfer Act. The subcommittee recommends clarifying the nonprofit exception (Y) to make clear that any transfer ordered by a bankruptcy court and any transfer from a municipality to a nonprofit is exempt from the definition of “transfer of an establishment.”

Deleting Exceptions

The subcommittee confirmed with the Department of Economic and Community Development and other state agencies that exceptions Z, AA, and CC could be eliminated because they reference statutes or programs that no longer exist or are no longer operational. The subcommittee also recommends deleting the exception for the conveyance of a service station (N) because certain service stations that generate hazardous waste could be subject to the Transfer Act. The blanket service station exception has raised confusion.

Updating Corporate Exceptions

Current corporate exceptions H, I, R, S, and T will remain as is. Exception J should be revised to read that a transfer of stock, securities, or other ownership interest representing 50% or less (instead of the current 40% limitation in the Transfer Act) of the ownership of the entity that owns or operates the establishment will not trigger the Transfer Act. The subcommittee recommends adding an exception for LLC name changes, which is a common occurrence, and a broader statement of the domestic entity conversion exception.

CGS §§ 22a-134 & 22a-134a(l)

The subcommittee recognizes that there is confusion within the regulatory community as to whether a property or business operation ever ceases to fall within the definition of an establishment. To address this confusion, the subcommittee proposes revising the language in CGS §§ 22a-134(3) and 22a-134a(l) to more clearly state when a property or business operation ceases to be an establishment.

PROPOSED LEGISLATIVE LANGUAGE

Establishment Subcommittee

Multi-Tenant Properties and Non-Residential Condominiums

Subdivision (3) of section 22a-134 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2020):

(3) "Establishment" means (A) any [real property at which or any] business operation [from] that [which] (i) [(A)] on or after November 19, 1980, [there was] generated more than one hundred kilograms of hazardous waste in any one month or [, (B) hazardous waste generated at a different location was] recycled, reclaimed, reused, stored, handled, treated, transported or disposed of hazardous waste generated from another location, [(C)] (ii) conducted [the process of] dry cleaning [was conducted] on or after May 1, 1967, (iii) [(D)] conducted furniture stripping [was conducted] on or after May 1, 1967, or (iv) [(E)] operated a vehicle body repair facility [was located] on or after May 1, 1967, or (B) any real property at which such business operation has been conducted. For the transfer of a property that is owner occupied or is leased to a single tenant, the establishment entails that parcel or those contiguous parcels upon which the establishment business operation has operated or is operating. For a leased property with two or more tenants, the establishment entails the establishment business operation's leased premises and any areas within the leased property utilized by such business operation where hazardous substances or hazardous wastes are or were recycled, reclaimed, reused, stored, handled, treated, transported or disposed by the establishment business operation. For the transfer of a property that is a commercial or industrial unit in a common interest community, the establishment entails the unit upon which the establishment was or is operated, the limited common elements under the exclusive use of the owner of the unit upon which the establishment was or is operated, and any portion of the common area of the common interest community utilized by such unit owner where hazardous substances or hazardous wastes are or were recycled, reclaimed, reused, stored, handled, treated, transported or disposed of by such unit owner. "Establishment" does not include any real property or any business operation from which more than one hundred kilograms of hazardous waste was generated in any one month solely as a result of either:

(i) The one-time generation of hazardous waste in any one month, as a result of either the first time such waste was generated or such a one-time generation since the last time a Form I, Form II, Form III or Form IV was required to be submitted; or

(ii) One or more of the following:

(I) Remediation of polluted soil, groundwater or sediment;

(II) The removal or abatement of building materials or removal of materials used for maintaining or operating a building;

(III) The removal of unused chemicals or materials as a result of the emptying or clearing out of a building, provided such removal is supported by facts reasonably established at the time of such removal; or

(IV) The complete cessation of a business operation, provided the waste is removed not later than ninety days after such cessation and such cessation is supported by facts reasonably established at the time of such cessation;

Transfer Subcommittee

Combining Exceptions

Exception (X) – Brownfields.

Subdivision (1)(X) of section 22a-134 is hereby repealed and the following substituted in lieu thereof (*effective October 1, 2020*):

(1) “Transfer of establishment” means any transaction or proceeding through which an establishment undergoes a change in ownership, but does not mean: (*inserted for context*)

~~(X) (i) Acquisition and all subsequent transfers of an establishment after acceptance into any of the following programs, provided that after acceptance into such program compliance with the requirements of the program, as applicable, has been maintained:~~

~~(I) The abandoned brownfield cleanup program established pursuant to section 32-768; or~~

~~(II) The brownfield remediation and revitalization program pursuant to section 32-769; and~~

~~(ii) Acquisition and all subsequent transfers of an establishment by a Connecticut brownfield land bank issued a certificate by the Commissioner of Economic and Community Development pursuant to section 32-771(c), provided such establishment was entered into and remains in a remediation or liability relief program under section 22a-133x, 22a-133y, 32-768, or 32-769, and the [conveyor or] transferor of such establishment is in compliance with such program at the time of transfer of such establishment, or has completed the requirements of such remediation or liability relief program.~~

Exception (B) – Foreclosure.

Subdivision (1)(B) of section 22a-134 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2020*):

(1) “Transfer of establishment” means any transaction or proceeding through which an establishment undergoes a change in ownership, but does not mean:

~~(B) (i) A foreclosure, as defined in subsection (b) of section 22a-452f;~~

- (ii) A foreclosure of a municipal tax lien pursuant to section 12-181, a tax warrant sale pursuant to section 12-157 or transfer of title to a municipality by deed in lieu of foreclosure;
- (iii) The exercise of eminent domain by a municipality;
- (iv) Transfers of ownership pursuant to sections 8-128, 8-169e or 8-193;
- (v) Condemnation pursuant to section 32-224;
- (vi) Transfers of ownership pursuant to a resolution of the legislative body of a municipality authorizing the acquisition through eminent domain for establishments that also meet the definition of a brownfield, as defined in section 32-760; or
- (vii) A subsequent transfer by a municipality that has (I) acquired the property that comprises the establishment by acquisition as described in subparagraph (B)(i), (ii), (iii), (iv), (v), or (vi) of this subdivision, or (II) acquired the property that comprises the establishment pursuant to the remedial action and redevelopment municipal grant program established in section 32-763. Provided, however, that (I) the party acquiring the property from the municipality did not establish or create or contribute to the contamination at the establishment and is not affiliated with any person who established, created or contributed to such contamination or with any person who is or was an owner or certifying party for the establishment, and (II) on or before the date that the party acquires the property from the municipality, such party or municipality enters into and subsequently remains in the voluntary remediation program administered by the commissioner pursuant to section 22a-133x and remains in compliance with schedules and approvals issued by the commissioner. For purposes of subparagraph (B)(vii) of this subdivision, subsequent transfer by a municipality includes any transfer to, from or between a municipality, municipal economic development agency or entity created or operating under chapter 130 or 132, a nonprofit economic development corporation formed to promote the common good, general welfare and economic development of a municipality that is funded, either directly or through in-kind services, in part by a municipality, a nonstock corporation or limited liability company controlled or established by a municipality, municipal economic development agency or entity created or operating under chapter 130 or 132, or a Connecticut brownfield land bank issued a certificate by the commissioner of economic and community development pursuant to section 32-771.

Clarifying Exceptions

Exception (W) – Residential Condos and Associated Statutes.

Sec. 1. Section 22a-134i of the general statutes is repealed and the following is substituted in lieu thereof (*effective October 1, 2020*):

(a) [Notwithstanding the provisions of this chapter, a conveyance of a unit in] If a residential common interest community [shall not be subject to the requirements of sections 22a-134 to 22a-133e, inclusive, [provided the] is also an establishment, before the declarant can offer to convey a unit in such community [of which the unit is a part], the following shall occur:

(1) The declarant or the declarant's immediate predecessor in title shall become [is] a certifying party, as defined in section 22a-134, for purposes of investigation and remediation of the parcel on which such community is located [any establishment, as defined in section 22a-134, within such community] and such certifying party shall provide the financial assurance required by subsection (b) of this section; and

(2) The declarant shall record notice on the land records in the municipality where the common interest community is located, that the parcel on which the common interest community is located is being investigated and remediated pursuant to sections 22a-134 to 22a-134e, inclusive, and that identifies the volume and page of any recorded environmental use restriction, as that term is defined in section 22a-133o. Should the declarant fail to record the required notice, the commissioner may record, or require an individual or entity authorized to act on behalf of the common interest community to record, on the land records in the municipality where the common interest community is located, a notice which contains the information required by this subparagraph.

(b) The [surety bond or other form of] financial assurance required pursuant to subsection (a) of this section shall (1) identify [both] the Commissioner [Department]of Energy and Environmental Protection as the beneficiary; [and the unit owners association for the common interest community as beneficiaries, and] (2) be in an amount and in a form approved by the commissioner that is[, at all times when the real property comprising the common interest community is an establishment,]equal to the cost of investigation and remediation of the [contaminants on the] subject property to the standards specified in the Transfer Act; and (3) be used solely at the affected common interest community for the benefit of the unit owners of such community. [In calculating such remediation costs, the amount of the bond or other form of financial assurance may be reduced] The Commissioner may reduce the amount of such financial assurance from time to time as work [covered by the bond] is completed. In addition, such financial assurance does not need to include [, may exclude] the costs of any improvements to the real estate not required to remediate the contamination or, [and may exclude] the costs of remediation

work already completed or on parcels of real estate that may be added to the common interest community by the exercise of development rights pursuant to section 47-229.

[(c) Each time a seller conveys to a purchaser a unit in a common interest community that is an establishment, the seller shall provide a notice to the purchaser that summarizes (1) the status of the environmental condition of the common interest community, (2) any investigation or remediation activities, and (3) any environmental land use restrictions. Such notice requirement applies to all such conveyances, including those conveyances otherwise excepted from the requirement for delivery of a public offering statement or of a resale certificate under subsection (b) of section 47-262 and section 47-270.]

Sec. 2. Subdivision (1)(W) of section 22a-134 of the general statutes is repealed and the following is substituted in lieu thereof (*effective October 1, 2020*):

(W) Conveyance of a unit in a residential common interest community [in accordance with section 22a-134i];

Sec. 3. Subsection (a) of section 47-270 of the general statutes is repealed and the following is substituted in lieu thereof (*effective October 1, 2020*):

(a) Except in the case of a sale in which delivery of a public offering statement is required under either this chapter or chapter 825, or unless exempt under subsection (b) of section 47-262, a unit owner shall furnish to a purchaser or such purchaser's attorney, before the earlier of conveyance or transfer of the right to possession of a unit, a copy of the declaration, other than any surveys and plans, the bylaws, the rules or regulations of the association, and a certificate containing: (1) A statement disclosing the effect on the proposed disposition of any right of first refusal or other restraint on the free alienability of the unit held by the association; (2) a statement setting forth the amount of the periodic common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner; (3) a statement of any other fees payable by the owner of the unit being sold; (4) a statement of any capital expenditures in excess of one thousand dollars approved by the executive board for the current and next succeeding fiscal year; (5) a statement of the amount of any reserves for capital expenditures; (6) the current operating budget of the association; (7) a statement of any unsatisfied judgments against the association and the existence of any pending suits or administrative proceedings in which the association is a party, including foreclosures but excluding other collection matters; (8) a statement of the insurance coverage provided for the benefit of unit owners, including any schedule of standard fixtures, improvements and betterments in the units covered by the association's insurance that the association prepared pursuant to subsection (b) of section 47-255; (9) a statement of any restrictions in the declaration affecting the amount that may be received by a unit owner on sale, condemnation, casualty loss to the unit or the common interest community or termination of the common interest community; (10) in a cooperative, an accountant's statement, if any was prepared, as to the deductibility for federal income tax purposes by the unit owner of real property taxes and interest paid by the association; (11) if the association is unincorporated, the name of the statutory agent for service of process filed with the Secretary of the State pursuant to section 47-244a; (12) a

statement describing any pending sale or encumbrance of common elements; (13) a statement disclosing the effect on the unit to be conveyed of any restrictions on the owner's right to use or occupy the unit or to lease the unit to another person; (14) a statement disclosing the number of units whose owners are at least sixty days' delinquent in paying their common charges on a specified date within sixty days of the date of the statement; (15) a statement disclosing the number of foreclosure actions brought by the association during the past twelve months and the number of such actions pending on a specified date within sixty days of the date of the statement; (16) a statement disclosing (A) the most recent fiscal period within the five years preceding the date on which the certificate is being furnished for which an independent certified public accountant reported on a financial statement, and (B) whether such report on a financial statement was a compilation, review or audit; [and] (17) any established maintenance standards adopted by the association pursuant to subsection (e) of section 47-257; ~~(18) A copy of any notice recorded on the land records in accordance with subsection (a) of section 22a-134i; and (19) a statement that provides the volume and page number from the applicable municipal land records of any environmental use restriction, as defined in section 22a-133n, that encumbers the parcel or any portion of the parcel on which the common interest community is located~~

Sec. 4. Subdivision (22) is added to section 47-264 of the general statutes as follows (*Effective October 1, 2020*):

(22) A statement, if it is determined that the residential common interest community of which the unit is a part is an establishment subject to the requirements of sections 22a-134 to 22a-134e, inclusive, that summarizes (1) the status of the environmental condition of the common interest community, (2) any investigation or remediation activities, and (3) any environmental use restriction placed or required to be placed on such residential common interest community as a result of such investigation and remediation. The determination under this subdivision shall be based solely upon actual knowledge, a notice on the land records or, if there is no such notice, an inquiry to the Department of Energy and Environmental Protection of whether, pursuant to Conn. Gen. Stat. 22a-134 et seq., a Form I, Form II, Form III or Form IV has been submitted to the Department for the residential common interest community of which the unit is a part.

Exception (V) – Universal Waste.

Sec. 1. Subdivision (3) of section 22a-134 of the general statutes is amended to include the following (*Effective October 1, 2020*):

(C) (i) Notwithstanding subparagraphs (A) and (B) of this subdivision, establishment shall not include any real property or business operation that would qualify as an establishment solely as a result of (i) the generation of more than one hundred kilograms of universal waste in a calendar month, (ii) the storage, handling or transportation of universal waste generated at a different location, or (iii) activities undertaken at a universal waste transfer facility, provided any such real property or business operation does not otherwise qualify as an establishment; there has been no discharge, spillage, uncontrolled loss,

seepage or filtration of a universal waste or a constituent of universal waste that is a hazardous substance at or from such real property or business operation; and universal waste is not also recycled, treated, except for treatment of a universal waste pursuant to 40 CFR 273.13(a)(2) or (c)(2) or 40 CFR 273.33 (a)(2) or (c)(2), or disposed of at such real property or business operation.

(ii) When calculating, for purposes of subparagraph (A) of this subdivision, the amount of hazardous waste generated in any one month, universal waste does not need to be included.

Sec. 2. Subdivision (1)(V) of section 22a-134 of the general statutes is repealed (Effective October 1, 2020):

Exception (Y) – Non-Profit Exemption.

Subdivision (1)(Y) of section 22a-134 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2020):

(Y) Any transfer of title from a municipality to a nonprofit organization [from] as ordered or approved by a bankruptcy court [to a nonprofit organization].

Deleting Exceptions

Exceptions Z, AA, CC – Nonoperational Programs.

Subdivisions (1)(Z), (1)(AA), and (1)(CC) of section 22a-134 are repealed (*effective October 1, 2020*).

Exception N – Service Stations.

Subdivision (1)(N) of section 22a-134 is repealed (*effective October 1, 2020*).

Updating Corporate Exceptions

Exception J - Percentage Change.

Subdivision (1)(J) of section 22a-134 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2020):

(J) The transfer of stock, securities or other ownership interests representing [less than forty] fifty per cent or less of the ownership of the entity that owns or operates the establishment

Add Section DD - LLC Name Change.

Subdivision (1) of section 22a-134 of the general statutes is amended to add subparagraph (DD) (Effective October 1, 2020):

(1) "Transfer of establishment" means any transaction or proceeding through which an establishment undergoes a change in ownership, but does not mean:

(DD) The change in the name of a limited liability company as an amendment to the certificate of organization in accordance with section 34-247a of the general statutes.

Conn. Gen. Stat. §§ 22a-134(3) & 22a-134a(l) – Updated Language to more clearly state when a property or business operation ceases to be an establishment

Sec. 1. Subsection (l) of section 22a-134a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2020*):

(l) Notwithstanding any other provisions of this section, no person shall be required to comply with the provisions of sections 22a-134 to 22a-134e, inclusive, when transferring real property (1) (A) for which a Form I or Form II has been filed for the transfer of the parcel on or after October 1, 1995, or (B) for which parcel a Form III or Form IV has been filed and which has been (i) remediated and such remediation has been approved in writing by the commissioner or (ii) has been verified in writing in accordance with this section by a licensed environmental professional that an investigation has been performed in accordance with prevailing standards and guidelines and that the remediation has been performed in accordance with the remediation standards, and (2) at which no activities described in subdivision (3) of section 22a-134 have been conducted since: (i) the date of [such] the commissioner’s approval of the remediation or (ii) the date to which the verification applies, as designated on the Form III or Form IV verification form.

Sec. 2. The following is added to subdivision (3) of section 22a-134 of the general statutes (*Effective October 1, 2020*):

When transferring real property or a business that comprises the entire establishment, such real property or business shall no longer constitute an establishment if:

- (1) (A) A Form I or Form II has been filed on or after October 1, 1995; or
(B) A Form III or Form IV has been filed and which has been:
 - (i) Remediated and such remediation has been approved in writing by the commissioner; or
 - (ii) (I) Verified in writing in accordance with section 22a-134a by a licensed environmental professional that an investigation has been performed in accordance with prevailing standards and guidelines and that the remediation has been performed in accordance with the remediation standards; and
(II) The time for the commissioner to conduct an audit pursuant to section 22a-134a(g)(3) has passed without the commissioner requiring any further action or the commissioner has issued a no audit letter or a successful audit closure letter pursuant to section 22a-134a(g)(3); and
- (2) No activities described in this subdivision have been conducted since: (A) the date of the commissioner’s approval of the remediation; (B) the date to which the verification applies, as designated on the Form III or Form IV verification form, or (c) the date on which the Form I or Form II was filed.