



General Assembly

February Session, 2026

**Substitute Bill No. 5316**



**AN ACT PROHIBITING REAL ESTATE INVESTMENT TRUSTS FROM ACQUIRING OR INCREASING OPERATIONAL CONTROL OVER HOSPITALS OR HEALTH SYSTEMS AND PROHIBITING HOSPITALS AND HEALTH SYSTEMS FROM ENTERING INTO SALE-LEASEBACK FINANCING TRANSACTIONS.**

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

1 Section 1. (NEW) (*Effective October 1, 2026*) (a) As used in this section:

2 (1) "Health system" means (A) a parent corporation of one or more  
3 hospitals and any entity affiliated with such parent corporation through  
4 ownership, governance, membership or other means, or (B) a hospital  
5 or any entity affiliated with such hospital through ownership,  
6 governance, membership or other means;

7 (2) "Hospital" has the same meaning as provided in section 19a-646  
8 of the general statutes;

9 (3) "Main campus of a hospital" means the licensed premises within  
10 which the majority of inpatient beds are located;

11 (4) "Operational control" means to (A) influence or direct the actions  
12 or policies of any part of a hospital or health system, or (B) choose,  
13 appoint or terminate a member of the board, manager, managing  
14 member, senior employee, consultant or other individual or entity that  
15 participates in the operational oversight of a hospital or health system;

16 (5) "Person" has the same meaning as provided in section 1-79 of the  
17 general statutes;

18 (6) "Real estate investment trust" has the same meaning as provided  
19 in 26 USC 856, as amended from time to time; and

20 (7) "Sale-leaseback transaction" means a transaction in which a  
21 hospital or health system enters into an agreement with another person  
22 to sell and lease back hospital or health system-owned real property that  
23 constitutes the main campus of a hospital.

24 (b) On and after October 1, 2026, no real estate investment trust shall  
25 (1) acquire any operational control over a hospital or health system; or  
26 (2) increase any operational control that the real estate investment trust  
27 has over a hospital or health system.

28 (c) On and after October 1, 2026, no hospital or health system shall  
29 enter into a sale-leaseback transaction.

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. (b)(2), "health care system" was changed to "health system" for consistency with other provisions of the Section.

**BA** Joint Favorable Subst. -LCO