



General Assembly

January Session, 2023

Raised Bill No. 6708

LCO No. 4401



Referred to Committee on HOUSING

Introduced by:
(HSG)

AN ACT CONCERNING THE SECURITY DEPOSIT GUARANTEE PROGRAM.

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

1 Section 1. Section 8-339 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 (a) The Commissioner of Housing shall establish, within available
4 appropriations, and administer a security deposit guarantee program
5 for [persons who (1) (A) are recipients of temporary family assistance,
6 aid under the state supplement program, or state-administered general
7 assistance, or (B) have a documented showing of financial need, and (2)
8 (A) are residing in emergency shelters or other emergency housing,
9 cannot remain in permanent housing due to any reason specified in
10 subsection (a) of section 17b-808, or are] (1) any individual or family
11 whose income is not greater than eighty per cent of the median income
12 of the state, adjusted for family size, as determined by the United States
13 Department of Housing and Urban Development, (2) any individual
14 who is served a writ, summons and complaint in a summary process
15 action instituted pursuant to chapter 832, or [(B) have] (3) any individual

16 that receives a certificate or voucher from a rental assistance program or
17 federal [Section 8] Housing Choice Voucher program. Under the
18 security deposit guarantee program, the [Commissioner of Housing]
19 commissioner may provide security deposit guarantees for use by
20 [such] persons eligible pursuant to this subsection in lieu of a security
21 deposit on a rental dwelling unit. Eligible persons may receive a security
22 deposit guarantee in an amount not to exceed the equivalent of [two]
23 one and one-half months' rent on such rental unit. No person may apply
24 for and receive a security deposit guarantee more than once in any
25 [eighteen-month] twenty-four-month period without the express
26 authorization of the [Commissioner of Housing] commissioner, except
27 as provided in subsection (b) of this section. The [Commissioner of
28 Housing] commissioner may deny eligibility for the [security deposit
29 guarantee] program to an applicant for whom the commissioner has
30 paid [two] one or more claims by landlords. The [Commissioner of
31 Housing] commissioner shall prioritize the provision of security deposit
32 guarantees to eligible veterans and may establish priorities for
33 providing security deposit guarantees to other eligible persons
34 described in [subparagraphs (A) and (B) of subdivision (2)] subdivisions
35 (1) to (3), inclusive, of this subsection in order to administer the program
36 within available appropriations.

37 (b) In the case of any person who qualifies for a guarantee, the
38 [Commissioner of Housing] commissioner, or any local or regional
39 nonprofit corporation or social service organization under contract with
40 the Department of Housing to assist in the administration of the
41 [security deposit guarantee] program established pursuant to
42 subsection (a) of this section, may execute a written agreement to pay
43 the landlord for any damages suffered by the landlord due to the
44 tenant's failure to comply with such tenant's obligations as defined in
45 section 47a-21, provided the amount of any such payment shall not
46 exceed the amount of the requested security deposit. Notwithstanding
47 the provisions of subsection (a) of this section, if a person who has
48 previously received a grant for a security deposit or a security deposit
49 guarantee becomes eligible for a subsequent security deposit guarantee

50 within [eighteen] twenty-four months after a claim has been paid on a
51 prior security deposit guarantee, such person may receive a security
52 deposit guarantee. The amount of the subsequent security deposit
53 guarantee for which such person would otherwise have been eligible
54 shall be reduced by (1) any amount of a previous grant which has not
55 been returned to the department pursuant to section 47a-21, or (2) the
56 amount of any payment made to the landlord for damages pursuant to
57 this subsection.

58 (c) Any payment made pursuant to this section to any person
59 receiving temporary family assistance, aid under the state supplement
60 program or state-administered general assistance shall not be deducted
61 from the amount of assistance to which the recipient would otherwise
62 be entitled.

63 (d) On and after July 1, 2000, no special need or special benefit
64 payments shall be made by the commissioner for security deposits from
65 the temporary family assistance, state supplement, or state-
66 administered general assistance programs.

67 (e) The [Commissioner of Housing] commissioner may, within
68 available appropriations, on a case-by-case basis, provide a security
69 deposit grant to a person eligible for the [security deposit guarantee]
70 program established under subsection (a) of this section, in an amount
71 not to exceed the equivalent of one month's rent on such rental unit,
72 provided the commissioner determines that emergency circumstances
73 exist which threaten the health, safety or welfare of a child who resides
74 with such person. Such person shall not be eligible for more than one
75 such grant without the authorization of said commissioner. Nothing in
76 this section shall preclude the approval of such one-month security
77 deposit grant in conjunction with a one-month security deposit
78 guarantee.

79 (f) The [Commissioner of Housing] commissioner may provide a
80 security deposit grant to a person receiving such grant through any local
81 or regional nonprofit corporation or social service organization under

82 an existing contract with the Department of Housing to assist in the
83 administration of the security deposit program. [but in no event shall
84 a payment be authorized after October 1, 2000.] Nothing in this section
85 shall preclude the commissioner from entering into a contract with one
86 or more local or regional nonprofit corporations or social service
87 organizations for the purpose of issuing security deposit guarantees.

88 (g) A landlord may submit a claim for damages not later than [forty-
89 five] twenty days after the date of termination of the tenancy. Payment
90 shall be made only for a claim that includes receipts for repairs made.
91 No claim shall be paid for an apartment from which a tenant vacated
92 because substandard conditions made the apartment uninhabitable, as
93 determined by a local, state or federal regulatory agency.

94 (h) Any person with income exceeding one hundred fifty per cent of
95 the federal poverty level, who is found eligible to receive a security
96 deposit guarantee under this section and for whom the commissioner
97 has paid a claim by a landlord, shall contribute [five] fifty per cent of
98 one month's rent to the payment of the security deposit. The
99 commissioner may waive such payment for good cause.

100 (i) The [Commissioner of Housing] commissioner shall adopt
101 regulations, in accordance with the provisions of chapter 54, to
102 administer the program established pursuant to this section and to set
103 eligibility criteria for the program, but may implement the program
104 while in the process of adopting such regulations provided notice of
105 intent to adopt the regulations is published [in the Connecticut Law
106 Journal] on the eRegulations System within twenty days after
107 implementation.

108 Sec. 2. (*Effective July 1, 2023*) The sum of ten million dollars is
109 appropriated to the Department of Housing from the General Fund, for
110 the fiscal year ending June 30, 2024, for the administration of the security
111 deposit guarantee program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	8-339
Sec. 2	<i>July 1, 2023</i>	New section

Statement of Purpose:

To expand access to, and provide funding for, the security deposit guarantee program.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]