



# Agency Legislative Proposal

2026 Session

## General Information

<b>Agency</b>	<b>Dept. of Housing</b>
<b>Proposal Name</b>	An Act Concerning a Bond Authorization for the Connecticut Housing Finance Authority
<b>Legislative Liaison</b>	Aaron Turner
<b>Division Requesting Proposal</b>	Commissioner's Office
<b>Drafter</b>	Rob Michalik, CHFA

## Overview

### **Brief Summary of Proposal**

The bill would provide additional flexibility by allowing an existing authorization for CHFA's Emergency Mortgage Assistance Program (EMAP) to also be used for its Down Payment Assistance Program (DAP).

### **What problem is this proposal looking to solve?**

The proposal will provide additional flexibility in the resources CHFA utilizes to combat housing instability and barriers to homeownership.

### **How does the proposal solve the problem?**

It will allow an unallocated bond balance to be used not only for EMAP, but also for DAP.

Section by section summary:

<b>Section #(s)</b>	<b>Section Summary</b>
1	Added DAP as an eligible use to an existing CHFA bond authorization

<b>Statutory Reference:</b>	Sec. 157 of Public Act 16-4 of the May Special Session
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## **Background**

☒ New Proposal

☐ Resubmission

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Bill #(s)	Reason bill(s) did not move forward
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**Have there been any changes in federal laws or regulations that make this legislation necessary?**

No

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**Have there been any changes in state laws or regulations that make this legislation necessary?**

No

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**Has this proposal or a similar proposal been implemented in other states?**

No

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**Have certain constituencies called for this proposal?**

No

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## **Interagency Impact**

☒ Check here if this proposal does NOT impact other agencies

Agency	N/A
Contact	N/A
Date Contacted	N/A
Status	N/A
Open Issues	N/A

## **Fiscal Impact**

☒ No Fiscal Impact

☐ Budget Option Submitted

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<b>State</b>	This proposal does not change the amount of the existing authorization. It
No	only expands the eligible uses to include DAP.

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<b>Municipal</b>
No

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<b>Federal</b>
No

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### **Other Information**

If there is any additional information we should know, please detail below: N/A

### **Legislative Language**

Insert fully drafted bill below. Please use standard legislative drafting considerations, as published by LCO [here](#).

Subdivision (3) of subsection (c) of section 9 of public act 12-189, as amended by section 102 of public act 13-239, section 212 of public act 15-1 of the June special session, and section 157 of public act 16-4 of the May special session is amended to read as follows (*Effective July 1, 2026*):

(3) For the Department of Housing: Grant-in-aid to the Connecticut Housing Finance Authority for the purposes of sections 8-265cc to 8-265ii, inclusive, and section 8-265kk of the general statutes, [or to capitalize the Down Payment Assistance Program established pursuant to sections 8-283 to 8-289, inclusive, of the general statutes](#), not exceeding \$38,000,000.



# Agency Legislative Proposal

2026 Session

## **General Information**

Agency	<b>Dept. of Housing</b>
Proposal Name	Security Deposit Limit
Legislative Liaison	Aaron Turner
Division Requesting Proposal	Office of Policy Research and Housing Support
Drafter	Michael Santoro

## **Overview**

### **Brief Summary of Proposal**

Limit security deposits to 1 month security deposit for any tenants, not just the elderly and disabled.

### **What problem is this proposal looking to solve?**

With the increase in rental costs, security deposits have skyrocketed, to the point that it is very difficult for households to save enough money to be able to move. Current statute limits elderly and disabled security deposits to one month; this proposal would extend that limitation to all.

### **How does the proposal solve the problem?**

Matches existing limitation on security deposits for elderly and disabled individuals to one month, which would allow for greater mobility.

Section by section summary:

<b>Section #(s)</b>	<b>Section Summary</b>
1	Modify Section 47a-21 (b) to apply to all tenants

<b>Statutory Reference:</b>	CGS 47a-21 (b)
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**Background**

☐ New Proposal ☒ Resubmission

<b>Bill #(s)</b>	<b>Reason bill(s) did not move forward</b>
HB 6891	Did not move forward due to lack of consensus

**Have there been any changes in federal laws or regulations that make this legislation necessary?**

No

**Have there been any changes in state laws or regulations that make this legislation necessary?**

No

**Has this proposal or a similar proposal been implemented in other states?**

No

**Have certain constituencies called for this proposal?**

Yes Low-income housing advocates have called for this in the past.

### **Interagency Impact**

☐ Check here if this proposal does NOT impact other agencies

Agency	Dept. of Consumer Protection		
Contact	C.J. Strand		
Date Contacted	10/6/2025		
Status	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Unresolved	
Open Issues			

### **Fiscal Impact**

☒ No Fiscal Impact

☐ Budget Option Submitted

Include the section number(s) which have a fiscal impact and the anticipated impact:

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**State**

No

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**Municipal**

No

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**Federal**

No

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### **Other Information**

If there is any additional information we should know, please detail below: N/A

## **Legislative Language**

Insert fully drafted bill below. Please use standard legislative drafting considerations, as published by LCO [here](#).

AN ACT PROHIBITING A LANDLORD FROM REQUIRING A SECURITY DEPOSIT IN EXCESS OF ONE MONTH'S RENT FROM ANY TENANT.

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

Section 1. Subsections (a) and (b) of section 47a-21 of the general statutes are repealed and the following is substituted in lieu thereof (Effective July 1, 2026, and applicable to rental agreements entered into on or after said date):

(a) As used in this chapter: (1) "Accrued interest" means the interest due on a security deposit as provided in subsection (i) of this section, compounded annually to the extent applicable.

(2) "Commissioner" means the Banking Commissioner.

(3) "Escrow account" means any account at a financial institution which is not subject to execution by the creditors of the escrow agent and includes a clients' funds account.

(4) "Escrow agent" means the person in whose name an escrow account is maintained.

(5) "Financial institution" means any state bank and trust company, national bank, savings bank, federal savings bank, savings and loan association, and federal savings and loan association that is located in this state.

(6) "Forwarding address" means the address to which a security deposit may be mailed for delivery to a former tenant.

(7) "Landlord" means any landlord of residential real property, and includes (A) any receiver; (B) any successor; and (C) any tenant who sublets his premises.

(8) "Receiver" means any person who is appointed or authorized by any state, federal or probate court to receive rents from tenants, and includes trustees, executors, administrators, guardians, conservators, receivers, and receivers of rent.

(9) "Rent receiver" means a receiver who lacks court authorization to return security deposits and to inspect the premises of tenants and former tenants.

(10) "Residential real property" means real property containing one or more residential units, including residential units not owned by the landlord, and containing one or more tenants who paid a security deposit.

(11) "Security deposit" means any advance rental payment, or any installment payment collected pursuant to section 47a-22a, except an advance payment for the first month's rent or a deposit for a key or any special equipment.

(12) "Successor" means any person who succeeds to a landlord's interest whether by purchase, foreclosure or otherwise and includes a receiver.

(13) "Tenant" means a tenant, as defined in section 47a-1, or a resident, as defined in section 21-64.

(14) "Tenant's obligations" means (A) the amount of any rental or utility payment due the landlord from a tenant;

(B) A tenant's obligations under the provisions of section 47a-11; and (C) the actual reasonable cost of changing the locks of the dwelling unit pursuant to section 47a-7b, if the tenant has not paid such cost.

(1) [In the case of a tenant under sixty-two years of age, a] A landlord shall not demand a security deposit in an amount that exceeds [two months'] one month's rent.

(2) [In the case of a tenant sixty-two years of age or older, a landlord shall not demand a security deposit in an amount that exceeds one month's rent.] Any landlord who has received a security deposit in an amount that exceeds one month's rent from a tenant [who becomes sixty-two years of age after paying such security deposit] shall return the portion of such security deposit that exceeds one month's rent to the tenant upon the tenant's request.