



CELEBRATING
55 YEARS

nerej

Connecticut's Transfer Act will expire in 2026. What should property owners do now? - by Samuel Haydock

August 01, 2025 - Owners Developers & Managers



Samuel Haydock

A major shift in Connecticut's environmental law is on the horizon: the state's Transfer Act will expire next year, ushering in a new cleanup program with broader applicability and new triggers.

The Transfer Act requires the disclosure of environmental conditions when certain industrial, commercial, manufacturing, and institutional properties are sold or transferred. These transactions require filings with the Department of Energy & Environmental Protection, and trigger extensive investigation and potential remediation.

Starting on March 1, 2026, that system is going away. In its place will be a new release-based cleanup program triggered not by the sale of a property, but by the occurrence of a new release or the discovery of pollutants from a historical release. In many cases, the outcome will be the same, since buyers and sellers will often undertake environmental review before a transaction to identify liabilities.

Yet, this new regulation will apply to all properties – including municipal and residential – which creates uncertainty and potential liability for a much larger universe of property owners.

Once the new regulations take effect, there should hopefully be more clarity and less ambiguity. Until then, there are questions. One is whether property owners who want to sell should do so before or after the new regulations are in place. For properties that are subject to the Transfer Act, it may be best to not sell unless you need to, especially if you have conducted an environmental assessment and found no pollutants. Waiting means that you may be able to avoid an unnecessary entry into the Transfer Act.

For properties not affected by the current Transfer Act, the question is a little trickier. If you are ready to sell, you should likely do so now before the new regulations are in place. But even if a sale is not imminent, property owners may still want to take action and conduct an environmental assessment now, before the effective date of the new regulations.

The reason for this is the “filing cabinet exemption.” Under this exemption, any assessment conducted before the effective date will not trigger a reporting obligation. The reason is to save DEEP from a massive and immediate reporting backlog. The upshot is that properties that identify environmental liabilities early are able to address them without pending regulatory obligations. Of course, if the property presents a significant environmental hazard, it is likely that any transfer would surface the issue and trigger DEEP involvement.

Samuel Haydock is a Connecticut licensed environmental professional and principal at BL Companies, Meriden, Conn.