



Senate

General Assembly

File No. 244

January Session, 2023

Substitute Senate Bill No. 979

Senate, March 28, 2023

The Committee on Environment reported through SEN. LOPES of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

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

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

1 Section 1. (NEW) (*Effective January 1, 2024*) (a) As used in this section,
2 "Connecticut home energy label" or "label" means a label developed by
3 the Commissioner of Energy and Environmental Protection that
4 provides a score regarding a residence's energy efficiency and is
5 consistent with all nationally recognized ratings, including the United
6 States Department of Energy Home Energy score, the Home Energy
7 Rating System Index score and the Energy Star score.

8 (b) (1) In developing the Connecticut home energy label, the
9 commissioner shall consider factors, including, but not limited to, (A)
10 the cost effectiveness of the labeling process, (B) the ability of a
11 residence's owner to conduct the labeling process and generate a label
12 for the residence without outside or professional assistance, (C) the
13 clarity of the information the label provides regarding the residence's

14 estimated energy efficiency, (D) the standardization of the label, (E) the
15 ability of the label to integrate information generated by existing
16 nationally recognized ratings, and (F) the accuracy and reliability of the
17 label.

18 (2) In developing the label, the commissioner shall provide an
19 opportunity for public comment.

20 (c) (1) Any landlord, upon (A) listing any dwelling unit for rent
21 through a multiple listing service, real estate brokers' organization or
22 other service, organization or facility related to the business of selling or
23 renting dwelling units, including private listing services, or (B) offering
24 any dwelling unit for rent through a means other than those specified in
25 subparagraph (A) of this subdivision, shall provide a Connecticut home
26 energy label for the dwelling unit to any prospective tenant at the
27 tenant's request or prior to the tenant's signing of a lease for the dwelling
28 unit. For dwelling units listed pursuant to subparagraph (A) of this
29 subdivision, the landlord shall provide the Connecticut home energy
30 label through the service, organization or facility through which the
31 landlord lists the dwelling unit.

32 (2) The provisions of this section shall apply: (A) On and after (i) July
33 1, 2024, or (ii) thirty days after the commissioner's public release of the
34 Connecticut home energy label, whichever is later, to any municipality
35 that contains a census tract in which the average percentage of gross
36 household income spent on home heating and electricity costs is not less
37 than ten per cent; (B) on or after July 1, 2025, to any municipality that
38 contains a census tract in which the average percentage of gross
39 household income spent on home heating and electricity costs is not less
40 than six per cent; (C) on or after July 1, 2026, to any municipality
41 containing a census tract in which the average percentage of gross
42 household income spent on home heating and electricity costs is not less
43 than four per cent; and (D) on or after July 1, 2027, to all municipalities.

44 (3) The Commissioners of Housing and Energy and Environmental
45 Protection shall, not later than March first of each year, publish on the
46 Departments of Housing's and Energy and Environmental Protection's

47 Internet web sites a list of municipalities that meet the criteria set forth
48 in subdivision (2) of this subsection according to the Low-Income
49 Energy Affordability Data Tool maintained by the United States
50 Department of Energy, or a successor tool.

51 (4) The provisions of this section shall not apply to: (A) The rental of
52 any dwelling unit for which rent payments include a fixed amount for
53 all charges for electricity, natural gas or heating fuel, as defined in
54 section 16a-23m of the general statutes; (B) any dwelling unit in a
55 building that was constructed on or after January 1, 2000; or (C) on or
56 before July 1, 2027, any dwelling unit in any building occupied by the
57 landlord of such building as a residence.

58 (d) (1) Notwithstanding the provisions of section 51-164p of the
59 general statutes, any municipality subject to the provisions of this
60 section may, by ordinance, establish a civil penalty payable to such
61 municipality for a violation of this section, provided such civil penalty
62 shall not exceed five hundred dollars for a first violation or one
63 thousand dollars for any subsequent violation.

64 (2) Any person assessed any civil penalty under subdivision (1) of
65 this subsection may appeal such assessment to the Superior Court not
66 later than thirty days after the mailing date of the notice of such
67 assessment by filing a petition to reopen the assessment, together with
68 an entry fee equal to the entry fee for a small claims case under section
69 52-259 of the general statutes, at the Superior Court facility designated
70 by the Chief Court Administrator. Such petition shall entitle such person
71 to a hearing under the rules of the judges of the Superior Court.

72 (3) The remedies in this subsection shall be in addition to any other
73 remedies available at law, or in equity, to any person. This section shall
74 not be construed to limit or restrict the authority of any state or local
75 housing or health code enforcement agency.

76 Sec. 2. Section 47a-1 of the general statutes is repealed and the
77 following is substituted in lieu thereof (*Effective January 1, 2024*):

78 As used in this chapter and sections 47a-21, 47a-23 to 47a-23c,
79 inclusive, 47a-26a to 47a-26g, inclusive, 47a-35 to 47a-35b, inclusive, 47a-
80 41a, 47a-43, [and] 47a-46 and [section] 47a-7b and section 1 of this act:

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

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

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

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

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

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

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

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

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

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

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

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

125 (m) "Tenement house" means any house or building, or portion
126 thereof, which is rented, leased or hired out to be occupied, or is
127 arranged or designed to be occupied, or is occupied, as the home or
128 residence of three or more families, living independently of each other,
129 and doing their cooking upon the premises, and having a common right
130 in the halls, stairways or yards.

131 Sec. 3. Section 23-8 of the general statutes is amended by adding
132 subsection (f) as follows (*Effective October 1, 2023*):

133 (NEW) (f) In order to ensure the benefits of open space and tree cover
134 are enjoyed equitably by residents of the state, it shall be the goal of the
135 state to increase the percentage of environmental justice communities,
136 as defined in section 22a-20a, and municipalities with a population of
137 one hundred thousand or more that are covered by tree canopy, not later
138 than January 1, 2024, to a level of five per cent of the total area of such

139 communities and municipalities.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2024</i>	New section
Sec. 2	<i>January 1, 2024</i>	47a-1
Sec. 3	<i>October 1, 2023</i>	23-8(f)

Statement of Legislative Commissioners:

In Section 1(d)(1), "and" was changed to "or" for clarity.

ENV *Joint Favorable Subst.*

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:

Municipalities	Effect	FY 24 \$	FY 25 \$
Various Municipalities	Revenue Gain	None	Potential

Explanation

Providing information to create the labeling program will have no cost to PURA associated with it. The bill specifically discusses the expansion of Tree canopy over Environmental Justice communities and cities of over 100,000 people as a goal but does not obligate the state to action to meet that goal.

The bill requires the Department of Housing (DOH) and DEEP to annually publish on their agencies' websites a list of municipalities that meet the bills criteria (and therefore where landlords must provide the home energy label), which has no fiscal impact. The agencies can use the Low-Income Energy Affordability Data Tool to formulate the list within existing resources.

Section 1 results in a potential revenue gain to municipalities beginning in FY 25 by allowing municipalities to establish, by ordinance, a civil penalty up to \$500 for the first violation and \$1,000 for subsequent violations of the "Connecticut home energy label" requirement. The revenue gain will be dependent on the civil penalty established by municipalities and the number of violations.

Section 3 makes it a state goal that environmental justice communities and populous municipalities are covered by a tree canopy over at least 5% of their total area. Any potential impact will be dependent on the steps taken to implement this beginning in FY 24.

The Out Years

The annualized ongoing fiscal impact identified above would continue subject to the civil penalty established by municipalities and the number of violations.

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)