

Energy and Technology Committee JOINT FAVORABLE REPORT

Bill No.: HB-5641
AN ACT CONCERNING NOTIFICATION OF UTILITY SERVICE
Title: TERMINATIONS AT RENTAL PROPERTIES.
Vote Date: 3/14/2023
Vote Action: Joint Favorable
PH Date: 3/7/2023
File No.:

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SPONSORS OF BILL:

[Rep. Charles J. Ferraro, 117th Dist.](#)

REASONS FOR BILL:

As a part of Connecticut's efforts to respond to rising utility costs and the energy market volatility, this bill would implement language pertaining to the gas and electric distribution companies, as defined in Conn. Gen. Stat. § 16-1, to enable landlords to protect leased properties from damages caused by the termination of utility services, intending to alleviate some of the recent economic challenges affecting the state's property owners.

RESPONSE FROM ADMINISTRATION/AGENCY:

Marissa Gillett, Chairman, CT Public Utilities Regulatory Authority (PURA) – Offered informational remarks regarding H.B. 5641, including reference to the general statutes (such as Conn. Gen. Stat. § 16-262c, 16-262d, 16-262e, 16-262f, 16-262t, and 16-262x, as well as Conn. Agencies Reg. § 16-3-100). PURA expresses concern over lines 7-9 in Sec. 1 of the bill, which provides that the appropriate provider will transfer gas or electric service to the requesting landlord “whenever the company intends to terminate service to such dwelling absent a request made according to this section” (l. 7-9, Sec. 1, H.B. 5641). PURA notes that such language may be too vague to achieve the bill's desired effect adequately.

PURA also observes that, as written, the bill may produce some unintended consequences that harm residential tenants. PURA, therefore, recommends that language be added to clarify that a company's intent may only be established after that company “has the legal ability to proceed with a utility service termination, as determined by existing statutory language,” not before residential tenants are able to enroll in a payment arrangement with their utility provider. PURA also suggests that the intent of line 9 (“absent a request made pursuant to this section”) be either explicitly stated or removed.

On Sec. 1(3) of the bill, PURA notes that the proposed bill does not specify whether ratepayers would ultimately bear the burden of the costs terminating utility service on account of certain damages. PURA strongly recommends that the language be clarified such that “any costs incurred pursuant to this section are not recoverable in rates” (Marissa Gillett; PURA Testimony; March 2, 2023). PURA also suggests that the bill language explicitly state the dispute resolution process between a utility company and a landlord be resolved in the judicial system and not through PURA.

NATURE AND SOURCES OF SUPPORT:

Steven Lopes – Supports the Bill, believing that notifying a landlord before the termination of utility service is a reasonable proposal. The alternative, property damage, is in the interest of none of the parties.

Morgan Miller, Housing Provider, Connecticut Apartment Association (CTAA) – Supports the bill as an effort to protect landlords from damage caused by a tenant's inability to pay utility costs and tenants by ensuring their utility services are not terminated immediately. In addition, the bill may help landlords save money, especially if utilities are terminated during the winter leading to such housing complications as frozen and burst pipes. The Bill's provisions would thus be in the interest of tenants and landlords alike by mitigating the costs incurred by either party.

Vincent Pace, Asst. General Counsel, Eversource Energy – Supports the Bill's intentions and looks forward to a continued dialogue that will help the legislature balance the interests of tenants and landlords as the state considers legislation regarding the termination of utilities in the context of rising utility costs.

Cara Pavalock-D'Amato, State Representative - 77th District, CT General Assembly – Supports the Bill because it seeks to confront the recent rise in electricity costs that, in turn, have contributed to the recent rent increases by landlords throughout the state. Rep. Pavalock-D'Amato includes two further recommendations. The first recommendation suggests that landlords should be able to terminate the services of properties that they no longer own as they have been sold to a new owner. The second advises that the landlord should be able to show a tenant a lease that would release the tenant from liability for the months between first tenant's departure and the arrival of a new tenant.

Tracey Pelella, VP of Customer Service, Avangrid – Supports the Bill's intentions but provides a clarifying comment which notes that UIL Holdings, Inc.'s companies already have a process that reverts electric and gas services to the landlord upon a tenant's move out. UIL Holdings, Inc. suggests that the Bill's language be modified to ensure that the landlord's maintain their account for utility expenditures following tenant departures in good faith since utility providers can no longer terminate services for non-payment.

Jim Perras, CEO, Home Builders and Remodelers Association of Connecticut (HBRA-CT) – Supports the Bill to help landlords protect their leased property from damage caused by the termination of utility services. HBRA-CT adds that this bill offers common-sense proposals to extend protections to tenants and landlords by mitigating the costs associated with avoidable damages stemming from the termination of utility services.

Kevin Santini, Property Manager & Owner, Santini Villa Apartments – Supports the Bill, noting that landlords do not have a way to find out if a tenant has not paid their bill and had their unit's utility services terminated. Tenants who leave their units for extended periods may also be unaware. Eversource has indicated that it cannot notify the landlord of Santini Villa Apartments that it cannot notify him on shutoffs, placing buildings that have fire sprinkler systems at significant risk of freezing, bursting, and causing considerable damage. This Bill would implement provisions that could help eliminate that risk.

John Souza, President, CT Coalition of Property Owners (CCOPO) – Supports the Bill because it will help landlords avoid the costs incurred from damages that result from the termination of services in the winter months. CCOPO includes that such costs for landlords will add to rent prices. Therefore, this Bill would take steps to reduce some costs contributing to rent increases. In addition, this Bill could prevent damages to property or the resultant costs of property damage if tenants abandon the property, cannot afford a security deposit, or fail to pay their utility bills. The Bill would thus help landlords control future housing costs.

Lauren Tagliatela, Co-chair of the Government Relations Committee, CT Apartment Association (CTAA) & Louis Tagliatela, Member, Franklin Construction – Support the Bill because it intends to help landlords keep costs down and attempt to provide more affordable housing. The Bill would also help landlords save on the expenses incurred from frozen and burst pipes in the winter months, keeping insurance costs for landlords and reducing tenant rent.

Also support H.B. 5641 (with no further comment):

- Shelby Carlson, Regional Property Manager, MCR Property Management Inc.
- Kelly DeMatteo, President, CT Apartment Assoc. (CTAA)

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Irene Santiago & Robert Downes

Date: 3/21/2023