



General Assembly

Amendment

January Session, 2025

LCO No. 10691



Offered by:

REP. FELIPE, 130th Dist.

SEN. MARX, 20th Dist.

REP. SCOTT, 112th Dist.

To: Subst. House Bill No. 7027

File No. 239

Cal. No. 167

**"AN ACT PERMITTING THE USE OF CONDOMINIUM DEPOSITS
FOR CONSTRUCTION AND DEVELOPMENT."**

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

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 Section 47-271 of the general statutes is repealed and the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

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

10 ~~[(a)]~~ (b) Any deposit made in connection with the purchase or
11 reservation of a unit from a person required to deliver a public offering
12 statement pursuant to subsection (c) of section 47-263 shall be placed in

13 escrow and held either in this state or in the state where the unit is
14 located in an account designated solely for that purpose by a licensed
15 title insurance company, an attorney, a licensed real estate broker, an
16 independent bonded escrow company or an institution whose accounts
17 are insured by a governmental agency or instrumentality until (1)
18 delivered to the declarant at closing; (2) delivered to the declarant
19 because of the purchaser's default under a contract to purchase the unit;
20 [or] (3) refunded to the purchaser; or (4) used for the construction of
21 improvements, in accordance with the provisions of subsection (c) of
22 this section.

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

38 (d) A purchase agreement which permits the use of the earnest
39 money deposit in accordance with the provisions of this section shall
40 include the following legend conspicuously printed or stamped in bold
41 type on the first page of the purchase agreement and immediately above
42 the place for the signature of the purchaser: "ANY PAYMENT IN
43 EXCESS OF ONE (1%) PER CENT TOWARDS THE PURCHASE PRICE
44 MADE TO THE DECLARANT PRIOR TO CLOSING PURSUANT TO
45 THE PURCHASE AGREEMENT MAY BE USED FOR ACTUAL COSTS

46 OF CONSTRUCTION, DEVELOPMENT, AND DESIGN, AS DEFINED
47 IN C.G.S. 47-271."

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

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

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

67 (13) A statement that any deposit made in connection with the
68 purchase of a unit will be (A) held in an escrow account until closing
69 and will be returned to the purchaser if the purchaser cancels the
70 contract pursuant to section 47-269, together with the name and address
71 of the escrow agent, or (B) withdrawn and used for authorized purposes
72 pursuant to section 47-271, as amended by this act;

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

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

77 (b) Unless otherwise agreed: (1) Rent is payable at the dwelling unit;
78 (2) periodic rent is payable at the beginning of any term of one month
79 or less and for terms of more than one month in equal monthly
80 installments at the beginning of each month.

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

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

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

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

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

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

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

113 Sec. 5. Subdivision (18) of subsection (b) of section 1 of public act 25-
114 52 is repealed and the following is substituted in lieu thereof (*Effective*
115 *from passage*):

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2025</i>	47-271
Sec. 2	<i>July 1, 2025</i>	47-264(a)(13)
Sec. 3	<i>July 1, 2025</i>	47a-3a
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	PA 25-52, Sec. 1(b)(18)