

# Banking Committee

## JOINT FAVORABLE REPORT

**Bill No:** SB-219 / [Bill Status](#) / [Public Hearing Testimony](#)

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

**Vote Date:** 3/10/2026

**Vote Action:** Joint Favorable

**PH Date:** 2/24/2026

**File No.:** 2765

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### SPONSORS OF BILL:

Banking Committee

### REASONS FOR BILL:

To establish that if the Banking Commissioner determines that any landlord has violated certain provisions concerning rental security deposits, the commissioner assess a civil penalty. This will allow for improved enforcement of current laws, which are oftentimes ignored with landlords accepting a small fine as an operating cost instead of fixing the problem, as well as serving as a deterrent for ignoring issues.

### SUBSTITUTE LANGUAGE:

The substitute language removes a reference to a specific dollar amount from the penalty.

### RESPONSE FROM ADMINISTRATION/AGENCY:

N/A

### NATURE AND SOURCES OF SUPPORT:

**Carmen N. Clarkin, Special Assistant for Strategic Initiatives, Connecticut Voices for Children:** Supports SB219 as it would allow the Banking Commissioner to enforce existing legal protections. They argue that there is an inherent power imbalance in landlord tenant relationships and that high security deposits can be a major challenge for moving into safe and stable housing. SB219 helps to not only address housing affordability but also protects

the security deposit once it's been paid. It also gives the Banking Commissioner the power to investigate violations of the statutory caps and other security deposit regulations and levy civil penalties which will give these laws the ability to be not just words on paper, but a reliable safeguard for Connecticut's families.

**Miriam Lifshitz-Theroux, Deputy Mayor, Town of Rocky Hill:** Supports SB219 as it increases the fines to the point where they cannot be ignored and will deter enough to prevent such behavior. Mayor Lifshitz-Theroux also feels that the authority to cease and desist and compliance directives will speed up the process of finding justice for tenants while maintaining market integrity. The town of Rocky Hill has had to deal with large scale housing failure and how it can hurt families. SB219 provides a strong law that impacts larger landlords and allows for previous rules to be enforced.

#### **NATURE AND SOURCES OF OPPOSITION:**

**Kelly Kilham, member of the Connecticut Apartment Association:** Opposes SB219 because the bill increases penalties around security deposits to levels that could bankrupt housing providers over cumulative technical errors and how it impacts multifamily operations.

**Robert Chesson, Managing Partner, The Connecticut Apartment Association:** Opposes SB219 as it would override current penalties and lower incentive to offer housing due to the possible costs from the bill, many that could be unintentional.

**John Souza, President, Connecticut Coalition of Property Owners:** Opposes because it would bankrupt small property owners, small claims courts already deal with this issue adequately, there should be warnings included before the fines occur, and that the costs to housing providers eventually go to the tenants.

**Bob de Cosmo, President of the Connecticut Property Owners Alliance:** Opposes SB219 due to the high fine.

**Jim Perras, CEO, Home Builders & Remodelers Association of Connecticut, Inc:** opposes SB219 because of the expanded enforcement authority and failing to demonstrate why the law is needed. They feel the fine is so high that it can turn routine compliance issues into financial threats. The bill may also have unintended consequences due to large land portfolios having thousands of security deposit transactions and that errors like mail issues or accounting system disruptions could cause major financial consequences. The HBRA is also concerned about how much power over the matter would lie on a single regulator who lacks sufficient guardrails, and that due to housing shortages in Connecticut regulatory policies must be approached with caution.

**Reported by: Giovanni DeSantis**

**Date: March 11<sup>th</sup>, 2026**