



# House of Representatives

General Assembly

**File No. 213**

February Session, 2012

Substitute House Bill No. 5225

*House of Representatives, April 2, 2012*

The Committee on Housing reported through REP. BUTLER of the 72nd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING SECURITY DEPOSITS OF SENIOR CITIZENS AND PERSONS WITH DISABILITIES IN PUBLIC HOUSING.***

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

1 Section 1. Section 47a-22a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2012*):

3 Any housing authority, community housing development  
4 corporation, or other corporation approved by the Commissioner of  
5 Social Services for state financial assistance to provide public housing  
6 for senior citizens and disabled persons under the provisions of part VI  
7 or VII of chapter 128 shall return any security deposit with interest at a  
8 rate of not less than four per cent per annum and, on and after October  
9 1, 1982, at a rate of not less than five and one-quarter per cent per  
10 annum, and, on and after January 1, 2013, at the rate calculated in  
11 accordance with the provisions of subsection (i) of section 47a-21, to  
12 any tenant who has resided in such housing for at least one year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2012</i>	47a-22a

**HSG**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

Municipalities	Effect	FY 13 \$	FY 14 \$
Various Housing Authorities	Savings	See Below	See Below

**Explanation**

The bill results in a savings for housing authorities by lowering the interest rate that housing authorities must pay on security deposits made by senior citizens and disabled residents in public housing. The level of savings will vary among housing authorities and is dependent upon the number of residents affected by the bill and the security deposit required by each of those residents.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to 1) fluctuations in security deposit costs and 2) the interest rate to be paid on the security deposit, which under the bill would be the rate published in the Federal Reserve Board Bulletin.

**OLR Bill Analysis**

**sHB 5225**

**AN ACT CONCERNING SECURITY DEPOSITS OF SENIOR CITIZENS AND PERSONS WITH DISABILITIES IN PUBLIC HOUSING.**

**SUMMARY:**

This bill lowers the annual interest rate that housing authorities, community housing authorities, and other corporations must pay on security deposits made by senior citizens and individuals with disabilities residing in public housing.

Current law requires housing authorities and other corporations to pay an annual rate of 5.25%. Starting January 1, 2013, the bill instead requires them to pay at least the average savings deposit interest rate paid by insured commercial banks as published in the Federal Reserve Board Bulletin in November of the prior year (i.e., deposit index). (The deposit index for calendar year 2012 is 0.16%.)

By law, housing authorities and other corporations must return security deposits to these tenants after they have resided in the housing for at least one year.

EFFECTIVE DATE: October 1, 2012

**COMMITTEE ACTION**

Housing Committee

Joint Favorable Substitute

Yea 11 Nay 0 (03/16/2012)