

Protections Against Rent Increases

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Issue

How does state law protect tenants against excessive rent increases? Are there specific protections for seniors or tenants with disabilities?

This report updates OLR Report <u>2022-R-0115</u>. This report has been updated by OLR Report <u>2024-</u> <u>R-0143</u>.

The Office of Legislative Research is not authorized to provide legal opinions and this report should not be considered one.

Summary

While Connecticut law does not currently permit municipalities to adopt rent control ordinances, it does authorize municipalities (and require those with a population of at least 25,000) to establish fair rent commissions to "control and eliminate excessive rental charges" (<u>CGS §§ 7-148b to 7-</u> <u>148g</u>). The law also empowers these commissions to enforce provisions of landlord-tenant statutes that, among other things, generally prohibit landlords from increasing rent as a retaliatory action (<u>CGS §§ 47a-20</u> & <u>47a-20a</u>).

Related OLR Report: States With Rent Control

OLR Report <u>2021-R-0211</u> identifies states with statewide rent control or laws authorizing local governments to adopt rent control ordinances.

Certain "protected tenants" (generally those residing in a building with five or more units who are at least age 62 or an individual with a disability) may bring action in Superior Court to contest an excessive rent increase or proposed increase if they reside in a municipality without a fair rent

www.cga.ct.gov/olr OLRequest@cga.ct.gov **Connecticut General Assembly** Office of Legislative Research Stephanie A. D'Ambrose, Director (860) 240-8400 Room 5300 Legislative Office Building commission (<u>CGS § 47a-23c(c)</u>). A 2023 law requires the Department of Housing (DOH) to provide certain tenants with notice of this protection (<u>PA 23-207</u>, § 10).

Fair Rent Commissions

Creation

State law generally authorizes all municipalities (i.e., towns, cities, and boroughs), regardless of their size, to create a fair rent commission. However, legislation enacted in 2022 (PA 22-30) required all municipalities with populations of at least 25,000, based on the most recent decennial census, to have a commission. Under this law, the legislative body of a municipality exceeding the population threshold and without an existing fair rent commission was required to adopt an ordinance creating a commission by July 1, 2023. Within 30 days after doing so, the chief executive officers of these municipalities had to (1) notify DOH and (2) send the department a copy of the ordinance. The law also allows two or more municipalities authorized but not required to create a fair rent commission to establish joint commissions through their legislative bodies (<u>CGS § 7-148b</u>).

<u>DOH's website</u> provides a list of municipal fair rent commission ordinances adopted pursuant to the 2022 legislation. Additionally, the judicial branch's "<u>Right and Responsibilities of Landlords and</u> <u>Tenants in Connecticut</u>" provides a list of existing commissions (last updated January 2023; see pages 9-13). The publication also includes a list of municipalities required to have a fair rent commission pursuant to <u>PA 22-30</u>.

Purpose and Powers

By law, a fair rent commission's purpose is to (1) control and eliminate excessive (i.e., harsh and unconscionable) rental charges and (2) enforce landlord-tenant statutes prohibiting landlord retaliation and certain lapse of time evictions (<u>CGS § 7-148b</u>). Specifically, a fair rent commission has the power to:

- 1. conduct studies and investigations;
- 2. hold hearings;
- 3. receive rent complaints;
- 4. require people to appear at hearings;
- 5. issue subpoenas and administer oaths; and
- 6. issue, continue, review, amend, terminate, or suspend its orders and decisions.

Fair rent commissions are prohibited from hearing complaints related to rental charges for accommodations rented on a seasonal basis (i.e., those rented for a total of 120 days per calendar year or less).

The law expressly allows the commissions to be authorized to retain legal counsel.

Landlord Retaliation and Lapse of Time Evictions

Fair rent commissions are authorized to enforce the provisions of a landlord-tenant statute prohibiting retaliatory action by landlords. This statute generally prohibits landlords, with certain exceptions, from maintaining an eviction proceeding, increasing rent, or decreasing services for six months after a tenant makes a good faith (1) attempt to bring the dwelling into compliance with state or local laws and regulations, including filing a complaint with a fair rent commission; (2) request for repairs; or (3) effort to institute an action requiring the landlord to meet his or her legal responsibilities ($CGS \ § 47a-20$). It also prohibits retaliation following the notice of a municipal health or safety violation or if the tenant organizes or joins a tenants' union.

By law, a rent increase is not considered retaliatory if a:

- 1. tenant's complaint is about an issue caused by lack of due care from the tenant, a member of his or her household, or a guest on the premises with consent; or
- 2. landlord experiences a substantial increase in property taxes, maintenance costs, or operating costs not associated with the tenant's complaint at least four months before requesting a rent increase (which cannot exceed the prorated portion of the net increase in taxes or costs) (CGS § 47a-20a).

Additionally, fair rent commissions are authorized to enforce an eviction statute prohibiting landlords from evicting, solely for the expiration of their lease, certain "protected tenants" (<u>CGS §</u> <u>47a-23c(b)</u>; see below). These evictions are commonly referred to as "lapse of time" evictions.

Considerations in Determining Excessive Rent

Commissions must consider certain factors, if applicable, when determining whether a rental charge or proposed rent increase is excessive to the point of being "harsh and unconscionable." These factors include the following:

- 1. rents for comparable units;
- 2. amount and frequency of rent increases;
- 3. sanitary conditions;

- 4. number of bathtubs or showers, toilets, and sinks;
- 5. services, furniture, and furnishings;
- 6. bedroom size and number;
- 7. repairs necessary to make the accommodations livable;
- 8. taxes and overhead expenses, including debt service;
- 9. compliance with state and local health and safety laws and regulations;
- 10. renter's income and housing availability;
- 11. utility availability;
- 12. tenant damage to the premises, other than ordinary wear; and
- 13. how much of the rent increase will be reinvested in property improvements (CGS § 7-148c).

Orders by Commissions

A fair rent commission may order that rent be limited to a fair and equitable amount, as determined by the commission, after holding a hearing on a complaint and finding a rental charge or rent increase to be harsh and unconscionable based on the considerations described above. If a commission determines the housing in question fails to meet local or state health and safety requirements, it may suspend rent payments until the unit meets the standards. During the suspension period, rent is paid directly to the commission to hold in escrow and is subject to any provisions adopted by the municipality.

Tenants' Unions and Fair Rent Commissions

A New Haven ordinance enacted in 2022 defines tenants' unions and allows representatives of these organizations to request that the city's fair rent commission investigate housing accommodations (<u>OR-2022-0017</u>).

If a commission determines, after holding a hearing, that a landlord has retaliated in any way against a tenant who has complained to it, the commission may order the landlord to cease and desist from this conduct (CGS 37-148d).

Violation Penalties and Appeals

The law requires landlords to be fined between \$25 and \$100 per offense for (1) violating a rent reduction order or suspension; (2) violating any other provision of the fair rent commission statutes or the landlord-tenant statute prohibiting landlord retaliation; or (3) refusing to obey a commission order, subpoena, or decision. If the offense continues for more than five days, it constitutes a new

offense for each additional day. A landlord violates a rent reduction order or suspension if he or she accepts, receives, or demands an amount in excess of the order while it is in effect and no appeal is pending (<u>CGS § 7-148f</u>).

Any person aggrieved by a fair rent commission's order may appeal to the Superior Court for the judicial district where the municipality is located (<u>CGS § 7-148e</u>).

Rent Increases for Protected Tenants

State law provides an additional protection against excessive rent increases to certain "protected tenants" residing in a (1) building or complex consisting of five or more separate dwelling units, (2) mobile manufactured home park (including certain conversion tenants), or (3) dwelling unit in a common interest community where the landlord owns five or more units (<u>CGS § 47a-23c</u>). To qualify for this protection, a tenant must be:

- 1. at least age 62,
- 2. an individual with a physical or intellectual disability,
- 3. permanently residing with a spouse or specified relative that is (a) at least age 62 or (b) an individual with a disability meeting certain requirements, or
- 4. a conversion tenant in a mobile home park meeting certain requirements.

By law, rent increases for protected tenants must be "fair and equitable" based on the criteria fair rent commissions are required to consider when determining whether a rental charge or proposed rent increase is excessive ($\underline{CGS \ \S \ 47a-23c(c)}$; see above). If a protected tenant is aggrieved by a rent increase or proposed increase and resides in a municipality with no fair rent commission, he or she may bring action in Superior Court to contest the increase. In these proceedings, the court determines whether the rent increase is fair and equitable based on the same considerations that fair rent commissions are required to use.

The law also prohibits landlords from evicting protected tenants solely because their lease has expired ($\underline{CGS \ \S \ 47a-23c(b)}$). Rather, landlords may only evict these tenants for specified causes (e.g., failure to pay rent or material noncompliance with the lease). As discussed above, fair rent commissions are authorized to enforce this provision ($\underline{CGS \ \S \ 7-148b}$).

The law permits landlords to request proof of protected status and requires tenants invoking these protections to provide proof within 30 days if asked to do so ($CGS \ \S \ 47a-23c(d)$).

Required Notice of Protected Tenant Status

A 2023 law requires landlords, beginning January 1, 2024, to give a written notice summarizing these protections to any tenant that rents, or enters or renews an agreement to rent, one of the units described above. The housing commissioner must create this one-page, plain-language notice summarizing protected tenants' rights and post it on the department's website by December 1, 2023. The notice must be available in both English and Spanish (PA 23-207, § 10, effective October 1, 2023).

Additional Resources

- CTLawHelp.org. "<u>Tenants' Rights: Rent Increases and Fair Rent Commissions</u>." January 2023.
- Partnership for Strong Communities. "<u>Toolkit: Fair Rent Commissions in Connecticut</u>." January 2022.

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