

General Law Committee

JOINT FAVORABLE REPORT

Bill No: HB-5224 / [Bill Status](#) / [Public Hearing Testimony](#)

AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S
Title: RECOMMENDATIONS REGARDING VARIOUS GUARANTY FUNDS.

Vote Date: 3/11/2026

Vote Action: Joint Favorable Substitute

PH Date: 2/23/2026

File No.:

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SPONSORS OF BILL

General Law Committee on behalf of the Department of Consumer Protection

REASONS FOR BILL

The General Law Committee raised this bill on behalf of the Department of Consumer Protection (DCP) with the intent of updating processes related to certain guaranty funds that DCP administers. These funds include the Home Improvement Guaranty Fund, the New Home Construction Guaranty Fund, and the Real Estate Guaranty Fund.

Under current statute, licensees who seek to repay the Department of Administrative Services (DAS) the amount they owe to various guaranty funds, interest continues to accrue on the debt. They think they have repaid their debt, but they are surprised to find that they owe additional interest. The raised bill ensures that the guaranty fund balance does not accrue interest once the case is referred to DAS.

In addition, DCP found that licensees who owe money to guaranty funds are currently still able to renew their credentials. The raised bill closes this loophole.

SUBSTITUTE LANGUAGE (IF APPLICABLE)

The substitute language (LCO 2973) addresses loopholes in the raised bill that were brought to the committee's attention. It ensures that DCP can seek repayment to the funds whether the order obtained by the consumer was against the business entity or the individual contractor. The substitute closes an additional loophole so that a contractor cannot avoid repayment simply by creating a new LLC.

RESPONSE FROM ADMINISTRATION/AGENCY

[Department of Consumer Protection–Bryan Cafferelli, Commissioner](#)–DCP submitted this proposal with the intent of harmonizing the requirements of the Home Improvement Guaranty Fund and the New Home Construction Guaranty Fund. They state that the bill would clarify that a homeowner may access the funds after a judgement was ordered and after demonstrating a prior good faith effort to obtain payment. In order to address complications DCP has experienced related to paying off balances due to the Guaranty Fund, the bill prevents interest from accruing after a case is referred to the Department of Administrative Services for collection.

NATURE AND SOURCES OF SUPPORT

[Home Builders and Remodelers Association of Connecticut \(HBRA of CT\)--Jim Perras, CEO](#)–HBRA submitted written testimony in support of the bill. They note that the bill would standardize many processes and requirements related to the guaranty funds while ensuring licensees still have due process. They argue that fine-tuning the guaranty system increases homebuyers' confidence in the construction and renovation process, and it protects legitimate contractors by improving consistency and enforcement. They support the bill because they believe it supports housing production in Connecticut.

NATURE AND SOURCES OF OPPOSITION

[An anonymous resident](#) submitted testimony in opposition to the bill for reasons largely unrelated to its content.

GENERAL COMMENTS

[Crisp Cannabis—Andrew Simonow, President](#) submitted written general comments that appear to be related to other bill(s) under the committee's consideration.

Reported by: Betsy Francolino

Date: March 15, 2026