



House of Representatives

File No. 789

General Assembly

January Session, 2015

(Reprint of File No. 226)

Substitute House Bill No. 6142
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 8, 2015

AN ACT CONCERNING SECURITY DEPOSITS FOR AGE-RESTRICTED 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 Section 47a-22a of the general statutes is repealed and the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, 2015, and*
3 *applicable to any tenant who first commenced occupancy on or after October*
4 *1, 2015*):

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

15 least one year] to any tenant or former tenant at the time the tenancy is
16 terminated in accordance with the provisions of section 47a-21, as
17 amended by this act.

18 (b) Any housing authority, community housing development
19 corporation or other corporation approved by the Commissioner of
20 Housing for state financial assistance to provide public housing for
21 senior citizens and disabled persons under the provisions of part VI or
22 VII of chapter 128 shall, pursuant to a written agreement, permit the
23 payment of a security deposit in installments that are reasonable in
24 light of the income of the tenant. Such written agreement shall include
25 the schedule of installment payments and a determination of the
26 tenant's ability to pay under such a schedule. Such installments shall
27 be payable in equal amounts at approximately equal intervals not
28 exceeding one month over a period of at least twelve months. Nothing
29 in this section shall preclude any such housing authority or
30 corporation from waiving the payment of the security deposit, or
31 agreeing to extend the installment payments over a period of more
32 than twelve months.

33 Sec. 2. Subdivision (10) of subsection (a) of section 47a-21 of the
34 general statutes is repealed and the following is substituted in lieu
35 thereof (*Effective October 1, 2015*):

36 (10) "Security deposit" means any advance rental payment [other
37 than] or any installment payment collected pursuant to section 47a-
38 22a, as amended by this act, but does not include an advance payment
39 for the first month's rent [and] or a deposit for a key or any special
40 equipment.

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| This act shall take effect as follows and shall amend the following sections: |
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| Section 1 | <i>October 1, 2015, and applicable to any tenant who first commenced occupancy on or after October 1, 2015</i> | 47a-22a |
| Sec. 2 | <i>October 1, 2015</i> | 47a-21(a)(10) |

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.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill requires housing authorities, developers, and corporations providing state-funded public housing to elderly and disabled citizens to allow residents to pay the security deposit in installments. The bill also modifies the requirement that housing authorities and corporations return the security deposit from after one year of tenant residency to when the tenancy terminates. There are no fiscal impacts to the state or municipalities from these provisions.

Housing authorities are autonomous governmental entities which are financed through rental collections (CGS 8-45) and the issuance of bonds (CGS 8-52). They may also accept federal and state grants (CGS 8-56) as well as donations from municipalities (CGS 8-61).

House "A" alters the original bill by (1) requiring a written agreement that includes the schedule of security deposit installment payments and (2) clarifying that the Department of Housing, not Social Services, administers state financial assistance for senior public housing. These administration functions were transferred to the Department of Housing under PA 13-234. There are no associated fiscal impacts.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 6142 (as amended by House "A")******AN ACT CONCERNING SECURITY DEPOSITS FOR AGE-RESTRICTED PUBLIC HOUSING.*****SUMMARY:**

This bill requires housing authorities, community housing development corporations, and other corporations providing state-funded public housing to the elderly and individuals with disabilities to allow these tenants to pay security deposits, pursuant to a written agreement, in installments. Under the bill, the written agreement must include a schedule of installment payments and a determination of the tenant's ability to pay according to the schedule. The installments must be reasonable in light of the tenant's income and paid (1) in equal amounts and (2) at approximately equal intervals not exceeding one month over a period of at least 12 months. The bill specifies that it does not prohibit a housing authority or corporation from waiving a security deposit requirement or extending installments beyond 12 months.

The bill eliminates the requirement that housing authorities and the corporations noted above return security deposits to elders and individuals with disabilities after the tenant has lived in the housing for one year. It instead requires them to return security deposits when the tenancy terminates. By law, housing authorities and corporations must pay an annual interest rate on these tenants' security deposits equal to the deposit index (0.08% for calendar year 2015).

Finally, the bill makes technical changes. It expands the definition of "security deposit" to include installment payments and replaces a reference to the social services commissioner with the housing

commissioner. By law, the housing commissioner is responsible for housing for the elderly and individuals with disabilities.

*House Amendment "A" adds the provisions on written agreements and makes technical changes.

EFFECTIVE DATE: October 1, 2015 and applicable to individuals whose tenancy begins on or after that date.

COMMITTEE ACTION

Housing Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/11/2015)