



General Assembly

February Session, 2026

Substitute Bill No. 125



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

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