



# House of Representatives

General Assembly

**File No. 232**

January Session, 2025

Substitute House Bill No. 6941

*House of Representatives, March 25, 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 substitute bill ought to pass.

***AN ACT EXEMPTING THE INCOME EARNED BY A CHILD OF AN APPLICANT FROM THE CALCULATION OF GROSS INCOME IN CONSIDERATION FOR PARTICIPATION IN THE RENTAL ASSISTANCE PROGRAM.***

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

1 Section 1. Section 8-345 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2025*):

3 (a) As used in this section, "housing" or "housing unit" means any  
4 house or building, or portion thereof, that is occupied, designed to be  
5 occupied, or rented, leased or hired out to be occupied, exclusively as a  
6 home or residence of one or more persons. The Commissioner of  
7 Housing shall implement and administer a program of rental assistance  
8 for low-income families living in privately-owned rental housing. For  
9 the purposes of this section, a low-income family is one whose income  
10 does not exceed fifty per cent of the median family income for the area  
11 of the state in which such family lives, as determined by the  
12 commissioner.

13 (b) Housing eligible for participation in the program shall comply  
14 with applicable state and local health, housing, building and safety  
15 codes.

16 (c) In addition to an element in which rental assistance certificates are  
17 made available to qualified tenants, to be used in eligible housing which  
18 such tenants are able to locate, the program may include a housing  
19 support element in which rental assistance for tenants is linked to  
20 participation by the property owner in other municipal, state or federal  
21 housing repair, rehabilitation or financing programs. The commissioner  
22 shall use rental assistance under this section so as to encourage the  
23 preservation of existing housing and the revitalization of  
24 neighborhoods or the creation of additional rental housing.

25 (d) The commissioner may designate a portion of the rental assistance  
26 available under the program for tenant-based and project-based  
27 supportive housing units. To the extent practicable rental assistance for  
28 supportive housing shall adhere to the requirements of the federal  
29 Housing Choice Voucher Program, 42 USC 1437f(o), relative to  
30 calculating the tenant's share of the rent to be paid.

31 (e) The commissioner shall administer the program under this section  
32 to promote housing choice for certificate holders and encourage racial  
33 and economic integration. The commissioner shall affirmatively seek to  
34 expend all funds appropriated for the program on an annual basis  
35 without regard to population limitation established in prior years. The  
36 commissioner shall establish maximum rent levels for each municipality  
37 in a manner that promotes the use of the program in all municipalities,  
38 provided, if the fair market rent established for a housing unit under the  
39 federal Housing Choice Voucher Program, 42 USC 1437f(o), is greater  
40 than such maximum allowable rent established for such housing unit,  
41 such fair market rent shall apply for such housing unit. Any certificate  
42 issued pursuant to this section may be used for housing in any  
43 municipality in the state. The commissioner shall inform certificate  
44 holders that a certificate may be used in any municipality and, to the  
45 extent practicable, the commissioner shall assist certificate holders in

46 finding housing in the municipality of their choice.

47 (f) Nothing in this section shall give any person a right to continued  
48 receipt of rental assistance at any time that the program is not funded.

49 (g) The commissioner shall adopt regulations in accordance with the  
50 provisions of chapter 54 to carry out the purposes of this section. The  
51 regulations shall establish maximum income eligibility guidelines for  
52 such rental assistance and criteria for determining the amount of rental  
53 assistance which shall be provided to eligible families. Such income  
54 eligibility guidelines shall include an exemption for the income earned,  
55 not exceeding one hundred thousand dollars annually, by any child  
56 who resides with the applicant, until such child reaches the age of  
57 twenty-four, from inclusion in the calculation of gross income for  
58 consideration for participation in the program under this section.

59 (h) Any person aggrieved by a decision of the commissioner or the  
60 commissioner's agent pursuant to the program under this section shall  
61 have the right to a hearing in accordance with the provisions of section  
62 8-37gg.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	July 1, 2025	8-345
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**HSG**      *Joint Favorable Subst.*

*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:**

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Department of Housing	GF - Cost	2,000,000	2,000,000

Note: GF=General Fund

### **Municipal Impact:** None

### **Explanation**

The bill, which excludes certain income earned by children under age 24 from the eligibility determination for the Rental Assistance Program (RAP), results in an estimated annual cost of approximately \$2 million to the Department of Housing (DOH).

There are at least 627 household members between the ages of 18-24 in households that receive RAP certificates.<sup>1</sup> The average annual income for an individual living in a household that receives a RAP certificate is \$7,657.

Households who currently receive RAP certificates pay 40% of their total income towards their rent and utilities. The RAP certificate covers the rest of the rent; therefore, any decrease in certificate holder income results in an increase in cost to DOH. If each household member between the ages of 18-24 earns the average annual income of a RAP household member, then their portion of rent will decrease by about

<sup>1</sup> All earned income from children and foster children under age 18 is currently excluded.

\$3,063 annually which will result in a cost of approximately \$2 million annually to DOH.<sup>2</sup>

DOH does not remove households from the RAP program unless the household is no longer eligible. However, changes in eligibility and associated changes to the average RAP certificate cost may impact how many certificates can be issued in the future.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to actual income received by RAP certificate holders and their ongoing eligibility for RAP.

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<sup>2</sup> Under current policy, earned income from full-time students after the first \$480 is excluded. There are at least 162 household members who have full-time student status in households that receive RAP certificates that are under age 24. These household members are spread between approximately 155 households.

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**OLR Bill Analysis****sHB 6941*****AN ACT EXEMPTING THE INCOME EARNED BY A CHILD OF AN APPLICANT FROM THE CALCULATION OF GROSS INCOME IN CONSIDERATION FOR PARTICIPATION IN THE RENTAL ASSISTANCE PROGRAM.*****SUMMARY**

This bill modifies the household income eligibility requirements for the Department of Housing's (DOH) Rental Assistance Program (RAP). (RAP helps eligible low-income families afford decent, safe, and sanitary housing in the private market. RAP certificate recipients may choose any private rental housing that meets program requirements.)

The bill specifically requires DOH's RAP regulations to exempt from the gross income calculation for determining program eligibility up to \$100,000 in annual income earned by any child who is under age 24 and lives with the applicant. Under current regulations, gross income includes the income of all adults residing in the home (Conn. Agencies Regs., § 17b-812-1(1)). Under the bill, DOH is prohibited from including income earned by 18- to 23-year-olds, as described above, in the program income eligibility guidelines. (Presumably, the bill's exemption also applies to the income eligibility reexaminations the department must conduct annually for participating families. However, it is unclear whether the exemption applies to the calculation of the "tenant contribution" (i.e. an eligible family's share of the rent).)

Existing law requires DOH to adopt regulations establishing maximum income eligibility guidelines for program participation. Under these regulations, to be income eligible for RAP, a household's gross income cannot exceed 50% of the median family income for the area where the family lives, as determined by the DOH commissioner (Conn. Agencies Regs., § 17b-812-1(10)). (In practice, the department

uses median income limits the federal Department of Housing and Urban Development annually publishes.)

EFFECTIVE DATE: July 1, 2025

## **BACKGROUND**

### ***Related Bills***

sSB 12 (§§ 9 & 10), reported favorably by the Housing Committee, appropriates to DOH from the General Fund for FY 26 (1) \$4.2 million for at least 425 additional rental assistance certificates for the Elderly Rental Assistance Program and (2) \$4.5 million for at least 275 additional RAP certificates for families participating in the Head Start program.

sHB 6890, reported favorably by the Housing Committee, makes various changes to RAP, such as establishing in statute the amount of time initially given to a RAP participant to find qualifying housing.

sHB 7112 (§§ 15 & 18), reported favorably by the Housing Committee, requires DOH to establish a pilot program to give direct cash rental assistance to recipients who are eligible for a RAP certificate and are currently on the waiting list for the federal Housing Choice Voucher program (instead of a housing choice voucher). It appropriates \$2.23 million to DOH from the General Fund for FY 26 in support of the pilot program.

## **COMMITTEE ACTION**

Housing Committee

Joint Favorable Substitute

Yea    12    Nay    6    (03/06/2025)