



Senate

General Assembly

File No. 481

February Session, 2026

Substitute Senate Bill No. 481

Senate, April 7, 2026

The Committee on Human Services reported through SEN. LESSER of the 9th 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) 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 owned or partially owned by an ownership
46 entity with a beneficial ownership interest in the nursing home shall, at

47 the time of application for or renewal of a nursing home license,
 48 demonstrate to the satisfaction of the Commissioner of Social Services
 49 that the nursing home has secured a performance bond or similar form
 50 of security in favor of the state in an amount equal to ninety days of
 51 operating costs for the nursing home and that such bond or similar form
 52 of security shall remain in effect for the duration of the initial license
 53 term and any renewal term.

54 (e) A nursing home owned or partially owned by an ownership entity
 55 with a beneficial ownership interest in the nursing home shall, at the
 56 time of application for or renewal of a nursing home license, submit to
 57 the Department of Public Health a copy of the performance bond or
 58 similar form of security 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 the
 62 date of acquisition without written approval from the Commissioner of
 63 Public Health. Such approval shall be granted only upon a showing that
 64 the sale will benefit resident care or improve operational stability.

65 Sec. 2. (NEW) (*Effective from passage*) No nursing home, as defined in
 66 section 19a-490 of the general statutes, shall require a resident or
 67 prospective resident to sign an arbitration agreement or contract
 68 containing an arbitration agreement as a condition of admission or
 69 continued care. Any such required arbitration agreement or contract
 70 containing such arbitration agreement entered into, amended or
 71 renewed after the effective date of this section is against public policy
 72 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

Statement of Legislative Commissioners:

The title was changed; and Section 1(d) and Section 1(e) were redrafted for clarity.

HS *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/ 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.

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).

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.

BACKGROUND

Related Bill

sSB 125, favorably reported by the Aging Committee, 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)