

Insurance and Real Estate Committee JOINT FAVORABLE REPORT

Bill No.: HB-6784

Title: AN ACT CONCERNING NONCOMPLIANT LANDLORDS.

Vote Date: 3/14/2023

Vote Action: Joint Favorable Substitute

PH Date: 2/28/2023

File No.: 332

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SPONSORS OF BILL:

The Insurance and Real Estate Committee
Rep. Aundre Bumgardner, 41st Dist.

REASONS FOR BILL:

Many constituents have contacted the General Assembly regarding issues with their landlords and/or property management companies. Adequate maintenance is not being performed on the properties, which frequently results in situations that threaten the health or safety of tenants. Typically, these property owners reside outside of Connecticut and manage units across multiple states. Consequently, responses to tenant requests and municipal notices alike are significantly delayed if not ignored outright. The only recourse available is via the legal system, which can delay maintenance even further. This legislation addresses the issues presented by these non-compliant landlords by permitting the Attorney General intercede on behalf of tenants and petition the Superior Court to appoint a receiver to assume control of the property.

SUBSTITUTE LANGUAGE:

This bill's substitute language is largely clerical. Amendments were made to the provisions regarding investigations and recordkeeping by code enforcement officers and to incorporate the revisions proposed by Raphael Podolsky with Connecticut Legal Services. A summary of this testimony can be found in the Nature and Sources of Support section of this report.

RESPONSE FROM ADMINISTRATION/AGENCY:

State of Connecticut, Judicial Branch, External Affairs Division: did not testify in favor or opposition of the merits of the bill but expressed "implementation concerns" with the language used in several provisions. The bill must clarify if the 12 tenants must present

identical claims or if it is merely a total of 12 tenants with claims to trigger involvement by the Attorney General. The three-day hearing deadline should also indicate business or calendar days. They noted that C.G.S. Section 47a-68 requires mediation in housing matters and this bill does not clarify if these claims would be exempt from these provisions. They believe "it would be difficult for a mediator to mediate a case with 12 tenants, the Attorney General, the property manager, and the property manager's attorney." Lastly, they note that the court "does not maintain a list of receivers" and this should be addressed. Otherwise, "all parties would need to agree to [a receiver] and let the court know who was selected" before a judge could actually render a judgment.

State of Connecticut, Office of the Attorney General, Attorney General, William Tong: testified that "enforcement of local health and building codes is principally the responsibility of municipal building inspectors, fire marshals, code enforcement officers, and local public health districts and departments." He noted that C.G.S. Subsection 47a-56a already permits municipalities to petition the Superior Court for a receiver. As such, "action by the Attorney General. . . should come only when there is a persistent pattern of resistance to compliance and only after town and city officials have investigated and taken enforcement action on the complaints received, including relief in [court]." If the General Assembly expands the Connecticut False Claims Act "to include all state contracted programs, including state rental subsidies that benefit landlords," the Office of the Attorney General could respond in a manner similar to the U.S. Department of Justice when U.S. Housing and Urban Development rules are violated.

NATURE AND SOURCES OF SUPPORT:

ACLU Connecticut, Policy Council, Jess Zaccagnino: supports this bill and finds it to be "a good step to protecting people" from landlords who are "systematically noncompliant with basic health and fire code regulations." She supports amending the bill or introducing new legislation to protect all renters, not just those in "500+ unit dwellings."

Connecticut Conference of Municipalities, Director of Public Policy, Brian O'Connor: supports this bill because "local code enforcement officials do not have adequate tools" to hold non-compliant landlords accountable. This bill "will go a long way in improving the quality of life of residents who find themselves in unlivable conditions."

Connecticut Legal Rights Project, Executive Director, Kathy Flaherty: urges passage of this bill because "decent, safe, affordable, accessible housing is a basic need" and tenants should not have to bear the burden of holding non-compliant landlords accountable. She further testified that current/former DMHAS clients lacking "stable housing have a more difficult time sustaining their recovery."

Connecticut Legal Services, Attorney and Policy Advocate, Raphael Podolsky: supports this bill and offers several small language revisions to ensure the statutes would be enforced as the Committee intended.

CT Resident Bobby Berriault: supports this bill because he believes out of state landlords should be held accountable for not addressing the "deplorable conditions" of their properties.

CT Resident Cathy Constituent: supports this bill because it will "reduce court backlog, increase compliance, reduce burden on legal aid, and. . . [reduce the] adversarial relationship between owners and renters." She believes the current process to bring a landlord to court is too "cumbersome" and effectively prevents tenants from enforcing their rights.

CT Resident, Stella Onochie: supports this bill because "safe habitable housing should be a right in [Connecticut], but it is currently a privilege of the few." She testified to poor maintenance in her apartment complex which caused a fire in her child's bedroom and is concerned for the wellbeing of children and families in similar situations.

CT Residents, Abby and Dean Hayward: noted several recurring maintenance and safety issues in their condo complex which the owners have refused to address despite written notices from both residents and the municipality. They support this bill because current law offers "no other remedy" to tenants who need such repairs to be conducted.

CT Residents, Carrisa Dojan and Heaven Stokes: filed joint testimony in support of this bill because renters of non-compliant landlords "need help [and] need someone to be a voice for [them]." They testified that their landlord has continuously refused to credit their account with payments provided upon move-in, leading to an eviction notice (which was blamed on a computer error) and included a clause in the contract that prohibits "[posting] anything disparaging about the property online."

Property Manager, Douglas Cobb: supports this bill and urges it "be taken a few steps further" to "[extend] full accountability and liability to [any] lending institutions" and "[establish] specific, detailed minimum thresholds" to be met and subsequently maintained by both landlords and lenders. He further testified that non-compliant landlords typically short payments to contractors or vendors; they will refuse any future (uncompensated) work, even if tenants are in desperate need. Mr. Cobb proposes additional provisions to guarantee contractors are provided with "documented guaranteed payment in full within a reasonable timeframe" and requiring landlords to continually submit their most current contact information with the State and municipalities.

Real Estate Agent, Allan Smith: supports this bill because small and even medium-sized towns do not have the resources "to deal with the volume of complaints received when one large property is falling into health and safety despair." He testified that "the most vulnerable" renters are effectively forced to stay in poor living conditions because they can't risk the negative impact of breaking a rental contract or afford taking the landlord to court.

NATURE AND SOURCES OF OPPOSITION:

None Expressed

Reported by: Sean Chilson

Date: 3/30/2023