SMALL BUSINESS IMPACT STATEMENT

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the affect of such action on small businesses as defined in C.G.S. Section 4-168a. When such a regulatory action may have an adverse affect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed Regulation: **Department of Consumer Protection**

Subject matter of Regulation: **The Real Estate Property Condition Disclosure Form**

In accordance with C.G.S. Section 4-168a, staff analyzed the affect on small businesses of the proposed regulations on **March 17, 2010** and determined the following:

True **False** **(Check all appropriate boxes):**

☒ ☐ The regulatory action will not have an affect on small businesses.

☐ ☒ The regulatory action will have an affect on small businesses, but will not have an adverse affect on such small businesses.

☐ ☒ The regulatory action may have an adverse affect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burden-some to potentially affected small business. Alternatives considered include the following:

(1) The establishment of less stringent compliance or reporting requirements for small businesses;
(2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
(3) The consolidation or simplification of compliance or reporting requirements for small businesses;
(4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
(5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.

☐ ☒ The regulatory action will have an adverse affect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

The State agency listed above notified the Department of Economic and Community Development of its intent to take the proposed action and completed the Agency Fiscal Estimate of Proposed Regulations.

Explanation of Small Business Impact of Regulation:

The Residential Real Estate Property Condition Disclosure Form is drafted and disseminated by the Department of Consumer Protection pursuant to statute. The proposed regulation, following the statutory mandates of

Public Act 09-127, adds additional questions that are to be asked of all sellers of residential real property whenever a transaction is subject to the statute.

This proposed regulation requires all sellers to be asked the additional questions about the property. In the statute and corresponding regulations, there ate no differentiations made between individual sellers, partnerships, families, LLC or LLP entities, or corporations, except that sales between certain family members are exempted from the statute and the requirement that the seller complete the Property Condition Disclosure Form.

Since the cost of completing the form with the new required questions will not lead to increased costs, we anticipate no additional costs for small businesses.

Estimated number of firms defined as "small businesses" per Public Act 09-19 (with fewer than 75 full-time employees) to be affected by proposed regulation:

Not applicable
(The proposed regulation impacts any seller of real property under the conditions set forth in the statute.)

Estimated cost of proposed regulation on small businesses: none.