



House Bill No. 5437

Public Act No. 11-94

AN ACT CONCERNING SECURITY DEPOSITS.

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

Section 1. Subdivision (1) of subsection (i) of section 47a-21 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2012*):

(i) (1) On and after July 1, 1993, each landlord other than a landlord of a residential unit in any building owned or controlled by any educational institution and used by such institution for the purpose of housing students of such institution and their families, and each landlord or owner of a mobile manufactured home or of a mobile manufactured home space or lot or park, as such terms are defined in subdivisions (1), (2) and (3) of section 21-64, shall pay interest on each security deposit received by him at a rate of not less than the average rate paid, as of December 30, 1992, on savings deposits by insured commercial banks as published in the Federal Reserve Board Bulletin rounded to the nearest one-tenth of one percentage point. [, except in no event shall the rate be less than one and one-half per cent.] On and after January 1, [1994] 2012, the rate for each calendar year shall be not less than the deposit index, as defined in subdivision (2) of this subsection, for that year. [, except in no event shall the rate be less than one and one-half per cent.] On the anniversary date of the tenancy and

House Bill No. 5437

annually thereafter, such interest shall be paid to the tenant or resident or credited toward the next rental payment due from the tenant or resident, as the landlord or owner shall determine. If the tenancy is terminated before the anniversary date of such tenancy, or if the landlord or owner returns all or part of a security deposit prior to termination of the tenancy, the landlord or owner shall pay the accrued interest to the tenant or resident ~~[within]~~ not later than thirty days ~~[of]~~ after such termination or return. In any case where a tenant or resident has been delinquent for more than ten days in the payment of any monthly rent, ~~[he]~~ such resident or tenant shall forfeit any interest ~~[which]~~ that would otherwise be payable to ~~[him]~~ such resident or tenant for that month, except that there shall be no such forfeiture if, pursuant to a provision of the rental agreement, a late charge is imposed for failure to pay such rent within the time period provided by section 47a-15a. No landlord or owner shall increase the rent due on any quarters or property subject to the provisions of this section because of the requirement that interest be paid on any security deposit made with respect to such quarters or property.

Approved July 8, 2011