

General Assembly

February Session, 2020

## Raised Bill No. 281

LCO No. **2122** 

Referred to Committee on COMMERCE

Introduced by: (CE)

## AN ACT CONCERNING VARIOUS REVISIONS TO THE PROPERTY TRANSFER LAW.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

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 statutes is repealed and the following is substituted in lieu thereof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

- For the purposes of this section and sections 22a-134a to 22a-134d,
  inclusive, as amended by this act:
- 6 (1) "Transfer of establishment" means any transaction or proceeding,
- 7 on or before July 1, 2022, or the date regulations are adopted pursuant

8 to section 10 of this act, whichever is earlier, through which an

- 9 establishment undergoes a change in ownership, but does not mean:
- 10 (A) Conveyance or extinguishment of an easement;

(B) Conveyance of an establishment through (i) a foreclosure, as
defined in subsection (b) of section 22a-452f, (ii) foreclosure of a
municipal tax lien, [or] through a tax warrant sale pursuant to section

14 12-157[,] or transfer of title to a municipality by deed in lieu of 15 foreclosure, (iii) an exercise of eminent domain by a municipality or 16 pursuant to section 8-128, 8-169e or 8-193 or by condemnation pursuant 17 to section 32-224 or purchase pursuant to a resolution by the legislative 18 body of a municipality authorizing the acquisition through eminent 19 domain for establishments that also meet the definition of a brownfield, 20 as defined in section 32-760, or (iv) a subsequent transfer by such municipality that has [foreclosed on the property, foreclosed municipal 21 22 tax liens or that has acquired title to the property through section 12-23 157, or is within the pilot program established in subsection (c) of section 24 32-9cc of the general statutes, revision of 1958, revised to January 1, 2013, 25 or] acquired the property pursuant to any mechanism described in 26 subparagraphs (B)(i) to (B)(iii), inclusive, of this subdivision or pursuant 27 to the remedial action and redevelopment municipal grant program 28 established in section 32-763, [or has acquired such property through 29 the exercise of eminent domain by a municipality or pursuant to section 30 8-128, 8-169e or 8-193 or by condemnation pursuant to section 32-224 or 31 a resolution adopted in accordance with this subparagraph, provided 32 [(i)] (I) the party acquiring the property from the municipality did not 33 establish, create or contribute to the contamination at the establishment 34 and is not affiliated with any person who established, created or 35 contributed to such contamination or with any person who is or was an 36 owner or certifying party for the establishment, and [(ii)] (II) on or 37 before the date the party acquires the property from the municipality, 38 such party or municipality enters and subsequently remains in the 39 voluntary remediation program administered by the commissioner 40 pursuant to section 22a-133x and remains in compliance with schedules 41 and approvals issued by the commissioner. For purposes of this 42 subparagraph, subsequent transfer by a municipality includes any 43 transfer to, from or between a municipality, municipal economic development agency or entity created or operating under chapter 130 or 44 45 132, a nonprofit economic development corporation formed to promote 46 the common good, general welfare and economic development of a 47 municipality that is funded, either directly or through in-kind services, 48 in part by a municipality, a nonstock corporation or limited liability

49 company controlled or established by a municipality, municipal
50 economic development agency or entity created or operating under
51 chapter 130 or 132, or a Connecticut brownfield land bank;

52 (C) Conveyance of a deed in lieu of foreclosure to a lender, as defined 53 in and that qualifies for the secured lender exemption pursuant to 54 subsection (b) of section 22a-452f;

55 (D) Conveyance of a security interest, as defined in subdivision (7) of 56 subsection (b) of section 22a-452f;

57 (E) Termination of a lease and conveyance, assignment or execution 58 of a lease for a period less than ninety-nine years including conveyance, 59 assignment or execution of a lease with options or similar terms that will 60 extend the period of the leasehold to ninety-nine years, or from the 61 commencement of the leasehold, ninety-nine years, including 62 conveyance, assignment or execution of a lease with options or similar 63 terms that will extend the period of the leasehold to ninety-nine years, 64 or from the commencement of the leasehold;

65 (F) Any change in ownership approved by the Probate Court;

(G) Devolution of title to a surviving joint tenant, or to a trustee,
executor or administrator under the terms of a testamentary trust or
will, or by intestate succession;

(H) Corporate reorganization not substantially affecting theownership of the establishment;

(I) The issuance of stock or other securities of an entity which ownsor operates an establishment;

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

76 (K) Any conveyance of an interest in an establishment where the 77 transferor is the sibling, spouse, child, parent, grandparent, child of a sibling or sibling of a parent of the transferee;

(L) Conveyance of an interest in an establishment to a trustee of an
inter vivos trust created by the transferor solely for the benefit of one or
more siblings, spouses, children, parents, grandchildren, children of a
sibling or siblings of a parent of the transferor;

83 (M) Any conveyance of a portion of a parcel upon which portion no 84 establishment is or has been located and upon which there has not 85 occurred a discharge, spillage, uncontrolled loss, seepage or filtration of 86 hazardous waste, provided either the area of such portion is not greater 87 than fifty per cent of the area of such parcel or written notice of such 88 proposed conveyance and an environmental condition assessment form 89 for such parcel is provided to the commissioner sixty days prior to such 90 conveyance;

91 [(N) Conveyance of a service station, as defined in subdivision (5) of 92 this section;]

[(O)] (N) Any conveyance of an establishment which, prior to July 1,
1997, had been developed solely for residential use and such use has not
changed;

96 [(P)] (O) Any conveyance of an establishment to any entity created or 97 operating under chapter 130 or 132, or to an urban rehabilitation agency, 98 as defined in section 8-292, or to a municipality under section 32-224, or 99 to Connecticut Innovations, Incorporated or any subsidiary of the 100 corporation;

101 [(Q)] (<u>P</u>) Any conveyance of a parcel in connection with the 102 acquisition of properties to effectuate the development of the overall 103 project, as defined in section 32-651;

104 [(R)] (Q) The conversion of a general or limited partnership to a 105 limited liability company;

106 [(S)] (<u>R</u>) The transfer of general partnership property held in the 107 names of all of its general partners to a general partnership which includes as general partners immediately after the transfer all of thesame persons as were general partners immediately prior to the transfer;

[(T)] (S) The transfer of general partnership property held in the names of all of its general partners to a limited liability company which includes as members immediately after the transfer all of the same persons as were general partners immediately prior to the transfer;

[(U)] (<u>T</u>) Acquisition of an establishment by any governmental or
 quasi-governmental condemning authority;

116 [(V) Conveyance of any real property or business operation that 117 would qualify as an establishment solely as a result of (i) the generation 118 of more than one hundred kilograms of universal waste in a calendar 119 month, (ii) the storage, handling or transportation of universal waste 120 generated at a different location, or (iii) activities undertaken at a 121 universal waste transfer facility, provided any such real property or 122 business operation does not otherwise qualify as an establishment; there 123 has been no discharge, spillage, uncontrolled loss, seepage or filtration 124 of a universal waste or a constituent of universal waste that is a 125 hazardous substance at or from such real property or business 126 operation; and universal waste is not also recycled, treated, except for 127 treatment of a universal waste pursuant to 40 CFR 273.13(a)(2) or (c)(2)128 or 40 CFR 273.33 (a)(2) or (c)(2), or disposed of at such real property or 129 business operation;]

130 [(W)] <u>(U)</u> Conveyance of a unit in a residential common interest 131 community; [in accordance with section 22a-134i;]

[(X) Acquisition of an establishment that is in the abandoned brownfield cleanup program established pursuant to section 32-768 and all subsequent transfers of the establishment, provided the establishment is undergoing remediation or is remediated in accordance with subsection (f) of section 32-768;]

(V) Acquisition and all subsequent transfers of an establishment (i)
 that is in the abandoned brownfield cleanup program established

139 pursuant to section 32-768 or the brownfield remediation and 140 revitalization program established pursuant to section 32-769, provided 141 such establishment is in compliance with the requirements of such program, as applicable, or (ii) by a Connecticut brownfield land bank, 142 143 provided such establishment was entered into a remediation or liability relief program under section 22a-133x, 22a-133y, 32-768 or 32-769, and 144 the transferor of such establishment is in compliance with such program 145 at the time of transfer of such establishment or has completed the 146 147 requirements of such program.

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

151 [(Z) Acquisition of an establishment that is in the brownfield 152 remediation and revitalization program and all subsequent transfers of 153 the establishment, provided the establishment is in compliance with the 154 brownfield investigation plan and remediation schedule, the 155 commissioner has issued a no audit letter or successful audit closure 156 letter in response to a verification or interim verification submitted 157 regarding the remediation of such establishment under the brownfield 158 remediation and revitalization program, or a one-hundred-eighty-day 159 period has expired since a verification or interim verification submitted 160 regarding the remediation of such establishment under the brownfield 161 remediation and revitalization program without an audit decision from 162 the Commissioner of Energy and Environmental Protection;

(AA) Conveyance of an establishment in connection with the
acquisition of properties to effectuate the development of a project
certified and approved pursuant to section 32-9v, provided any such
property is investigated and remediated in accordance with section 22a133y;]

[(BB)] (X) Conveyance from the Department of Transportation to the
 Connecticut Airport Authority of any properties comprising (i) Bradley
 International Airport and all related improvements and facilities now in

171 existence and as hereafter acquired, added, extended, improved and 172 equipped, including any property or facilities purchased with funds of, 173 or revenues derived from, Bradley International Airport, and any other 174property or facilities allocated by the state, the Connecticut Airport 175 Authority or otherwise to Bradley International Airport, (ii) the state-176 owned and operated general aviation airports, including Danielson 177 Airport, Groton/New London Airport, Hartford Brainard Airport, 178 Waterbury-Oxford Airport and Windham Airport and any such other 179 airport as may be owned, operated or managed by the Connecticut 180 Airport Authority and designated as general aviation airports, (iii) any 181 other airport as may be owned, operated or managed by the Connecticut 182 Airport Authority, and (iv) any airport site or any part thereof, 183 including, but not limited to, any restricted landing areas and any air 184 navigation facilities; or

185 [(CC) Conveyance of an establishment to a Connecticut brownfield 186 land bank and all subsequent transfers of such establishment, provided 187 (i) such establishment was entered into a remediation or liability relief program under section 22a-133x, 22a-133y, 32-768, or 32-769, and the 188 189 conveyor or transferor of such establishment is in compliance with such 190 program at the time of transfer of such establishment, and (ii) none of 191 the activities described in subdivision (3) of this section were conducted 192 at such establishment after the date such establishment was entered into 193 such remediation or liability relief program;]

(Y) The change in the name of a limited liability company as an
 amendment to such company's certificate of organization, pursuant to
 <u>34-247a.</u>

197 (2) "Commissioner" means the Commissioner of Energy and198 Environmental Protection or the designated agent of the commissioner;

(3) "Establishment" means any real property at which or any business
operation from which (A) on or after November 19, 1980, there was
generated more than one hundred kilograms of hazardous waste in any
one month, (B) hazardous waste generated at a different location was

203 recycled, reclaimed, reused, stored, handled, treated, transported or 204 disposed of, (C) the process of dry cleaning was conducted on or after May 1, 1967, (D) furniture stripping was conducted on or after May 1, 205 1967, or (E) a vehicle body repair facility was located on or after May 1, 206 207 1967. For the purposes of subparagraph (A) of this subdivision, 208 "hazardous waste" does not include universal waste. If a property is 209 owner occupied or leased to a single tenant, "establishment" means the 210 parcel or parcels on which the business operation operated. If a property 211 is leased to two or more tenants, "establishment" means a business 212 operation's leased premises and any areas utilized by such business 213 operation where hazardous waste is or was recycled, reclaimed, reused, 214 stored, handled, treated, disposed of or transported. If a property is a 215 commercial or industrial unit in a common interest community, 216 "establishment" means the unit, the limited common elements under 217 exclusive use of the unit owner on which the establishment is or was 218 operated and any portion of the common area used by such unit owner 219 where hazardous waste is or was recycled, reclaimed, reused, stored, 220 handled, treated, disposed of or transported. "Establishment" does not 221 include any real property or any business operation from which more 222 than one hundred kilograms of hazardous waste was generated in any 223 one month solely as a result of either: 224 (i) The one-time generation of hazardous waste in any one month, as

(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 onetime generation since the last time a Form I, Form II, Form III or Form
IV was required to be submitted; or

- 228 (ii) One or more of the following:
- 229 (I) Remediation of polluted soil, groundwater or sediment;

(II) The removal or abatement of building materials or removal ofmaterials 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;

235 or

236 (IV) The complete cessation of a business operation, provided the 237 waste is removed not later than ninety days after such cessation and 238 such cessation is supported by facts reasonably established at the time 239 of such cessation; "Establishment" does not include any real property or 240 business operation that qualifies as an establishment solely as a result of 241 the generation of more than one hundred kilograms of universal waste 242 in a calendar month, the storage, handling or transportation of universal 243 waste generated at a different location, or activities undertaken at a 244 universal waste transfer facility, provided any such real property or 245 business operation does not otherwise qualify as an establishment; there 246 has been no discharge, spillage, uncontrolled loss, seepage or filtration 247 of a universal waste or a constituent of universal waste that is a 248 hazardous substance at or from such real property or business 249 operation; and universal waste is not also recycled, treated, except for 250 treatment of a universal waste pursuant to 40 CFR 273.13(a)(2) or (c)(2) 251 or 40 CFR 273.33(a)(2) or (c)(2), or disposed of at such real property or 252 business operation. When transferring real property or a business that 253 comprises the entire establishment, such real property or business shall 254 not be an "establishment" if the conditions set forth in subdivisions (1) 255 and (2) of subsection (1) of section 22a-134a, as amended by this act, 256 apply to such real property or business, or the time for the commissioner 257 to conduct an audit pursuant to subdivision (3) of subsection (g) of 258 section 22a-134a passed without the commissioner requiring any further 259 action or the commissioner issued a no audit letter or a successful audit 260 closure letter pursuant to subdivision (3) of subsection (g) of section 22a-261 134a.

(4) "Hazardous waste" means any waste which is (A) hazardous
waste identified in accordance with Section 3001 of the federal Resource
Conservation and Recovery Act of 1976, 42 USC 6901 et seq., (B)
hazardous waste identified by regulations adopted by the
Commissioner of Energy and Environmental Protection, or (C)
polychlorinated biphenyls in concentrations greater than fifty parts per
million except that sewage, sewage sludge and lead paint abatement

wastes shall not be considered to be hazardous waste for the purposes
of this section and sections 22a-134a to 22a-134d, inclusive, as amended
by this act;

[(5) "Service station" means a retail operation involving the resale of motor vehicle fuel including, but not limited to, gasoline, diesel fuel and kerosene and which operation does not otherwise meet the definition of an establishment;]

276 [(6)] (5) "Certifying party" means, in the case of a Form III or Form IV, 277 a person associated with the transfer of an establishment who signs a 278 Form III or Form IV and who agrees to investigate the parcel in 279 accordance with prevailing standards and guidelines and to remediate 280 pollution caused by any release at the establishment in accordance with 281 the remediation standards and, in the case of a Form I or Form II, a 282 transferor of an establishment who signs the certification on a Form I or 283 II;

[(7)] (6) "Party associated with the transfer of an establishment" means (A) the present or past owner or operator of the establishment, (B) the owner of the real property on which the establishment is located, (C) the transferor, transferee, lender, guarantor or indemnitor, (D) the business entity which operates or operated the establishment, or (E) the state;

[(8)] (7) "Remediation standards" means regulations adopted by the
 commissioner pursuant to section 22a-133k;

[(9)] (8) "Parcel" means piece, parcel or tract of land which constitutes an establishment, as defined in subdivision (3) of this section, or on which is or was located any business operation which constitutes an establishment;

[(10)] (9) "Form I" means a written certification by the transferor of an establishment on a form prescribed and provided by the commissioner that: (A) No discharge, spillage, uncontrolled loss, seepage or filtration of hazardous waste or a hazardous substance has occurred at the

300 establishment which certification is based on an investigation of the 301 parcel in accordance with prevailing standards and guidelines, or (B) no 302 discharge spillage, uncontrolled loss, seepage or filtration of hazardous waste has occurred at the establishment based upon an investigation of 303 304 the parcel in accordance with the prevailing standards and guidelines 305 and the commissioner has determined, in writing, or a licensed 306 environmental professional has verified, in writing, that any discharge, 307 spillage, uncontrolled loss, seepage or filtration of a hazardous 308 substance has been remediated in accordance with the remediation 309 standards and that since any such written approval or verification, 310 including any approval or verification for a portion of an establishment, 311 no discharge, spillage, uncontrolled loss, seepage or filtration of 312 hazardous waste or hazardous substances has occurred at any portion 313 of the establishment;

314 [(11)] (10) "Form II" means a written certification by the transferor of 315 an establishment on a form prescribed and provided by the 316 commissioner that the parcel has been investigated in accordance with 317 prevailing standards and guidelines and that (A) any pollution caused 318 by a discharge, spillage, uncontrolled loss, seepage or filtration of hazardous waste or a hazardous substance which has occurred from the 319 320 establishment has been remediated in accordance with the remediation 321 standards and that the remediation has been approved in writing by the 322 commissioner or has been verified pursuant to section 22a-133x or 323 section 22a-134a, as amended by this act, in writing attached to such 324 form by a licensed environmental professional to have been performed 325 in accordance with the remediation standards and that since any such 326 written approval or verification, including any approval or verification 327 for a portion of an establishment, no discharge, spillage, uncontrolled 328 loss, seepage or filtration of hazardous waste or hazardous substances 329 has occurred at any portion of the establishment, (B) the commissioner 330 has determined in writing or a licensed environmental professional has 331 verified pursuant to section 22a-133x or section 22a-134a, as amended 332 by this act, in writing, attached to the form that no remediation is 333 necessary to achieve compliance with the remediation standards, or (C)

a Form IV verification was previously submitted to the commissioner and, since the date of the submission of the Form IV, no discharge, spillage, uncontrolled loss, seepage or filtration of hazardous waste or a hazardous substance has occurred at the establishment, which certification is based on an investigation of the parcel in accordance with prevailing standards and guidelines;

340 [(12)] (11) "Form III" means a written certification signed by a 341 certifying party on a form prescribed and provided by the 342 commissioner, which certification states that (A) a discharge, spillage, uncontrolled loss, seepage or filtration of hazardous waste or a 343 344 hazardous substance has occurred at the establishment or the 345 environmental conditions at the establishment are unknown, and (B) 346 that the person signing the certification agrees to investigate the parcel 347 in accordance with prevailing standards and guidelines and to 348 remediate pollution caused by any release of a hazardous waste or 349 hazardous substance from the establishment in accordance with the 350 remediation standards;

351 [(13)] (12) "Form IV" means a written certification signed by one or 352 more certifying parties on a form prescribed and provided by the 353 commissioner and which is accompanied by a written determination by 354 the commissioner or by a verification by a licensed environmental 355 professional pursuant to section 22a-134a, as amended by this act, or 356 22a-133x, which certification states and is accompanied by 357 documentation demonstrating that the parcel has been investigated in 358 accordance with prevailing standards and guidelines and that (A) there 359 has been a discharge, spillage, uncontrolled loss, seepage or filtration of 360 hazardous waste or a hazardous substance on the establishment, and (B) 361 all actions to remediate any pollution caused by any release at the 362 establishment have been taken in accordance with the remediation 363 standards except postremediation monitoring, natural attenuation 364 monitoring or the recording of an environmental land use restriction, 365 and (C) the person or persons signing the certification agree, in accordance with the representations made in the form, to conduct 366 367 postremediation monitoring or natural attenuation monitoring in accordance with the remediation standards and if further investigation
and remediation are necessary to take further action to investigate the
establishment in accordance with prevailing standards and guidelines
and to remediate the establishment in accordance with the remediation
standards;

373 [(14)] (13) "Person" means person, as defined in section 22a-2;

[(15)] (<u>14</u>) "Remediate" means to contain, remove or abate pollution, potential sources of pollution and substances in soil or sediment which pose an unacceptable risk to human health or the environment and includes, but is not limited to, the reduction of pollution by natural attenuation;

379 [(16)] (15) "Licensed environmental professional" means an
380 environmental professional licensed pursuant to section 22a-133v;

[(17)] (<u>16)</u> "Environmental condition assessment form" means a form prescribed and provided by the commissioner, prepared under the supervision of a licensed environmental professional, and executed by (A) the certifying party under sections 22a-134 to 22a-134e, inclusive, <u>as</u> <u>amended by this act</u>, or (B) the owner of the property under section 22a-133x which form describes the environmental conditions at the parcel;

387 [(18)] (<u>17)</u> "Pollution" means pollution, as defined in section 22a-423;

[(19)] (<u>18)</u> "Verification" means the rendering of a written opinion by a licensed environmental professional on a form prescribed by the commissioner that an investigation of the parcel has been performed in accordance with prevailing standards and guidelines and that the establishment has been remediated in accordance with the remediation standards;

394 [(20)] (19) "Vehicle" means any motorized device for conveying
395 persons or objects except for an aircraft, boat, railroad car or engine, or
396 farm tractor;

397 [(21)] (20) "Business operation" means any business that has, or any

398 series of substantially similar businesses that have, operated
399 continuously or with only brief interruption on the same parcel, either
400 with a single owner or successive owners;

[(22)] (21) "Corporate reorganization not substantially affecting the ownership of an establishment" means implementation of a business plan to restructure a corporation through a merger, spin-off or other plan or reorganization under which the direct owner of the establishment does not change;

[(23)] (22) "Form IV verification" means the rendering of a written opinion by a licensed environmental professional, after a Form IV has been filed, that postremediation monitoring, natural attenuation or the recording of an environmental land use restriction has been completed in accordance with the Form IV;

[(24)] (23) "Hazardous substance" means hazardous substance, as defined in Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 USC 9601, or a petroleum product or by-product for which there are remediation standards adopted pursuant to section 22a-133k or for which such remediation standards have a process for calculating the numeric criteria of such substance;

418 [(25)] (24) "Sediment" means unconsolidated material occurring in a
419 stream, pond, wetland estuary or other water body;

[(26)] (25) "Universal waste" means batteries, pesticides, thermostats, lamps and used electronics regulated as a universal waste under regulations adopted pursuant to subsection (c) of section 22a-449. "Universal waste" does not mean (A) batteries, pesticides, thermostats and lamps that are not covered under 40 CFR Part 273, or (B) used electronics that are not regulated as a universal waste under regulations adopted pursuant to subsection (c) of section 22a-449;

427 [(27)] (26) "Universal waste transfer facility" means any facility 428 related to transportation, including loading docks, parking areas, storage areas and other similar areas where shipments of universal
waste are held during the normal course of transportation for ten days
or less;

[(28)] (27) "Interim verification" means a written opinion by a licensed 432 433 environmental professional, on a form prescribed by the commissioner, 434 that (A) the investigation has been performed in accordance with 435 prevailing standards and guidelines, (B) the remediation has been 436 completed in accordance with the remediation standards, except that, 437 for remediation standards for groundwater, the selected remedy is in 438 operation but has not achieved the remediation standards for 439 groundwater, (C) identifies the long-term remedy being implemented 440 to achieve groundwater standards, the estimated duration of such 441 remedy, and the ongoing operation and maintenance requirements for 442 continued operation of such remedy, and (D) there are no current 443 exposure pathways to the groundwater area that have not yet met the 444 remediation standards.

[(29)] (28) "Connecticut brownfield land bank" has the same meaning
as provided in section 32-760.

Sec. 2. Subsection (l) of section 22a-134a of the 2020 supplement to the
general statutes is repealed and the following is substituted in lieu
thereof (*Effective October 1, 2020*):

450 (1) Notwithstanding any other provisions of this section, no person 451 shall be required to comply with the provisions of sections 22a-134 to 452 22a-134e, inclusive, as amended by this act, when transferring real 453 property (1) (A) for which a Form I or Form II has been filed for the 454 transfer of the parcel on or after October 1, 1995, or (B) for which parcel 455 a Form III or Form IV has been filed and which has (i) been remediated 456 and such remediation has been approved in writing by the 457 commissioner, or (ii) has been verified in writing in accordance with this 458 section by a licensed environmental professional that an investigation 459 has been performed in accordance with prevailing standards and 460 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<u>, as amended by this act</u>, have been
conducted since (A) the date of [such approval or verification] the
commissioner's approval of the remediation, or (B) the date to which the
verification applies, as designated on the Form III or Form IV or the date
on which the Form I or Form II was filed.

467 Sec. 3. Section 22a-134i of the general statutes is repealed and the 468 following is substituted in lieu thereof (*Effective October 1, 2020*):

469 (a) [Notwithstanding the provisions of this chapter, a conveyance of 470 a unit in a residential common interest community shall not be subject 471 to the requirements of sections 22a-134 to 22a-133e, inclusive, provided 472 the declarant for the residential common interest community of which 473 the unit is a part is a certifying party, as defined in section 22a-134, for 474 purposes of remediation of any establishment, as defined in section 22a-475 134, within such community and provides to the Commissioner of 476 Energy and Environmental Protection a surety bond or other form of 477 financial assurance acceptable to the commissioner.] The conveyance of 478 a unit in a residential common interest community that is an 479 establishment, as defined in section 22a-134, as amended by this act, shall not occur until the declarant for the residential common interest 480 481 community of which the unit is a part or the declarant's immediate predecessor in title (1) becomes a certifying party, as defined in section 482 483 22a-134, as amended by this act, for the purposes of investigation and remediation of the parcel on which such community is located; (2) 484 provides financial assurance pursuant to subsection (b) of this section; 485 and (3) records notice on the land records in the municipality where the 486 common interest community is located that the parcel on which the 487 488 common interest community is located is being investigated and remediated pursuant to sections 22a-134 to 22a-134e, inclusive, as 489 490 amended by this act. Such notice shall identify the volume and page 491 number of any recorded environmental use restriction, as defined in section 22a-1330. If the declarant does not record such notice, the 492 493 commissioner may record or require an individual or entity authorized 494 to act on behalf of the common interest community to record on the land

495 records in the municipality where the common interest community is
496 located a notice which contained the information required by
497 subdivision (3) of this subsection.

498 (b) The [surety bond or other form of] financial assurance required 499 pursuant to subsection (a) of this section shall (1) identify [both] the 500 [Department] Commissioner of Energy and Environmental Protection 501 [and the unit owners association for the common interest community as 502 beneficiaries, and] as the beneficiary, (2) be in an amount and in a form 503 approved by the commissioner that is [, at all times when the real 504 property comprising the common interest community is an 505 establishment, equal to the cost of investigation and remediation of the 506 contaminants on the subject property, [. In calculating such remediation 507 costs, the amount of the bond or other form of financial assurance may 508 be reduced] subject to the standards specified in sections 22a-134 to 22a-509 133e, inclusive, as amended by this act, and (3) be used solely at the 510 affected common interest community for the benefit of the unit owners 511 of such community. The commissioner may reduce the amount of such 512 financial assurance from time to time as work [covered by the bond] is 513 completed. [, may exclude] Such financial assurance need not include the costs of any improvements to the real estate not required to 514 515 remediate the contamination [, and may exclude] or the costs of 516 remediation work already completed or on parcels of real estate that 517 may be added to the common interest community by the exercise of 518 development rights pursuant to section 47-229.

519 [(c) Each time a seller conveys to a purchaser a unit in a common 520 interest community that is an establishment, the seller shall provide a 521 notice to the purchaser that summarizes (1) the status of the 522 environmental condition of the common interest community, (2) any 523 investigation or remediation activities, and (3) any environmental land 524 use restrictions. Such notice requirement applies to all such 525 conveyances, including those conveyances otherwise excepted from the 526 requirement for delivery of a public offering statement or of a resale 527 certificate under subsection (b) of section 47-262 and section 47-270.]

528 Sec. 4. Subsection (a) of section 47-270 of the general statutes is 529 repealed and the following is substituted in lieu thereof (*Effective October* 530 *1*, 2020):

531 (a) Except in the case of a sale in which delivery of a public offering 532 statement is required under either this chapter or chapter 825, or unless 533 exempt under subsection (b) of section 47-262, a unit owner shall furnish 534 to a purchaser or such purchaser's attorney, before the earlier of 535 conveyance or transfer of the right to possession of a unit, a copy of the 536 declaration, other than any surveys and plans, the bylaws, the rules or 537 regulations of the association, and a certificate containing: (1) A 538 statement disclosing the effect on the proposed disposition of any right 539 of first refusal or other restraint on the free alienability of the unit held 540 by the association; (2) a statement setting forth the amount of the 541 periodic common expense assessment and any unpaid common 542 expense or special assessment currently due and payable from the 543 selling unit owner; (3) a statement of any other fees payable by the 544 owner of the unit being sold; (4) a statement of any capital expenditures 545 in excess of one thousand dollars approved by the executive board for 546 the current and next succeeding fiscal year; (5) a statement of the 547 amount of any reserves for capital expenditures; (6) the current 548 operating budget of the association; (7) a statement of any unsatisfied 549 judgments against the association and the existence of any pending suits 550 or administrative proceedings in which the association is a party, 551 including foreclosures but excluding other collection matters; (8) a 552 statement of the insurance coverage provided for the benefit of unit 553 owners, including any schedule of standard fixtures, improvements and 554 betterments in the units covered by the association's insurance that the 555 association prepared pursuant to subsection (b) of section 47-255; (9) a 556 statement of any restrictions in the declaration affecting the amount that 557 may be received by a unit owner on sale, condemnation, casualty loss to 558 the unit or the common interest community or termination of the 559 common interest community; (10) in a cooperative, an accountant's 560 statement, if any was prepared, as to the deductibility for federal income 561 tax purposes by the unit owner of real property taxes and interest paid

562 by the association; (11) if the association is unincorporated, the name of 563 the statutory agent for service of process filed with the Secretary of the 564 State pursuant to section 47-244a; (12) a statement describing any pending sale or encumbrance of common elements; (13) a statement 565 566 disclosing the effect on the unit to be conveyed of any restrictions on the 567 owner's right to use or occupy the unit or to lease the unit to another 568 person; (14) a statement disclosing the number of units whose owners 569 are at least sixty days' delinquent in paying their common charges on a 570 specified date within sixty days of the date of the statement; (15) a 571 statement disclosing the number of foreclosure actions brought by the 572 association during the past twelve months and the number of such 573 actions pending on a specified date within sixty days of the date of the 574 statement; (16) a statement disclosing (A) the most recent fiscal period 575 within the five years preceding the date on which the certificate is being 576 furnished for which an independent certified public accountant 577 reported on a financial statement, and (B) whether such report on a 578 financial statement was a compilation, review or audit; [and] (17) any 579 established maintenance standards adopted by the association pursuant 580 to subsection (e) of section 47-257; (18) a copy of any notice recorded on 581 land records pursuant to subsection (a) of section 22a-134i, as amended 582 by this act; and (19) a statement that provides the volume and page 583 number from the applicable municipal land records of any 584 environmental use restriction, as defined in section 22a-133n, that 585 encumbers the parcel or any portion of the parcel on which the common 586 interest community is located.

- 587 Sec. 5. Section 47-264 of the general statutes is repealed and the 588 following is substituted in lieu thereof (*Effective October 1, 2020*):
- (a) Except as provided in subsection (b) of this section, a publicoffering statement shall contain or fully and accurately disclose:

(1) The name and principal address of the declarant and of the
common interest community, and a statement that the common interest
community is either a condominium, cooperative or planned
community;

(2) A general description of the common interest community,
including to the extent known, the types, number and declarant's
schedule of commencement and completion of construction of buildings
and amenities that the declarant anticipates including in the common
interest community;

600 (3) The number of units in the common interest community;

601 (4) Copies of the declaration, including any surveys and plans, and 602 any other recorded covenants, conditions, restrictions and reservations 603 created by the declarant affecting the common interest community; the 604 bylaws, and any rules or regulations of the association; any deeds, 605 contracts and leases to be signed by or delivered to purchasers at 606 closing, and copies of and a brief narrative description of any contracts 607 or leases that will or may be subject to cancellation by the association 608 under section 47-247;

609 (5) A projected budget for the association, either within or as an 610 exhibit to the public offering statement, for one year after the date of the first conveyance to a purchaser, and thereafter the current budget of the 611 612 association, a statement of who prepared the budget, and a statement of 613 the budget's assumptions concerning occupancy and inflation factors. 614 The budget shall include, without limitation: (A) A statement of the 615 amount, or a statement that there is no amount, included in the budget 616 as a reserve for repairs and replacement; (B) a statement of any other 617 reserves; (C) the projected common expense assessment by category of 618 expenditures for the association; and (D) the projected monthly 619 common expense assessment for each type of unit;

(6) Any services not reflected in the budget that the declarant
provides, or expenses that he pays and which he expects may become at
any subsequent time a common expense of the association and the
projected common expense assessment attributable to each of those
services or expenses for the association and for each type of unit;

625 (7) Any initial or special fee due from the purchaser at closing,626 together with a description of the purpose and method of calculating

627 the fee;

628 (8) A brief narrative description of any liens, defects or encumbrances
629 on or affecting the title to the common interest community not otherwise
630 disclosed under subdivision (4) of this subsection;

(9) A description of any financing offered or arranged by thedeclarant;

(10) The terms and significant limitations of any warranties provided
by the declarant, including statutory warranties and limitations on the
enforcement thereof or on damages;

636 (11) A statement that: (A) Within fifteen days after receipt of a public 637 offering statement a purchaser, before conveyance, may cancel any 638 contract for purchase of a unit from a declarant, and (B) if a declarant 639 fails to provide a public offering statement to a purchaser before 640 conveying a unit, that purchaser may recover from the declarant ten per 641 cent of the sales price of the unit plus ten per cent of the share, 642 proportionate to his common expense liability, of any indebtedness of 643 the association secured by security interests encumbering the common 644 interest community;

(12) A statement of any unsatisfied judgments or pending suits
against the association, and the status of any pending suits material to
the common interest community of which a declarant has actual
knowledge;

(13) A statement that any deposit made in connection with the
purchase of a unit will be held in an escrow account until closing and
will be returned to the purchaser if the purchaser cancels the contract
pursuant to section 47-269, together with the name and address of the
escrow agent;

(14) Any restraints on alienation of any portion of the common
interest community and any restrictions (A) on use, occupancy and
alienation of the units, and (B) on the amount for which a unit may be

sold or on the amount that may be received by a unit owner on sale,
condemnation or casualty loss to the unit or to the common interest
community, or on termination of the common interest community;

(15) A description of the insurance coverage provided for the benefitof unit owners;

(16) Any current or expected fees or charges to be paid by unit owners
for the use of the common elements and other facilities related to the
common interest community;

(17) The extent to which financial arrangements have been provided
for completion of all improvements that the declarant is obligated to
build pursuant to section 47-280;

(18) A brief narrative description of any zoning and other land userequirements affecting the common interest community;

670 (19) All unusual and material circumstances, features and 671 characteristics of the common interest community and the units;

672 (20) In a cooperative, (A) either a statement that the unit owners will 673 be entitled, for federal, state and local income tax purposes, to a pass-674 through of deductions for payments made by the association for real 675 property taxes and interest paid the holder of a security interest 676 encumbering the cooperative, or a statement that no assurances are 677 made in that regard, and (B) a statement as to the effect on every unit 678 owner if the association fails to pay real property taxes or payments due 679 the holder of a security interest encumbering the cooperative; [and]

(21) A description of any arrangement described in section 47-219a;[.]

(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, as
 amended by this act, that summarizes (A) the status of the
 environmental condition of the common interest community, (B) any

687 investigation or remediation activities, and (C) any environmental use 688 restriction placed or required to be placed on such residential common 689 interest community as a result of such investigation and remediation. 690 The determination under this subdivision shall be based solely upon 691 actual knowledge, a notice on the land records or, if there is no such 692 notice, an inquiry to the Department of Energy and Environmental 693 Protection of whether a Form I, Form II, Form III or Form IV, as defined in section 22a-134, as amended by this act, was submitted to the 694 695 Department of Energy and Environmental Protection for the residential 696 common interest community of which the unit is a part.

(b) A declarant promptly shall amend the public offering statementto report any material change in the information required to be includedin the public offering statement.

Sec. 6. (NEW) (*Effective from passage*) As used in this section and sections 7 to 10, inclusive, of this act:

702 (1) "Commissioner" means the Commissioner of Energy and703 Environmental Protection;

(2) "Land and waters of the state" means all tidal waters, harbors,
estuaries, rivers, brooks, watercourses, waterways, wells, springs, lakes,
ponds, marshes, drainage systems and all other surface or underground
streams, bodies or accumulations of water, natural or artificial, public or
private, which are contained within, flow through or border upon this
state or any portion thereof, and any land surface, including improved
or unimproved surfaces, soils or subsurface strata;

(3) "Person" means any individual, firm, partnership, association,
syndicate, company, trust, corporation, nonstock corporation, limited
liability company, municipality, agency or political or administrative
subdivision of the state, or other legal entity of any kind and any officer
or governing or managing body of any partnership, association, firm or
corporation or any member or manager of a limited liability company;

717 (4) "Release" means any spilling, leaking, pumping, pouring,

718 emitting, emptying, discharging, injecting, leaching, escaping, 719 dumping, or disposing into or onto the land and waters of the state, not 720 authorized under title 22a of the general statutes, of oil or petroleum or 721 chemical liquids or solid, liquid or gaseous products or hazardous waste 722 as defined in section 22a-448 of the general statutes. "Release" does not 723 include the application of fertilizer or pesticides consistent with their 724 labeling;

(5) "Remediation" means determining the nature and extent of a
release, in accordance with prevailing standards and guidelines, and the
containment, removal and mitigation of such release, and includes, but
is not limited to, the reduction of pollution by monitored natural
attenuation;

(6) "Report" means to notify the commissioner of a release in
accordance with the provisions of sections 7 to 10, inclusive, of this act
and in the manner specified by the commissioner; and

(7) "Verification" means the written opinion of a licensed
environmental professional on a form prescribed by the commissioner
that the remediation of a release has been performed in accordance with
prevailing standards and guidelines.

Sec. 7. (NEW) (*Effective from passage*) No person shall create or
maintain a release to the land and waters of the state in violation of any
provision of this section and sections 8 to 10, inclusive, of this act. Any
such release shall be deemed a public nuisance.

741 Sec. 8. (NEW) (Effective from passage) (a) Any person who creates or 742 maintains, or created or maintained, a release to the land and waters of 743 the state shall report and remediate such release in accordance with the 744 provisions of this section and sections 9 and 10 of this act. If any person 745 fails to comply with the provisions of this section and sections 9 and 10 746 of this act, such person shall be liable for any costs incurred by the 747 commissioner in accordance with section 22a-451 of the general statutes, 748 or costs incurred by any other person who contains or removes or 749 otherwise mitigates the effects of such release in accordance with section

750 22a-452 of the general statutes.

(b) On and after July 1, 2022, or after the date when regulations are
adopted pursuant to section 10 of this act, whichever is earlier, any
person who creates or maintains a release shall, upon discovery of such
release:

(1) Report any release immediately, except those releases that
conform or comply with the terms and conditions of a currently valid
license issued by the commissioner, unless the release is reported
pursuant to, or not required to be reported by, regulations adopted
pursuant to section 22a-450 of the general statutes or section 10 of this
act; and

761 (2) Remediate any release to standards identified in regulations 762 adopted pursuant to section 10 of this act. Until the effective date of such 763 standards, a release shall be remediated to standards identified in 764 regulations adopted pursuant to section 22a-133k of the general statutes. 765 Any release shall be remediated as soon as is technically practicable. 766 Such obligation to remediate shall only be satisfied upon approval by 767 the commissioner or verification, unless regulations adopted pursuant 768 to section 10 of this act exempt from, or otherwise limit or modify, the 769 requirement to verify.

(c) A release shall not be deemed discovered if the only evidence of
such release is data available or generated before July 1, 2022, or before
the date when regulations are adopted pursuant to section 10 of this act,
whichever is earlier.

774 Sec. 9. (NEW) (*Effective from passage*) (a) (1) If the commissioner finds 775 that any person created or maintained a release to the land and waters 776 of the state after July 1, 2022, or the adoption of regulations pursuant to 777 section 10 of this act, whichever is sooner, the commissioner may order 778 such person to take the necessary steps to comply with the provisions of 779 sections 6 to 10, inclusive, of this act. After such order becomes final, the 780 commissioner shall cause a certified copy thereof to be filed on the land 781 records in the town wherein the land is located, and such order shall

constitute a notice to the owner's heirs, successors and assigns. When the order is complied with or revoked, the commissioner shall issue a certificate showing such compliance or revocation, which certificate the commissioner shall cause to be recorded on the land records in the town where the order was previously recorded. A certified copy of the certificate shall be sent to the owner of the land at such owner's lastknown address.

789 (2) Each order issued under this section shall be served by certified 790 mail, return receipt requested, or by service by a state marshal or 791 indifferent person. If the order is served by a state marshal or indifferent 792 person, a true copy of the order shall be served, and the original, with a 793 return of such service endorsed thereon, shall be filed with the 794 commissioner. The order shall be deemed to be issued upon service or 795 upon deposit in the mail. Any order issued pursuant to this section shall 796 state the basis on which it is issued and shall specify a reasonable time 797 for compliance.

(3) Any person who receives an order pursuant to this section shall
have the right to a hearing. Unless a person who receives an order files
a written request for a hearing before the commissioner within thirty
days after the date of issuance, such order shall become final. A request
for a hearing shall be a condition precedent to any appeal of such order.

(b) If two or more persons are issued the same order pursuant to
subsection (a) of this section or are responsible for a violation of any
provision of sections 6 to 10, inclusive, of this act or any regulation, or
order adopted or issued under sections 6 to 10, inclusive, of this act, such
persons shall be jointly and severally liable under this subsection.

(c) If any person violates any provision of sections 6 to 10, inclusive,
of this act or any regulation, or order adopted or issued under sections
6 to 10, inclusive, of this act, the commissioner may request the Attorney
General to bring an action in the superior court for the judicial district
of Hartford to enjoin such person from such violation and to order
remedial measures to prevent, control or abate pollution. All actions

brought by the Attorney General pursuant to the provisions of this
section shall have precedence in the order of trial as provided in section
52-191 of the general statutes.

817 (d) Any person who violates any provision of sections 6 to 10, 818 inclusive, of this act shall be assessed a civil penalty not to exceed 819 twenty-five thousand dollars, to be fixed by the court, for each offense. 820 Each violation shall be a separate and distinct offense and, in the case of 821 a continuing violation, each day's continuance thereof shall be deemed 822 to be a separate and distinct offense. The Attorney General, upon 823 complaint of the commissioner, shall institute a civil action in the 824 superior court for the judicial district of Hartford to recover such 825 penalty. In determining the amount of any penalty assessed under this 826 subsection, the court may consider the nature, circumstances, extent and 827 gravity of the violation, the person's prior history of violations, the 828 economic benefit resulting to the person from the violation, and such 829 other factors deemed appropriate by the court. The court shall consider 830 the status of a person as a persistent violator of the provisions of sections 831 6 to 10, inclusive, of this act. The provisions of this section concerning a 832 continuing violation shall not apply to a person or municipality during 833 the time when a hearing on the order pursuant to this or an appeal is 834 pending.

835 (e) Any person who, with criminal negligence, violates any provision 836 of sections 6 to 10, inclusive, of this act shall be fined not more than 837 twenty-five thousand dollars per day for each day of violation or be 838 imprisoned not more than one year, or both. A subsequent conviction 839 for any such violation shall carry a fine of not more than fifty thousand 840 dollars per day for each day of violation or imprisonment for not more 841 than two years, or both. For the purposes of this subsection, "person" 842 includes any responsible corporate officer or municipal official.

(f) Any person who knowingly violates any provision of sections 6 to
10, inclusive, of this act shall be fined not more than fifty thousand
dollars per day for each day of violation or be imprisoned not more than
three years, or both. A subsequent conviction for any such violation

shall be a class C felony, except that such conviction shall carry a fine of
not more than one hundred thousand dollars per day for each day of
violation. For the purposes of this subsection, "person" includes any
responsible corporate officer or municipal official.

(g) The commissioner may, pursuant to section 22a-6b of the general
statutes, adopt a schedule for administrative civil penalties for
violations of the provisions of sections 6 to 10, inclusive, of this act. Upon
adoption of such schedule, the commissioner may issue administrative
civil penalty notices, pursuant to section 22a-6b of the general statutes,
for violations of sections 6 to 10, inclusive, of this act.

857 (h) Whenever the commissioner finds, after investigation, that any 858 person is maintaining a release to the land and waters of the state and 859 has violated the requirements of sections 6 to 10, inclusive, of this act, 860 the commissioner may, without prior hearing, issue a cease and desist 861 order, in writing, to such person to discontinue maintaining such 862 release. The provisions of subsections (b) to (d), inclusive, of section 22a-863 7 of the general statutes shall apply to any order issued pursuant to this 864 subsection.

865 Sec. 10. (NEW) (Effective from passage) (a) The Commissioner of Energy and Environmental Protection shall adopt regulations, in 866 867 accordance with the provisions of chapter 54 of the general statutes, that 868 the commissioner deems necessary for implementation, administration 869 and enforcement of this section and sections 6 to 9, inclusive, of this act. 870 Such regulations may include, but need not be limited to, provisions 871 regarding (1) requirements for reporting releases; (2) procedures and 872 deadlines for remediation, including public participation; (3) standards 873 for remediation for any release to the land and waters of the state, 874 including environmental use restrictions as defined in section 22a-1330 875 of the general statutes; (4) verification and commissioner's audit of a 876 remediation; (5) supervision of remediation based on pollutant type, 877 concentration or volume, or based on the imminence of harm to public 878 health; and (6) fees.

(b) In regulations adopted pursuant to subsection (a) of this section, the commissioner shall specify tiers of releases based on risk, as determined by the commissioner, and that certain releases may be remediated without being reported, may be remediated under the supervision of a licensed environmental professional without the supervision of the commissioner, and may be remediated without being verified.

886 (c) In establishing standards for remediation adopted pursuant to 887 subsection (a) of this section, the commissioner shall (1) give preference 888 to clean-up methods that are permanent, if feasible; (2) consider any 889 factor the commissioner deems appropriate, including, but not limited 890 to, groundwater classification of the site; and (3) provide for standards 891 of remediation less stringent than those required for residential land use 892 for polluted properties which (A) are located in areas classified as GB or 893 GC under the standards adopted by the commissioner for classification 894 of groundwater contamination, (B) were historically industrial or commercial property, and (C) are not subject to an order issued by the 895 896 commissioner regarding such release, consent order or stipulated 897 judgment regarding such release, provided an environmental use restriction is executed for any such property subsequent to the remedial 898 899 action in accordance with the provisions of section 22a-133aa of the 900 general statutes and such regulations specify the types of industrial or 901 commercial land uses to which any such property may be put 902 subsequent to such remedial action.

903 Sec. 11. (NEW) (*Effective from passage*) Nothing in sections 6 to 10, 904 inclusive, of this act shall be construed to affect the authority of the 905 Commissioner of Energy and Environmental Protection under any 906 other statute or regulation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2020	22a-134
Sec. 2	October 1, 2020	22a-134a(l)
Sec. 3	October 1, 2020	22a-134i

Sec. 4	October 1, 2020	47-270(a)
Sec. 5	October 1, 2020	47-264
Sec. 6	from passage	New section
Sec. 7	from passage	New section
Sec. 8	from passage	New section
Sec. 9	from passage	New section
Sec. 10	from passage	New section
Sec. 11	from passage	New section

## Statement of Purpose:

To make various revisions to the property transfer law and establish a release-based remediation program.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]