



# Senate

General Assembly

**File No. 133**

January Session, 2025

Substitute Senate Bill No. 1332

*Senate, March 19, 2025*

The Committee on Aging reported through SEN. HOCHADEL of the 13th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING NURSING HOME FINANCIAL  
ACCOUNTABILITY AND NURSING HOME OWNERSHIP BY PRIVATE  
EQUITY COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.***

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

- 1       Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2       (1) "Indirect ownership interest" means an ownership interest in (A)
- 3       an entity that has an ownership interest in a nursing home, or (B) an
- 4       indirect owner of a nursing home;
- 5       (2) "Nursing home" has the same meaning as provided in section 19a-
- 6       490 of the general statutes;
- 7       (3) "Operational control" means to: (A) Influence or direct the actions
- 8       or policies of any part of a nursing home; or (B) choose, appoint or
- 9       terminate a member of the board, manager, managing member, senior
- 10       employee, consultant or other individual or entity that participates in
- 11       the operational oversight of a nursing home;

12 (4) "Ownership interest" means possession of equity in capital, stock,  
13 profits or ownership of real estate on which a nursing home operates;

14 (5) "Private equity company" means a publicly traded or nonpublicly  
15 traded entity that collects capital investments from individuals or  
16 entities; and

17 (6) "Real estate investment trust" has the same meaning as provided  
18 in 26 USC 856.

19 (b) On and after October 1, 2025, a private equity company or real  
20 estate investment trust shall not acquire or increase (1) any direct or  
21 indirect ownership interest in a nursing home, or (2) any operational or  
22 financial control over a nursing home.

23 Sec. 2. Subsection (a) of section 19a-491a of the general statutes is  
24 repealed and the following is substituted in lieu thereof (*Effective October*  
25 *1, 2025*):

26 (a) A person seeking a license to establish, conduct, operate or  
27 maintain a nursing home shall provide the Department of Public Health  
28 with the following information:

29 (1) (A) The name and business address of the owner and a statement  
30 of whether the owner is an individual, partnership, corporation or other  
31 legal entity; (B) the names of the officers, directors, trustees, or  
32 managing and general partners of the owner, the names of persons  
33 having a five per cent or greater ownership interest in the owner, and a  
34 description of each such person's occupation with the owner; (C) if the  
35 owner is a corporation which is incorporated in another state, a  
36 certificate of good standing from the secretary of state of the state of  
37 incorporation; and (D) if a private equity company or real estate  
38 investment trust owns any portion of the business, evidence of  
39 compliance with section 1 of this act and any information regarding  
40 such company or trust required to be disclosed (i) on federal Form CMS-  
41 855a, and (ii) in accordance with 42 CFR 424.516 or 42 CFR 455.104, as  
42 amended from time to time;

43 (2) A description of the relevant business experience of the owner and  
44 of the administrator of the nursing home and evidence that the  
45 administrator has a license issued pursuant to section 19a-514;

46 (3) Affidavits signed by the owner, any of the persons described in  
47 subdivision (1) of this subsection, the administrator, assistant  
48 administrator, the medical director, the director of nursing and assistant  
49 director of nursing disclosing any matter in which such person has been  
50 convicted of a felony, as defined in section 53a-25, or has pleaded nolo  
51 contendere to a felony charge, or has been held liable or enjoined in a  
52 civil action by final judgment, if the felony or civil action involved fraud,  
53 embezzlement, fraudulent conversion or misappropriation of property;  
54 or is subject to an injunction or restrictive or remedial order of a court of  
55 record at the time of application, within the past five years has had any  
56 state or federal license or permit suspended or revoked as a result of an  
57 action brought by a governmental agency or department, arising out of  
58 or relating to health care business activity, including, but not limited to,  
59 actions affecting the operation of a nursing home, retirement home,  
60 residential care home or any facility subject to sections 17b-520 to 17b-  
61 535, inclusive, or a similar statute in another state or country;

62 (4) (A) A statement as to whether or not the owner is, or is affiliated  
63 with, a religious, charitable or other nonprofit organization; (B) the  
64 extent of the affiliation, if any; (C) the extent to which the affiliate  
65 organization will be responsible for the financial obligations of the  
66 owner; and (D) the provision of the Internal Revenue Code of 1986, or  
67 any subsequent corresponding internal revenue code of the United  
68 States, as from time to time amended, if any, under which the owner or  
69 affiliate is exempt from the payment of income tax;

70 (5) The location and a description of other health care facilities of the  
71 owner, existing or proposed, and, if proposed, the estimated completion  
72 date or dates and whether or not construction has begun;

73 (6) Audited and certified financial statements of the owner, including  
74 (A) a balance sheet as of the end of the most recent fiscal year, and (B)  
75 income statements for the most recent fiscal year of the owner or such

76 shorter period of time as the owner shall have been in existence; and

77 (7) If the operation of the nursing home has not yet commenced, a  
 78 statement of the anticipated source and application of the funds used or  
 79 to be used in the purchase or construction of the home, including:

80 (A) An estimate of such costs as financing expense, legal expense,  
 81 land costs, marketing costs and other similar costs which the owner  
 82 expects to incur or become obligated for prior to the commencement of  
 83 operations; and

84 (B) A description of any mortgage loan or any other financing  
 85 intended to be used for the financing of the nursing home, including the  
 86 anticipated terms and costs of such financing.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2025</i>	19a-491a(a)

**Statement of Legislative Commissioners:**

Section 1(b) was redrafted for clarity, and, in Section 2(a), "evidence of compliance with section 1 of this act" was moved from Subdiv. (6) to Subdiv. (1)(D) for internal consistency.

**AGE**      *Joint Favorable Subst. -LCO*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

### **Explanation**

The bill, which prohibits private equity companies and real estate investment trusts from acquiring or increasing their ownership interest, operational control, or financial control in a nursing home, results in no state or municipal fiscal impact. The Department of Public Health has the capacity to review submitted evidence demonstrating a nursing home's compliance with the bill's provisions within existing staffing levels.

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**OLR Bill Analysis****SB 1332****AN ACT CONCERNING NURSING HOME FINANCIAL ACCOUNTABILITY AND NURSING HOME OWNERSHIP BY PRIVATE EQUITY COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.****SUMMARY**

This bill prohibits private equity companies (PEC) and real estate investments trusts (REIT) from acquiring or increasing their ownership interest, operational control, or financial control in a nursing home beginning October 1, 2025.

Specifically, the bill prohibits PECs and REITs from increasing their:

1. ownership interest directly or via an (a) entity that has an ownership interest in a nursing home or (b) indirect owner of a nursing home,
2. ability to affect operations of a nursing home, and
3. control over the nursing home's finances.

Under the bill, an ownership interest is capital, stock, profits, or ownership of real estate on which a nursing home operates. Actions affecting a nursing home's operations are (1) those that influence or direct actions or policies or (2) choosing or terminating board members, managers or managing members, senior employees, consultants, or other individuals or entities that are part of the nursing home's oversight.

The bill also requires a person seeking a license to establish, conduct, operate, or maintain a nursing home owned in full or in part by a PEC or REIT to provide the Department of Public Health with evidence

demonstrating compliance with these provisions.

Under the bill, a PEC is a publicly or privately owned entity that collects capital investments, and an REIT generally is a company that owns or finances income-producing commercial real estate.

EFFECTIVE DATE: October 1, 2025

### **COMMITTEE ACTION**

Aging Committee

Joint Favorable

Yea 11    Nay 2    (03/04/2025)