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CONNECTICUT GENERAL ASSEMBLY HOUSE

PROCEEDINGS 2013

VOL.56 PART 11 3446 – 3814

May 9, 2013

Number 372.

THE CLERK:

Calendar 372, favorable report of the Joint
Standing Committee on Housing. Substitute Senate Bill
114, AN ACT PROHIBITING LANDLORDS FROM REQUIRING
TENANTS TO PAY RENT BY ELECTRONIC FUNDS TRANSFER.
SPEAKER SHARKEY:

Representative Butler.

REP. BUTLER (72nd):

Good evening, Mr. Speaker.

SPEAKER SHARKEY:

Good evening, sir.

REP. BUTLER (72nd):

I move for acceptance of the Joint Committee's favorable report and passage of the Bill.

SPEAKER SHARKEY:

The question before the House is the acceptance of the Joint Committee's favorable report and passage of the Bill.

REP. BUTLER (72nd):

Simply put, this Bill prohibits landlords from exclusively requiring electronic payment for lease fees. The Clerk has Amendment LCO Number 5697. Would the Clerk please call it and I be allowed to

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summarize?

SPEAKER SHARKEY:

Will the Clerk please call LCO Number 5697, which has previously designated Senate Amendment "A".

THE CLERK:

Senate "A", LCO 5697, introduced by Senator Williams, et al.

SPEAKER SHARKEY:

REP. BAKER (72nd):

Gentleman has asked leave of the Chamber to summarize. Is there objection? Is there objection? Please proceed with summarization, sir.

Thank you, Mr. Speaker. Simply put, this amendment further describes the underlying Bill, describes it as addressing any lease or rental agreements executed on or before October 1, 2013. I move adoption.

SPEAKER SHARKEY:

Thank you, sir.

Would you car to remark further on Senate

Amendment "A"? Would you care to remark further on
the Amendment?

If not, let me try your minds.

All those in favor of Senate Amendment "A",

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please signify by saying Aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed Nay.

The Ayes have it. <u>The Amendment is adopted.</u>

Representative Butler, you still have the floor.

REP. BUTLER (72nd):

Thank you, Mr. Speaker. Mr. Speaker the Clerk has another Amendment, LCO Number 6038. Would the Clerk please call it and I be allowed to summarize. SPEAKER SHARKEY:

Will the Clerk please call LCO Number 6038, which has previously designated House Amendment "A"?

THE CLERK:

House Amendment "A", LCO 6038, introduced by Representative Holder-Winfield.

SPEAKER SHARKEY:

Representative Butler -- this gentleman seeks leave of the Chamber to summarize. Is there objection? If not, Representative Butler, please proceed with summarization.

REP. BAKER (72nd):

Yes, thank you, Mr. Speaker. This Amendment

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further describes the processes pertaining to

residential real property. I move adoption.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark further on House

Amendment "A"?

Representative Sampson?

If not, let me try your minds.

All those in favor of House Amendment "A", please signify by saying Aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed Nay.

The Ayes have it. The Amendment is adopted.

Would you care to remark further on the Bill as

Amended?

Representative Sampson of the 80th.

REP. SAMPSON (80th):

Thank you, Mr. Speaker. A quick question to the proponent for legislative intent.

SPEAKER SHARKEY:

Please proceed.

REP. SAMPSON (80th):

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I just want to clarify that this Bill would prohibit landlords -- forgive me, I've got some feedback here -- prohibit landlords from requiring electronic funds transferred for lease payments, but would it prohibit them from asking for cash specifically? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Butler.

REP. BUTLER (72nd):

Through you, Mr. Speaker, no.

SPEAKER SHARKEY:

Representative Sampson.

REP. SAMPSON (80th):

Thank you very much for that answer. I appreciate it, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark further on the Bill as amended?

Representative Miller of the 122nd.

REP. MILLER (122nd):

Thank you, Mr. Speaker. I rise in support of the Bill as amended. This bill was passed unanimously in the Housing Committee. There was no opposition.

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There were a number of speakers who spoke in favor of it and it gives people who don't have access to online services the opportunity to pay in some other form of payment. So, I urge the Assembly to vote favorably for this bill. Thank you.

SPEAKER SHARKEY:

Thank you, sir.

Would you care to remark further on the Bill as amended? Do you care to remark further on the Bill as amended?

If not, staff and guests to the well of the house, members take your seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll. Will all members please return to the chamber immediately?

SPEAKER SHARKEY:

Have all the members voted? Have all the members voted? Members please check the board to make sure your vote is properly cast. Please stay close to the Chamber. If all the members have voted, the machine will be locked and the Clerk will take a tally.

Clerk please announce the tally.

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THE CLERK:

Bill Number 372, S.B. 114 as amended by Senate "A" and House "A", not in concurrence.

Total number voting	135
Necessary for passage	68
Those voting Yea	135
Those voting Nay	0
Those absent and not voting	15

SPEAKER SHARKEY:

The Bill as amended passes.

Will the Clerk please Calendar 456? THE CLERK:

Mr. Speaker, on page 28 of today's calendar,
Calendar 456, joint favorable report of the Joint
Standing Committee on Judiciary House Bill 6447, AN
ACT CONCERNING THE OCCUPATIONAL TAX OF ATTORNEY'S.
SPEAKER SHARKEY:

Distinguished Judiciary Committee Chair, Representative Fox.

REP. FOX (146th):

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

SPEAKER SHARKEY:

JOINT STANDING COMMITTEE HEARINGS

> HOUSING PART 2 277 – 582

> > 2013

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COMMISSIONER SMITH: You're welcome.

SENATOR BARTOLOMEO: Next we have Raphael -- I want to say Raphie. Raphie, where are you?

Next we have Raphie and then followed by Deputy Commissioner Beaulieu.

RAPHAEL PODOLSKY: Thank you, Senator Bartolomeo, Representative Butler, members of the Committee. This is sort of a little odd for me to be speaking standing up here, I'll have to get used to it. I'm going to try very quickly to get through comments on five bills in the three minutes that I have. So I'll try and move quickly, and if you have questions, I could answer them.

Senate Bill Number 114 deals with mandatory online rent payments and essentially says that that cannot be required. The way that -- we support the concept, but the way the bill is written it seems to be also discussing whether or not -- that whether or not payments can be made in cash. And I don't think you want to be prohibiting cash payments. And so I would suggest that you do some rewording, there's some suggested language in my testimony. And I also think that because under Connecticut law, if you make a payment in cash, the landlord is required to give a receipt, that you should cross-reference to that statute.

Senate Bill 952 which is the bill that deals with bed bugs. You had several bills on this subject in proposed bill form at a prior hearing. We support the concept, but we want -- but first of all we want to comment that it's important for you to understand the structure already exists because there is a structure for the regulation of responsibilities between landlords and tenants

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REP. MILLER: The Governor is cutting the nonprofits. And in the Valley and in my town of Stratford, we provide a lot of housing for a lot of people that are in need. Is this going to impact the state in any way by not having the nonprofits have proper funding to provide housing for those that are required? Will that now impact the state in any way?

DEPUTY COMMISSIONER BEAULIEU: We're transferring all of the dollars that are associated with these contracts to the new Department of Housing. So as far as I know, the funding level, at least for these programs, I can't speak to other programs that a nonprofit may be operating and they get funds from maybe another state agency like Judicial or Corrections or something. As far as I know, all of the housing dollars are going to the new Department of Housing as is, that's my understanding. Yes, it's been confirmed by a nod from Undersecretary Foley. So there should be no impact on the housing programs.

REP. MILLER: Okay. Thank you. Thank you, Madam Chair.

SENATOR BARTOLOMEO: Any other questions?

Thank you very much, we appreciate your testimony.

DEPUTY COMMISSIONER BEAULIEU: Thank you.

SENATOR BARTOLOMEO: Okay.

Next we will have Bob De Cosmo.

ROBERT DE COSMO: Good evening. Bob De Cosmo representing the Connecticut Property Owners Alliance. I'd like to provide some testimony on four bills this evening. First I'd like to talk

<u>SB114</u> <u>SB952</u> <u>HB6366</u> HB6419

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about S.B. 114 and the mandatory online payments. Initially we did not have a problem requiring rental payments to exclude exclusive use of online payments, but the Committee bill that references cash payments, we find that very problematic.

It's not -- it doesn't make sense to our membership especially if we're going to be forced to take checks, personal checks on a move-in. Some comments are already made by my members were, well, we'll take the check on the first but won't give the tenants the keys until the check clears the bank. So I think there's some unintended consequences with the cash payment restriction. We don't oppose the first part of the bill requiring mandatory online payments.

Secondly, like to address the bed bug bill. And I understand -- the Committee, this is a work in progress. We support the efforts of the Committee to find some solutions. The concerns that we've addressed previously are on the disclosure requirement of 12 months. We think that's unacceptable, it's too long. We also understand there's some conflicting scientific evidence, there might be some organic controls that are as effective as the toxic pesticides. And also we'd like to discuss in the work-inprogress stage the ability of a property management company to do their own treatment.

I'd like to briefly talk about <u>6366</u>. We support the creation of the Department of Housing. I think it's long overdue. One of the sections of the bill though, and it was referenced by Raphie Podolsky, we don't think repealing some of the pilot programs specifically the wood and window repair and replacement program. Because I've --that's a bill that I've worked on previously, and we passed the legislation in 2001 and we didn't get funding until 2009. It took us eight years

DB952

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to get the money and once we had the money, it was a very successful program and it encourages energy efficient housing as well as supplying --helping to reduce risk of childhood lead poisoning. So that's a program we'd like to see made permanent and have permanent funding for because there's great benefits to that program.

And then finally <u>6419</u>, the foreclosure mediation program, we'd like to see that extended. I think it's a great program and I think it's helped out a lot of homeowners in our state. But I'd also like to add to the bill and at least let the Committee consider this, to include multi-family housing into the program. Because one of the unintended consequences of a foreclosure, once a bank takes back a property, they don't want to be in the landlording business.

So their typical response is they will evict the tenants that live in this housing. And as the last tenant walks out the door, that's followed by the plumbing, the boilers, the electrical service. So now we've taken a property that was providing housing for -- for tenants and we've effectively rendered it to be a blighted property. So we highly recommend that Committee considers including multi-family housing into this mediation program. Thank you. Are there any questions?

SENATOR BARTOLOMEO: Thank you very much.

Do we have questions from Committee?

Representative Bacchiochi.

REP. BACCHIOCHI: Thank you, Madam Chair. First talking about <u>Bill 114</u> with the cash payments, and I understand the problem that you reference that if -- if a person pays with a personal check you have to wait several days before you find out

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if that is going to clear. What would you feel about bank checks or cashier's checks?

- ROBERT DE COSMO: We -- we don't have a problem with that. But again I think we're placing an undue burden now on the renter making them go to the bank or the post office to get a money order. And as long as they're paying cash, I believe the Connecticut statutes already require that a receipt is given. So I don't understand why the cash payment is all of a sudden an issue.
- REP. BACCHIOCHI: Okay. And what about -- what are your thoughts on the three months after the bad check is received you can accept cash, but what do you think about what happens at the fourth month?
- ROBERT DE COSMO: We've had -- we've had problems with bad checks. And I've had my members go to the local police department, and the police department would not issue a warrant for an arrest on a bad check. So again where are we going with the bill? I mean it's -- it's not good for my membership.
- REP. BACCHIOCHI: And on the bed bugs, where you're talking about its problematic having to disclose a treated property for up to 12 months.

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ROBERT DE COSMO: Yes.

- REP. BACCHIOCHI: Is there a timeframe that you think is acceptable?
- ROBERT DE COSMO: We're -- we're certainly open to possibilities, but I mean the problem with the bed bugs is the failure rate of the treatments. And we've been told that there's basically a 30 percent failure rate. So when you even go through the process of hiring your licensed exterminator, 30 percent of the time that you go

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through the process it fails. So it's a bigger problem. And unfortunately it's a public health crisis, but it's become a landlord-tenant issue.

And I really, you know, my solution is to provide funding for the solution. But it's just, you know, again that's why it's a work in progress. It's a very difficult situation. Is it 60 days, is it 90 days, you know, it's a very difficult question to answer. But I'm concerned about the failure rate, and that's been sworn into testimony by the UCONN -- the expert from UCONN Ag Center.

REP. BACCHIOCHI: Thank you.

ROBERT DE COSMO: Thank you.

SENATOR BARTOLOMEO: Representative Kupchick.

REP. KUPCHICK: I was going to ask the question about the bed bugs.

SENATOR BARTOLOMEO: Okay.

Representative Butler.

REP. BUTLER: Thank you. And I just wanted to get back to <u>Senate Bill 114</u> in terms of the question that Representative Bacchiochi posed to you was alternate methodology of payments being bank checks or teller checks. I mean if -- if that language was amended to include that as well as cash, would you be okay with that?

ROBERT DE COSMO: We don't -- we don't have a problem with it. The concern is is that we're just restricting the cash payment or is the Connecticut Legislature telling us something about the Federal Reserve or the solvency of our currency in this country, because I just don't see it. You know, if people, it's convenient for

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people that have cash to pay in cash. So, you know, again I just don't understand where that came from. I understand the original concept was to prevent the exclusive use of online or electronic payments.

I know a lot of the property managements offer today is equipped with the portal, you go on and the tenants can log in. It's actually convenience so tenants can just sit there in their living room and dial up their account and make a rental payment online. But making that the exclusive method of payment, I can see where, you know, sometimes just don't have a credit card and that may limit housing opportunities.

So we would, you know, we support the original concept of the bill. But the Committee bill which came out with the cash component to it, to me it's confusing and again I don't understand what the problem was originally with -- with cash payments. So we'd like to see that section stripped and go back to the original intent of the bill.

REP. BUTLER: Okay. And just to reiterate the source of that problem really is, besides the folks having to maybe take a trip to the bank before they actually come and meet with the landlord, property owners, is that when you pay by check you really have to -- you're forced to wait until that check closes and that could be two days for in-state checks or it could be four days for out-of-state checks.

ROBERT DE COSMO: Correct.

REP. BUTLE: And that's the part that, you know, you think is -- presents a big problem here.

ROBERT DE COSMO: Well, especially if you're looking on a move-in, you know, where it's the first

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payment. Because we've heard stories where people have paid by personal check and then the check bounces, so they're in the apartment, they've got the keys, they never want to make another payment. And now you've got no, you know, there's no rent and I've got an eviction process. So that -- that exposes that risk if it's a personal check. So you'll have people paying on the first and we'll advise our members not to let them move in until the check clears. So they're actually paying for time that they're not going to be in the unit.

REP. BUTLER: I see. Right. Thank you for your testimony.

ROBERT DE COSMO: Thank you.

REP. BUTLER: Thank you, Madam Chair.

SENATOR BARTOLOMEO: Any other questions?

Representative Diminico.

REP. DIMINICO: Thank you, Madam Chair. I just have a question on the bed bug issue. When you hire a licensed exterminator, do they give you any kind of guarantee or warranty?

SB952

ROBERT DE COSMO: They do not. Basically what they're telling you too is you're going to have to do two treatments. And my understanding of the problem is that in the -- before they outlawed DDT, DDT was an oil-based pesticide, so the residual effect of that chemical lasted a long time. Today they use latex-based, so the -- the duration is about 14 days. So most of the treatments that we've done require two treatments and there is no guarantee. So it's -- again it's a problem.

REP. DIMINICO: So there's two application -- a

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EUGENE MARCONI: Yes, we agree. You know, you can have all the road shows you want, but until someone is served with that paperwork, you know, they may not necessarily be paying attention to what's going on at the road show. So the mediation program is important. That -- that sometimes is the very first place where a homeowner can find out what kind of loss mitigation programs are available from the lender, what kind of government assistance is available, the EMAC program from CHFA. So it's an important point of contact for the homeowner who is in trouble.

REP. BUTLER: All right. Well, thank you, because there's people who ask that in light of the initiative that is going on with those road shows, do we actually need to extend this. And thank you for explaining that.

EUGENE MARCONI: Thank you for the question.

REP. BUTLER: Thank you, Madam Chair.

EUGENE MARCONI: I was beginning to feel left out, Representative Butler.

SENATOR BARTOLOMEO: Any other questions from Committee?

Okay. Well, thank you very much for your testimony.

EUGENE MARCONI: Thank you.

SENATOR BARTOLOMEO: Next we have got Ross Gulino followed by David Periam.

ROSS GULINO: Hello, Housing Committee. First of all, I'd like to thank you for coming here to Meriden. I'm a Meriden landlord, I'm a small business

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owner. For me it's very difficult to take time out of my day to actually come up to Hartford, so this was a breath of fresh air to hear you were coming. I'm most interested in two bills.

The first one is going to be 114. I do not support 114 and the main reason for that is exclusion of cash or the fact that prohibiting landlords from requiring cash. The -- just like was said before me, the main reason that some of us would require cash would be because somebody abused the privilege maybe of being able to write a check that bounced, didn't work, you're waiting until the last day before you move in, or sometimes things just have to move very quickly and you want to move someone in.

I'm not saying that, you know, a check is no good, but in that particular situation, we should be able to require either a check -- cashier or bank check, or something like cash or as good as cash. But to say that, you know, we can't require cash, I think puts a burden on the actual prospective tenants. I've got to be honest with you, a lot of my tenants don't even have checking accounts. That's why they use check cashing facilities. I don't know if you've noticed, it's a booming business out there. That's because our banks today make it very difficult to bank. So please consider that when you make your decision.

Okay. Then the second one is going to be the bill regarding bed bugs, 952. Officially I'm against the bill. I don't know if I'm going to run out of time, but I'll open it up for questions. I've actually dealt with this problem. I can't even explain to you the nightmare that it was. The person that actually was affected the most by the bed bugs, very clean tenant, for the life of both myself and the people who I hired to come in there and eradicate the bed bugs, there's no answers to how she got

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housing, please submit those ideas to your State Representative and State Senator, and we will be more than glad to take them under consideration with all the other bills going forward. Thank you.

SENATOR BARTOLOMEO: Thank you.

Seeing no more questions, we have next Sally Zanger.

A VOICE: She was not able to come after all.

SENATOR BARTOLOMEO: Okay. Thank you, Raphie.

Moving on to Michael Daubert. And as Mr. Daubert -- Daubert is coming up, if there is anyone else here who has not signed up to speak but would like to, if you could please go to the clerk's table, and we will allow you to do so. Hi.

MICHAEL DAUBERT: Hi. How you doing? My name is Mike Daubert, I come from the Danbury Stamford area. I'm a property manager for about 25 years dealing with multi-family properties, mostly low income to moderate income, so that's where my perspective is coming from. I'm here to talk to you about three things, the foreclosure mediation process, the bed bug issues, and the cash for -- for tenants.

HB6419 8B952 8B114

To start out on the foreclosure mediation, the big problem I see -- and part of my job, 50 percent of it is to dealing with the court systems and this whole foreclosure mediation process that it is. It doesn't include anything for investment-owned properties that the only thing in our current statute is you have to be resident of that. Anything that's involved in an investment-owned properties, which is 80 percent of our cities, Waterbury, Bridgeport, Stamford, New Haven, there's a ton of investment-owned

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But if the tenant doesn't follow the directions and doesn't put the cover on the bed because they don't like that cover, it's not going to correct the problem. We need more stronger language in your laws directly related to the tenant or the occupant. They're the ones in control of the bed bugs, not the landlord. And cost wise, like I said, most of our programs are generated by cost.

SENATOR BARTOLOMEO: Would you be willing to summarize. The bell went off, but you might get questions.

MICHAEL DAUBERT: Sure. You know, and in summary, the three things that I really wanted to hit on is the foreclosure mediation needs to include the investment properties, the bed bug issues need to put more responsibility on tenants, the landlords hands are tied. And lastly the cash issue, and I really didn't get a chance to go into that. the current court system related to evictions and the process doesn't include cash. It only gives me 15 days after the 10th, I have to do many things to evict that person by the end of the A Notice to Quit by a marshal, back to the court within three days, otherwise it's going to extend it anywhere from 60 to 90 to 120 days, and that is directly related to our foreclosures because if we don't correct the mediation project, the cash project then becomes in. not cash, certified check or better wording. Part of your mediation process is that the court is now requiring us as mediators to have --

SENATOR BARTOLOMEO: I'm sorry. To be fair to everyone, I'm going to have to stop you there.

Are there are questions from Committee?

So I have a question.

MICHAEL DAUBERT: Sure.

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SENATOR BARTOLOMEO: Further explain -- you were talking about the cash, you're okay with if it were cashier check or bank certified check?

MICHAEL DAUBERT: Sure. Part of our problem is that, as the other gentleman brought up, 50 percent of my renters don't have checking accounts so they're going to go to a check cashing location to do that. Most of them, the contractors, the waitresses, those type of people who are renting live on a cash basis. So even to get them to stop somewhere to get a certified check is a problem. They're begging me to take the cash more than paying the five or ten dollars to get the certified check.

So if you stop that law, so at least include something so the landlord knows it has to be certified funds, or this whole foreclosure mediation doesn't work. And that's where -- the last part I'll say is connecting your current statutes that you're trying to enact, relate them to the housing procedures that are currently in effect. The court is doing exact different things than what you're trying to do. They have timelines -- strict timelines we must follow, and they won't fit in with cash -- without a cash type deal.

SENATOR BARTOLOMEO: Thank you, that's a good point.

Representative Butler.

REP. BUTLER: Thank you. And I just have one question relative to the mortgage foreclosure and investment property, do you -- do you know if the initiative that the Governor, Attorney General, and the Department of Banking has been taking out on the road, they've been to at least four different locations, do you know if they actually help investment property owners in that process?

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go, no guarantee, \$600 per apartment. Later everybody is going to be outside broke. Take care. Thank you.

SENATOR BARTOLOMEO: Thank you very much, sir.

Now we will go to Chris Frasier.

CHRIS FRASIER: How you guys doing this afternoon?

The reason why I'm here is that I'm here to support what the Committee spoke about a few minutes ago. I am speaking on Bill Number 114
and also 952. And the reason why I'm here, I'm starting a company in Connecticut, is I'm asking landlords to call me with any kind of housing issues they have. And my business is to try to help them manage and keep, not to lose because I feel that this -- this state, this country is in trouble if we don't -- if we don't organize ourselves to be a better manager. We need the tenants, we need the owners to survive, to pay the taxes, to pay you guys, and pay us.

So I do support a lot of the speakers who was here about the cash issue. And the reason why because don't forget we got a lot of civil criminals. I mean we might not practice it ourselves, being criminals. I know I don't practice being a criminal, but people out there need a place to stay. They're going to come up with all kind of stuff.

And I'm pretty sure just like the criminal system dealing with a lot of new issues, and we're going to deal with a lot of new issues as landlord. The problem with being a landlord, you -- we're not educated to deal with that. We never grown up in a society -- we never grown up in a way where we're going to be a criminal to try to sneak our way into control somebody's property or whatever the situation may be.

Commission on Human Rights and Opportunities

Memo

To:

Housing Committee

From:

Robert J. Brothers, Jr., Executive Director

Date:

February 28, 2013

Re:

SB 114, AN ACT PROHIBITING LANDLORDS FROM REQUIRING

TENANTS TO PAY RENT BY CASH OR ELECTRONIC FUNDS

TRANSFER

The Housing Discrimination Unit of CHRO believes there are circumstances where a person has violated the terms of subsection (b) of this bill, but where there is an alternative form of payment available.

Specifically in many instances where a person cannot cover their rent payment they may be provided emergency assistance from government agencies or charities. We would ask that SB 114 be amended by adding a new subsection (c) to read as follows:

(c) The provisions of subsection (b) of this section shall not be applicable in the case where the rent is paid by check through housing assistance.

We believe this addition would prevent such conflicts.

SENATOR MARTIN M. LOONEY Majority Leader

Eleventh District New Haven, Hamden & North Haven



State Capitol Hartford, Connecticut 06106-1591 132 Fort Hale Road New Haven, Connecticut 06512

Home: 203-468-8829 Capitol: 860-240-8600 Toll-free: 1-800-842-1420 www.SenatorLooney.cga.ct.gov

February 28, 2013

Good Morning Senator Bartolomeo, Representative Butler and members of the Housing Committee. I would like to comment on SB 114, AN ACT PROHIBITING LANDLORDS FROM REQUIRING TENANTS TO PAY RENT BY CASH OR ELECTRONIC FUNDS TRANSFER. While this bill in its current form would provide benefits for certain tenants, it is not at all what I proposed. The intent of my proposed bill was simply to prohibit landlords from requiring that rent be paid on- line. I believe that on-line payment requirements can be disadvantageous to tenants who do not have access to on-line accounts. It was not my intent to address cash payment of rent.

Legal Assistance Resource Center * of Connecticut, Inc. *

44 Capitol Avenue, Suite 301 * Hartford, Connecticut 06106 (860) 278-5688 x203 * cell (860) 836-6355 * fax (860) 278-2957 * RPodolsky@LARCC org

Testimony of Raphael L. Podolsky

Housing Committee public hearing -- February 28, 2013

S.B. 114 -- Mandatory online rent payments

SUPPORT IN CONCEPT

In its present form, this bill prohibits landlords from requiring rent or security deposit payments to be made electronically or in cash. Cash is legal tender, and it is not clear that such a prohibition is appropriate. On the other hand, a ban on requiring electronic payments as the sole means of payment is reasonable. Mandatory online payment assumes that all tenants have electronic access and creates particular problems for low-income households and the elderly. A bill proposed in California prohibits a landlord from requiring "online Internet payments as the exclusive form of payment of rent or deposit of security." That wording would be more appropriate

Subsection (b) of S B 114 allows a landlord to accept rent payments only by "cash payment" for three months after a tenant has bounced or stopped payment on a check. If the bill is reframed as a ban only on electronic payment, this provision is unnecessary. If it remains in the bill, it should be cross-referenced to C G S 47a-3a(b) ("provided that a receipt is given in accordance with subsection (b) of section 47a-3a"), which requires that the landlord give a receipt for any cash payment accepted, so that it will be clear that a receipt is necessary

S.B. 952 -- Bedbugs

SUPPORT IN CONCEPT

We support this bill in concept but do not support all of its provisions. We believe that the best starting point for drafting is the Maine bedbug statute and not the draft contained in this bill. Existing law already allocates responsibilities between landlords and tenants — it is the landlord's duty to eradicate pests and the tenant's duty to cooperate. While it would be useful to spell these duties out in greater detail in the context of bedbug eradication, it would be better to have no bill than one that improperly allocates landlord and tenant responsibilities. Expanding on the meaning of these duties in the context of bedbugs is helpful to all parties — landlords, tenants, municipalities, exterminators — but is not absolutely necessary. Any bedbug legislation should be guided by the following principles.

- The top priority should be the eradication of bedbug infestations Only the landlord can actually do that
- Effective solutions cannot be based on "fault" Bedbugs travel. They enter
 apartments in numerous ways that are not necessarily the fault of the occupant
 Solutions, including how costs are met, cannot be based on false assumptions
 about fault

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Thank you, Madam President.

If there's no objection, <u>I would like to move this</u> <u>item to Consent</u>.

THE CHAIR:

Is there any objection? <u>Seeing no objection so ordered,</u> ma'am.

Mr. Clerk.

THE CLERK:

On page 20, Calendar 185, Substitute for Senate Bill Number 114. AN ACT PROHIBITING LANDLORDS FROM REQUIRING TENANTS TO PAY RENT BY ELECTRONIC FUNDS TRANSFER, favorable report of the Committee on Housing, and there are amendments.

THE CHAIR:

Senator Bartolomeo, again. My bad.

SENATOR BARTOLOMEO:

Thank you. Thank you, Madam President.

Madam President, I move acceptance of the joint committee's joint favorable report, and I urge passage of the bill, please.

THE CHAIR:

The motion is on passage. Please proceed.

SENATOR BARTOLOMEO:

Madam President, the Clerk is in possession of an amendment, LCO Number 5697. May the Clerk please call the amendment, and I be given leave to summarize.

THE CHAIR:

Mr. Clerk.

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THE CLERK:

LCO Number 5697, <u>Senate Amendment Schedule A</u>, offered by Senator Williams, et al.

THE CHAIR:

Senator.

SENATOR BARTOLOMEO:

Thank you -- thank you, Clerk. Thank you, Madam President.

This particular amendment I ask for adoption.

THE CHAIR:

The motion is on adoption of the amendment.

SENATOR BARTOLOMEO:

Thank you, Madam President.

This simply states that the -- this legislation does not affect any leases or rental agreements that were executed on or before October 1st of 2013, which is the effective date of this bill, should it pass.

THE CHAIR:

Will you remark? Will you remark? If not, <u>all in</u> favor of the <u>amendment please say aye</u>.

SENATORS:

Aye.

THE CHAIR:

Opposed.

Amendment passes.

Senator McKinney.

SENATOR MCKINNEY:

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Thank you, Madam President.

I wanted to rise in support of the bill. I thank the good chair of the Housing Committee and the work that she's put in on this legislation. It -- I don't - there maybe some who disagree, but I think going forward, we're not interfering with any existing leases or contracts. Going forward, we should not allow landlords to force people to pay electronically, because a lot of people simply don't have the ability to do that. And it's obviously a growing practice, which is hurting a lot of renters throughout the state of Connecticut so I stand in support of the bill.

THE CHAIR:

Thank you.

Will you remark?

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And I have a few questions to the proponent of the bill.

THE CHAIR:

Prepare yourself.

Senator, please proceed.

SENATOR KANE:

Thank you, Madam President.

To you, Senator Bartolomeo, in the public hearing testimony on the legislation, did you find that there -- what is the percentage of landlords that actually require their tenants to pay electronically?

Through you.

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120

THE CHAIR:

Senator.

SENATOR BARTOLOMEO:

Thank you, Madam President.

Through you, I never asked what the percentage was.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Well, thank you, Madam President.

I guess the reason I asked that question is it -- I'm assuming because we're passing legislation that there is a great number of people who are required to pay their rent electronically, so I'm trying to ascertain if it was a small group, if it was a constituent, if it was an association, if it was a whole community? I'm trying to understand where the impetus of this legislation comes from.

Through you.

SENATOR BARTOLOMEO:

Thank you, Madam President.

Madam President, the -- the original bill was a proposed bill by Senator Looney, and if you would allow, I would ask to yield and possibly he can explain the origin and the reason for the bill.

THE CHAIR:

Senator Looney, will you accept the yield, sir?

SENATOR LOONEY:

Yes, I will.

Thank you for the yield, Senator.

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And in response, the reason for the bill is exactly as Senator McKinney said that it is in some cases a hardship for some people, notably elderly people, to be required to pay rent by electronic funds transfer. Obviously, it's appropriate where both landlord and tenant have agreed to it for the convenience of both, but not where one party finds it difficult to comply with. That was the genesis of the bill. We heard some -- both from some individuals and also some -- from some advocates of tenants' rights organizations.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

I guess the follow-up question to that would be, these individuals, don't they have an opportunity to find housing somewhere else where they're not required to pay electronically?

Through you.

THE CHAIR:

Senator Bartolomeo.

SENATOR BARTOLOMEO:

Thank you, Madam President. Thank you, Madam President.

Through you, I never asked that question. I actually don't think that ever occurred to me. I think simply whether or not that they should be required wasn't dependent on whether or not they were willing to look for other housing. We simply looked at if it were fair and just to allow people who may not even be able to have access to a banking account to require electronic transfer which does require a banking account.

THE CHAIR:

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Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And through you to Senator Bartolomeo, did -- did any of the landlords testify?

Through you.

THE CHAIR:

Senator.

SENATOR BARTOLOMEO:

Yes, Madam President.

Through you, we did have landlords testify.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

In their testimony, did they say, Well, if I have -- if I have tenant who can't pay electronically because they don't have a credit card, I'll take cash?

Through you.

THE CHAIR:

Senator.

SENATOR BARTOLOMEO:

Yes, through you, Madam President.

We did have people say they'd take case and, therefore, this -- this bill does allow them to take

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cash. It simply does not allow them to require exclusively electronic payment.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

I quess the reason for my questions is, you know, two things, number one, I believe in the free market, so I believe that we shouldn't be requiring landlords, beyond public safety issues, of course, how they accept payment for their rent, their property. We are so contradictory in this legislature that we are now giving people refunds electronically through a debit card. We are requiring banks to give -- or employers to pay their employees electronically with debit cards or credit cards, yet we're going to say, on one hand we're going to require -- and you could -- I don't have any more questions, Senator Bartolomeo, you could certainly sit down if you'd like -- but we are -- we are on one hand requiring employers -- we're requiring the citizens of the state of Connecticut to accept a credit card or debit card from us because we don't want to pay by check and we want to save money on postage and we want to save, but here we go in the opposite hand saying, well, it's -- it's not good enough for us but it's good enough for you, so we're going to require you to make sure that you don't necessarily require the tenants to accept via credit So I think it's a -- I think it's very contradictory. I think it's almost hypocritical, and I will be voting in opposition.

THE CHAIR:

Thank you.

Will you remark?

Senator.

SENATOR BARTOLOMEO:

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Thank you, Madam President.

I would just like to comment on the fact that although we do now allow people to accept their returns through electronic debit, I don't believe that we require that that be the only way that they can accept their returns. If that is the case, I would love to hear I think that in the community that about that after. I represent -- the communities that I represent, this is something that is a real concern. There's no hypocrisy from what I've heard or from what I can expect. We did have quite a few people actually -this particular bill was heard on site, in Meriden, it was an off-location public hearing. We had a very We had a least 50 people that were good showing. there. We had representatives from the Legal Assistance Resource Center. We had representatives from Housing Authority, from tenants' rights, from landlord rights. We had a variety of landlords, themselves. We did not hear anyone who was concerned about this as long as it was not retroactive. actually heard landlords who were pleased with the fact that that they would still be able to receive cash. Their concern that they expressed was only if they would no longer be able to receive cash and, certainly, this law does not -- does not do that. you know, I don't see the hypocrisy that my colleague has stated, and I do urge passage of this bill.

THE CHAIR:

Thank you.

Will you remark? Will you remark?

If not, Mr. Clerk, will you please call for a roll call vote and the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Immediate roll call has been ordered in the Senate.

THE CHAIR:

Have all members have voted, all members have voted, the machine will be closed.

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Mr. Clerk, will you please call a tally.

THE CLERK:

Senate Bill Number 114.

Total Number Voting 36

Those voting Yea 33

Those voting Nay 3

Those absent and not voting 0

THE CHAIR:

The bill passes.

Senator Looney.

SENATOR LOONEY:

Madam President — Madam President, if we might return now to three items that were marked passed temporarily, and that is Calendar page 16, Calendar 156, Senate Bill 1004; Calendar page 16, Calendar 157, Senate Bill 1006; and Calendar page 17, Calendar 166, Senate Bill 752, if we might take those up as the next three items.

Thank you, Madam President.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 16, Calendar 156, <u>Senate Bill Number 1004</u>, AN ACT ENCOURAGING THE EXPORTATION OF STATE PRODUCTS AND SERVICES THROUGH THE SMALL BUSINESS EXPRESS PROGRAM, favorable report of the Committee on Commerce, and there are amendments.

THE CHAIR:

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Aye.

THE CHAIR:

Opposed?

Senate "A" passes.

Senator Gerratana.

SENATOR GERRATANA:

If there's no objection, Madam President, <u>I ask that this item be placed on our Consent Calendar</u>.

THE CHAIR:

Seeing no objection, so ordered, sir -- ma'am.

Mr. Clerk.

THE CLERK:

On Calendar Page 49, Calendar Number 185, Substitute for Senate Bill Number 114, AN ACT PROHIBITING RESIDENTIAL LANDLORDS FROM REQUIRING TENANTS TO PAY RENT BY ELECTRONIC TRANSFER, as amended, Favorable Report from the Committee on Housing.

THE CHAIR:

Senator Bartolomeo.

SENATOR BARTOLOMEO:

Thank you --

THE CHAIR:

(Inaudible) me.

SENATOR BARTOLOMEO:

-- very much, Madam President.

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Madam President, I move acceptance of the joint committee's Joint Favorable Report and I urge passage of the bill as amended by the House of Representatives.

THE CHAIR:

Motion is on acceptance and passage. Will you remark, ma'am?

SENATOR BARTOLOMEO:

Yes. Thank you, Madam President.

This bill, as you all know, has been before us previous to this, and it is, it is stating that no landlord shall actually require an electronic funds transfer as the exclusive form of payment for rent or a security deposit.

As you may recall, it has previously been amended in the Senate and in the House, and we are in favor of that House amendment which simply makes sure that this legislation applies only to residential leases or residential agreements.

And with that, I do urge passage of this bill.

THE CHAIR:

Will you remark further? Will you remark further?

If not --

SENATOR BARTOLOMEO:

Seeing none, Madam President --

THE CHAIR:

Senator.

SENATOR BARTOLOMEO:

Seeing none, may I please ask that this go on the Consent Calendar?

May 15, 2013

THE CHAIR:

I see objection, so Mr. Clerk, will you call for a roll call vote.

THE CLERK:

An immediate roll call vote has been ordered in the Senate. Immediate roll call vote in the Senate. Senators please return to the Chamber. Immediate roll call has been ordered in the Senate.

THE CHAIR:

Machine is open.

THE CHAIR:

If all members have voted; all members have voted? The machine will be closed.

And, Mr. Clerk, will you please call the tally.

THE CLERK:

On Senate Bill Number 114.

Total Voting	36
Those voting Yea	33
Those voting Nay	3
Absent, not voting	0

THE CHAIR:

The bill passes.

Senator Looney.

SENATOR LOONEY:

Thank you. Thank you, Madam President.

Madam President, I have a couple of more items to -- to mark as go, before moving to -- to our Consent Calendar for the evening.