

Planning and Development Committee JOINT FAVORABLE REPORT

Bill No.: HB-5509

Title: AN ACT CONCERNING WATER POLLUTION CONTROL AUTHORITIES.

Vote Date: 3/26/2018

Vote Action: Joint Favorable Substitute

PH Date: 3/16/2018

File No.: 380

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SPONSORS OF BILL:

Planning and Development

REASONS FOR BILL:

Currently, there are many foreclosures resulting from the Water Pollution Control Authorities (WPCA) in their pursuit of interest and late fees imposed on homeowners. As WPCA has minimal oversight, low and moderate income households subsequently suffer. This proposal addresses protections for homeowners vulnerable to foreclosure by the WPCA by allowing municipalities to lower interest rates, and providing the option to adopt an ordinance preventing WPCAs from purchasing foreclosed properties.

SUBSTITUTE LANGUAGE:

The substitute language eliminates the restrictions on the WPCA's ability to pursue foreclosures.

RESPONSE FROM ADMINISTRATION/AGENCY:

None.

NATURE AND SOURCES OF SUPPORT:

Representative Terry Adams: Representative Adams provided testimony in support of this bill on the basis that the WPCA causes a lot of foreclosures due to high interest late fees. He explains that placing WPCA under the Public Utilities Regulatory Authority (PURA) would establish an Office of Consumer Counsel that would serve as a rate payer advocate. Additionally, PURA would have authority over WPCA rate changes, similar to current regulations for other private utilities such as gas, light, and water.

Jeff Gentes, Connecticut Fair Housing Center: Mr. Gentes supports HB 5509 arguing that WPCAs are responsible for a significant portion of foreclosures and are notoriously aggressive. WPCA interest rates of 18% are exploitative. He believes that this bill will help relieve the burden on low-income and elderly homeowners, as well as those who are already subject to disproportionately higher millrates.

Peter D. Spain, Bridgeport City Council: The Bridgeport City Council testified in support of this bill as the WPCA causes many foreclosures in the city of Bridgeport. They believe this bill gives local authorities the flexibility to set rates. They also submitted another alternative to this bill would be to assign the State Treasurer as the authority to set a standard maximum interest rate annually, with variation allowed locally.

Brenda Watson, Operation Fuel, Inc.: Operation Fuel shared their support on this proposal describing that low and moderate income households are most vulnerable to rising water rates. They explain that other utilities are federally subsidized, but water, however, is not. Furthermore, Operation Fuel points out it costs the state \$33,000 a year for each homeless person, and therefore, should provide enough reason to prevent foreclosures.

NATURE AND SOURCES OF OPPOSITION:

Greater New Haven Water Pollution Control Authority (GNHWPCA): GNHWPCA opposes this bill as they contest that foreclosure proceeding are one of the only way in which they are able to collect payment and that this is vital to providing services. The Greater New Haven WPCA explains that this bill would raise the rates for everyone who pays their bills on time and that they have never taken possession of someone's home. Also, they clarify that a late rate payer has to fail to comply to a 14 step process in order to have their house foreclosed which is over a two year process.

Reported by: Colin Carroll

Date: 4/4/18