



House of Representatives

General Assembly

File No. 136

January Session, 2021

House Bill No. 6437

House of Representatives, March 25, 2021

The Committee on Housing reported through REP. MCGEE of the 5th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT REQUIRING LANDLORDS TO NOTIFY TENANTS OF FORECLOSURE PROCEEDINGS.

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

1 Section 1. (NEW) (*Effective July 1, 2021*) When renting any dwelling
2 unit that is located in a building that is subject to a pending foreclosure
3 proceeding or where a judgment has been entered against the owner or
4 landlord in a foreclosure proceeding, the landlord shall, prior to
5 entering into a rental agreement, provide the prospective tenant with a
6 written notice of such pending foreclosure proceeding or judgment.

7 Sec. 2. (NEW) (*Effective October 1, 2021*) (a) Any owner of property
8 containing a dwelling unit that is subject to a pending foreclosure
9 proceeding shall provide written notice of such proceeding to the
10 Commissioner of Housing, the chief executive officer of the
11 municipality in which such property is located and to all tenants
12 residing in such dwelling unit, not later than ten days after receiving
13 notice of such foreclosure proceeding. Not later than ten business days
14 after receipt of any notice, the Commissioner of Housing shall cause

15 such notice to be posted on the Internet web site of the department.

16 (b) Any tenant receiving notice of such foreclosure proceeding may
17 file an action under section 47a-14h of the general statutes, as amended
18 by this act, to seek an order of the court appointing a receiver to collect
19 rent until the foreclosure proceeding is resolved.

20 Sec. 3. Subsections (a) and (b) of section 47a-14h of the general
21 statutes are repealed and the following is substituted in lieu thereof
22 (*Effective October 1, 2021*):

23 (a) Any tenant who claims that the landlord has failed to perform his
24 or her legal duties, as required by section 47a-7 or 47a-7a or subdivisions
25 (1) to (13), inclusive, of subsection (a) of section 21-82 or that the
26 property containing the dwelling unit that the tenant occupies is subject
27 to a foreclosure proceeding, as described in section 2 of this act, may
28 institute an action in the superior court having jurisdiction over housing
29 matters in the judicial district in which such tenant resides to obtain the
30 relief authorized by this section, section 2 of this act and sections 47a-7a,
31 47a-20 and 47a-68. No tenant may institute an action under this section
32 if a valid notice to quit possession or occupancy based upon
33 nonpayment of rent has been served on such tenant prior to the
34 institution of an action under this section or if a valid notice to quit
35 possession or occupancy based on any other ground has been served on
36 such tenant prior to such tenant making the complaint to the agency
37 referred to in subsection (b) of this section, provided any such notice to
38 quit is still effective.

39 (b) The action shall be instituted by filing a complaint, under oath,
40 with the clerk of the court. The complaint shall allege (1) the name of the
41 tenant; (2) the name of the landlord or, in a complaint concerning section
42 2 of this act, the name of the owner; (3) the address of the premises; (4)
43 the nature of the alleged violation of section 47a-7 or 47a-7a or
44 subsection (a) of section 21-82 or a copy of the notice received under
45 section 2 of this act; and (5) the dates when rent is due under the rental
46 agreement and the amount due on such dates. [The] Unless the
47 complaint concerns section 2 of this act, the complaint shall also allege

48 that at least twenty-one days prior to the date on which the complaint is
49 filed, the tenant made a complaint concerning the premises to the
50 municipal agency, in the municipality where the premises are located,
51 responsible for enforcement of the housing code or, if no housing code
52 exists, of the public health code, or to the agency responsible for
53 enforcement of the code or ordinance alleged to have been violated, or
54 to another municipal agency which referred such complaint to the
55 municipal agency responsible for enforcement of such code or
56 ordinance. In the case of a mobile manufactured home located in a
57 mobile manufactured home park, such complaint may be made to the
58 Commissioner of Consumer Protection. The entry fee shall be twenty-
59 five dollars, which may be waived in accordance with section 52-259b.
60 Such entry fee shall be a taxable cost of the action. If, on the same day,
61 more than one tenant from the same building or complex institutes an
62 action under this section and pays the entry fee for such action, unless
63 such fee is waived, the actions shall be treated as a single action. No
64 recognizance or bond shall be required.

65 Sec. 4. Subsection (e) of section 47a-14h of the general statutes is
66 repealed and the following is substituted in lieu thereof (*Effective October*
67 *1, 2021*):

68 (e) [The] (1) Except as provided in subdivision (2) of this section, the
69 complainant may seek and the court may order interim or final relief
70 including, but not limited to, the following: [(1)] (A) An order
71 compelling the landlord to comply with the landlord's duties under
72 local, state or federal law; [(2)] (B) an order appointing a receiver to
73 collect rent or to correct conditions in the property which violate local,
74 state or federal law; [(3)] (C) an order staying other proceedings
75 concerning the same property; [(4)] (D) an award of money damages,
76 which may include a retroactive abatement of rent paid pursuant to
77 subsection (h) of this section; and [(5)] (E) such other relief in law or
78 equity as the court may deem proper. If the court orders a retroactive
79 abatement of rent pursuant to [subdivision (4) of this subsection]
80 subparagraph (D) of this subdivision and all or a portion of the tenant's
81 rent was deposited with the court pursuant to subsection (h) of this

82 section by a housing authority, municipality, state agency or similar
83 entity, any rent ordered to be returned shall be returned to the tenant
84 and such entity in proportion to the amount of rent each deposited with
85 the court pursuant to subsection (h) of this section.

86 (2) For a complaint filed only under section 2 of this act, the
87 complainant may seek and the court may order relief limited to an order
88 appointing a receiver to collect rent during the pendency of the
89 foreclosure proceeding.

90 Sec. 5. Section 47a-1 of the general statutes is repealed and the
91 following is substituted in lieu thereof (*Effective July 1, 2021*):

92 As used in this chapter, sections 1 and 2 of this act and sections 47a-
93 21, 47a-23 to 47a-23c, inclusive, 47a-26a to 47a-26g, inclusive, 47a-35 to
94 47a-35b, inclusive, 47a-41a, 47a-43 and 47a-46:

95 (a) "Action" includes recoupment, counterclaim, set-off, cause of
96 action and any other proceeding in which rights are determined,
97 including an action for possession.

98 (b) "Building and housing codes" include any law, ordinance or
99 governmental regulation concerning fitness for habitation or the
100 construction, maintenance, operation, occupancy, use or appearance of
101 any premises or dwelling unit.

102 (c) "Dwelling unit" means any house or building, or portion thereof,
103 which is occupied, is designed to be occupied, or is rented, leased or
104 hired out to be occupied, as a home or residence of one or more persons.

105 (d) "Landlord" means the owner, lessor or sublessor of the dwelling
106 unit, the building of which it is a part or the premises.

107 (e) "Owner" means one or more persons, jointly or severally, in whom
108 is vested (1) all or part of the legal title to property, or (2) all or part of
109 the beneficial ownership and a right to present use and enjoyment of the
110 premises and includes a mortgagee in possession.

111 (f) "Person" means an individual, corporation, limited liability
112 company, the state or any political subdivision thereof, or agency,
113 business trust, estate, trust, partnership or association, two or more
114 persons having a joint or common interest, and any other legal or
115 commercial entity.

116 (g) "Premises" means a dwelling unit and the structure of which it is
117 a part and facilities and appurtenances therein and grounds, areas and
118 facilities held out for the use of tenants generally or whose use is
119 promised to the tenant.

120 (h) "Rent" means all periodic payments to be made to the landlord
121 under the rental agreement.

122 (i) "Rental agreement" means all agreements, written or oral, and
123 valid rules and regulations adopted under section 47a-9 or subsection
124 (d) of section 21-70 embodying the terms and conditions concerning the
125 use and occupancy of a dwelling unit or premises.

126 (j) "Roomer" means a person occupying a dwelling unit, which unit
127 does not include a refrigerator, stove, kitchen sink, toilet and shower or
128 bathtub and one or more of these facilities are used in common by other
129 occupants in the structure.

130 (k) "Single-family residence" means a structure maintained and used
131 as a single dwelling unit. Notwithstanding that a dwelling unit shares
132 one or more walls with another dwelling unit or has a common parking
133 facility, it is a single-family residence if it has direct access to a street or
134 thoroughfare and does not share heating facilities, hot water equipment
135 or any other essential facility or service with any other dwelling unit.

136 (l) "Tenant" means the lessee, sublessee or person entitled under a
137 rental agreement to occupy a dwelling unit or premises to the exclusion
138 of others or as is otherwise defined by law.

139 (m) "Tenement house" means any house or building, or portion
140 thereof, which is rented, leased or hired out to be occupied, or is
141 arranged or designed to be occupied, or is occupied, as the home or

142 residence of three or more families, living independently of each other,
143 and doing their cooking upon the premises, and having a common right
144 in the halls, stairways or yards.

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|-------------------------------------------------------------------------------|------------------------|--------------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2021</i> | New section |
| Sec. 2 | <i>October 1, 2021</i> | New section |
| Sec. 3 | <i>October 1, 2021</i> | 47a-14h(a) and (b) |
| Sec. 4 | <i>October 1, 2021</i> | 47a-14h(e) |
| Sec. 5 | <i>July 1, 2021</i> | 47a-1 |

HSG *Joint Favorable*

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 does not result in a fiscal impact for the Department of Housing to post on its website notices it receives from owners of rental housing subject to foreclosure proceedings.

The Out Years

State Impact: None

Municipal Impact: None

Sources: Department of Housing

OLR Bill Analysis**HB 6437*****AN ACT REQUIRING LANDLORDS TO NOTIFY TENANTS OF FORECLOSURE PROCEEDINGS.*****SUMMARY**

This bill requires property owners and landlords renting out residential dwelling units in buildings subject to a foreclosure proceeding to provide notice of the proceeding to certain parties. Landlords must provide this notice to prospective tenants, while owners must notify the Department of Housing (DOH) commissioner, the chief executive of the municipality where the property is located, and all current tenants.

Under the bill, a tenant whose dwelling unit is subject to a foreclosure proceeding may file for a court-appointed receiver to collect rent until the proceeding is resolved.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2021, except the requirement that landlords notify prospective tenants and a conforming change are effective July 1, 2021.

NOTICE TO PROSPECTIVE TENANTS

The bill requires landlords to provide written notice to prospective tenants before entering into a rental agreement for a dwelling unit located in a building that (1) has been foreclosed on or (2) is subject to a pending foreclosure proceeding.

By law, a “dwelling unit” is any house or building, or portion of it, that is occupied, designed to be occupied, or rented, leased, or hired out to be occupied, as a home or residence of one or more individuals.

A “landlord” is the owner, lessor, or sublessor of the dwelling unit, the building of which it is a part, or the premises.

An “owner” is one or more individuals jointly or severally, with all or part of the (1) legal title to property or (2) beneficial ownership and a right to present use and enjoyment of the premises and includes a mortgagee in possession.

NOTICE TO CURRENT TENANTS AND OTHER PARTIES

The bill requires owners of a dwelling unit that is subject to a pending foreclosure proceeding to provide written notice within 10 days after receiving notice of the proceeding to (1) the DOH commissioner, (2) the chief executive officer of the municipality where the property is located, and (3) all tenants residing in the dwelling. The bill requires the DOH commissioner to post the notice on the department’s website within 10 business days after receiving it.

Under existing law, tenants of foreclosed residential properties must receive notice:

1. at the time of succession (contact information for property management personnel) (CGS § 47a-6) or
2. when a successor in interest chooses to evict them (90 days' notice to vacate) (CGS § 49-31p).

COURT-APPOINTED RECEIVERSHIP

The bill allows tenants whose units are subject to a foreclosure proceeding to seek a court order appointing a receiver to collect rent until the proceeding is resolved. To do so, tenants must institute an action in the Superior Court that has jurisdiction over housing matters in the judicial district where the property is located (i.e., either housing court or judicial district court, depending on the district). To institute an action under the bill, tenants must (1) pay a \$25 entry fee, which may be waived under certain circumstances, and (2) file a complaint under oath with the court clerk that includes the certain information. This information includes:

1. the tenant's name,
2. the owner's name,
3. the property address,
4. a copy of the written foreclosure notice the owner provided, and
5. the rent due dates and amount under the rental agreement.

Under the bill, relief awarded through this judicial process is limited to court-appointed receivership of rent during the foreclosure proceeding. (The bill does not specify what happens once the proceeding is resolved.)

COMMITTEE ACTION

Housing Committee

Joint Favorable

Yea 12 Nay 3 (03/09/2021)