
OLR Bill Analysis

HB 6708

AN ACT CONCERNING THE SECURITY DEPOSIT GUARANTEE PROGRAM.

SUMMARY

This bill makes several changes to the security deposit guarantee program. It extends eligibility for the program to any person whose income is less than 80% of the state median income but reduces, from two months' rent to 1.5 months' rent, the size of a guarantee that may be provided. It also reduces, from every 18 months to every 24 months, the frequency with which a person may apply for assistance unless the Department of Housing (DOH) commissioner grants an exception. The bill allows the DOH commissioner to deny eligibility to an applicant after paying one or more claims by a landlord, rather than after paying two claims as current law allows.

The bill appropriates \$10 million to DOH from the General Fund in FY 24 to administer the program.

Under existing law, DOH's security deposit guarantee program may provide a deposit guarantee that a person may use in place of a security deposit. The commissioner, or a local or regional nonprofit or social services organization with whom the department contracts, may execute a written agreement to pay the landlord for damages suffered due to a tenant's failure to comply with his or her obligations. The payment is capped at the amount of the deposit.

EFFECTIVE DATE: July 1, 2023

ELIGIBILITY

The bill makes the security deposit guarantee program available to (1) any person or family whose income is less than 80% of the state median income adjusted for family size, as determined by the U.S.

Department of Housing and Urban Development; (2) a person who has been served a writ, summons, and complaint related to eviction; or (3) a person who has a certificate or voucher from a rental assistance program or federal voucher program.

The bill replaces current law's eligibility requirements, which deem a person eligible for the program if he or she (1) meets one of the latter two factors listed above, or lives in an emergency shelter or other emergency housing for specified reasons (e.g., a catastrophic event), and (2) receives TFA (Temporary Family Assistance), SAGA (state-administered general assistance), or aid under the state supplement program, or has a documented showing of financial need.

Existing law requires the DOH commissioner to prioritize eligible veterans when providing guarantees. Current law authorizes the commissioner to set more priorities based on eligibility criteria other than receipt of cash assistance or documented financial need (e.g., shelter or emergency housing status). The bill instead authorizes her to set more priorities based on any of the bill's eligibility criteria.

APPLICATION FREQUENCY

The bill increases, from 18 months to 24 months, the length of time that a person must wait before re-applying for a security guarantee unless the commissioner authorizes an exception. As under existing law, if the commissioner authorizes an exception, the amount of the subsequent guarantee must be reduced by the amount of any (1) previous grant that has not been returned to DOH and (2) payment to a landlord for damages.

CLAIMS

The bill reduces, from 45 days to 20 days after the termination of a tenancy, the amount of time that a landlord has to submit a claim for damages.

Under current law, if the DOH commissioner pays a claim to a landlord for a person whose income exceeds 150% of the federal poverty level, the person must contribute 5% of one month's rent to paying the

security deposit. The bill increases this to 50% of one month's rent.

CONTRACTS WITH OTHER ORGANIZATIONS

The bill reinstates the DOH commissioner's authority to pay a security deposit grant to a person receiving the grant through any local or regional nonprofit corporation or social service organization under an existing contract with DOH. Under current law, this authority expired in 2000.

REGULATIONS

Existing law requires the DOH commissioner to adopt regulations to implement the program, but allows her to implement the program before adoption if she has published a notice of intent to adopt regulations. The bill requires her to post the notice on the eRegulations System, rather than publish it in the *Connecticut Law Journal*.

COMMITTEE ACTION

Housing Committee

Joint Favorable

Yea 10 Nay 5 (03/02/2023)