



Senate

General Assembly

File No. 122

February Session, 2026

Substitute Senate Bill No. 219

Senate, March 23, 2026

The Committee on Banking reported through SEN. MILLER of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING CIVIL PENALTIES FOR CERTAIN VIOLATIONS RELATING TO RENTAL SECURITY DEPOSITS.

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

1 Section 1. Subdivision (1) of subsection (j) of section 47a-21 of the 2026
2 supplement to the general statutes is repealed and the following is
3 substituted in lieu thereof (*Effective October 1, 2026*):

4 (j) (1) Except as provided in subdivision (2) of this subsection, the
5 commissioner may receive and investigate complaints regarding any
6 alleged violation of [subsections] subsection (b), (d), (h) or (i) of this
7 section. For the purposes of such investigation, any person who is or
8 was a landlord shall be subject to the provisions of section 36a-17. If the
9 commissioner determines that any landlord has violated any provision
10 of this section over which the commissioner has jurisdiction, the
11 commissioner may, in accordance with [section] sections 36a-50 and
12 36a-52, order such [person to] landlord to pay a civil penalty, cease and
13 desist from such practices and [to] comply with the provisions of this
14 section.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2026</i>	47a-21(j)(1)
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BA *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:** None**Municipal Impact:** None**Explanation**

The bill makes clarifying changes, resulting in no fiscal impact to the state.

OLR Bill Analysis**sSB 219*****AN ACT CONCERNING CIVIL PENALTIES FOR CERTAIN VIOLATIONS RELATING TO RENTAL SECURITY DEPOSITS.*****SUMMARY**

Existing law authorizes the Department of Banking commissioner to order a civil penalty of up to \$100,000 for violations of any provision of the statutes within his jurisdiction or any regulation, rule, or order adopted or issued under these statutes. This bill explicitly authorizes him, after an investigation, to order this penalty for certain violations of the security deposit laws, in addition to issuing cease and desist orders for violations of these laws, as existing law authorizes. (The law also authorizes specified penalties for security deposit law violations (see BACKGROUND).)

Existing law authorizes the banking commissioner to receive and investigate complaints about certain alleged violations of the security deposit laws. These laws apply to residential landlords and generally (1) cap maximum allowable security deposits, (2) require deposits be placed in an escrow account, (3) set the interest rate on security deposits, (4) require landlords to pay tenants annual interest on security deposits, and (5) set timeframes for paying security deposits and interest at the end of tenancy.

By law, the commissioner does not have jurisdiction when the landlord (1) fails to annually pay the tenant interest on a security deposit or (2) has a good faith claim for actual damages of which the tenant received written notice. The latter includes situations where a landlord refuses or fails to return all or part of the security deposit because he or she has a good faith claim for these damages. By law, anyone can take legal action in court to reclaim any part of their security deposit that may be due, and this does not stop tenants or landlords from recovering

other damages to which they may be entitled.

EFFECTIVE DATE: October 1, 2026

BACKGROUND

Penalties for Security Deposit Law Violations

The law makes any landlord who fails to return a tenant's security deposit (less the value of any itemized damages) within the statutory timeframe liable for twice the security deposit amount. Any landlord who fails to pay the tenant the accrued interest on a security deposit is liable for the greater of \$10 or twice the accrued interest.

Landlords are also subject to specified penalties under the security deposit laws if they knowingly and willfully:

1. fail to pay all or part of a security deposit due when the tenancy ends (a fine of up to \$250 for each offense);
2. violate the escrow account requirements (a fine of up to \$500, up to 30 days in prison, or both for each offense if at the time of the offense the landlord leased four or more residential units); or
3. fail to make the required interest payments on security deposits (a fine of up to \$100 for each offense).

COMMITTEE ACTION

Banking Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/10/2026)