
OLR Bill Analysis

HB 5041

AN ACT CONCERNING HOME ENERGY AFFORDABILITY FOR HOME RENTERS.

SUMMARY

This bill requires landlords, when listing or offering certain dwelling units for rent, to provide a qualifying home energy label for the units. With certain exceptions, the requirement is phased-in based on the average percentage of gross household income spent on home heating and electricity costs (i.e., average energy burden) in the municipality in which the unit is located. Under the bill's schedule, the requirement applies to certain municipalities beginning July 1, 2023, and then, eventually, to all municipalities by July 1, 2026. The bill exempts units with rent payments that include a fixed amount for all electricity, natural gas, or heating fuel costs. It also exempts units located in a building (1) built since January 1, 2000, or (2) in which the building's landlord resides, but only through July 1, 2026.

The bill specifies qualifying home energy labels and allows the Department of Energy and Environmental Protection (DEEP) commissioner to qualify additional labels, replace an existing label, and develop a state-specific label.

Additionally, the bill allows municipalities to, by ordinance, establish a civil penalty for violations, payable to the municipality. The bill also explicitly provides that it does not limit or restrict the authority of state or local housing or health code enforcement agencies.

EFFECTIVE DATE: January 1, 2023

PROVIDING THE HOME ENERGY LABEL

Under the bill, if a landlord is subject to the home energy label requirement and lists a unit for rent by using a service, organization, or facility involved in the business of selling or renting dwelling units (e.g.,

a multiple listing service or real estate brokers' organization), then the landlord must provide the label for the unit through the listing business used. If a unit is instead offered through any other means, the bill requires the landlord to provide a unit's label to prospective tenants who visit the unit. In both circumstances, landlords must include with the label a hyperlink to the website containing the label's corresponding report.

MUNICIPAL PHASE-IN SCHEDULE

Table 1 provides the bill's schedule through which the home energy label requirement applies to a unit if a census tract within the municipality where it is located has the requisite average energy burden.

Table 1: Home Energy Label Municipal Phase-In Schedule

<i>Effective Date</i>	<i>Municipalities Subject to Home Energy Label Requirements</i>
On or after July 1, 2023	Those containing a census tract in which the average energy burden is at least 10%
On or after July 1, 2024	Those containing a census tract in which the average energy burden is at least 6%
On or after July 1, 2025	Those containing a census tract in which the average energy burden is at least 4%
On or after July 1, 2026	All municipalities

The bill requires the Department of Housing (DOH) and DEEP commissioners, annually by March 1, to publish on the agencies' websites a list of municipalities that meet the above schedule criteria based on the U.S. Department of Energy's Low-Income Energy Affordability Data Tool, or a successor tool.

QUALIFYING HOME ENERGY LABELS

Under the bill, a "home energy label" is (1) a U.S. Department of Energy Home Energy score, (2) a Home Energy Rating System Index score, (3) an Energy Star score, or (4) other labels selected by DEEP commissioner. In selecting additional labels, the DEEP commissioner must consider certain factors, including a label's:

1. efficiency, regarding the labeling process;
2. clarity, regarding a residence's estimated energy efficiency;
3. standardization;
4. compatibility with existing nationally recognized labels; and
5. reliability.

Additionally, the commissioner may (1) replace an existing home energy label and (2) develop a state-specific label and corresponding report in the manner and form she prescribes. The bill requires that an uncontested proceeding under the state's Uniform Administrative Procedure Act be conducted when selecting a new label, replacing an existing label, or developing a new label.

MUNICIPAL CIVIL PENALTY

The bill allows a municipality that contains a census tract with the requisite average energy burden under the phase-in schedule to, by ordinance, establish a civil penalty for violations. The penalty, payable to the municipality, cannot exceed \$500 for the first violation and \$1,000 for subsequent violations. The bill allows landlords, for up to 30 days from the mailing date of a violation notice, to appeal in Superior Court and receive a hearing. To do so, a landlord must file a petition to reopen the assessment and pay an entry fee to the court that equals the entry fee for a small claims case (currently, \$95). Under the bill, these remedies are in addition to any other remedies available at law, or in equity, to any person.

COMMITTEE ACTION

Housing Committee

Joint Favorable

Yea 13 Nay 2 (03/15/2022)