



***Substitute House Bill No. 7027***

***Public Act No. 25-146***

***AN ACT CONCERNING THE USE OF CONDOMINIUM DEPOSITS FOR CONSTRUCTION AND DEVELOPMENT, ACCOUNTING OF RENTAL CHARGES AND A WORKING GROUP TO DEVELOP A UNIFORM STATUTORY DEFINITION OF "AFFORDABLE HOUSING".***

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

Section 1. Section 47-271 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) As used in this section, "actual costs" includes, but is not limited to, expenditures for demolition, site clearing, permit fees, impact fees, architectural, engineering and surveying fees, construction, development and design costs of furnishing and equipping the condominium property, but excluding sale and marketing costs.

[(a)] (b) Any deposit made in connection with the purchase or reservation of a unit from a person required to deliver a public offering statement pursuant to subsection (c) of section 47-263 shall be placed in escrow and held either in this state or in the state where the unit is located in an account designated solely for that purpose by a licensed title insurance company, an attorney, a licensed real estate broker, an independent bonded escrow company or an institution whose accounts are insured by a governmental agency or instrumentality until (1)

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delivered to the declarant at closing; (2) delivered to the declarant because of the purchaser's default under a contract to purchase the unit; [or] (3) refunded to the purchaser; or (4) used for the construction of improvements, in accordance with the provisions of subsection (c) of this section.

(c) If the contract for the sale of the condominium unit so provides and the purchaser under the purchase contract represents in the purchase contract that such purchaser is an accredited investor as defined in 17 CFR 230.501 et seq., as amended from time to time, at the time the purchaser enters into the contract, the declarant may withdraw escrow funds in excess of one per cent of the purchase price from the escrow account required under subsection (b) of this section when the construction of improvements has commenced. The declarant may withdraw such funds from the escrow account as described in this section for the actual costs incurred by the declarant after termination of the cancellation period, as set forth in section 47-269, for the construction, development and design of the condominium property in which the unit to be sold is located. No part of such funds may be used for salaries, commissions, expenses, real estate licensees or advertising purposes.

(d) A purchase agreement which permits the use of the earnest money deposit in accordance with the provisions of this section shall include the following legend conspicuously printed or stamped in bold type on the first page of the purchase agreement and immediately above the place for the signature of the purchaser: "ANY PAYMENT IN EXCESS OF ONE (1%) PER CENT TOWARDS THE PURCHASE PRICE MADE TO THE DECLARANT PRIOR TO CLOSING PURSUANT TO THE PURCHASE AGREEMENT MAY BE USED FOR ACTUAL COSTS OF CONSTRUCTION, DEVELOPMENT, AND DESIGN, AS DEFINED IN C.G.S. 47-271."

~~[(b)]~~ (e) If such deposit is made in connection with the purchase or

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reservation of a unit to be occupied by the purchaser and is placed in an interest-bearing escrow account other than an account established and maintained pursuant to section 51-81c, any interest which accrues thereon from the date of such deposit until its disposition pursuant to subdivision (1), (2), ~~or~~ (3) or (4) of subsection ~~[(a)] (b)~~ of this section shall be distributed as follows: (1) If such deposit is delivered to the declarant at closing or refunded to the purchaser, such interest shall be divided equally between the purchaser and the declarant; and (2) if such deposit is delivered to the declarant because of the purchaser's default under a contract to purchase the unit, such interest shall be paid to the declarant.

~~[(c)]~~ (f) Any person who procures the wrongful release of any escrow funds to the declarant or to a third party, with intent to defraud the purchaser, shall be guilty of embezzlement and on conviction shall be punished in the manner provided by law.

Sec. 2. Subdivision (13) of subsection (a) of section 47-264 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(13) A statement that any deposit made in connection with the purchase of a unit will be (A) 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, or (B) withdrawn and used for authorized purposes pursuant to section 47-271, as amended by this act;

Sec. 3. Section 47a-3a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) Rent is payable without demand or notice at the time and place agreed upon by the parties.

(b) Unless otherwise agreed: (1) Rent is payable at the dwelling unit;

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(2) periodic rent is payable at the beginning of any term of one month or less and for terms of more than one month in equal monthly installments at the beginning of each month.

(c) Upon receipt of a payment in cash from or on behalf of an occupant, a landlord shall provide the person making the payment with a receipt stating the date of the payment, the amount received and the purpose for which the payment was made.

(d) Upon request by an occupant, the landlord shall provide such occupant with a copy of the ledger or equivalent accounting for the occupant's dwelling unit, showing charges assessed, payments made and any balance owed or surplus paid by such occupant.

Sec. 4. (*Effective from passage*) (a) There is established a working group to develop a statutory definition of "affordable housing" for the purpose of promoting consistency in the general statutes.

(b) The working group shall consist of the chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to housing, who shall serve as chairpersons of the working group, the ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to housing and any individuals who the chairpersons believe may serve as sources of information and data to accomplish the purposes of this section, including, but not limited to, the Commissioner of Housing, or the commissioner's designee.

(c) The chairpersons shall schedule the first meeting of the working group, which shall be held not later than sixty days after the effective date of this section.

(d) The administrative staff of the joint standing committee of the General Assembly having cognizance of matters relating to housing shall serve as the administrative staff of the working group.

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(e) Not later than January 1, 2026, the working group shall submit a report on its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to housing, in accordance with the provisions of section 11-4a of the general statutes. The working group shall terminate on the date that it submits such report or January 1, 2026, whichever is later.

Sec. 5. Subdivision (18) of subsection (b) of section 1 of public act 25-52 is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(18) The [executive director of the Office] Commissioner of Health Strategy, or the [executive director's] commissioner's designee;

Governor's Action:  
Approved June 30, 2025