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Testimony for Raised Bills: 5035 AN ACT REDUCING MANDATES FOR MUNICIPALITIES

The Connecticut Apartment Association (CTAA) is the state chapter of the National Apartment Association and represents over 26,000 units, the largest number of apartments represented by any association in the state. CTAA members consist of the state's leading firms in the multifamily rental housing industry. The association's mission is to provide quality rental housing to residents of Connecticut. Our parent organization, the National Apartment Association, represents more than 6 million apartment homes throughout the United States and Canada. *The Connecticut Apartment Association (CTAA) opposes Sections 6 and 7 of Raised Bill 5035 - An Act Reducing Mandates for Municipalities.* These sections propose to allow municipalities to charge property management companies and apartment owners (plaintiffs) the difference between the cost of storing an evicted tenant's (defendants) possessions and any proceeds collected from the public sale of an evicted tenant's possessions, if the proceeds of the sale are insufficient to cover the expense of storage. CTAA asks that the State of Connecticut not add an additional layer of financial burden and uncertainty onto the already difficult and expensive eviction process. CTAA understands the difficult economic conditions that are affecting our country, the state of Connecticut and our State's municipalities, but we ask that our lawmakers also consider that our industry has similarly been heavily impacted by the economic downturn.

As it stands now property management companies and owners in Connecticut already suffer prohibitively high costs when forced into evicting tenants. We lose on average, three months of rent on each eviction. On top of this we bear the burden of attorney and court fees associated with each eviction. We also must cover the costs of repairing and cleaning an apartment often left in poor condition by evicted tenants. Property management companies and owners must also reimburse State Marshals for serving on average, three notices and inventorying any leftover property of evicted tenants. We then suffer the additional cost of hiring movers or maintenance crews to transfer evicted tenants' possessions to the curbside or municipal storage facilities. If this Bill were passed property management companies and apartment owners would suffer additional costs. We would be required to reimburse municipalities for any difference between the costs they incur in storing an evicted tenant's possessions and monies that they are able to recoup through the public sale of the these possessions. Regrettably, the possessions left behind by evicted tenants are most often of inconsequential monetary value and the profit made from sale of these items would often be insufficient to cover the storage costs incurred by municipalities.

Property management companies and apartment owners need to make up the potential costs associated with this new mandate by increasing rents on paying tenants which would, in turn, drive up the cost of Connecticut rental rates. If the market could not bear these increased rates then managers and owners would be forced to make the difference up somewhere else for example by possibly deferring maintenance to buildings.

A loss of three months' rent on even one apartment unit is a serious financial burden that can put property owners out of business. Adding in the uncertainty of whether property owners will incur additional costs associated with the eviction process would necessitate owners and managers to make up the difference somehow, whether increasing rental rates or deferring maintenance. This is not in the interest of apartment owners or their current paying tenants especially in this tough economic time.

Sincerely,
Brian Lemire, CTAA President