

Residential Tenants' Protections During the COVID-19 Pandemic

By: Michelle Kirby, Senior Legislative Attorney May 18, 2020 | 2020-R-0124

Issue

Summarize the governor's COVID-19 executive orders concerning protections for residential tenants.

Summary

On March 19, 2020, the governor issued an executive order (EO) suspending non-critical court operations and related requirements (EO ~7G, § 2). This impacts landlords and tenants because Connecticut law requires evictions to go through a summary process and be ordered by the court (CGS ~§§ ~47a-23 ~et ~seq.). Therefore, in response to the governor's order, the Chief Administrative Judge for Civil Matters ordered an immediate stay of all court-issued executions on evictions and ejectments through May 1, 2020 (Judicial Order, Mar. 20, 2020).

In April, the governor issued an EO that expressly provides specific protections from evictions for residential tenants by (1) prohibiting landlords from initiating residential evictions through July 1, (2) establishing a grace period for April and May rent due, and (3) requiring landlords to allow certain tenants to use a portion of their security deposit to apply to rent due. These provisions are effective immediately and for the duration of the declared public health and civil preparedness emergencies, including any period of extension or renewal (EO 7X, § 1, Apr. 10, 2020).

In May, the governor issued an EO that made a technical change to the April and May grace period from 60 days to two months (<u>EO 7NN</u>, § 4, May 13, 2020).

Stay on Evictions

By law, when a landlord wishes to obtain possession or occupancy of any residential unit, the landlord must give notice to each lessee or occupant to quit possession or occupancy of the property. The landlord must do this at least three days before the termination of the rental agreement or lease, if any, or before the time specified in the notice for the lessee or occupant to quit possession or occupancy. The governor's order expressly prohibits landlords or their representatives from serving a notice to quit or taking other eviction actions before July 1, 2020, except for serious nuisance (EO 7X, § 1, Apr. 10, 2020).

Grace Periods

<u>EO 7X</u> established a 60-day grace period for April and May for tenants, including mobile home residents. As mentioned above, a subsequent order changed this grace period from 60 days to two months (<u>EO 7NN</u>, § 4, May 13, 2020).

April

These EOs established a two-month grace period for April rent for tenants, including mobile home residents, by prohibiting landlords from taking eviction action; imposing late fees, interest, or penalties; reporting nonpayment to a credit bureau; or retaliating against tenants, provided the rent is paid within two months after its due date.

May

These EOs established a two-month grace period for May rent if a tenant, by the ninth day after the rent is due, notifies the landlord in writing, including by email, that the tenant has (1) become fully or partially unemployed or (2) experienced significant loss of revenue or increase in expenses due to the COVID-19 pandemic, provided the rent is paid within two months after its due date.

Security Deposits

By law, any security deposit paid by a tenant remains the tenant's property in which the landlord has a security interest to secure the tenant's obligations (<u>CGS § 47a-21</u>).

Under the law, the landlord:

1. must immediately deposit the entire amount of any security deposit into an escrow account for the tenant's benefit;

- 2. is prohibited from withdrawing the funds except under certain circumstances, such as to disburse accrued interest to the tenant; and
- 3. must pay the tenant the deposit plus accrued interest at the termination of the tenancy (CGS § 47a-21(d) & (h)).

The governor's EO:

- requires landlords, upon request by certain tenants (e.g., those experiencing financial hardship due to the COVID-19 pandemic), to (a) withdraw from escrow the security deposit amount over one month's rent and (b) apply it toward the rent due in April, May, or June of 2020;
- 2. prohibits landlords from demanding that the security deposit be restored before the later of the end of the declared public health and civil preparedness emergencies or the rental agreement renewal or extension;
- 3. limits the security deposit provision to tenants who (a) are not enrolled in the security deposit guarantee program, (b) have paid more than one month's security deposit, and (c) provided notice to the landlord regarding loss of income or revenue or increase in expenses due to the pandemic; and
- 4. allows escrow agents to comply with the landlord's withdrawal request and specifies that any withdrawn amount is no longer considered a security deposit (<u>EO 7X</u>, § 1, Apr. 10, 2020).

Related OLR Reports

- OLR Report <u>2020-R-0137</u> on federal and state assistance for Connecticut renters impacted by COVID-19
- OLR Report <u>2018-R-0026</u> on laws that govern a tenant's ability to reclaim a security deposit

MK:kl