



Senate

General Assembly

File No. 746

February Session, 2026

Substitute Senate Bill No. 481

Senate, April 30, 2026

The Committee on Judiciary reported through SEN. WINFIELD of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT REQUIRING NURSING HOME OWNERSHIP
TRANSPARENCY, FINANCIAL SAFEGUARDS PROTECTING
NURSING HOME OPERATIONS AND PROPERTY AND PROHIBITING
REQUIRED ARBITRATION AGREEMENTS.***

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 the ownership entity is an individual,
14 partnership, corporation or other legal entity; (2) the names of the
15 officers, directors, trustees or managing and general partners of any
16 such ownership entity and the number of shares owned or ownership
17 percentage of the ownership entity held by each partner; (3) if such
18 ownership entity is a corporation that is incorporated in another state, a
19 certificate of good standing from the Secretary of the State of the state of
20 incorporation; (4) the audited and certified financial statements of the
21 ownership entity, if applicable, including, but not limited to, (A) a
22 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 debt,
30 and any subsequent financing of additional debt incurred, including,
31 but not limited to, the terms and costs of any such mortgage loan or
32 other financing; (6) a copy of the purchase agreement for the nursing
33 home and any agreement providing for the transfer of ownership
34 interests in the nursing home, including, but not limited to, the real
35 estate agreement, asset agreement, stock agreement or other similar
36 agreement; and (7) any documentation regarding escrow or contingency
37 accounts.

38 (c) A nursing home owned or partially owned by an ownership entity
39 with a beneficial ownership interest in the nursing home shall, at the
40 time of application for or renewal of a nursing home license,
41 demonstrate to the satisfaction of the Commissioner of Social Services
42 that the nursing home has secured a performance bond or similar form
43 of security in favor of the state in an amount equal to ninety days of
44 operating costs for the nursing home and that such bond or similar form
45 of security shall remain in effect for the duration of the initial license
46 term and any renewal term.

47 (d) A nursing home owned or partially owned by an ownership
 48 entity with a beneficial ownership interest in the nursing home shall, at
 49 the time of application for or renewal of a nursing home license, submit
 50 to the Department of Public Health a copy of the performance bond or
 51 similar form of security required under subsection (c) of this section.

52 (e) No person or entity acquiring ownership of real property on and
 53 after October 1, 2026, on which a licensed nursing home operates, shall
 54 sell, transfer or otherwise convey such property within five years of the
 55 date of acquisition without written approval from the Commissioner of
 56 Public Health. Such approval shall be granted only upon a showing that
 57 the sale will benefit resident care or improve operational stability.

58 Sec. 2. (NEW) (*Effective from passage*) No nursing home, as defined in
 59 section 19a-490 of the general statutes, shall require a resident or
 60 prospective resident to sign an arbitration agreement or contract
 61 containing an arbitration agreement as a condition of admission or
 62 continued care. Any such required arbitration agreement or contract
 63 containing such arbitration agreement entered into, amended or
 64 renewed after the effective date of this section is against public policy
 65 and shall be void.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026</i>	New section
Sec. 2	<i>from passage</i>	New section

JUD *Joint Favorable Subst.*

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	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires any nursing home with a beneficial ownership interest to provide the Department of Social Services (DSS) with proof of a performance bond or security to secure or renew a license. To the extent that the costs for securing a performance bond or similar form of security are factored into nursing home rates, DSS will incur associated Medicaid costs.

The Out Years

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

OLR Bill Analysis**sSB 481*****AN ACT REQUIRING NURSING HOME OWNERSHIP TRANSPARENCY, FINANCIAL SAFEGUARDS PROTECTING NURSING HOME OPERATIONS AND PROPERTY AND PROHIBITING REQUIRED ARBITRATION AGREEMENTS.*****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 it 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 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.

Lastly, the bill prohibits nursing homes from requiring a current or

prospective resident to sign an arbitration agreement, or a contract containing one, as a condition of admission or continued care. It voids such arbitration agreements and contracts entered into, renewed, or amended after the bill's passage.

EFFECTIVE DATE: October 1, 2026, except the provision on arbitration agreements takes effect upon passage.

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).

BACKGROUND

Legislative History

The Senate referred the bill (File 481) to the Judiciary Committee, which favorably reported a substitute that removed provisions allowing DSS to impose a daily \$1,000 fine on nursing homes that fail to meet the bill’s reporting requirement.

Related Bill

SB 125 (File 69), favorably reported by the Aging Committee, generally contains the same provisions as the bill except for those on arbitration agreements.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute
 Yea 16 Nay 7 (03/19/2026)

Judiciary Committee

Joint Favorable Substitute
 Yea 30 Nay 11 (04/24/2026)