



Senate

General Assembly

File No. 174

January Session, 2023

Substitute Senate Bill No. 996

Senate, March 22, 2023

The Committee on Housing reported through SEN. MOORE of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING HOUSING DEVELOPMENT IN THE STATE, ESTABLISHING A HOUSING AUTHORITY RESIDENT QUALITY OF LIFE IMPROVEMENT GRANT PROGRAM AND A HOUSING CHOICE VOUCHER TASK FORCE AND REQUIRING THE DISCLOSURE OF CERTAIN NATURAL PERSON OWNERSHIP INTERESTS IN REAL PROPERTY.

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

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section,
2 "resident advisory board" means any board established by a housing
3 authority pursuant to 42 USC 1437c-1(e).
- 4 (b) There is established a housing authority resident quality of life
5 improvement grant program to provide funds to housing authorities for
6 the purpose of making improvements to any residential buildings
7 managed by such authority as may be recommended by such housing
8 authority's resident advisory board. The grant program shall be
9 administered by the Department of Housing.
- 10 (c) The Commissioner of Housing shall, within available

11 appropriations, award grants under such grant program based on
12 applications submitted and evaluated as provided in this section. The
13 amount of grants awarded shall not exceed two hundred fifty thousand
14 dollars in the aggregate per fiscal year.

15 (d) The commissioner shall commence accepting applications for the
16 grant program established pursuant to this section not later than
17 October 1, 2023. Each housing authority may apply for a grant pursuant
18 to this section by submitting an application to the department in a
19 manner prescribed by the commissioner. Grants made under this
20 section shall be used to provide an ongoing benefit, as determined by
21 the commissioner, for residents of a residential building.

22 (e) The commissioner may adopt regulations, in accordance with
23 chapter 54 of the general statutes, to carry out the provisions of this
24 section.

25 Sec. 2. (*Effective from passage*) (a) There is established a task force to
26 study the federal Housing Choice Voucher Program, 42 USC 1437f(o),
27 and its implementation in the state. Such study shall include, but need
28 not be limited to, an evaluation concerning any disparate impacts said
29 program has on the development of at-risk children and youth or
30 families.

31 (b) The task force shall consist of the following members:

32 (1) The chairpersons and ranking members of the joint standing
33 committee of the General Assembly having cognizance of matters
34 relating to housing, or their designees;

35 (2) One appointed by the president pro tempore of the Senate;

36 (3) One appointed by the majority leader of the Senate;

37 (4) Two appointed by the minority leader of the Senate;

38 (5) One appointed by the speaker of the House of Representatives;

39 (6) One appointed by the majority leader of the House of

40 Representatives; and

41 (7) Two appointed by the minority leader of the House of
42 Representatives.

43 (c) Any member of the task force appointed under subsection (b) of
44 this section may be a member of the General Assembly. All initial
45 appointments to the task force shall be made not later than thirty days
46 after the effective date of this section. Any vacancy shall be filled by the
47 appointing authority.

48 (d) The speaker of the House of Representatives and the minority
49 leader of the Senate shall each select a chairperson from among the
50 members of the task force. Such chairpersons shall schedule the first
51 meeting of the task force, which shall be held not later than sixty days
52 after the effective date of this section.

53 (e) The administrative staff of the joint standing committee of the
54 General Assembly having cognizance of matters relating to housing
55 shall serve as administrative staff of the task force.

56 (f) Not later than January 16, 2024, the task force shall submit a report
57 on its findings and recommendations regarding the implementation of
58 the federal Housing Choice Voucher Program in the state to the joint
59 standing committee of the General Assembly having cognizance of
60 matters relating to housing, in accordance with the provisions of section
61 11-4a of the general statutes, and to the state's congressional delegation.
62 The task force shall terminate on the date that it submits such report or
63 January 16, 2024, whichever is later.

64 Sec. 3. Subsections (a) and (b) of section 47a-6a of the general statutes
65 are repealed and the following is substituted in lieu thereof (*Effective*
66 *October 1, 2023*):

67 (a) As used in this section, (1) "address" means a location as described
68 by the full street number, if any, the street name, the city or town, and
69 the state, and not a mailing address such as a post office box, (2)
70 "dwelling unit" means any house or building, or portion thereof, which

71 is rented, leased or hired out to be occupied, or is arranged or designed
72 to be occupied, or is occupied, as the home or residence of one or more
73 persons, living independently of each other, and doing their cooking
74 upon the premises, and having a common right in the halls, stairways
75 or yards, (3) "agent in charge" or "agent" means one who manages real
76 estate, including, but not limited to, the collection of rents and
77 supervision of property, (4) "controlling participant" means [an
78 individual or entity that exercises day-to-day financial or operational
79 control] a natural person who is not a minor and who, directly or
80 indirectly and through any contract, arrangement, understanding or
81 relationship, exercises substantial control of, or owns greater than
82 twenty-five per cent of, a corporation, partnership, trust or other legally
83 recognized entity owning rental real property in the state, and (5)
84 "project-based housing provider" means a property owner who
85 contracts with the United States Department of Housing and Urban
86 Development to provide housing to tenants under the federal Housing
87 Choice Voucher Program, 42 USC 1437f(o).

88 (b) Any municipality may require the nonresident owner or project-
89 based housing provider of occupied or vacant rental real property to
90 [maintain on file in the office of] report to the tax assessor, or other
91 municipal office designated by the municipality, the current residential
92 address of the nonresident owner or project-based housing provider of
93 such property [,] if the nonresident owner or project-based housing
94 provider is an individual, or the current residential address of the agent
95 in charge of the building [,] if the nonresident owner or project-based
96 housing provider is a corporation, partnership, trust or other legally
97 recognized entity owning rental real property in the state. [In the case
98 of a] If the nonresident owners or project-based housing [provider, such
99 information] providers are a corporation, partnership, trust or other
100 legally recognized entity owning rental real property in the state, such
101 report shall also include identifying information and the current
102 residential address of each controlling participant associated with the
103 property. [, except that, if such controlling participant is a corporation,
104 partnership, trust or other legally recognized entity, the project-based
105 housing provider shall include the identifying information and the

106 current residential address of an individual who exercises day-to-day
 107 financial or operational control of such entity.] If such residential
 108 address changes, notice of the new residential address shall be provided
 109 by such nonresident owner, project-based housing provider or agent in
 110 charge of the building to the office of the tax assessor or other designated
 111 municipal office not more than twenty-one days after the date that the
 112 address change occurred. If the nonresident owner, project-based
 113 housing provider or agent fails to file an address under this section, the
 114 address to which the municipality mails property tax bills for the rental
 115 real property shall be deemed to be the nonresident owner, project-
 116 based housing provider or agent's current address. Such address may
 117 be used for compliance with the provisions of subsection (c) of this
 118 section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>October 1, 2023</i>	47a-6a(a) and (b)

Statement of Legislative Commissioners:

In Section 3 (a), a reference to "agent" was added for clarity.

HSG *Joint Favorable Subst. -LCO*

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:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Department of Housing	GF - Cost	Up to 285,574	Up to 286,463
State Comptroller - Fringe Benefits ¹	GF - Cost	Up to 15,233	Up to 15,614

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Department of Housing (DOH) to establish a housing authority resident quality of life improvement grant program, which results in a total state cost of up to \$300,807 in FY 24 and up to \$302,077 in FY 25, continuing annually, for both grants and staff to administer the program.

The bill requires DOH to award grants totaling up to \$250,000 per year to housing authorities that apply. DOH is anticipated to require up to one part-time housing specialist at a state cost of \$50,807 in FY 24 (\$35,574 in salary and \$15,233 in fringe benefits) and \$52,077 in FY 25 (\$36,463 in salary and \$15,614 in fringe benefits) to administer the program. The bill does not appropriate funding for the program.

The bill also establishes a task force to study the implementation of the federal Housing Choice Voucher Program (Section 8) in

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 42.82% of payroll in FY 24.

Connecticut. This has no fiscal impact because PA 17-236 prohibits transportation allowances for task force members.

Additionally, the bill specifies a reporting requirement for certain housing providers. This has no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in employee wage and benefit costs and appropriations for the grant program.

OLR Bill Analysis**sSB 996*****AN ACT CONCERNING HOUSING DEVELOPMENT IN THE STATE, ESTABLISHING A HOUSING AUTHORITY RESIDENT QUALITY OF LIFE IMPROVEMENT GRANT PROGRAM AND A HOUSING CHOICE VOUCHER TASK FORCE AND REQUIRING THE DISCLOSURE OF CERTAIN NATURAL PERSON OWNERSHIP INTERESTS IN REAL PROPERTY.*****SUMMARY**

This bill establishes a grant program, administered by the Department of Housing (DOH), to provide housing authorities with funding for improvements to their residential buildings. It also creates related requirements for the application process, funding limits, and use of the grants.

The bill also establishes a task force to study the federal Housing Choice Voucher (HCV) program and its implementation in the state. It requires the task force to report its findings and recommendations to the Housing Committee and the state's congressional delegation by January 16, 2024.

Current law allows municipalities to require that landlords renting to HCV program participants provide identifying information for certain individuals that exercise control of these properties (i.e., controlling participants). The bill extends this provision to also cover nonresident owners of rental property and makes it applicable only to business entities. It also provides additional specificity as to what individuals qualify as controlling participants (generally those that exercise substantial control of, or own more than 25% of, these business entities).

Finally, the bill makes minor and technical changes.

EFFECTIVE DATE: Upon passage, except the provisions on municipal landlord identification requirements, which take effect October 1, 2023.

§ 1 — GRANT PROGRAM FOR HOUSING AUTHORITIES

The bill establishes a new grant program to provide housing authorities with funding for improvements to their residential buildings, as may be recommended by their resident advisory boards (see BACKGROUND). It requires DOH to award program grants within available appropriations and begin accepting applications by October 1, 2023.

Under the bill, housing authorities can apply for a grant by submitting applications to DOH as the commissioner prescribes. The department must evaluate applications and can award up to \$250,000 in total grants under the program per fiscal year. These grants must provide an ongoing benefit to residents of the housing authority-managed building or buildings subject to the proposed improvements, as determined by the commissioner.

Additionally, the commissioner may adopt regulations to carry out the program.

§ 2 — HOUSING CHOICE VOUCHER PROGRAM TASK FORCE

The bill establishes a 12-member task force to study the federal HCV program (see BACKGROUND) and its implementation in the state, including any disparate impacts the program has on the development of at-risk children and youth or families.

Membership, Initial Appointments, and Vacancies

Task force members may be General Assembly members and must include (1) the Housing Committee chairpersons and ranking members, or their designees, (2) two each appointed by the minority leaders of the House and Senate, and (3) one each appointed by the four other legislative leaders. The legislative leaders must make the initial task force appointments no later than 30 days after the bill's passage and appointing authorities fill vacancies.

Chairpersons, Meetings, and Reporting Requirement

The bill requires the House speaker and Senate minority leader to each select a task force member to serve as a chairperson. The chairpersons must schedule the task force's first meeting and hold it no later than 60 days after the bill's passage.

The bill requires the task force, by January 16, 2024, to report on its findings and recommendations to the Housing Committee and the state's congressional delegation. The task force terminates when it submits this report or January 16, 2024, whichever is later. The Housing Committee's administrative staff serves as the task force's administrative staff.

§ 3 — MUNICIPAL LANDLORD IDENTIFICATION REQUIREMENTS

Under existing law, generally unchanged by the bill, municipalities can require nonresident owners and landlords renting to HCV program participants (also known as project-based housing providers or PBHPs) to provide (1) their current residential addresses or (2) the current residential address of the agent in charge of the building if the owners are a business entity that owns rental property (i.e., a corporation, partnership, trust, or other legally recognized entity).

Current law includes an additional "controlling participant" requirement for PBHPs. It requires that they provide identifying information and the current residential address of each controlling participant associated with the property, meaning an individual or entity that exercises day-to-day financial or operational control. If a controlling participant is a business entity, the PBHP must identify and provide the residential address for a natural person who exercises control over that entity.

The bill makes changes to this "controlling participant" requirement. It only requires a PBHP to disclose the identifying information and current residential addresses of its controlling participants if the PBHP is a business entity. It also redefines controlling participant to mean a

natural person who (1) is not a minor and (2) directly or indirectly and through any contract, arrangement, understanding, or relationship, exercises substantial control of, or owns more than 25% of, a business entity that owns rental property. Finally, the bill extends this requirement to nonresident owners in addition to PBHPs.

BACKGROUND

Resident Advisory Boards

Federal law generally requires public housing agencies (PHAs) to establish at least one resident advisory board to assist and make recommendations on the development of a PHA’s public housing agency plan (42 U.S.C. § 1437c-1(e)). A housing authority located in Connecticut that does not administer any Housing and Urban Development (HUD) programs or receive HUD funding is not considered a PHA and so is not subject to this requirement.

HCV Program and PBHPs

The HCV program is the federal government’s main program for helping very low-income families afford private market housing (42 U.S.C. § 1437f(o)). Eligible households that are issued a housing voucher must find housing that meets the program’s requirements. HUD funds the program and it is administered locally by PHAs and statewide by DOH.

State law defines PBHPs as property owners who contract with HUD to provide housing to tenants under the HCV program.

Related Bills

sSB 4, § 6, and sHB 6781, § 9, both reported favorably by the Housing Committee, contain identical provisions on municipal landlord identification requirements.

COMMITTEE ACTION

Housing Committee

Joint Favorable
Yea 15 Nay 0 (02/28/2023)