

March 14, 2007

JUDICIARY COMMITTEE 2:00 P.M.

PRESIDING CHAIRMAN: Senator McDonald

Good afternoon and thank you for hearing me today. My name is Karen Pio. As VP, I represent the Connecticut Rental Housing Alliance, an organization representing multi-family owners throughout Connecticut. I also am speaking as President of the large Greater Bristol Property Owners Association.

I need to warn you that I get nervous doing this but many of you know that. So, please bear with me if I lose words or trains of thought. I've been through a lot the last two years. Please understand I would not be here in front of you if I didn't believe in what I am saying.

For both organizations, I am spokesperson for the many small, mom and pop property owners, many elderly owners who trust everyone. The ones that get ignored, who manage on a shoestring. The ones that this bill will affect and hurt the most. Fifteen days to store the (usually junk) possessions left behind so that the unit goes unpainted, repaired, etc. are a month's rent lost again because of the tenant that knew the system or didn't care.

I want to note that almost all of my tenants are outstanding and I would not trade them for anything. But... they are currently tenants in good standing. Any number of things can happen and just like that, they can become problematic.

The Small Property Owners in CT opposes some of the wording of Senate Bill 591 AN ACT CONCERNING THE POSSESSIONS AND PERSONAL EFFECTS OF TENANTS EVICTED FROM RESIDENTIAL PROPERTIES. Therefore, we must oppose the bill as a whole.

This bill threatens to shift the cost of storing and disposing a very savvy evicted tenant's possessions from the municipalities to rental property owners. Rental property owners are already struggling to pay the rising taxes and liability insurance premiums, as well as increasing maintenance and repair costs. Please understand that tenants do NOT have only 2 days to leave the premises. They know what is happening from the day they receive the Notice to Quit.

I am aware that you probably already know the eviction process and how it can be dragged out by useless motions (useless to the court and landlord but buying time for the tenant). So, I am going to bypass the lesson in the eviction process. Eviction costs in Massachusetts rose by thousands of dollars with a law similar. That was when many small property owners gave up and absentee companies came in - sort of like what has been happening here slowly since 9/11. By shifting these costs onto rental property owners, S.B. 591 will make it difficult or impossible for most small property owners to continue to provide individuals with safe affordable rents. I forgot to mention that the newer fire, building, health codes that can cost thousands to comply with is another major expense. Codes that were not in existence when the property was purchased.

Our taxes that are surely helping to pay the cost of storing items with the city. Mom Pop owners work full time jobs, work on the apartments and are proud of their work. Seeing a unit filthy, damaged, and maybe the tenant took the refrigerator as well (yes, it happens) is emotionally draining. Instead of inviting some of these landlords up to tell you this, I spared this committee and the noise that would erupt with one story after another. S.B. 591 will discourage individuals from investing in rental properties and their communities, making these matters worse. But I need to get across the issues that they face. I promised.

In addition to the mentioned costs, property owners will almost certainly be subject to liabilities if such possessions become damaged or lost. We need to be held harmless from that liability and I think the part of this bill that addresses that with an inventory list with the marshal is superb. Thank you. However, absent any language holding landlords harmless from any liability stemming from the removal of the evicted tenant's possessions, CRHA must oppose this bill.

This bill is better certainly an improvement on the one three years ago. Please allow us to help tweak it a little so that we can wholeheartedly support it. I would be ready, willing and happy to meet with anyone to discuss this wordking. I am also attaching suggested substitute language.

What does a landlord do under these circumstances? If a landlord is forced to keep the possessions in the apartment, I believe the state law currently is fifteen days that the city has to keep it, the landlord is losing even more money because they will not be able to ready, rent the unit or even show it. Lost is no less than another month. CRHA is also concerned the shifting of the responsibility to the landlords for storing possessions will make a contentious situation worse. Given the numerous questions and concerns regarding the language in S.B. 591, CRHA urges you to oppose the bill. We urge the lawmakers not to enact legislation that will hurt property owners and

Small landlords don't have storage facilities, money to rent one or employees working for them. They have to do this alone. So if they have to store it in that apartment, that's another cost. And this cost is just going to be reflected in rents later on, which will impact good tenants. Then, we will be the bad guys once again.

What a lot of people don't seem to understand is that we're a business, too and a lot of our businesses in Connecticut are endorsed and assisted by the town and State. The public supports them because they SEE the businesses and SEE employees. These businesses get all kinds of cuts, protection and understanding that property owners do not. Our businesses seem to only carry negative connotations while we are providing affordable housing to the very people the town wants to keep working in the local businesses. Catch 22.

It's a business unique to its own.

As for taxes, we are what we reap. For over 35 years, my husband and I bought blighted and decrepit properties and invested thousands and thousands of dollars to not only bring it up to code but beyond code and increase the value of the neighboring properties with the thanks from the city as well as the neighborhood. The thanks from the city are, of course, increased taxes. Taxes we were happy to pay because my husband, who was a naturalized citizen from Italy understood the opportunities that America affords everyone and where anything is possible if you work for it and understand that freedom like ours is not free.

Senator McDonald, three years ago, with SB 232, you asked me if I agreed that the municipality shouldn't have to bear the burden of the cost of the fallout of a PRIVATE CONTRACTUAL RELATIONSHIP between landlord, tenant. I am happy to be able to speak on that again. I told you, "I'm a taxpayer first and foremost. It's my taxes paying that burden, as well". Does this absolve renters from any responsibility for those thousands of dollars lost to the landlord? It should be a crime subject to punishment. I understand totally about this burden and I would love to help, but I also understand that rental property owners, many of them own and live in the one property that they own, but there are more than a couple of this roomful here of us that own and pay taxes on several properties. I'm not talking hundreds each, I'm just talking several. I represent the SMALL property owners in CT.

Also, there is a contractual relationship in any business whether written or not. Case in point: A man enters an auto parts store, purchases an item but leaves with stolen parts in his jacket. The unspoken contractual agreement is that anything taken from the store must be paid for. He committed a crime by stealing from the honest owner's

livelihood. He will be arrested. When time is stolen for our units, when damage has to be repaired, THIS is STEALING from the property owner. Probably stealing much more than the parts stolen under a jacket. And yet, society stands behind the parts store owner and go on to condemn landlords?

So, why can't you, in all your wisdom, understand that when a person contracts to rent an apartment and keep it in good condition, it is, quite frankly, STEALING from the landlord. Can we call the police? No...unless you enjoy being laughed at and told, "It's your problem. Sorry."

CRHA and the all the small landlords in CT are asking you to consider wording this otherwise wise bill to make the owner of the possession store their own stuff. Clear us of all liability for tenant possessions that have been left behind by the tenant who has finally been removed and warned of trespassing by the Marshal. Let the possessions be declared abandoned and disposed of by the Landlords in a week rather than 15 days.

SB 591

Language Suggested by Connecticut Rental Housing Alliance

AN ACT CONCERNING POSSESSIONS AND PERSONAL EFFECTS OF TENANTS EVICTED FROM RESIDENTIAL PROPERTY.

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

Section 1. Section 47a-42 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2004):

(a) Whenever a judgment is entered against a defendant pursuant to section 47a-26, 47a-26a, 47a-26b or 47a-26d for the recovery of possession or occupancy of residential property, such defendant and any other occupant bound by the judgment by subsection (a) of section 47a-26h shall forthwith remove himself or herself, such defendant's or occupant's possessions and all personal effects unless execution has been stayed pursuant to sections 47a-35 to 47a-41, inclusive. If execution has been stayed, such defendant or occupant shall forthwith remove himself or herself, such defendant's or occupant's possessions and all personal effects upon the expiration of any stay of execution. If the defendant or occupant has not so removed himself or herself upon entry of a judgment pursuant to section 47a-26, 47a-26a, 47a-26b or 47a-26d, and upon expiration of any stay of execution, the plaintiff may obtain an execution upon such summary process judgment, and the defendant or other occupant bound by the judgment by subsection (a) of section 47a-26h and, after service of a notice of execution by a state marshal, providing no less than twenty-four hours notice to such defendant(s) or occupant(s), the possessions and personal effects of such defendant or other occupant may be removed by [a state marshal] the plaintiff or an agent of plaintiff, pursuant to such execution, and without any liability therefore, and such possessions and personal effects may be set out on the adjacent sidewalk, street or highway.

(b) Before any such removal, the state marshal charged with servicing the notice of execution which authorizes the plaintiff to execute [executing] upon any such judgment of eviction shall give [the chief executive officer of the town] the defendant(s) and occupant(s) twenty-four hours notice of the eviction, stating the date, time and location of such eviction [as well as a general description, if known, of the types and amount of property to be removed from the premises]. [Before giving such notice to the chief executive officer of the town,] [(The state marshal shall use reasonable efforts to locate and notify the defendant of the date and time such eviction is to take place. [and of the possibility of a sale pursuant to subsection (c) of this section.] Such notice shall include service upon each defendant and upon any other person in occupancy, either personally or at the premises, a true copy of the summary process execution. Such execution shall be on a form prescribed by the Judicial Department, shall be in clear and simple language and in readable format, and shall contain, in addition to other notices given to the defendant in the execution, a conspicuous notice, in large boldface type, that a person who claims to have a right to continue to occupy the premises should immediately contact an attorney. [(c) Whenever the possessions and personal effects of a defendant are set out on the sidewalk, street or highway, and are not immediately removed by the defendant, the chief execution officer of the town shall remove and store the same. Such removal and storage shall be at the expense of the defendant. If such possessions and effects are not called for by the defendant and the expense of such removal and storage is not paid to the chief executive officer within fifteen days after such eviction, the chief executive officer shall sell the same at public auction, after using reasonable efforts to locate and notify the defendant of such sale for one week on the public signpost nearest to the place where the eviction was made, if any, or at some exterior place near the office of the town clerk. The chief executive officer shall deliver to the defendant the net proceeds of such sale, if any, after deducting a reasonable charge for removal and storage of such possessions and effects. If the defendant does not demand the net proceeds within thirty days after such sale, the chief executive officer shall turn over the net proceeds of the sale to the town treasury.]