



General Assembly

Substitute Bill No. 481

February Session, 2026



**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.*