



House of Representatives

General Assembly

File No. 265

January Session, 2025

House Bill No. 6892

House of Representatives, March 26, 2025

The Committee on Housing reported through REP. FELIPE of the 130th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT LIMITING THE INCREASE OF RENTAL CHARGES UPON TRANSFER OF RESIDENTIAL PROPERTY TO A NEW OWNER.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-148c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2025*):

3 (a) In determining whether a rental charge or a proposed increase in
4 a rental charge is so excessive, with due regard to all the circumstances,
5 as to be harsh and unconscionable, a fair rent commission shall consider
6 such of the following circumstances as are applicable to the type of
7 accommodation: (1) The rents charged for the same number of rooms in
8 other housing accommodations in the same and in other areas of the
9 municipality; (2) the sanitary conditions existing in the housing
10 accommodations in question; (3) the number of bathtubs or showers,
11 flush water closets, kitchen sinks and lavatory basins available to the
12 occupants thereof; (4) services, furniture, furnishings and equipment
13 supplied therein; (5) the size and number of bedrooms contained
14 therein; (6) repairs necessary to make such accommodations reasonably
15 livable for the occupants accommodated therein; (7) the amount of taxes
16 and overhead expenses, including debt service, thereof; (8) whether the

17 accommodations are in compliance with the ordinances of the
 18 municipality and the general statutes relating to health and safety; (9)
 19 the income of the petitioner and the availability of accommodations; (10)
 20 the availability of utilities; (11) damages done to the premises by the
 21 tenant, caused by other than ordinary wear and tear; (12) the amount
 22 and frequency of increases in rental charges; (13) whether, and the
 23 extent to which, the income from an increase in rental charges has been
 24 or will be reinvested in improvements to the accommodations; and (14)
 25 whether ownership of the accommodation has been transferred to a new
 26 owner within the preceding twelve months.

27 (b) If ownership of the accommodation has been transferred to a new
 28 owner within the preceding twelve months, a fair rent commission shall
 29 presume a rental charge or proposed increase in a rental charge of
 30 greater than ten per cent of the total rental charges of the immediately
 31 preceding lease period to be excessive, unless such new owner has
 32 completed major renovations to the accommodation. As used in this
 33 subsection, "major renovations" means renovations to at least two
 34 primary building systems, including, but not limited to, plumbing,
 35 heating or air conditioning, electrical systems, building envelope and
 36 the foundation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2025	7-148c

HSG *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipalities	Precludes Grand List Growth	None	See Below

Explanation

The bill may preclude grand list growth in various municipalities beginning in FY 27 by limiting certain rental increases to ten percent of total rental charges. This may limit an increase in value for rental properties that are valued using the income capitalization method.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and number of properties impacted.

OLR Bill Analysis**HB 6892*****AN ACT LIMITING THE INCREASE OF RENTAL CHARGES UPON TRANSFER OF RESIDENTIAL PROPERTY TO A NEW OWNER.*****SUMMARY**

This bill modifies the factors that fair rent commissions (see BACKGROUND) must consider when determining whether a rental charge or proposed rent increase is excessive (i.e. “harsh and unconscionable”). Specifically, it requires commissions to consider whether ownership of an accommodation was transferred within the last year. If so, fair rent commissions must presume as excessive a rental charge (or proposed increase) greater than 10% of the prior lease’s total rental charges.

Under the bill, this presumption does not apply if the accommodation’s new owner has completed “major renovations,” which are those to at least two primary building systems (e.g., plumbing, heating or air conditioning, electrical systems, building envelope, or the foundation).

EFFECTIVE DATE: July 1, 2025

BACKGROUND***Fair Rent Commissions***

Existing law requires municipalities with a population of at least 25,000 to have a fair rent commission (and allows others to have them). A fair rent commission’s purpose is generally to control and eliminate excessive rental charges (CGS § 7-148b). Violators of the laws on fair rent commissions, including those who violate a commission’s rent reduction order, are subject to a fine of between \$25 and \$100 per offense (an offense that continues for more than five days is treated as a new offense for each additional day) (CGS § 7-148f).

A fair rent commission, after a hearing, may order rent limited to an amount it finds to be fair and equitable, if it determines that the rental charge or proposed increase is excessive to the point of being harsh and unconscionable (CGS § 7-148d). In making this determination a commission must consider certain specified factors, when applicable to the accommodation type (e.g., rents for comparable units, the amount and frequency of rent increases, taxes and overhead expenses, compliance with state and local health and safety laws and regulations, and how much of the rent increase will be reinvested in property improvements).

Related Bills

sSB 12 (§ 6), reported favorably by the Housing Committee, requires every municipality, by January 1, 2028, to establish a fair rent commission, joint fair rent commission, or regional fair rent commission through their regional council of governments.

sSB 1264, reported favorably by the Housing Committee, requires (1) a fair rent commission to notify parties to any of its proceedings of their rights and the scope of the commission's lawful authority and (2) the Department of Housing to create a model notice.

sSB 1266 (File 72), reported favorably by the Housing Committee, (1) requires municipalities with a fair rent commission to post on their website a copy of the commission's adopted bylaws and (2) specifies that fair rent commission hearings must be open to the public.

sHB 6943 (§ 3), reported favorably by the Housing Committee, requires a landlord's rent increase notice to include a statement that the tenant has the right to file a complaint with the fair rent commission to dispute the increase, if the dwelling unit is located in a municipality with a commission.

COMMITTEE ACTION

Housing Committee

Joint Favorable

Yea 12 Nay 6 (03/06/2025)