



General Assembly

February Session, 2016

Raised Bill No. 154

LCO No. 1372



Referred to Committee on HOUSING

Introduced by:
(HSG)

AN ACT CONCERNING SECURITY DEPOSITS.

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

1 Section 1. Subdivision (1) of subsection (i) of section 47a-21 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2016, and applicable to any tenant who first*
4 *commenced occupancy on or after October 1, 2016*):

5 (i) (1) On and after July 1, 1993, each landlord other than a landlord
6 of a residential unit in any building owned or controlled by any
7 educational institution and used by such institution for the purpose of
8 housing students of such institution and their families, and each
9 landlord or owner of a mobile manufactured home or of a mobile
10 manufactured home space or lot or park, as such terms are defined in
11 subdivisions (1), (2) and (3) of section 21-64, shall pay interest on each
12 security deposit received by such landlord at a rate of not less than the
13 average rate paid, as of December 30, 1992, on savings deposits by
14 insured commercial banks as published in the Federal Reserve Board
15 Bulletin rounded to the nearest one-tenth of one percentage point,
16 except in no event shall the rate be less than one and one-half per cent.

17 On and after January 1, 1994, the rate for each calendar year shall be
18 not less than the deposit index, as defined in subdivision (2) of this
19 subsection, for that year, except in no event shall the rate be less than
20 one and one-half per cent. On and after January 1, 2012, the rate for
21 each calendar year shall be not less than the deposit index, as defined
22 in subdivision (2) of this subsection, for that year. On the anniversary
23 date of the tenancy and annually thereafter, such interest shall be paid
24 to the tenant or resident or credited toward the next rental payment
25 due from the tenant or resident, as [the landlord or owner shall
26 determine] the tenant or resident shall determine. The tenant or
27 resident shall be asked at least one month in advance of the
28 anniversary date of the tenancy whether that tenant or resident would
29 like to receive the interest money as a payment or as a credit toward
30 future rent. If the tenancy is terminated before the anniversary date of
31 such tenancy, or if the landlord or owner returns all or part of a
32 security deposit prior to termination of the tenancy, the landlord or
33 owner shall pay the accrued interest to the tenant or resident not later
34 than thirty days after such termination or return. In any case where a
35 tenant or resident has been delinquent for more than ten days in the
36 payment of any monthly rent, such resident or tenant shall forfeit any
37 interest that would otherwise be payable to such resident or tenant for
38 that month, except that there shall be no such forfeiture if, pursuant to
39 a provision of the rental agreement, a late charge is imposed for failure
40 to pay such rent within the time period provided by section 47a-15a.
41 No landlord or owner shall increase the rent due on any quarters or
42 property subject to the provisions of this section because of the
43 requirement that interest be paid on any security deposit made with
44 respect to such quarters or property.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2016, and applicable to any tenant who first commenced occupancy on or after October 1, 2016</i>	47a-21(i)(1)
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Statement of Purpose:

To allow tenants and residents to receive interest on security deposits in the form of a credit toward future rent payments.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]