

Connecticut Apartment Association Final Legislative Report Tuesday, May 21, 2024

Overview of 2024 Connecticut Legislative Session

On May 8th, the Connecticut General Assembly concluded its session amidst the backdrop of an election year. This was the second year of the two year biennium budget cycle.

At the onset of the session, both parties in both chambers released their key priorities for the 2024 Legislative Session. These encompassed a wide array of issues such as Medicaid Rate Study, Special Education Excess Costs, Education, Children's Behavioral Health, Artificial Intelligence, Senior Citizens, Nursing Home Safety, Homelessness, Opioids, Elections, Environmental Issues, and Social Justice concerns.

Throughout the session, deliberations centered around the potential reopening of the budget and discussions on fiscal guardrails. While some members advocated for a review of the perceived stringency of these guardrails, others emphasized their importance as effective tools for maintaining the state's economic health. The lack of passing a full-fledged budget, led to a number of legislative proposals to be left unfinished

Traditionally, that second-year budget is adjusted a few months before it takes effect as new needs and problems are identified. In an effort to bypass the previously approved "fiscal guardrails". The General Assembly approved a measure assigning \$370 million in expiring federal pandemic grants to bolster higher education, social services, mental health, child care and town aid next fiscal year.

Several significant bills, particularly those concerning housing in Connecticut like the Work Live Ride (Transit-Oriented Development) and No-Fault Evictions, encountered obstacles in their path to passage. Although the Work Live Ride bill succeeded in passing the House following a long debate, it failed to garner traction in the Senate. Similarly, the No-Fault Eviction bill, originating in the Senate, failed to get called. Furthermore, legislative efforts addressing Climate Change, Small Business and Nonprofit Employees, Artificial Intelligence, and the CT Retirement Savings Program faced similar outcomes.

Several bills faced demise due to various factors including fiscal impacts on the state or businesses, prolonged debates, and lack of public support. Republicans in both

chambers exerted influence in impeding the progress of several bills through the introduction of numerous amendments and engaging in prolonged debates.

Bipartisan-supported initiatives demonstrated a higher likelihood of advancement through both chambers and eventual enactment. Notably, social justice and juvenile justice emerged as focal points for the Judiciary Committee, leading to the passage of several bills addressing police accountability, juvenile justice, recidivism, and issues concerning disconnected youth.

Addressing nursing home safety, resident quality of life, and the safety of home healthcare workers remained a top priority for the General Assembly. Among the measures enacted, a Nursing Home bill mandates restrictions on the placement of new residents, updates on fee changes, and other safety enhancements. Senate Bill 1, originating in the Senate and endorsed by both chambers, aims to ensure timely patient care and safety standards for caregivers, alongside addressing prior authorization concerns.

While a majority of the housing bills faced setbacks, a few managed to garner approval in both chambers. Notably, House Bill 5474 mandates municipalities to submit annual reports regarding building-permit applications, alongside provisions requiring landlords to provide sufficient notice prior to rent increases.

A significant legislative achievement was the passage of bills related to Paid Family Leave, such as Senate Bill 222 and House Bill 5005, which expanded the scope of paid sick leave laws. Any company with at least 25 employees in 2025, those with at least 11 in 2026, and those with at least one employee in 2027 will be required to offer workers 40 hours of paid sick leave. This bill expanded the range of family members who an employee can use the leave for and increased the rate at which employees accrue leave and changed the waiting period before they can use it. The bill does exempt seasonal workers as you need to work more than 120 days to accrue the leave.

Towards the session's conclusion, both the House and Senate passed a bill reallocating American Rescue Plan Act dollars returned by state agencies. However, Republican members expressed concerns regarding the motives behind this reallocation, viewing it as an attempt to circumvent a formal budget reopening. The bill earmarked previously mentioned \$350 million for various purposes including Municipal Aid, Higher Education, Non-Profits, School Meals, Early Voting, among others.

Representative Matthew Ritter, the Speaker of House, highlighted key priorities for the next year of the Legislature in the session's final days. He stated that next session the legislature would focus on Medicaid Rate Adjustments, Special Education and Education Cost Sharing, and Non-Profit Increases, among other priorities.

Finally, 2024 is an election year for all 36 Senators and 151 House members, and it's a presidential election year that offers the prospect of a top-of-ballot rematch between President Joe Biden and former President Donald J. Trump. Democrats steadily lost

seats from 2010 through 2016, producing an 18-18 tie in the Senate and coming within five seats of losing the House majority. But Democrats have dominated in the three election cycles that followed, winning majorities of 24-12 in the Senate and 98-53 in the House in 2022. Conventional wisdom is that Democrats will pick up 2 to 3 seats in the Senate and a handful in the House, potentially giving the party a veto proof situation in one or both the legislative chambers.

Legislative Session Overview - Housing Summary

The General Assembly did not show an appetite for passing expansive legislation to address the state's affordable housing crisis. Emblematic of this fact was the dearth of housing / tenant rights bills that made it to either the House Floor or Senate Floor. The last day of the legislative session, May 8th, saw the passage of a wide-ranging housing bill, HB 5474, which was the House Majority Leader's legislative priority. The bill aimed to encourage towns to allow more apartments and condominiums, and required landlords to provide advance notice of rental increases, among other measures. The bill was the most substantial piece of housing legislation that passed this session, despite housing advocates' efforts to get <u>other tenants' rights</u> and land use regulation bills through.

HB 5474 was largely a compilation of bills originating from the Housing and Planning and Development committees. The bill had language addressing Middle Housing, which refers to lighter density developments such as duplexes, triplexes and townhomes. The Middle Housing developments wouldn't be required to have affordability elements under the legislation. The sweeping legislation offered municipalities one-quarter of an 8-30g point for each unit of so-called "middle housing" that they build "as-of-right," or without a special hearing before the zoning commission.

Earlier debate in the House on the bill was limited. Democrats accepted two Republican amendments, including one that would make it easier for towns to achieve <u>temporary</u> <u>breaks from the 8-30g law</u>.

Housing advocates, like Partnership for Strong Communities, characterized the 2024 legislative session as underwhelming, "While the Connecticut General Assembly passed some incremental housing measures, including several that we supported, other crucial and impactful policies to allow for the homes that people, our communities, and the state need to thrive were left unaddressed." This is most likely a reference to the failure by tenant unions / housing advocates to pass legislation addressing "Just Cause Evictions". The bill that would have required landlords to provide a reason, or "just cause," when they evict tenants at the end of their leases passed out of the Housing Committee, but was never voted on in the full House or Senate.

This desired result is attributed to the well-coordinated effort by multifamily housing providers to utilize grassroots techniques, coupled with an aggressive direct lobbying campaign, and supported by a comprehensive public relations / earned media strategy.

Senator Marylin Moore, the Senate Chair of the Housing Committee, who on the last day of session announced she is not seeking an another term, was quoted as saying she believed lawmakers listened to the voices of landlord groups rather than the hours of testimony from tenants who said they'd been harmed by lapse-of-time evictions.

Finally, Luke Melonakos-Harrison, Vice President and Political Director of the Connecticut Tenants Union was quoted as saying "To be honest with you, the legislature accomplished hardly anything on housing this year". Melanakos-Harrison said that groups such as the Connecticut Apartment Association were much more active during this year's legislature than in years past.

Legislative Session Overview - Legislation Tracked

Priority Bills

<u>HB 5474</u>

AN ACT CONCERNING MUNICIPAL APPROVALS FOR HOUSING DEVELOPMENT, FINES FOR VIOLATIONS OF LOCAL ORDINANCES, REGULATION OF SHORT-TERM RENTALS, RENTAL ASSISTANCE PROGRAM ADMINISTRATION, NOTICES OF RENT INCREASES AND THE HOUSING ENVIRONMENTAL IMPROVEMENT REVOLVING LOAN AND GRANT FUND.

Bill Description:

The bill requires municipalities to submit annual reports to the State Responsible Growth Coordinator concerning residential building permit applications submitted, approved and denied by such municipality. This bill was the Majority Leader's priority and has a several sections pertaining the operations of multifamily housing. The legislation is a carrot approach to stimulating affordable housing in the state. It increases the number of days' notice that the property manager must give to a tenant before rent can be raised (now 45 days). In addition, there are a number to sections related to the RAP program. The bill establishes a 12-member task force to study the federal HCV program and its implementation in the state, including any disparate impacts the program has on the development of at-risk children and youth or families. Finally, the legislation requires municipalities to assess properties used for housing only low- and moderate- income households based on the capitalized value of net rental income.

Sponsors:

Planning and Development Committee

<u>HB 5153</u>

AN ACT CONCERNING ELIGIBILITY FOR WORKFORCE HOUSING DEVELOPMENT PROJECTS.

Bill Description:

To modify the percentage of workforce housing opportunity development project units that shall be rented at market rate and to eligible workforce populations. The bill expressly makes investments in "workforce housing development projects" eligible for tax credits under the Connecticut Housing Finance Authority's (CHFA) Housing Tax Credit Contribution (HTCC) program, effective June 1, 2024. This bill modifies the set-aside requirements for these projects.

Sponsors: Housing Committee

Recent Action Taken:

Public Act 24-86 (5/17)

<u>HB 5431</u>

AN ACT ESTABLISHING A CONNECTICUT FAMILIES AND WORKERS ACCOUNT.

Bill Description:

The bill establishes an account known as the "Connecticut families and workers account." Monies deposited into the fund shall be used by the Comptroller for the purposes of assisting low-income workers. The pejorative for the legislation was the "The Strikers Relief Fund". This was a priority for organized labor, and the bill was called in the Senate on the last day, and was the final bill voted on by the senate. Governor Lamont has said that he <u>would veto the legislation</u>.

Sponsors:

Appropriations Committee

Substitute Language: <u>HB 5431-APP-Substitute Language</u>

General Note:

This was originally a placeholder bill, but through the substitute language, it created a fund that the State Treasurer could use to direct money toward Higher Education, Non-Profit and Human Service Providers, as well as Youth Behavioral Health.

<u>HB 5523</u>

AN ACT CONCERNING ALLOCATIONS OF FEDERAL AMERICAN RESCUE PLAN ACT FUNDS AND PROVISIONS RELATED TO GENERAL GOVERNMENT, HUMAN SERVICES, EDUCATION AND THE BIENNIUM ENDING JUNE 30, 2025.

Bill Description:

This was the bill that <u>stipulated how the \$400 million left over ARPA funds were to be</u> <u>spent</u>. Each caucus had a portion of the remaining ARPA dollars to fund the four priorities established by the democratic leadership. Lawmakers crafted the <u>budget</u> <u>stabilization bill</u> rather than formally adjusting the \$26 billion budget they adopted last June for the 2024-25 fiscal year. This enabled legislators to avoid spending cuts mandated by state budget rules and to spend a portion of surging state revenues that are supposed to be saved. Those priorities included funding Higher Education / UConn, municipal aid, mental health services, and nonprofit organization

Sponsors:

Sen. Bob Duff (S25); Sen. Martin M. Looney (S11); Rep. Matthew Ritter (1); Rep. Jason Rojas (9) (15 cosponsors)

Recent Action Taken:

Public Act 24-81 (5/17)

HB 5524

AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE AND CONCERNING PROVISIONS RELATED TO STATE AND MUNICIPAL TAX ADMINISTRATION, GENERAL GOVERNMENT AND SCHOOL BUILDING PROJECTS.

Bill Description:

This was bond/tax/finance bill authorizing new state GO bonds for FY 25 for various capital improvements, grant programs, and other initiatives. Among other items, the bill requires the DEEP commissioner to set up a low interest loan program for municipalities and private entities for climate resiliency projects funded through a new Climate Resiliency Revolving Loan Fund and authorizes up to \$10 million in state GO bonds to capitalize the fund; requires DEEP to report annually to the Environment Committee on the program. The legislation expands DEEP's multi-family housing retrofit pilot program by allowing it to offer grants in addition to loans and the department to contract with quasi-public agencies to administer the fund that finances the program. The legislation requires the next adopted version of the State Building

Code and the Fire Safety Code to include amendments that allow additional residential homes to be served by a single exit stairway and encourage construction of safe threeor four-unit residential buildings under similar requirements for certain one- and twounit residential buildings; requires those adopting State Building Code amendments to consider the housing shortage.

Sponsors:

Sen. Bob Duff (S25); Sen. Martin M. Looney (S11); Rep. Matthew Ritter (1); Rep. Jason Rojas (9) (4 cosponsors)

Recent Action Taken:

In Concurrence (5/8)

<u>HB 5288</u>

AN ACT ALIGNING STATE LAW WITH FEDERAL LAW CONCERNING SERVICE ANIMALS.

Bill Description:

The bill aligns state law with federal law concerning service animals, and within available appropriations, make available through the Commission on Human Rights and Opportunities educational materials concerning service animals, emotional support animals and therapy animals. The legislation instructs CHRO to provide educations material on its website describing what the permissible methods under state and federal law for a landlord or an owner of a place of public accommodation, resort, or amusement to determine whether an animal is a service animal, emotional support animal, or therapy animal.

Sponsors:

Veterans' and Military Affairs Committee

CTAA Note:

Has a piece addressing Emotional Support Dogs.

Recent Action Taken: Signed by the Governor (5/14)

<u>SB 224</u>

AN ACT REQUIRING NOTICE OF REVALUATION TO CERTAIN OWNERS OF RESIDENTIAL BUILDINGS WITH DEFECTIVE CONCRETE FOUNDATIONS.

Bill Description:

To require municipal assessors to notify owners of residential buildings that have been reassessed due to defective concrete foundations of upcoming revaluation cycles, and make technical changes.

Sponsors:

Planning and Development Committee

Recent Action Taken:

Transmitted by Secretary of the State to Governor (5/21)

Priority Bills Killed/Died

- <u>SB 6</u> (Died on Senate Calendar) An Act to Make Housing More Affordable for Connecticut Residents
- <u>SB 146</u> (Died on Senate Calendar) An Act Concerning the Administration of the Rental Assistance Program and Other Voucher Programs
- <u>SB 143</u> (Killed in Senate) An Act Concerning Evictions for Cause
- <u>SB 209</u> (Died on Senate Calendar) An Act Concerning Nonresident Landlord Registration and Increasing Penalties for Repeat Building and Fire Code Violations
- <u>HB 5332</u> (Died on Senate Calendar) An Act Establishing the Interagency Council on Homelessness
- <u>HB 5242</u> (Killed in House) An Act Concerning the Collateral Consequences of a Criminal Records on Housing Opportunities
- <u>HB 5254</u> (Died in Committee) An Act Concerning Broker Opinions By Real Estate Brokers and Real Estate Sale Persons