

SENATE No. 3015

The Commonwealth of Massachusetts

—
**In the One Hundred and Ninety-Third General Court
(2023-2024)**
—

SENATE, December 30, 2024.

The committee on Senate Ways and Means to whom was referred the Senate Bill relative to crumbling concrete foundations (Senate, No. 2559), - reports, recommending that the same ought to pass with an amendment substituting a new draft with the same title (Senate, No. 3015).

For the committee,
Michael J. Rodrigues

SENATE No. 3015

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to crumbling concrete foundations.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 29 of the General Laws is hereby amended by inserting after
2 section 2EEEEEE the following section:-

3 Section 2FFFFFF. (a) There shall be a Crumbling Concrete Assistance Fund, which shall
4 be administered by the secretary of housing and livable communities. The fund shall be
5 expended, without further appropriation to: (i) provide financial assistance to owners of
6 residential real property for the repair or replacement of concrete foundations of such residential
7 real property that have deteriorated due to the presence of pyrite or pyrrhotite; (ii) minimize
8 negative fiscal impacts on municipalities in which such property is located; and (iii) reimburse
9 the owner of a residential real property that presents satisfactory evidence, as determined by the
10 secretary, that said owner has paid for and replaced their concrete foundation that deteriorated
11 due to the presence of pyrite or pyrrhotite prior to the establishment of the fund; provided,
12 however, that the reimbursement shall not exceed the funding the owner would have received
13 had they applied for financial assistance through the fund. The secretary shall seek to maximize
14 available federal reimbursements for money spent from the fund.

15 The fund shall be credited with: (i) appropriations or other money authorized by the
16 general court and specifically designated to be credited to the fund; (ii) funds from public and
17 private sources, including, but not limited to, gifts, grants, donations and settlements received by
18 the commonwealth that are specifically designated to be credited to the fund; (iii) federal funds
19 received under subsection (b); and (iv) interest earned on the assets of the fund. Any balance in
20 the fund at the close of a fiscal year shall be available for expenditure in subsequent fiscal years
21 and shall not be transferred to any other fund or revert to the General Fund.

22 (b) The secretary of housing and livable communities may apply for, receive and deposit
23 any federal funds, including, but not limited to, funds made available by the United States
24 Department of Housing and Urban Development Section 108 Loan Guarantee program, into the
25 fund.

26 (c) Amounts issued from the fund to impacted homeowners for the repair or replacement
27 of concrete foundations that have deteriorated due to the presence of pyrrhotite shall be exempt
28 from taxation under chapter 62.

29 (d) Annually, not later than June 1, the secretary of housing and livable communities
30 shall report on the activities of the fund from the previous calendar year to the clerks of the
31 senate and house of representatives, the senate and house committees on ways and means, the
32 joint committee on environment and natural resources and the joint committee on housing.

33 (e) The secretary of housing and livable communities shall promulgate regulations or
34 issue other guidance to set rules for the expenditure of the funds under this section.

35 SECTION 2. The secretary of housing and livable communities shall convene a
36 stakeholder working group to make recommendations for regulatory and legislative change

37 necessary to comprehensively address the remediation of residential property foundations that
38 have deteriorated due to the presence of pyrite or pyrrhotite. The working group shall convene
39 not later than 30 days after the effective date of this act, and shall include: the secretary of
40 housing and livable communities or a designee, who shall serve as chair; the secretary of
41 transportation or a designee; the undersecretary of consumer affairs and business regulation or a
42 designee; the commissioner of insurance or a designee; the commissioner of banks or a designee;
43 3 members appointed by the attorney general who shall have experience in advocating for
44 homeowners and consumers; the chairs and ranking minority members of the joint committee on
45 environment and natural resources; a representative of Massachusetts Residents Against
46 Crumbing Foundations; a representative of the Massachusetts Concrete & Aggregate Producers
47 Association, Inc.; a representative of the Massachusetts Municipal Association Inc.; a
48 representative of the Massachusetts Insurance Federation Inc.; and a representative of the
49 Massachusetts Mortgage Bankers Association, Inc.

50 The working group shall examine: (i) which executive office, department, agency or
51 bureau within an executive office, if any, is best equipped to administer a program to assist
52 residential property owners impacted by the presence of pyrite or pyrrhotite, including
53 administering the Crumbling Concrete Assistance Fund established under section 2FFFFF of
54 chapter 29 of the General Laws, or which executive office or department is best equipped to
55 oversee a new agency or bureau; (ii) relevant models to assist impacted homeowners, including,
56 but not limited to, a captive insurance company, a supplemental loan program, an interstate
57 agreement with a captive insurance company with expertise in assessing residential property
58 foundation claims, property tax abatement and waiving local and state permit fees; (iii) models to
59 fund said Crumbling Concrete Assistance Fund, including, but not limited to: (a) insurance

60 surcharges on certain homeowners insurance policies, not to exceed \$12 annually, and when and
61 on which policies the surcharge would apply and (b) other sources of state and federal funding
62 opportunities; and (iv) methods to improve consumer protection through means such as
63 disclosures, appointment of a homeowner advocate within a department, agency or bureau to
64 assist impacted homeowners, or consumer education.

65 The working group shall submit its report and any recommendations to the clerks of the
66 senate and house of representatives, the joint committee on environment and natural resources,
67 the joint committee on housing and the senate and house committees on ways and means not
68 later than February 1, 2026.