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The JI tells it like it is. Somebody has to.

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## Crumbling concrete victory

### Bill to protect homeowners wins final legislative approval

By Eric Bedner

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HARTFORD — Call it a win for property owners with crumbling concrete foundations.

The General Assembly has approved a comprehensive crumbling foundation bill that aims to protect unsuspecting buyers from purchasing affected homes, establish-

■ **More inside:** Coverage of end of legislative session / Pages 14-20

es a low-interest loan program for repairs, allows condominium owners to participate in the captive insurance company, and develops more cost-effective methods for repairs.

The measure cleared the Senate on a 28-8 vote Wednesday, the final day of the leg-

islative session, and now heads to Gov. Ned Lamont's desk for his signature.

Sen. John A. Kissel, R-Enfield, voted against the bill because he said he has yet to see enough information to ensure that previous measures, including a \$12 homeowners insurance policy surcharge and \$40 million in bonding for the captive insurance company, are being used efficiently.

■ SEE **CONCRETE** / PAGE 3

# Legislation creates low-interest loan

■ CONCRETE

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Since Jan. 10, 182 homeowners have signed participation agreements with the captive insurance company to get their foundations repaired, according to officials at the captive.

The captive's superintendent, Michael Maglaras, repeatedly has stressed the importance of quickly receiving each \$20 million bonding allocation in order to keep the company viable.

Kissel said that his district has not been hit particularly hard by the crisis, but three towns in his district — Enfield, Somers, and Suffield — are impacted, according to the Capitol Region Council of Governments.

"By no means do I want to come across as hardhearted regarding this, but until I see where we are regarding our first two financial initiatives that have utilized tens of millions of dollars from our taxpayers, until I see how many homeowners have been positively affected, ... I'm not comfortable at this time embarking on yet a third program with multiple parts to address the issue."

Sen. M. Saud Anwar, D-South Windsor, said this year's legislation was an effort by members of the bipartisan Crumbling Foundations Caucus working together to put the most important proposals of the session into a single bill.

Without mentioning Kissel specifically, Anwar said the work the legislature and the captive have done has paid off.

"The work that has been done has been phenomenal," Anwar said. "It is transparent, effective, and I know a lot of people who are benefiting at this point. For anybody who is questioning that, they need to look at the newspapers in their own community and also interact with victims in the community to know how good the efforts have been so far."

Sen. Stephen T. Cassano, D-Manchester, said he was approached by a homeowner on Wednesday who just learned her

While the captive insurance company provides up to \$175,000 to affected homeowners, the funds can be used only for foundation replacements.

he said.

Under the legislation, new information would have to be provided on residential disclosure reports when a person is selling a home.

These include disclosing if the seller has any knowledge of the presence of pyrrhotite in their foundation, if there is any deterioration due to pyrrhotite, and if there were repairs done to the foundation.

Real estate agents also would have to provide any information they know about a crumbling foundation. If a real estate agent has knowledge they don't disclose, they could face punitive action, including a fine, suspension, or revocation of their license.

Any transfer of a home in a municipality the Capitol Region of Governments determines is affected or potentially affected by crumbling foundations and was acquired by a municipality through foreclosure would require the municipality be made aware of the same information as in the residential disclosure report.

A buyer would be able to bring a civil suit against a seller who has pyrrhotite-related knowledge, but doesn't disclose it.

The measure also clears up language included in past bills, such as allowing condominium owners to participate in the captive insurance company and ensuring a \$12 annual surcharge on homeowners insurance policies is charged only to the first person listed on the policy.

The bill would provide an



Sen. John A. Kissel, R-Enfield, speaks with Lt. Gov. Susan B. during the closing legislative session. He voted against a bill on crumbling foundations that he had yet to see enough information that previous measures would address. The bill passed the Senate and now heads to the governor.

other than their foundation, such as landscaping and driveways, that might be damaged during repairs but not covered under the captive.

The legislation creates a low-interest loan program that would provide up to \$20 million with the state guaranteeing \$2 million to protect banks from potential defaults.

A public-private partnership funded by banks and backed by the state would provide loans of up to \$75,000 for up to 20 years.

While the captive insurance company provides up to \$175,000 to affected homeowners, the funds can be used only for foundation replacements.

In order to qualify for a low-interest loan, an affected homeowner first must have received a participation agreement or grant from the captive.

Additionally, Connecticut Innovations Inc. would administer a program to develop new technologies and techniques

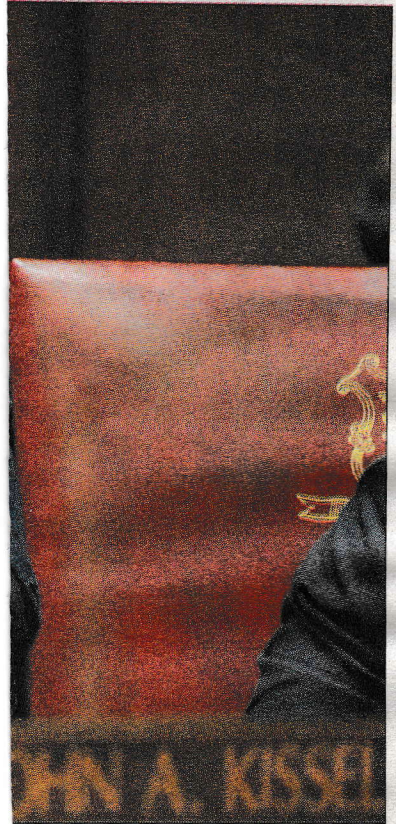


House Majority Leader Matthew D. Lauria and House Speaker Joseph A. Blase Jr. during the closing legislative session at the State Capitol in Hartford.

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The state also would work with the captive to collect data

# program



Jim Michaud / Journal Inquirer

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Jim Michaud / Journal Inquirer

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