



General Assembly

February Session, 2026

**Raised Bill No. 5240**

LCO No. 1474



Referred to Committee on PUBLIC HEALTH

Introduced by:  
(PH)

**AN ACT CONCERNING THE DEPARTMENT OF DEVELOPMENTAL SERVICES' RECOMMENDATIONS REGARDING VARIOUS REVISIONS TO DEVELOPMENTAL SERVICES STATUTES.**

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

1 Section 1. Subsection (c) of section 17a-218 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (c) The commissioner may provide, within available appropriations,  
5 subsidies [to] for persons with intellectual disability who are placed in  
6 supervised apartments, condominiums or homes which do not receive  
7 housing payments under section 17b-244, in order to assist such persons  
8 to meet housing costs.

9 Sec. 2. Section 17a-220 of the general statutes is repealed and the  
10 following is substituted in lieu thereof (*Effective from passage*):

11 As used in this section and sections 17a-221 to 17a-225, inclusive, as  
12 amended by this act:

13 (1) "Borrower" means an organization which has received a loan  
14 pursuant to this section and sections 17a-221 to 17a-225, inclusive, as  
15 amended by this act;

16 (2) "Capital loan agreement" means an agreement, in the form of a  
17 written contract, between the department and the organization which  
18 sets forth the terms and conditions applicable to the awarding of a  
19 community residential facility loan;

20 (3) "Certification" or "certified" means certification by the Department  
21 of Public Health as an intermediate care facility for individuals with  
22 intellectual disabilities pursuant to standards set forth in the rules and  
23 regulations published in Title 42, Part 442, Subpart G of the Code of  
24 Federal Regulations;

25 (4) "Community-based" means those programs or facilities which are  
26 not located on the grounds of, or operated by, the department;

27 (5) "Community residential facility" means a community-based  
28 residential facility which houses up to six persons with intellectual  
29 disability or autism spectrum disorder and which provides food,  
30 shelter, personal guidance and, to the extent necessary, continuing  
31 health-related services and care for persons requiring assistance to live  
32 in the community. [, provided any such facilities in operation on July 1,  
33 1985, which house more than six persons with intellectual disability or  
34 autism spectrum disorder shall be eligible for loans for rehabilitation  
35 under this section and sections 17a-221 to 17a-225, inclusive.] Such  
36 facility shall be licensed and may be certified;

37 (6) "Community Residential Facility Revolving Loan Fund" means  
38 the loan fund established pursuant to section 17a-221;

39 (7) "Default" means the failure of the borrower to observe or perform  
40 any covenant or condition under the capital loan agreement and  
41 includes the failure to meet any of the conditions specified in section  
42 17a-223, as amended by this act;

43 (8) "Department" means the Department of Developmental Services;

44 (9) ["Loan" means a community residential facilities] "Community  
45 residential facility loan" or "loan" means a loan to a community  
46 residential facility which shall bear an interest rate to be determined in  
47 accordance with subsection (t) of section 3-20, but in no event in excess  
48 of six per cent per annum, and is made pursuant to the provisions of this  
49 section and sections 17a-221 to 17a-225, inclusive, as amended by this  
50 act;

51 (10) "Licensed" or "licensure" means licensure by the department  
52 pursuant to section 17a-227;

53 (11) "Organization" means a private nonprofit corporation which is  
54 (A) tax-exempt under Section 501(c)(3) of the Internal Revenue Code of  
55 1986, or any subsequent corresponding internal revenue code of the  
56 United States, as from time to time amended, (B) qualified to do business  
57 in this state, and (C) applying for a loan under the community  
58 residential facility revolving loan program;

59 [(12) "Rehabilitate" or "rehabilitation" means rehabilitation of a  
60 previously existing and operating community residential facility to  
61 meet physical plant requirements for licensure, certification or Fire  
62 Safety Code compliance or to make energy conservation  
63 improvements;]

64 [(13)] (12) "Renovate" or "renovation" means renovation of a newly  
65 acquired residential facility to meet physical plant requirements for  
66 licensure, certification or Fire Safety Code compliance or to make energy  
67 conservation improvements;

68 [(14)] (13) "Total property development cost" means the cost of  
69 property acquisition, construction [ ] or renovation [or rehabilitation]  
70 and related development costs which may be capitalized under  
71 generally accepted accounting principles, including furnishings and  
72 equipment, provided in no case may the total property development  
73 cost of a residential facility financed pursuant to this section and

74 sections 17a-221 to 17a-225, inclusive, as amended by this act, exceed the  
75 total residential development amount approved by the Department of  
76 Social Services in accordance with sections 17a-228 and 17b-244, and the  
77 regulations adopted thereunder; and

78 [(15)] (14) "Capital repairs and improvements" means major repairs  
79 and improvements to an existing community residential facility to  
80 maintain the physical plant and property of such facility, which repairs  
81 and improvements are reimbursable under the room and board rates  
82 established by the Department of Social Services in accordance with  
83 section 17b-244 and may be capitalized in accordance with generally  
84 accepted accounting principles.

85 Sec. 3. Section 17a-222 of the general statutes is repealed and the  
86 following is substituted in lieu thereof (*Effective from passage*):

87 (a) The department may make a community residential facility  
88 [~~loans~~] loan to [~~organizations~~] an organization for [(1)] construction [~~or~~  
89 ~~purchase and renovation~~] of a community-based residential [~~facilities~~]  
90 facility in a principal [~~amounts~~] amount up to one hundred per cent of  
91 the total property development cost of the project. [~~or (2) the refinancing~~  
92 of an indebtedness created in December, 1983, which indebtedness is  
93 secured by a mortgage on such residential facility in principal amounts  
94 up to one hundred per cent of the total indebtedness provided in no case  
95 may the total amount of the loan exceed three hundred fifty thousand  
96 dollars.]

97 (b) The department may make a community residential facility loan  
98 to an organization for the purchase and renovation of a community  
99 residential facility in a principal amount up to one hundred per cent of  
100 the total property development cost of the project, provided in no case  
101 shall the total amount of renovation costs above the property acquisition  
102 cost exceed one hundred thousand dollars.

103 [(b) The department may make community residential facility loans  
104 to organizations for rehabilitation of community-based residential  
105 facilities in principal amounts up to one hundred per cent of the total

106 property development cost of the project provided in no case may the  
107 total amount of the loan exceed sixty thousand dollars.]

108 (c) The portion, if any, of the total property development cost  
109 described in subsections (a) and (b) of this section which is to be paid by  
110 the organization may come from one or both of the following sources:  
111 (1) Actual cash under the control of the organization; or (2) a loan  
112 secured by a mortgage on the property, which mortgage may include  
113 both the land and the building.

114 (d) The department may make a community residential facility  
115 [loans] loan to an [organizations] organization [which own or have] that  
116 owns or has a capital [leases] lease for an existing [community-based]  
117 community residential [facilities] facility for [rehabilitation and] capital  
118 repairs and improvements in [amounts] an amount not less than three  
119 thousand dollars and not greater than [forty] one hundred thousand  
120 dollars. Notwithstanding the provisions of section 17a-225, as amended  
121 by this act, the department may make [loans] a loan pursuant to this  
122 subsection upon execution of a promissory note equal to the amount of  
123 the loan which shall provide for repayment of the loan principal and  
124 interest. The term of such [loans] loan shall be consistent with the  
125 reimbursement through the rates established by the Department of  
126 Social Services in accordance with section 17b-224.

127 (e) Any organization that receives a community residential facility  
128 loan shall be a licensed or certified provider that owns and operates the  
129 community residential facility for the period of the loan.

130 Sec. 4. Section 17a-223 of the general statutes is repealed and the  
131 following is substituted in lieu thereof (*Effective from passage*):

132 (a) If the organization is seeking to [purchase and renovate a new  
133 community residential facility or to rehabilitate an existing community  
134 residential facility, it] obtain a community residential facility loan  
135 pursuant to section 17a-222, as amended by this act, it shall provide  
136 documentation to the department, including, but not limited to: (1) An  
137 independent appraisal by a state certified real estate appraiser; and (2)

138 a structural survey of the home by a state licensed engineer. The  
139 department shall not provide community residential facility loan funds  
140 for the purchase of a residential facility in principal amounts which are  
141 in excess of its appraised value and shall not provide such loan funds  
142 for renovation [or rehabilitation] in principal amounts which are in  
143 excess of actual and reasonable cost as defined in department standards.

144 (b) The borrower shall sign a capital loan agreement in which it  
145 agrees to meet all existing department guidelines for use of community  
146 residential facility loan funds and to use such loan funds exclusively for  
147 the purchase and renovation of property, construction [, renovation or  
148 rehabilitation] or capital repairs and improvements of a community  
149 residential facility as approved by the department.

150 (c) The borrower shall agree to maintain the facility as a licensed or  
151 certified community residential facility for a period equal to the  
152 amortization period of the loan. The minimum such obligation shall be  
153 five years and the maximum such obligation shall be thirty years.

154 (d) If the borrower receives a loan equal to one hundred per cent of  
155 the total property development cost of a new community residential  
156 facility, it shall agree to reserve one hundred per cent of the maximum  
157 number of beds in the funded community residential facility for  
158 department referrals from state institutions and waiting lists until such  
159 time as the department determines this no longer to be necessary. If the  
160 borrower receives a loan which provides less than one hundred per cent  
161 of the total property development cost of a new community residential  
162 facility, it shall agree to reserve not less than two-thirds of the maximum  
163 number of beds in the funded community residential facility for  
164 department referrals from state institutions and waiting lists until such  
165 time as the department determines this no longer to be necessary. The  
166 department may establish priorities for the development of new  
167 community residential facilities serving persons with specialized needs  
168 and may give preference in funding to applications addressing such  
169 needs.

170 (e) The borrower shall provide the department with a promissory  
171 note equal to the amount of the loan which shall provide for repayment  
172 of the loan principal and interest within a period not to exceed thirty  
173 years and a mortgage deed as security for the loan. Such mortgage may  
174 be subordinate to a first mortgage interest in the property given by the  
175 organization for the purpose of developing such property, provided  
176 that the total of both mortgage interests shall not exceed the limit of total  
177 property development cost as set forth in section 17a-220, as amended  
178 by this act. The department shall file a lien against the title of the  
179 property for which community residential facility loan funds are  
180 expended.

181 (f) The capital loan agreement shall require the borrower to make  
182 periodic payments of principal and interest to the department which  
183 payments shall be deposited in the Community Residential Facility  
184 Revolving Loan Fund.

185 (g) In the event of a default or if the capital loan agreement is  
186 terminated prior to the borrower's having satisfied its obligations under  
187 said agreement, the department shall require the return to the  
188 Community Residential Facility Revolving Loan Fund of the  
189 outstanding amount of the loan and may foreclose on its mortgage in  
190 accordance with the provisions of chapter 49.

191 (h) In the event that the borrower's license to operate the community  
192 residential facility is terminated by the department for cause, the  
193 department may bring an action to place the facility into receivership  
194 pursuant to sections 17a-231 to 17a-237, inclusive, may contract with a  
195 private nonprofit corporation to operate the facility or may operate the  
196 facility with department staff until such license is restored. If such  
197 license is not restored within one year, this shall constitute a default and  
198 the department may pursue the remedies provided in this subsection.

199 Sec. 5. Section 17a-225 of the general statutes is repealed and the  
200 following is substituted in lieu thereof (*Effective from passage*):

201 (a) The State Bond Commission shall have the power, from time to

202 time to authorize the issuance of bonds of the state in one or more series  
203 and in principal amounts not exceeding in the aggregate six million  
204 dollars.

205 (b) The proceeds of the sale of said bonds, to the extent of the amount  
206 stated in subsection (a) of this section, shall be used for the purposes of  
207 sections 17a-220 to [17a-224] 17a-223, inclusive, as amended by this act.

208 (c) All provisions of section 3-20, or the exercise of any right or power  
209 granted thereby which are not inconsistent with the provisions of  
210 sections 17a-220 to [17a-224] 17a-223, inclusive, as amended by this act,  
211 are hereby adopted and shall apply to all bonds authorized by the State  
212 Bond Commission pursuant to said sections, and temporary notes in  
213 anticipation of the money to be derived from the sale of any such bonds  
214 so authorized may be issued in accordance with said section 3-20 and  
215 from time to time renewed. Such bonds shall mature at such time or  
216 times not exceeding twenty years from their respective dates as may be  
217 provided in or pursuant to the resolution or resolutions of the State  
218 Bond Commission authorizing such bonds. None of said bonds shall be  
219 authorized except upon a finding by the State Bond Commission that  
220 there has been filed with it a request for such authorization, which is  
221 signed by or on behalf of the Commissioner of Developmental Services  
222 and states such terms and conditions as said commission, in its  
223 discretion, may require. Said bonds issued pursuant to sections 17a-220  
224 to [17a-224] 17a-223, inclusive, as amended by this act, shall be general  
225 obligations of the state and the full faith and credit of the state of  
226 Connecticut are pledged for the payment of the principal of and interest  
227 on said bonds as the same become due, and accordingly and as part of  
228 the contract of the state with the holders of said bonds, appropriation of  
229 all amounts necessary for punctual payment of such principal and  
230 interest is hereby made, and the Treasurer shall pay such principal and  
231 interest as the same become due.

232 Sec. 6. Section 17a-224 of the general statutes is repealed. (*Effective*  
233 *from passage*)

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	17a-218(c)
Sec. 2	<i>from passage</i>	17a-220
Sec. 3	<i>from passage</i>	17a-222
Sec. 4	<i>from passage</i>	17a-223
Sec. 5	<i>from passage</i>	17a-225
Sec. 6	<i>from passage</i>	Repealer section

**PH**      *Joint Favorable*