

Housing Committee JOINT FAVORABLE REPORT

Bill No.: HB-5156

Title: AN ACT REQUIRING NOTICES OF RENT INCREASES.

Vote Date: 2/29/2024

Vote Action: Joint Favorable

PH Date: 2/20/2024

File No.:

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SPONSORS OF BILL:

Housing Committee

REASONS FOR BILL:

To prohibit any rental agreement from providing a tenant with less than sixty days' notice of any increase in rent in order to help address the issues associated with sudden notices of rent increases, including housing instability, financial stress, and limited time for tenants to make informed decisions or find suitable housing alternatives.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed.

NATURE AND SOURCES OF SUPPORT:

[Wildaliz Bermudez, Executive Director, City of New Haven Fair Rent Commission:](#)

Many tenants in New Haven have experienced increased rents on short notice, and, as Wildaliz Bermudez of the New Haven Fair Rent Commission notes in support of H.B. 5156, "97% of our cases involve notices of rental increases by landlords with less than 60 days; and 51% of cases involve notice period below 31 days." In other locations throughout the United States (such as New York, for example), landlords who intend to raise rent by 5% or more are required to provide a 60-day notice to the tenant.

[Grace Brunner, Student, University of Connecticut School of Law:](#) Grace Brunner supports H.B. 5156 and describes how tenants are left scrambling to find affordable housing after experiencing a rent increase on short notice.

[Carmen Clarkin, Research and Policy Associate, Connecticut Voices for Children:](#) Offering testimony in support of H.B. 5156, Carmen Clarkin of Connecticut Voices for Children describes that vacancy rates and rising rent prices have made half of Connecticut renters cost burdened. Therefore, allowing a 60-day notice of rent increases provides renters with the capability to financially prepare themselves for an increase in their rent and, if necessary, have adequate time to find alternative housing prior to the rent increase.

[Sean Ghio, Executive Director, Partnership for Strong Communities:](#) As Executive Director at Partnership for Strong Communities, Sean Ghio explains how H.B. 5156 "will help give tenants more decision-making power and time to react to changes in the cost of their living situation." As there currently is no law requiring landlords to provide advance notice, tenants find themselves unprotected against sudden cost increases that they may not be able to afford, and H.B. 5156 would help to address these problems.

[Raphael Podolsky, Attorney and Policy Advocate, Connecticut Legal Services Inc.:](#) Raphael Podolsky of Connecticut Legal Services argues that Connecticut should implement a law allowing for advanced notice for rent increases as tenants can be leveraged into accepting late rent increases due to the "difficulty in finding a new apartment and relocating on short notice." He also mentions how multiple "states, including Oregon, Washington, New York, and Maine, explicitly require advance notice," and H.B. 5156 would take a "middle position" on this issue; therefore, he supports the bill.

[August Rios, Yale University Urban Fellow, New Haven Fair Rent Commission:](#) Other housing programs identify complexities in the housing market and provide ample time to find housing. For example, Section 8 voucher holders are given 60 days with possible extensions up to 90 or 120 days to find housing after receiving a voucher. Therefore, August Rios supports H.B. 5156.

[Jess Zaccagnino, Policy Counsel, American Civil Liberties Union of Connecticut \(ACLU-CT\):](#) Jess Zaccagnino of ACLU-CT supports H.B. 5156 because the costs associated with applying for leases, even starting to apply for a lease, is extremely burdensome for renters. As housing prices continue to rise, tenants need ample time to prepare for an increase to their rent.

NATURE AND SOURCES OF OPPOSITION:

[Connecticut REALTORS \(CTR\):](#) CTR opposes H.B. 5156 and states that while "CTR agrees lease agreements should provide sixty days' notice of any increase in rent, the language in the proposal creates significant problems for both landlords and tenants in applicability." If a renter indicates their intent to not renew a lease, there is no need to inform the tenant of an increase of rent for a perspective new tenant. If the current tenant changes their mind within 60 days of the end of the lease, the landlord would then lose the power to increase the rent.

[April R. Conquest, Property Manager, Vesta Corporation:](#) Testifying in opposition to H.B. 5156, April Conquest explains how rental increases offset the cost of the property, including services that benefit tenants, and these increases in rent will return to the property and its residents in the form of improvements and other means.

[Bob De Cosmo, President, Connecticut Property Owners Alliance](#): While "Notification of a rent increase is currently not set in statute in Connecticut," Bob De Cosmo of the Connecticut Property Owners Alliance opposes H.B. 5156 and states that "most leases already have some renewal, holdover or rent escalator clause provision in them." Additionally, property owners who rent to marginal tenants do so on verbal, month-to-month agreements, which are typically based on 30 days. Therefore, 60-day notice in this scenario would not be consistent with these leases.

[Kelly DeMatteo, President, Connecticut Apartment Association \(CTAA\)](#): Leases are mutually agreed upon between private parties, and H.B. 5156 "will take away an important tool in tenant accountability and the housing providers ability to protect other CT Tenants, families, and children in the communities." Therefore, Kelly DeMatteo of the Connecticut Apartment Association opposes H.B. 5156.

[Jessica Doll, Executive Director, Connecticut Apartment Association \(CTAA\)](#): Jessica Doll of the Connecticut Apartment Association believes that the current wording of the bill does not address alternative models of leases and lease renewals, and therefore offers testimony in opposition to H.B. 5156. For example, a 60-day notice would not be appropriate for a three-month lease. Also, this bill would allow for increased costs to landlords to occur at any moment, leading to a lack of flexibility that could hurt landlords and their properties.

[August Miller, Management Co.](#): Opposing H.B. 5156, August Miller of Miller Management states that, "My leases require notice to be given to my tenants if a rent increase is required. This is an agreement made between the tenant and myself at the time of lease signing. ...This H.B. 5156 bill nullifies our contract which was signed in good faith by both tenant and myself and puts additional requirements on the landlord."

[Jim Perras, CEO, Home Builders & Remodelers Association of Connecticut](#): Jim Perras, CEO of the Home Builders & Remodelers Association of Connecticut, opposes H.B. 5156 and describes how the bill limits flexibility for landlords and their ability to respond to fluctuating costs and conditions. This can increase landlords' overall risk in owning properties, and the inability to raise rent can deter property owners from improving properties. By limiting rent increases, market-driven pricing and economic growth would be impacted, and additional administrative burdens to landlords may lead to higher rents being passed onto tenants.

[Nicholas Postvoit](#): Opposes the bill stating that H.B. 5156 would unfairly infringe on the rights of landlords in comparison with the tenants and renters.

[John Souza, President, Connecticut Coalition of Property Owners \(CCOPO\)](#): Opposes the bill stating that the terms that are agreed upon in lease agreements are negotiated between tenants and landlords. CCOPO also argues that tenants also possess the ability to go to fair rent commissions if they believe that the terms of their rent increases are unfair.

[William Sheridan](#): Testifying in opposition to H.B. 5156, William Sheridan explains that the bill would be "denying the property owner the ability to control rent, [and] they are denying the owner just compensation."

These additional [written testimonies](#) were offered in opposition to [H.B. 5156](#):

- [Mark Asnes, President, Connecticut Manufactured Housing Association](#)
- [Ronald Barba, Managing Partner at Bender, Anderson and Barba P.C.](#)
- [Lana Bettera, CEO, BPM Insights](#)
- [Jeremy Browning, Managing Director, Trio Properties LLC](#)
- [Juliet Cavanaugh, Broker/Property Manager, Cavanaugh & Company LLC](#)
- [Sebastian Colbert](#)
- [Kevin Daley, Sig Con Associates](#)
- [Donna DellaCamera, Franklin Communities](#)
- [Shannette Diaz, Paredim Communities](#)
- [Jason DiZenzo](#)
- [Melissa Georges, Trio Properties](#)
- [Johnny Grunblatt](#)
- [David Haberfeld](#)
- [Lynee S. Haynie, Sig Con Associates](#)
- [Jessica Heckman, Sig Con Associates](#)
- [Michael Kane, Regional Vice President, Sun Communities](#)
- [Judy Kechejian](#)
- [Westley Klockner, Marcus & Millichap](#)
- [Kristen Klopp, Trio Properties LLC](#)
- [Krystal Laramie, Paredim Partners](#)
- [Sheila Leach, Home Builders & Remodelers Association of Central Connecticut](#)
- [Joshua Levine](#)
- [Jeff Miller, Senior VP, Larew Doyle & Associates](#)
- [Victor W. Nolletti, Executive Managing Director, Institutional Property Advisors \(IPA\)](#)
- [Nancy M. Palmisano, Executive Director, Connecticut Manufactured Housing Association](#)
- [David Parisier, Founder, Paredim Partners](#)
- [Eric Pentore, Member, Connecticut Apartment Association \(CTAA\)](#)
- [Louis Tagliatela Jr., Co-Owner, Franklin Construction](#)
- [Lauren Tagliatela, Franklin Communities](#)
- [Stephen Tagliatela](#)
- [Robert Wiedenmann, Chairman, Home Builders & Remodelers Association of Central Connecticut](#)
- [Marc Zahariades, Member, Connecticut Apartment Association](#)

Reported by: Mario Volpe

Date: 03/08/2024