



# Senate

General Assembly

**File No. 69**

February Session, 2026

Substitute Senate Bill No. 125

*Senate, March 19, 2026*

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 RESTRICTING PRIVATE EQUITY OWNERSHIP OF NURSING HOMES.***

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

1 Section 1. (*Effective October 1, 2026*) (a) As used in this section, (1)  
2 "nursing home" has the same meaning as provided in section 19a-490 of  
3 the general statutes, and (2) "ownership entity" means an individual or  
4 publicly traded or non-publicly traded company that collects capital  
5 investments from individuals or entities and purchases a direct or  
6 indirect ownership share of a nursing home, and includes a real estate  
7 investment trust, as defined in 26 USC 856, as amended from time to  
8 time.

9 (b) Not later than February 15, 2027, and annually thereafter, each  
10 nursing home shall provide the Commissioner of Social Services with  
11 the following information: (1) The name and business address of all  
12 ownership entities with a beneficial ownership interest in the nursing  
13 home and a statement of whether such ownership entity is an  
14 individual, partnership, corporation or other legal entity; (2) the names

15 of the officers, directors, trustees or managing and general partners of  
16 any such ownership entity and the number of shares owned or  
17 ownership percentage of the ownership entity held by each partner; (3)  
18 if such ownership entity is a corporation that is incorporated in another  
19 state, a certificate of good standing from the Secretary of the State of the  
20 state of incorporation; (4) the audited and certified financial statements  
21 of the ownership entity, if applicable, including, but not limited to, (A)  
22 a balance sheet as of the end of the most recent fiscal year, (B) income  
23 statements for the most recent fiscal year, (C) a cash flow statement from  
24 the most recent fiscal year, and (D) an estimate of financing expenses,  
25 legal expenses, land costs, marketing costs and other similar costs that  
26 the ownership entity expects to incur or become obligated to pay within  
27 one year of acquisition of the nursing home; (5) a description of any  
28 mortgage loan or other financing used for the initial acquisition or  
29 construction of the nursing home, subsequent refinancing of any such  
30 debt, and any subsequent financing of additional debt incurred,  
31 including, but not limited to, the terms and costs of any such mortgage  
32 loan or other financing; (6) a copy of the purchase agreement for the  
33 nursing home and any agreement providing for the transfer of  
34 ownership interests in the nursing home, including, but not limited to,  
35 the real estate agreement, asset agreement, stock agreement or other  
36 similar agreement; and (7) any documentation regarding escrow or  
37 contingency accounts.

38 (c) The Commissioner of Social Services may impose a civil penalty  
39 of one thousand dollars per day on any nursing home that fails to  
40 provide any information required pursuant to subsection (b) of this  
41 section not later than thirty days after the date such information is due.  
42 A nursing home may request a fair hearing on the assessment of any  
43 such civil penalty as an aggrieved person pursuant to section 17b-60 of  
44 the general statutes.

45 (d) A nursing home involving an ownership entity with a beneficial  
46 ownership interest in said nursing home shall, at the time of application  
47 for or renewal of a nursing home license, demonstrate to the satisfaction  
48 of the Commissioner of Social Services that the nursing home has

49 secured a performance bond or similar form of security in favor of the  
 50 state in an amount equal to ninety days of operating costs for the  
 51 nursing home and that such bond or similar form of security shall  
 52 remain in effect for the duration of the initial license term and any  
 53 renewal term.

54 (e) A nursing home involving an ownership entity with a beneficial  
 55 ownership interest in said nursing home shall, at the time of application  
 56 for or renewal of a nursing home license, submit to the Department of  
 57 Public Health a copy of the performance bond or similar form of security  
 58 required under subsection (d) of this section.

59 (f) No person or entity acquiring ownership of real property on and  
 60 after October 1, 2026, on which a licensed nursing home operates, shall  
 61 sell, transfer or otherwise convey such property within five years of  
 62 acquisition without written approval from the Commissioner of Public  
 63 Health. Such approval shall be granted only upon a showing that the  
 64 sale, transfer or conveyance will benefit resident care or improve  
 65 operational stability.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	New section

**Statement of Legislative Commissioners:**

In Subsec. (f), ", transfer or conveyance" was added after "sale" for consistency with other provisions of the Subsec.

**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.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Social Services, Dept.	GF - Potential Cost/Revenue Gain	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill could result in a revenue gain to the state associated with allowing the Department of Social Services (DSS) to impose a civil penalty of \$1,000 per day on any nursing home failing to provide the information required under the bill.

To the extent that securing a performance bond or similar form of security results in a nursing home exceeding the threshold of allowable costs and seeking a rate adjustment, DSS may incur associated Medicaid costs, which are unknown at this time.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to penalties imposed and scope of rate adjustments.

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**OLR Bill Analysis****sSB 125*****AN ACT RESTRICTING PRIVATE EQUITY OWNERSHIP OF NURSING HOMES.*****SUMMARY**

This bill limits when the owner of real property (for example, land or buildings) where a nursing home is located may sell or transfer it. It prohibits anyone who acquires such a property after October 1, 2026, from selling or transferring it within five years from the date they acquired it, unless the Department of Public Health (DPH) commissioner approves in writing. Under the bill, the commissioner may only approve if she finds that doing so will improve operational stability or benefit resident care.

The bill also establishes new requirements related to certain types of “ownership entities.” Specifically, it requires nursing homes to (1) secure a performance bond, or a similar security, if an ownership entity has a beneficial ownership interest in them and (2) report to the Department of Social Services (DSS) certain information about these entities. (Owners of a beneficial interest, generally, may receive financial benefits from an asset even if not recorded as a legal owner.)

Under the bill, an “ownership entity” is an individual or company, either privately owned or publicly traded, that collects capital investments from individuals or other entities and purchases a direct or indirect ownership share of a nursing home. This term includes real estate investment trusts, which are, generally, companies that own or finance income-producing commercial real estate.

EFFECTIVE DATE: October 1, 2026

**PERFORMANCE BOND**

If an “ownership entity” has a beneficial ownership interest in a nursing home, the home must secure a performance bond, or similar security, in favor of the state. The bond or security must equal 90 days of the nursing home’s operating costs and stay in effect for the duration of the home’s initial license term or renewal term.

When applying for an initial license or to renew its license with DSS or DPH, the nursing home must provide proof (for DPH, a copy of the bond or security) it has this bond or security.

### **REPORTING REQUIREMENT AND PENALTY**

Beginning by February 15, 2027, the bill requires each nursing home to annually give DSS certain information about each ownership entity that has a beneficial ownership interest in it, including:

1. its business address and whether it is a person, partnership, corporation, or other type of legal entity;
2. a certificate of good standing from a Secretary of State, if it is incorporated in another state;
3. the names of individuals holding certain leadership positions (for example, directors, officers, trustees, managing partners, and general partners);
4. each partner’s ownership share;
5. audited and certified financial statements, if applicable;
6. a description of financing (for example, mortgage loans) used to acquire or construct the home and any subsequent debt refinancing;
7. documentation on any escrow or contingency accounts; and
8. a copy of the purchase agreement for the nursing home and any agreement to transfer ownership interests in it (for example, real estate, asset, or stock agreements).

If a nursing home does not provide this information within 30 days after it is due, the DSS commissioner may impose a \$1,000 per day fine on the home, which may contest the fine in an administrative hearing through a process established in existing law for DSS decisions.

**COMMITTEE ACTION**

Aging Committee

Joint Favorable

Yea 13 Nay 1 (03/05/2026)