



General Assembly

Amendment

January Session, 2023

LCO No. 7775



Offered by:
REP. LUXENBERG, 12th Dist.

To: Subst. House Bill No. 6798

File No. 537

Cal. No. 332

**"AN ACT CONCERNING CONCRETE MIXTURES INTENDED FOR
USE IN RESIDENTIAL BUILDING FOUNDATIONS."**

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

3 "Section 1. Subsection (b) of section 38a-91vv of the general statutes
4 is repealed and the following is substituted in lieu thereof (*Effective*
5 *January 1, 2024*):

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 Northeastern Connecticut
27 Council of Governments or such executive directors' designees and
28 representatives from the insurance and banking industries, who shall
29 not have professional relationships with any bank or insurance
30 company that has a financial interest in residential buildings subject to
31 the provisions of this section and sections 7-374b, 8-441, 8-442, 8-443, 8-
32 444, subparagraph (B) of subdivision (20) of subsection (a) of section 12-
33 701 and section 29-265f. The speaker, the minority leader of the House
34 of Representatives, the president pro tempore of the Senate and the
35 Senate Republican president pro tempore shall each appoint a member
36 of the General Assembly as a nonvoting, ex-officio member of the board
37 of directors. The Governor shall appoint two members to the board of
38 directors, one of whom shall be appointed as a nonvoting member and
39 considered an ex-officio member under the bylaws adopted by the
40 captive insurance company. It shall not constitute a conflict of interest
41 for a member of the board of directors, who is the owner of a residential
42 building which has a concrete foundation that has deteriorated due to
43 the presence of pyrrhotite, or the spouse or dependent child of such
44 member, to apply for or receive assistance from the captive insurance
45 company established under this section, to repair or replace such
46 concrete foundation, provided such member shall abstain from
47 deliberation, action or vote by the board of directors in specific respect
48 to such member's application or the application of such spouse or

49 dependent child;

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

55 (4) Provide financial assistance to such owners of residential
56 buildings for the repair or replacement of concrete foundations that
57 have deteriorated due to the presence of pyrrhotite, including, but not
58 limited to, financial reimbursement to owners who have had such repair
59 or replacement performed prior to October 31, 2017;

60 (5) Assist such owners of residential buildings to obtain additional
61 financing necessary to fully fund the repair or replacement of concrete
62 foundations that have deteriorated due to the presence of pyrrhotite;

63 (6) Approve contractors or other vendors for eligibility to perform
64 foundation repairs or replacements on behalf of claimants in accordance
65 with the provisions of section 2 of this act;

66 (7) Disburse such financial assistance to approved contractors or
67 other vendors on behalf of claimants;

68 (8) Ensure that the financial assistance is used solely for costs of
69 repairing and replacing concrete foundations that have deteriorated due
70 to the presence of pyrrhotite;

71 (9) Require the disclosure of the amount of all financial compensation
72 received by an owner of such a residential building, if any, arising out
73 of a claim for coverage under the property coverage provisions of the
74 personal risk insurance policy, including, but not limited to, a
75 homeowners policy, for foundation deterioration due to the presence of
76 pyrrhotite and ensure that such amount is considered when
77 determining the amount of financial assistance offered to such owner;

78 (10) When appropriate, apply for, qualify for and receive any federal

79 funds made available under any federal act, for assistance to owners of
80 residential buildings having concrete foundations that have
81 deteriorated due to the presence of pyrrhotite. To the extent permissible
82 under federal law, all such federal funds shall be deposited into the
83 Crumbling Foundations Assistance Fund established pursuant to
84 section 8-441; and

85 (11) Enter into agreements, as necessary, with the Connecticut
86 Housing Finance Authority and any participating lender, as defined in
87 section 8-442, to develop and implement additional loan programs or
88 financial products to assist such owners to repair or replace concrete
89 foundations that have deteriorated due to the presence of pyrrhotite,
90 while employing terms and conditions that are preferable to the open
91 market.

92 Sec. 2. (NEW) (*Effective from passage*) Not later than January 1, 2024,
93 the captive insurance company established pursuant to section 38a-91vv
94 of the general statutes, as amended by this act, shall develop eligibility
95 guidelines for the approval of contractors and other vendors to perform
96 concrete foundation repairs or replacements on behalf of individuals
97 making claims for financial assistance pursuant to said section. Such
98 guidelines shall include, but need not be limited to, a requirement that
99 such contractors or vendors demonstrate adherence to industry best
100 practices in the procurement, testing and installation of concrete, to the
101 satisfaction of the captive insurance company and in a form and manner
102 prescribed by the captive insurance company.

103 Sec. 3. Section 29-265g of the general statutes is repealed and the
104 following is substituted in lieu thereof (*Effective from passage*):

105 (a) On and after October 31, 2017, no person shall reuse any part of
106 recycled material known to contain the mineral pyrrhotite to produce
107 structural concrete for residential or commercial construction, unless
108 such reuse is consistent with the standard established pursuant to
109 section 29-265f.

110 (b) On and after July 1, 2023, no person shall sell or offer to sell

111 structural concrete for use in residential or commercial construction that
112 contains material extracted from an existing concrete foundation.

113 [(b)] (c) A violation of subsection (a) or (b) of this section shall be an
114 unfair or deceptive act or practice pursuant to subsection (a) of section
115 42-110b."

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2024	38a-91vv(b)
Sec. 2	from passage	New section
Sec. 3	from passage	29-265g