
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)