

Housing Committee JOINT FAVORABLE REPORT

Bill No.: HB-5344

Title: AN ACT CONCERNING ADVANCE RENTAL PAYMENTS.

Vote Date: 3/15/2022

Vote Action: Joint Favorable

PH Date: 3/10/2022

File No.:

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SPONSORS OF BILL:

Sen. Rob Sampson, 16th Dist.

REASONS FOR BILL:

This bill was introduced to allow landlords to accept any amount of advanced rental payments. This would effectively also remove the limits placed on Security Deposits as security deposits and advanced rental payments are equivalent in CT law.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Seila Mosquera-Bruno](#), Commissioner-State of Connecticut Housing Department **Opposes** – stating that "As proposed, this legislation would remove the existing security deposit protections in place for our elderly renters across the state. Currently, a landlord cannot demand a security deposit of more than one month's rent from an elderly person. This limitation is critical to maintaining the affordability of our elderly rental housing."

[Sheryl Sharpe](#), -CHRO **Opposes** – stating that this bill would eliminate the caps on security deposits that can be charged by a landlord. "Eliminating the caps on security deposits will only make it more and more difficult for people to obtain housing."

NATURE AND SOURCES OF SUPPORT:

[Rob Sampson](#), Senator-16th District **Supports** – stating that "the state has no business interfering in a private contract between citizens". Senator Sampson also stated that by prohibiting advanced rental payments we prohibit tenants who have a bad credit score from being able to convince a landlord to rent to them with a larger upfront payment.

[Adam Bonoff](#), **Supports** – stating that "Many times tenants would prefer that landlords accept annual payments and deposits in that it is more convenient for them. If this is the case then landlords should be allowed to legally accept the funds. This can also help tenants that are challenged obtain and maintain housing since landlords would have more financial cushion and should be able to accept more of these higher risk tenants w challenged backgrounds"

[John Souza](#), **President-CCOPO Supports** – stating that "Many times, I am asked to take multiple months of rent in advance and I've had to deny the request. From students who get yearly, large one- me loans and would prefer to pay 9 months in advance to make budgeting easier, to insurance companies who are paying for a client when they are forced out of their home due to some disaster. There are many who seek to pay in lump sums. There is no valid reason to deny this in contract law as well. We should have the flexibility to meet tenants needs.

[Lin Yang](#), **Supports** – stating that "Leasing a property is a private contract between the potential tenant and landlord. How much should be put down as advanced payment should be agreed upon by both parties involved. Government has no role in this."

NATURE AND SOURCES OF OPPOSITION:

[Kathleen Flaherty](#), **Executive Director-CT Legal Rights Project, Inc. Opposes** – stating that "The purpose of a security deposit is to protect a landlord from the costs of damage (above ordinary wear and tear) that a tenant may do to an apartment during their tenancy. It is paid at the beginning of the tenancy, and a tenant does not have a claim to have their money returned until after they vacate. It is supposed to be placed in escrow, and a landlord is not supposed to be using that money for operating expenses. Removing limits on the amount of security deposit that a landlord could request will ensure that only the people with the most resources will be able to get housing."

[Kiley Gosselin](#), **Executive Director-Partnership for Strong Communities Opposes** – stating that this bill removes "the current two-months rent maximum on security deposits leaving no maximum. This will result in grossly excessive security deposit requirements beyond the means of low- and moderate-income tenants. For example, if a landlord requires 3 months security deposit on an apartment renting for \$1,500/month, a prospective tenant will need to come up with 56,000 to move in (3 months security plus first month's rent). Removing a maximum security deposit also invites discrimination. The landlord can set an unreasonably high security deposit and choose to waive it for applicants they prefer, allowing them to hide discrimination behind the supposedly neutral high security deposit requirement."

[Raphael Podolsky](#), **CT Legal Services Opposes** – stating that this bill repeals "the two-month limit on security deposits (and the one-month maximum for seniors), thereby allowing landlords to demand any dollar amount of security whatsoever. Since the current maximums are in addition to the first month's rent, a tenant can already be required to come up with a three-month payment in order to move in – itself an amount higher than in some other states. Imposing even higher moving-in charges would make it almost impossible for many tenants to find an apartment, with a particularly adverse impact on low-income workers. It would also creates an easy cover for discrimination, since an excessively high deposit allows landlords

to use it to turn down applicants they don't "like" while reducing the deposit for ones they do like. Whether intended or not, it makes racial discrimination particularly easy."

Reported by: William Cromwell

Date: 3/22/2022