
OLR Bill Analysis

sSB 979

AN ACT CONCERNING THE ESTABLISHMENT OF THE CONNECTICUT HOME ENERGY LABEL AND THE TREE CANOPY OF CERTAIN MUNICIPALITIES.

SUMMARY

This bill requires landlords, when listing or offering certain dwelling units for rent, to provide a “Connecticut home energy label” for the units, which the Department of Energy and Environmental Protection (DEEP) commissioner must develop. The label must be provided before a prospective tenant signs a lease for the unit or at their request.

With certain exceptions, the requirement is phased-in based on the average percentage of gross household income spent on home heating and electricity costs (i.e., average energy burden) in the municipality where the unit is located. Under the bill’s schedule, the requirement generally applies to certain municipalities beginning July 1, 2024, and then, eventually, to all municipalities by July 1, 2027. The bill exempts units with rent that includes a fixed amount for all electricity, natural gas, or heating fuel costs. It also exempts units in a building (1) built since January 1, 2000, or (2) in which the building’s landlord resides, but only through July 1, 2027.

The bill allows municipalities to establish, by ordinance, a civil penalty of up to \$500 for a first violation and \$1,000 for subsequent violations. It explicitly provides that it does not limit or restrict a state or local housing or health code enforcement agency’s authority.

Lastly, the bill makes it a state goal to increase the percentage of environmental justice communities (see BACKGROUND) and municipalities with a population of at least 100,000 that are covered by tree canopy to at least 5% of their total area by January 1, 2024. It does so to ensure all state residents equitably enjoy open space and tree cover

benefits. Based on 2020 U.S. census data, Bridgeport, Hartford, New Haven, Stamford, and Waterbury have populations of at least 100,000.

EFFECTIVE DATE: January 1, 2024, except the tree canopy provision takes effect October 1, 2023.

HOME ENERGY LABEL

Label Development

Under the bill, the home energy label shows an energy efficiency score for a residence. It must be consistent with all nationally recognized ratings, including the U.S. Department of Energy (DOE) Home Energy score, the Home Energy Rating System Index score, and the Energy Star score.

The bill requires the DEEP commissioner to consider the following factors when developing the label:

1. cost effectiveness of the labeling process;
2. ability to conduct the labeling process and generate a label without outside or professional help;
3. clarity of the label's information on the unit's estimated energy efficiency;
4. label standardization, accuracy, and reliability; and
5. the label's ability to integrate information from existing nationally recognized ratings.

Under the bill, the commissioner must allow an opportunity for public comment during the label's development.

Municipal Phase-In Schedule

The table below shows the bill's schedule through which the home energy label requirement applies to a unit if a census tract within the municipality where it is located has the requisite average energy burden.

Table: Home Energy Label Municipal Phase-In Schedule

<i>Effective Date</i>	<i>Municipalities Subject to Home Energy Label Requirements</i>
The later of (1) on and after July 1, 2024, or (2) 30 days after DEEP's public release of the label	Those with a census tract in which the average energy burden is at least 10%
On or after July 1, 2025	Those with a census tract in which the average energy burden is at least 6%
On or after July 1, 2026	Those with a census tract in which the average energy burden is at least 4%
On or after July 1, 2027	All municipalities

The bill requires the Department of Housing and DEEP commissioners, annually by March 1, to publish on their agencies' websites a list of municipalities that meet the above schedule criteria based on DOE's Low-Income Energy Affordability Data Tool, or a successor tool.

Providing the Label

Under the bill, if a landlord is subject to the home energy label requirement and lists or offers a unit for rent by using a service, organization, or facility involved in the business of selling or renting dwelling units (e.g., a multiple listing service or real estate brokers' organization), then the landlord must provide the label to a prospective tenant at his or her request or before signing a lease for the unit through the listing business used.

Enforcement and Penalty

The bill allows a municipality containing a census tract with the requisite average energy burden under the bill's phase-in schedule to establish a civil penalty for violations by ordinance. The penalty, payable to the municipality, is up to \$500 for the first violation and \$1,000 for subsequent violations.

The bill allows landlords, within 30 days after the violation notice's mailing date, to appeal in Superior Court and receive a hearing. To do so, a landlord must file a petition to reopen the assessment and pay an entry fee to the court that equals the entry fee for a small claims case

(currently, \$95). Under the bill, these remedies are in addition to any other remedies available at law or in equity.

BACKGROUND

Environmental Justice Communities

By law, an “environmental justice community” is (a) any U.S. census block group, as determined by the most recent census, for which at least 30% of the population consists of low-income people who are not institutionalized and have an income below 200% of the federal poverty level or (b) a distressed municipality (CGS § 22a-20a).

The Department of Economic and Community Development annually designates distressed municipalities based on high unemployment and poverty, aging housing stock, and low or declining rates of job, population, and per capita income growth (CGS § 32-9p). The current (2022) distressed municipalities are Ansonia, Bridgeport, Bristol, Chaplin, Derby, East Hartford, East Haven, Griswold, Groton, Hartford, Meriden, Montville, New Britain, New London, North Stonington, Norwich, Plainfield, Putnam, Sprague, Sterling, Torrington, Waterbury, West Haven, Winchester, and Windham.

Towns with current designated census blocks (that are not also distressed municipalities) are Bethel, Bloomfield, Branford, Brooklyn, Canaan, Clinton, Columbia, Coventry, Cromwell, Danbury, East Haddam, East Lyme, East Windsor, Ellington, Enfield, Essex, Fairfield, Farmington, Glastonbury, Greenwich, Haddam, Hamden, Killingly, Ledyard, Lisbon, Manchester, Mansfield, Middletown, Milford, Naugatuck, New Fairfield, New Haven, New Milford, Newington, North Canaan, Norwalk, Plainville, Portland, Preston, Ridgefield, Rocky Hill, Sharon, Shelton, Simsbury, Southington, Stafford, Stamford, Stonington, Stratford, Thomaston, Thompson, Vernon, Wallingford, Waterford, Watertown, West Hartford, Wethersfield, Willington, Windsor Locks, and Windsor.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 22 Nay 11 (03/10/2023)