



State of Connecticut

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Testimony

In support of S.B. 945 An Act Concerning Corporate Deposits for Municipal Utilities

Energy & Technology Committee
March 5th, 2013

Sen. Duff, Rep. Reed, Sen. Lebeau, Rep. Steinberg, Sen. Chapin, Rep. Hoydick and distinguished members of the Energy & Technology Committee. I testify today in support of S.B. 945 An Act Concerning Corporate Deposits for Municipal Utilities.

There has been a disturbing trend over the past decade where most municipal utilities have adopted new policies governing corporate deposits.

Most municipal utilities charge companies three months deposit which they base on the previous tenant and equal to the three highest billed months. A company's credit worthiness, history, or their personal guarantee is not taken into account. In addition, these deposits are kept indefinitely, only returned when and if the business closes.

S.B. 945 bill does not address the size of the deposit, or the ability to collect a deposit, although I suggest that both are worth looking into including in this legislation. The bill simply seeks to have municipal utilities come in line with public utilities. Both the UI and CL&P charge one month's security deposit, returned after one year of demonstrated credit worthiness.

These new deposit practices represent an unfair burden on small business, and affecting their cash flow and startup costs – which create further business unfriendliness.