

Legislative History for Connecticut Act

HB 5436	(PA 102)	1998
House	808, 2173-2175	(4)
Senate	2044, 2114-2115	(3)
Energy + Technology	430-437, 468-469, 483, 498-501	(15)
		Total 22 pgs

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate and House of Representatives Proceedings

H-783

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1998

VOL. 41
PART 3
678-1059

kmr

House of Representatives

Wednesday, April 1, 1998

REP. GODFREY: (110th)

Mr. Speaker I would move that this item be referred to the Judiciary Committee.

SPEAKER RITTER:

So ordered. Clerk please call Calendar 154.

CLERK:

On page seven, Calendar 154, HB5436, AN ACT CONCERNING WATER UTILITY RECEIVERSHIP PROCEDURES. Favorable report of the Committee on Energy and Technology.

SPEAKER RITTER:

Representative Godfrey.

REP. GODFREY: (110th)

Mr. Speaker I would move that this item be referred to the Committee on Planning and Development.

SPEAKER RITTER:

So ordered. Clerk please call Calendar 155.

CLERK:

On page seven, Calendar 155, HB5307, AN ACT CONCERNING THE DISCLOSURE OF OWNERSHIP INFORMATION BY FUNERAL SERVICE BUSINESSES. Favorable report of the Committee on General Law.

SPEAKER RITTER:

Representative Godfrey.

REP. GODFREY: (110th)

H-787

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1998

VOL. 41

PART 7

2111-2449

kmr

34

House of Representatives

Monday, April 27, 1998

On page twenty-two, Calendar 154, House Bill No. 5436. AND ACT CONCERNING WATER UTILITY RECEIVERSHIP PROCEDURES. Favorable report of the Committee on Planning and Development.

DEPUTY SPEAKER HYSLOP:

Representative Altobello.

REP. ALTOBELLO: (82nd)

Thank you Mr. Speaker. Mr. Speaker, I move for acceptance of the Joint Committee's favorable report and passage of the bill.

DEPUTY SPEAKER HYSLOP:

Questions on acceptance and passage will you remark?

REP. ALTOBELLO: (82nd)

Thank you Mr. Speaker. Mr. Speaker, I believe the Clerk is in possession of an amendment, LCO 3837.

DEPUTY SPEAKER HYSLOP:

Clerk please call LCO 3837 to be designated House "A."

CLERK:

LCO 3837 House "A" offered by Representative Altobello.

DEPUTY SPEAKER HYSLOP:

Representative Altobello.

REP. ALTOBELLO: (82nd)

House of Representatives

Monday, April 27, 1998

Permission to summarize Mr. Speaker. Mr. Speaker, this amendment would create or delete a section of the bill has caused some consternation between the mortgage bankers and the water companies. And I urge its adoption.

DEPUTY SPEAKER HYSLOP:

Questions on the adoption of House "A" will you remark? Will you remark on House "A"? If not we'll try your minds. All those in favor signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER HYSLOP:

Those opposed no. The ayes have it House "A" is adopted. Will you remark further on the bill as amended?

REP. ALTOBELLO: (82nd)

Thank you Mr. Speaker. On the bill itself as amended, this bill would extend the scope and modify the procedures of the law that water utilities use to petition the court to appoint rent receiver when the owner is not paying the water bill, thereby keeping the water, or having a vehicle to keep the water on for the tenant so they don't have to move out as well--even though they may be paying rent. Mr. Speaker, I move

kmr

36

House of Representatives

Monday, April 27, 1998

its adoption.

DEPUTY SPEAKER HYSLOP:

Will you remark on the bill as amended? Will you remark on the bill as amended? If not, staff and guests to the well of the House, the machine will be open.

CLERK:

The House of Representatives is voting by roll call members to the Chamber. The House is voting by roll call, members to the Chamber please.

DEPUTY SPEAKER HYSLOP:

Have all members voted? If all members have voted please check the machine to make sure your vote is properly recorded the machine will be locked. The Clerk will take a tally. The Clerk will announce the tally.

CLERK:

House Bill No. 5436 as amended by House "A".

Total Number Voting	143
Necessary for Passage	72
Those voting Yea	142
Those voting Nay	1
Those absent and not voting	8

DEPUTY SPEAKER HYSLOP:

Bill as amended passes. Clerk please call

S-424

CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1998

VOL. 41
PART 7
1893-2235

415, Substitute for HB5560, I move to the Consent Calendar.

THE CHAIR:

Motion is to refer this item to the Consent Calendar. Without objection, so ordered.

SEN. JEPSEN:

416, Substitute for HB5599, I move to the Consent Calendar.

THE CHAIR:

Motion is to refer this item to the Consent Calendar. Without objection, so ordered.

SEN. JEPSEN:

417, is Go.

418, HB5436, I move to the Consent Calendar.

THE CHAIR:

Motion is to refer this item to the Consent Calendar. Without objection, so ordered.

SEN. JEPSEN:

Page 11, 419, Substitute for HB5499 I move to the Consent Calendar.

THE CHAIR:

Motion is to refer this item to the Consent Calendar. Without objection, so ordered.

SEN. JEPSEN:

420, HB5750 I move to the Consent Calendar.

recommend we put the bill on Consent.

THE CHAIR:

Motion is to refer this item to the Consent Calendar. Without objection, so ordered. Senator Jepsen.

SEN. JEPSEN:

Madam President, at this time, I'd ask that we vote the Consent Calendar and then prepare for a break of at least an hour in duration so the Finance Committee can meet. And so that any lingering questions about the tax packages, tax package can be answered by respective caucuses.

THE CHAIR:

Mr. Clerk would you announce a roll call vote, please, on the Consent Calendar. The machine will be open momentarily.

THE CLERK:

An immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

Madam President, the first Consent Calendar begins on Calendar Page 1, Calendar No. 424, HJR114.

Calendar 425, HJR115.

Calendar Page 2, Calendar No. 426, HJR116.

427, HJR117.

Calendar 428, HJR118.

Calendar 429, HJR119.

Calendar Page 7, Calendar No. 352, Substitute for
HB5530.

Calendar 379, HB5625.

Calendar page 9, Calendar No. 412, Substitute for
HB5485.

Calendar 413, Substitute for HB5614.

Calendar Page 10, Calendar No. 414, HB5460.

Calendar 415, Substitute for HB5560.

Calendar 416, Substitute for HB5599.

Calendar 417, Substitute for HB5605.

Calendar 418, HB5436.

Calendar Page 11, Calendar No. 419, HB5499.

Calendar 420, HB5750.

Calendar 421, Substitute for HB5016.

Calendar Page 13 -- Correction. Calendar Page 15,
Calendar No. 201, SB216.

Calendar Page 16, Calendar No. 253, Substitute for
SB472.

Calendar Page 17, Calendar No. 268, Substitute for
SB326.

Calendar Page 19, Calendar No. 111, SB407.

JOINT
STANDING
COMMITTEE
HEARINGS

ENERGY AND
TECHNOLOGY
PART 2
309-616

1998

25
kmg

ENERGY & TECHNOLOGY

February 24, 1998

HELENE FITCHT: Senator Peters, Representative Eberle, members of the Committee, my name is Helene Ficht, and I'm Collections Administrator at BHC Company. I'm also here representing CWWA. With me is Mr. Pagliaro from Collect Associates.

CWWA represents about 35 investor-owned and regional water suppliers that serve more than 500,000 customers throughout the state. In general, CWWA support the revisions in Raised SB393, AN ACT CONCERNING LIENS BY PRIVATE WATER COMPANIES.

The proposed language is a compromise that we reached with landlords' association last year. I appreciate the opportunity to further comment on Committee Bill HB5436. CWWA supports Committee Bill HB5436, and strongly urges this committee's favorable action.

As directed by your committee, we have worked with the Department of Public Utility Control. Subsequently the representatives of investor-owned, municipal, and regional suppliers, along with the receiver, and legal assistance resource center representatives from Hartford, New Haven, and New Britain, formed a committee which met regularly for several months in 1996 to discuss the issues of uncompensated water utility service, and to develop a proposal that would help facilitate the collection of past due water bills owned by multi-family dwellings in receivership.

After many hours of discussions, we reached a compromise and Raised HB5436 is the outgrowth of these meetings and proposed solutions. This bill will help correct a serious and growing problem among investor-owned, and municipal water companies.

Namely, the inability to collect extremely delinquent multi-family dwellings, by a) giving the receivers additional tools to facilitate collections such as allowing for the reasonable repair and maintenance of buildings, commencing eviction proceedings.

By b) consolidating buildings with the same ownership, and holding landlords who interfere with the collection of rents by the receiver in contempt of court.

This bill additionally take into account the legislature's prior concerns about due process. BHC has seen its uncompensated service more than double over several, past several years, from approximately 1.5 million to more than \$4 million at year end 1996.

Multi-family dwellings, which make up a majority of these accounts, represent about 75% of the debt. From about, from one million to some \$3 million. Ultimately, the cost of past due accounts is borne by rate-paying customers, who in effect, subsidize non-paying customers.

Part of the problem stems from the fact that multi-family dwellings are governed by Section 16-262f of the General Statutes which allows for a receiver to be appointed to collect rents, but does not offer relief to the water company if the tenants do not pay the rent, or comply with the court order.

The receivership process does not guarantee that rents will be paid. This is why we're asking to, asking for the solutions as outlined in Committee Bill HB5436. This bill should facilitate rent collection and enable the receiver to pay the water service, and ultimately transfer the rents back to the owner.

At that point, the owner would have tenants who are paying rent, enabling the owner to keep up his property, and may, in fact, prevent the property from being abandoned. We believe Committee Bill HB5436 will go a long way in reducing uncompensated water service, and also protect consumers by providing a check-and-balance system only when it is determined that tenants have not paid any rent to the receiver within the last 60 days.

We urge the committee to act favorably on the proposals. We thank you for your time. And I'm available, as well as Mr. Pagliaro, to answer any

questions that you may have.

REP. EBERLE: Thank you very much. Are there questions from the committee? Representative Tonucci.

REP. TONUCCI: Thank you Madam Chairman. What happens in the event when the landlord owes, you know, whatever amount of money he's delinquent, and it's sent to receivership. And then, the receivership is not collecting the rent in the case. I happen to know of a case just recently. What recourse does a landlord have?

HELENE FITCHT: The landlord?

REP. TONUCCI: Yeah. Does the landlord have any recourse at that point? Cause, let me give you maybe a concrete example. There was a three-family house in my district. The rents were approximately \$1,500 a month.

It was sent to receivership because the water bill wasn't paid. So the receivership was supposed to collect \$1,500 a month rent. They collected \$300 over a period of, oh I don't know, a couple of months. It wasn't very much at all.

And, actually they were having a lot less success collecting the rent than the landlord was having. The landlord was being sued now, by the water, by this one, that one, everybody else was coming after him. And the receivership wasn't really, in his eyes anyway, wasn't doing their job.

And the landlord said, my hands are tied, I can't do anything. My tenants aren't paying their rent. The bills aren't getting paid. I'm going to lose the house.

HELENE FITCHT: He has the same recourse as would be available to him if there wasn't a receivership and the receiver wasn't collecting the rent, if he was collecting rents. He can still initiate eviction, which would be his recourse, I believe, if a tenant wasn't paying rent.

REP. TONUCCI: But he, that's all. What if he just

can't get the money from the tenant so he just, so in other words, what purpose would it have, what purpose did it serve then in receivership?

HELENE FITCHT: Does the bill go on?

REP. TONUCCI: Sure.

HELENE FITCHT: Yes, we're not allowed to terminate the service.

REP. TONUCCI: Okay. In the other event where, if you had that three-family house and he wanted to, this is another case where if you have a three-family house and you wanted to separate the water bill, so you have three separate bills now.

Is there any recourse, is there any way that the -- they're in the tenant's names, no problem there. Everything is done legally and properly. Is there any way for the, for anyone to come after the landlord at that point when the bill is not in his name, just like an electric bill. We were talking about this before, collecting an electric bill or a gas bill, or any other bill, an oil bill for that matter.

HELENE FITCHT: If each unit is individually metered, and individually controlled, we would go to the person we are billing. So if it was in the tenant's name, tenant A, B, or C, that's who we would look for payment.

REP. TONUCCI: Okay, and you wouldn't...

HELENE FITCHT: We would not look to the landlord at that point.

REP. TONUCCI: No matter how high that bill went?

HELENE FITCHT: Right.

REP. TONUCCI: Okay, thank you.

REP. NARDELLO: Any further questions? Representative Scipio.

REP. SCIPIO: Thank you, Madam Chairman. My question, (inaudible - microphone off) Representative Tonucci asked was, if the receiver is not receiving the money, or as much money as approximately the landlord would.

Many times (inaudible - microphone off) at all...on his own. If you have the money to use, he ought to have the other part... But he can't do that now... Is that right?

HELENE FITCHT: The monies are directed to...

FRANK Pagliaro: In the Act it says that the, all rent must return to the receivership.

REP. SCIPIO: Go where?

FRANK PAGLIARO: Must go to the receivership. And if he's collecting any funds, he can be taken to court in contempt.

HELENE FITCHT: Where does the money go?

FRANK PAGLIARO: The money basically goes to the, in order, goes to the petitioner, current bills, any other utility current bill that comes to the receiver. Then the attorney fee, receiver fee, and lastly the arrearage, okay. There is no stipulation or anything unless there is a stipulation, there's no way that we can pay any other type of bills under the receivership act.

REP. SCIPIO: Thank you.

REP. NARDELLO: Representative Tonucci.

REP. TONUCCI: One last question. I guess my question would be then, who oversees the receivership if the receivership, in the eyes of the landlord, is not doing the proper job?

FRANK PAGLIARO: The court.

REP. TONUCCI: The court. So then, the landlord would have to take the receivership to court?

FRANK PAGLIARO: Yes.

REP. TONUCCI: Okay.

FRANK PAGLIARO: We've had situations where we've explained to the court for process. We also, when we say we're not collecting rent, we will be in touch with the landlord and telling we're not collecting the rent because their's a refusal.

We don't have any influence on the tenants to pay, pay the rentals as such. This bill, in effect, gives us the necessary influence to bring before the, to collect the rent and then bring it to fruition.

REP. TONUCCI: But, I guess my question is though, how is the receivership any different than a landlord's ability to collect the rent? If the landlord goes to the tenant, asks the tenant for the rent, or mail the rent, or whatever it is, what power does the receivership have over the tenants that the landlord does not?

FRANK PAGLIARO: Well...

REP. TONUCCI: Can they, in other words, is there any...

FRANK PAGLIARO: As an instance, sometimes the tenants refuse to pay the landlord because there may be a broken window, or a broken lock, or something to that effect.

REP. TONUCCI: Okay.

FRANK PAGLIARO: And when we visit them, they immediately say, look I'm not paying the rent because he hasn't done this. And that's why this has come about. We have no, the receiver has no authority to make the necessary repairs.

This basically is a vehicle to develop an influence for the rent the tenants pay. And it could work. We've had stipulations, very seldom you may get a stipulation to do that, but it, you know, it means going through another process.

31
kmg

ENERGY & TECHNOLOGY

February 24, 1998

By inserting this in the bill, it would be very helpful to do what is reasonably necessary to effect the solution of what it's meant to do. This bill was designed to identify a vehicle, a way to do something. But it didn't have the strength to bring about certain influences. This gives it a certain amount of strength to do what the intent of the law is.

REP. TONUCCI: Thank you.

REP. NARDELLO: Excuse me, sir. Can you state your name for the record, cause they didn't get it?

FRANK PAGLIARO: Pardon?

REP. NARDELLO: Could you state your name for the record?

FRANK PAGLIARO: Frank Pagliaro, P-A-G-L-I-A-R-O, Collect Associates.

REP. NARDELLO: Thank you. Representative Scipio.

REP. SCIPIO: If the receiver is not obligated to make the repairs (inaudible - microphone off) problems with the landlord, do contact the landlord to make certain that he makes that repair so that ultimately you get more money also?

FRANK PAGLIARO: We can, we have at times. When we see this problem exist, we try to contact the landlord to work a partnership in getting this, to bring it to fruition.

And many times it doesn't work, because we didn't have the authority to do that. This, we could -- we talk to the landlord about. If he's willing to work, yes that's fine. If he doesn't, we have the authority to go further to bring it to fruition.

REP. SCIPIO: You mean, fruition you mean (inaudible - microphone off).

HELENE FITCHT: Not to foreclose, to bring the receivership.

32
kmg

ENERGY & TECHNOLOGY

February 24, 1998

REP. SCIPIO: He's not going to pay, the tenant's not going to pay you, and he's not paying the landlord...

FRANK PAGLIARO: That's right.

REP. SCIPIO: So then, what do you do?

FRANK PAGLIARO: What we try to do is encourage the payment from the tenant.

REP. SCIPIO: And if that's not working?

FRANK PAGLIARO: Pardon?

REP. SCIPIO: (inaudible - microphone off) encourage him, but it's not working.

FRANK PAGLIARO: The encouragement does not work, but the bill will help it to work. With this statement in the bill, the intent of the bill, is to influence a tenant. If we can get the tenant to understand.

If the tenant has a problem, and we can resolve the problem for the tenant, we have a way to resolve the as it's intended by this Act. We then may be able to collect the rent to finish off the receiverships.

REP. SCIPIO: Thank you.

FRANK PAGLIARO: You're welcome.

REP. NARDELLO: Thank you. Any further questions? Thank you. Next we'll have Joseph Kobylak.

JOSEPH KOBYLAK: Good afternoon, Madam Chairwoman and members of the Energy and Technology Committee. My name is Joseph Kobylak. I'm Vice President and General Manager of Nextel Communications, Connecticut and Western Massachusetts market.

I appear before you today on behalf of Nextel regarding HB5435, AN ACT CONCERNING THE SITING OF TELECOMMUNICATIONS FACILITIES. Joining me is Mr. Ronald C. Clark, Manager of Real Estate Operations,

But, the person who owns a rental car won't be arrested for it. It's not their responsibility. So, I just wanted to make that clear. And again, and reiterate on the lien situation. Of course, in today's, in the State of Connecticut the way it is today, many property owners are finding themselves in the position where they have to acquire financing to rehabilitate or do work to their property.

If another lien was put in place, this would tie their hands, quite possibly put them in a position where they couldn't do it. That's all I have to say. If there are any questions? Thank you.

REP. EBERLE: Any questions? Thank you, gentlemen.
Raphael Podolsky.

RAPHAEL PODOLSKY: Thank you very much. I'm Raphael Podolsky from Legal Assistance Resource Center. I want to apologize to the Committee for being out of the room when my name was previously called.

I wanted to speak very briefly in support of HB5426, which deals with water company receiverships. This was a bill that you had last year, ultimately did not end up passing. It was something that had been the subject of review by this committee. HB5436

The underlying topic has been under review for the last three or four years. Originally the bill was written so it would apply to all utilities. As it turned out, gas and electric companies did not want to be under the bill, and preferred to stick with the status quo.

And so, at the end of last year the bill was rewritten to the water companies only. I was involved with some meetings with the water companies and what we've tried to do is provide what are essentially enhanced remedies for the water companies.

And in regard to tenants in particular, making clear that a receiver can bring an eviction for non-payment of rent against a tenant who is not

paying the rent to the receiver. And the bill defines under what circumstances. And so that essentially what it does is enhances those remedies for the companies while preserving procedural protections for the tenants.

And based on that, we've each sort of given and taken in the process, and I would support the resulting end product.

REP. EBERLE: Good.

RAPHAEL PODOLSKY: If you have any questions, I'd be happy to try and answer them.

REP. EBERLE: Thank you. Any questions?

RAPHAEL PODOLSKY: Thank you.

REP. EBERLE: Thank you. Alright, that concludes the sign up list. Is there anyone who stuck around who didn't sign up? If not, I will call this hearing to an end. Thank you very much.

(Whereupon the Public Hearing Adjourned.)

Legal Assistance Resource Center
◆ of Connecticut, Inc. ◆

80 Jefferson Street ◆ Hartford, Connecticut 06106
(860) 278-5688 ◆ FAX (860) 278-2957

HB5436

H.B. 5426 -- Water company receiverships
Energy and Technology Committee public hearing
February 24, 1998

Recommended Committee action: JOINT FAVORABLE

Under existing law, if a multi-family building is master-metered so that utility service cannot be billed to tenants individually, utility service must be maintained in the landlord's name. If the landlord, who is thus the utility company's customer, fails to pay his bills, the utility can have a receiver appointed to collect the rents and pay off the arrearage.

H.B. 5436 enhances the authority of water companies and their rent receivers to collect such bills. In particular, it makes clear that receivers are empowered to evict tenants who fail to pay rent to the receiver. The bill was originally drafted last year as an amendment to §16-262f and applied to gas and electric companies; but representatives of those companies requested exclusion from the bill. As a result, the bill is drafted to remove water companies from §16-262f (Section 1) and to create a separate water company receivership statute (Section 2). Section 2 parallels §16-262f in all respects, except that it incorporates the enhancements, modifications, and clarifications which would otherwise have been drafted as amendments to §16-262f.

This bill addresses the legitimate concerns of water companies in a way which protects the procedural rights of occupants. It thereby represents a reasonable and fair accommodation of competing concerns.

-- Prepared by Raphael L. Podolsky

RAISED BILL 5436
AN ACT CONCERNING WATER UTILITY RECEIVERSHIP PROCEDURES
FOR THE ENERGY & TECHNOLOGY COMMITTEE

RAISED BILL 393
AN ACT CONCERNING LIENS BY PRIVATE WATER COMPANIES

BY HELENE E. FITCH
COLLECTIONS ADMINISTRATOR
BHC COMPANY
AND FOR THE
CONNECTICUT WATER WORKS ASSOCIATION, INC.

SENATOR PETERS, REPRESENTATIVE EBERLE, MEMBERS OF THE COMMITTEE;
MY NAME IS HELENE FITCH AND I AM COLLECTIONS ADMINISTRATOR AT BHC
COMPANY. I AM ALSO HERE REPRESENTING THE CONNECTICUT WATER
WORKS ASSOCIATION, INC. (CWWA).

CWWA REPRESENTS ABOUT 35 INVESTOR OWNED MUNICIPAL AND REGIONAL
WATER SUPPLIERS THAT SERVE MORE THAN 500,000 CUSTOMERS
THROUGHOUT THE STATE.

IN GENERAL, CWWA SUPPORT THE PROVISIONS IN RAISED BILL 393, AN ACT
CONCERNING LIENS BY PRIVATE WATER COMPANIES. THE PROPOSED
LANGUAGE IS A COMPROMISE THAT WE REACHED WITH THE LANDLORDS'
ASSOCIATION LAST YEAR.

I APPRECIATE THE OPPORTUNITY TO FURTHER COMMENT ON COMMITTEE
BILL 5436. CWWA SUPPORTS COMMITTEE BILL 5436 AND STRONGLY URGES
THIS COMMITTEES' FAVORABLE ACTION.

AS DIRECTED BY YOUR COMMITTEE, WE HAVE WORKED WITH THE
DEPARTMENT OF PUBLIC UTILITY CONTROL. SUBSEQUENTLY,
REPRESENTATIVES OF INVESTOR-OWNED, MUNICIPAL AND REGIONAL WATER
SUPPLIERS ALONG WITH A RECEIVER AND LEGAL ASSISTANCE RESOURCE
CENTERS REPRESENTATIVES FROM HARTFORD, NEW HAVEN AND NEW
BRITAIN FORMED A COMMITTEE WHICH MET REGULARLY FOR SEVERAL
MONTHS IN 1996 TO DISCUSS THE ISSUE OF UNCOMPENSATED WATER UTILITY
SERVICE AND DEVELOP A PROPOSAL THAT WOULD HELP FACILITATE THE
COLLECTION OF PAST DUE WATER BILLS OWNED BY MULTI-FAMILY
DWELLINGS IN RECEIVERSHIP.

AFTER MANY HOURS OF DISCUSSION, WE REACHED A COMPROMISE AND
RAISED BILL 5436 IS AN OUTGROWTH OF THOSE MEETINGS AND PROPOSED

SOLUTIONS.

THIS BILL WILL HELP CORRECT A SERIOUS AND GROWING PROBLEM AMONG INVESTOR-OWNED AND MUNICIPAL WATER COMPANIES, NAMELY THE INABILITY TO COLLECT EXTREMELY DELINQUENT MULTI-FAMILY DWELLINGS BY:

- A.) GIVING RECEIVERS ADDITIONAL TOOLS TO FACILITATE COLLECTION SUCH AS ALLOWING FOR THE REASONABLE REPAIR AND MAINTENANCE OF BUILDINGS, COMMENCING EVICTION PROCEEDINGS;
- B.) CONSOLIDATING BUILDINGS WITH THE SAME OWNERSHIP; AND
- C.) HOLDING LANDLORDS WHO INTERFERE WITH THE COLLECTION OF RENTS BY THE RECEIVER IN CONTEMPT OF COURT.

THIS BILL ADDITIONALLY TAKES INTO ACCOUNT THE LEGISLATURE'S PRIOR CONCERNS ABOUT DUE PROCESS.

BHC HAS SEEN ITS UNCOMPENSATED SERVICE MORE THAN DOUBLE OVER THE PAST SEVERAL YEARS -- FROM APPROXIMATELY \$1.5 MILLION IN 1990 TO ALMOST \$4 MILLION AT YEAR-END 1996. MULTI-FAMILY DWELLINGS, WHICH MAKE UP A MAJORITY OF THESE ACCOUNTS (75%) HAVE TRIPLED OVER THE SAME PERIOD -- FROM ABOUT \$1 MILLION TO SOME \$3 MILLION.

ULTIMATELY, THE COST OF THESE PAST DUE ACCOUNTS IS BORNE BY PAYING CUSTOMERS, WHO IN EFFECT, SUBSIDIZE NON-PAYING CUSTOMERS. PART OF THE PROBLEM STEMS FROM THE FACT THAT MULTI-FAMILY DWELLINGS ARE GOVERNED BY SECTION 16-262f OF THE GENERAL STATUTES, WHICH ALLOWS A RECEIVER TO BE APPOINTED TO COLLECT RENTS, BUT DOES NOT OFFER RELIEF TO A WATER COMPANY IF TENANTS DO NOT

COMPLY WITH THE COURT ORDER TO PAY RENT TO THE RECEIVER.

THE RECEIVERSHIP PROCESS DOES NOT GUARANTEE RENTS WILL BE PAID. THAT IS WHY WE ARE ASKING THAT WE ARE SEEKING THE SOLUTIONS AS OUTLINED IN COMMITTEE BILL 5436.

THIS BILL SHOULD FACILITATE RENT COLLECTION AND ENABLE THE RECEIVER TO PAY THE WATER SERVICE AND ULTIMATELY TRANSFER THE RENTS BACK TO THE OWNER. AT THAT POINT, THE OWNER WOULD HAVE TENANTS WHO ARE PAYING RENT, ENABLING THE OWNER TO KEEP UP HIS PROPERTY AND, MAY IN FACT, PREVENT THE PROPERTY FROM BEING ABANDONED.

WE BELIEVE COMMITTEE BILL 5436 WILL GO A LONG WAY TO REDUCING UNCOMPENSATED WATER SERVICE AND ALSO PROTECT CONSUMERS BY PROVIDING A CHECK AND BALANCE SYSTEM ONLY WHEN IT IS DETERMINED THAT TENANTS HAVE NOT PAID ANY RENT TO THE RECEIVER WITHIN THE LAST 60 DAYS.

WE URGE THE COMMITTEE TO ACT FAVORABLY ON THESE PROPOSALS. THANK YOU FOR YOUR TIME AND CONSIDERATION. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.