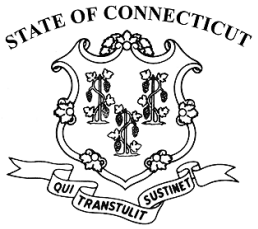

House Bill No. 5002

Public Act No. 25-49

AN ACT CONCERNING HOUSING AND THE NEEDS OF HOMELESS PERSONS.

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

Section 1. Section 8-68d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

Each housing authority shall submit a report to the Commissioner of Housing and the chief executive officer of the municipality in which the authority is located and post such report on the housing authority's Internet web site not later than March first, annually. The report shall contain (1) an inventory of all existing housing owned or operated by the authority, including the total number, types and sizes of rental units and the total number of occupancies and vacancies in each housing project or development, and a description of the condition of such housing, (2) a description of any new construction projects being undertaken by the authority and the status of such projects, (3) the number and types of any rental housing sold, leased or transferred during the period of the report which is no longer available for the purpose of low or moderate income rental housing, (4) the results of the authority's annual audit conducted in accordance with section 4-231 if required by said section, (5) the rental price levels by income group, as defined in section 8-37aa, of rental units owned or operated by the

housing authority, (6) the number of rental units at each such respective rental price level, displayed as a per cent of the area median income, for each respective housing project or development owned or operated by the housing authority, (7) the annual change in the rental price level of rental units owned or operated by the housing authority, (8) the dates when rental units qualified as affordable, and **[**(5)**]** (9) such other information as the commissioner may require by regulations adopted in accordance with the provisions of chapter 54.

Sec. 2. Subsections (b) to (d), inclusive, of section 8-2 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2026*):

(b) Zoning regulations adopted pursuant to subsection (a) of this section shall:

(1) Be made in accordance with a comprehensive plan and in consideration of the plan of conservation and development adopted under section 8-23;

(2) Be designed to (A) lessen congestion in the streets; (B) secure safety from fire, panic, flood and other dangers; (C) promote health and the general welfare; (D) provide adequate light and air; (E) protect the state's historic, tribal, cultural and environmental resources; (F) facilitate the adequate provision for transportation, water, sewerage, schools, parks and other public requirements; (G) consider the impact of permitted land uses on contiguous municipalities and on the planning region, as defined in section 4-124i, in which such municipality is located; (H) address significant disparities in housing needs and access to educational, occupational and other opportunities; (I) promote efficient review of proposals and applications; and (J) affirmatively further the purposes of the federal Fair Housing Act, 42 USC 3601 et seq., as amended from time to time;

(3) Be drafted with reasonable consideration as to the physical site characteristics of the district and its peculiar suitability for particular uses and with a view to encouraging the most appropriate use of land throughout a municipality;

(4) Provide for the development of housing opportunities, including opportunities for multifamily dwellings, consistent with soil types, terrain and infrastructure capacity, for all residents of the municipality and the planning region in which the municipality is located, as designated by the Secretary of the Office of Policy and Management under section 16a-4a;

(5) Promote housing choice and economic diversity in housing, including housing for both low and moderate income households;

(6) Expressly allow the development of housing which will meet the housing needs identified in the state's consolidated plan for housing and community development prepared pursuant to section 8-37t and in the housing component and the other components of the state plan of conservation and development prepared pursuant to section 16a-26;

(7) Be made with reasonable consideration for the impact of such regulations on agriculture, as defined in subsection (q) of section 1-1;

(8) Provide that proper provisions be made for soil erosion and sediment control pursuant to section 22a-329;

(9) Be made with reasonable consideration for the protection of existing and potential public surface and ground drinking water supplies; **[**and**]**

(10) In any municipality that is contiguous to or on a navigable waterway draining to Long Island Sound, (A) be made with reasonable consideration for the restoration and protection of the ecosystem and habitat of Long Island Sound; (B) be designed to reduce hypoxia,

pathogens, toxic contaminants and floatable debris on Long Island Sound; and (C) provide that such municipality's zoning commission consider the environmental impact on Long Island Sound coastal resources, as defined in section 22a-93, of any proposal for development; and

(11) Allow for the as-of-right development of a middle housing development, as defined in section 19 of this act, on any lot that is zoned for commercial use, except that such regulations may require a determination that a site plan for such middle housing development conforms with applicable zoning regulations and that public health and safety will not be substantially impacted by such middle housing development.

(c) Zoning regulations adopted pursuant to subsection (a) of this section may:

(1) To the extent consistent with soil types, terrain and water, sewer and traffic infrastructure capacity for the community, provide for or require cluster development, as defined in section 8-18;

(2) Be made with reasonable consideration for the protection of historic factors;

(3) Require or promote (A) energy-efficient patterns of development; (B) the use of distributed generation or freestanding solar, wind and other renewable forms of energy; (C) combined heat and power; and (D) energy conservation;

(4) Provide for incentives for developers who use (A) solar and other renewable forms of energy; (B) combined heat and power; (C) water conservation, including demand offsets; and (D) energy conservation techniques, including, but not limited to, cluster development, higher density development and performance standards for roads, sidewalks and underground facilities in the subdivision;

(5) Provide for a municipal system for the creation of development rights and the permanent transfer of such development rights, which may include a system for the variance of density limits in connection with any such transfer;

(6) Provide for notice requirements in addition to those required by this chapter;

(7) Provide for conditions on operations to collect spring water or well water, as defined in section 21a-150, including the time, place and manner of such operations;

(8) Provide for floating zones, overlay zones and planned development districts;

(9) Require estimates of vehicle miles traveled and vehicle trips generated in lieu of, or in addition to, level of service traffic calculations to assess (A) the anticipated traffic impact of proposed developments; and (B) potential mitigation strategies such as **[**reducing the amount of required parking for a development or**]** requiring public sidewalks, crosswalks, bicycle paths, bicycle racks or bus shelters, including off-site; and

(10) In any municipality where a traprock ridge or an amphibolite ridge is located, (A) provide for development restrictions in ridgeline setback areas; and (B) restrict quarrying and clear cutting, except that the following operations and uses shall be permitted in ridgeline setback areas, as of right: (i) Emergency work necessary to protect life and property; (ii) any nonconforming uses that were in existence and that were approved on or before the effective date of regulations adopted pursuant to this section; and (iii) selective timbering, grazing of domesticated animals and passive recreation.

(d) Zoning regulations adopted pursuant to subsection (a) of this section shall not:

(1) (A) Prohibit the operation in a residential zone of any family child care home or group child care home located in a residence, or (B) require any special zoning permit or special zoning exception for such operation;

(2) (A) Prohibit the use of receptacles for the storage of items designated for recycling in accordance with section 22a-241b or require that such receptacles comply with provisions for bulk or lot area, or similar provisions, except provisions for side yards, rear yards and front yards; or (B) unreasonably restrict access to or the size of such receptacles for businesses, given the nature of the business and the volume of items designated for recycling in accordance with section 22a-241b, that such business produces in its normal course of business, provided nothing in this section shall be construed to prohibit such regulations from requiring the screening or buffering of such receptacles for aesthetic reasons;

(3) Impose conditions and requirements on manufactured homes, including mobile manufactured homes **[**, having as their narrowest dimension twenty-two feet or more and**]** built in accordance with federal manufactured home construction and safety standards or on lots containing such manufactured homes, including mobile manufactured home parks, if those conditions and requirements are substantially different from conditions and requirements imposed on (A) single-family dwellings; (B) lots containing single-family dwellings; or (C) multifamily dwellings, lots containing multifamily dwellings, cluster developments or planned unit developments;

(4) (A) Prohibit the continuance of any nonconforming use, building or structure existing at the time of the adoption of such regulations; (B) require a special permit or special exception for any such continuance; (C) provide for the termination of any nonconforming use solely as a result of nonuse for a specified period of time without regard to the intent of the property owner to maintain that use; or (D) terminate or

deem abandoned a nonconforming use, building or structure unless the property owner of such use, building or structure voluntarily discontinues such use, building or structure and such discontinuance is accompanied by an intent to not reestablish such use, building or structure. The demolition or deconstruction of a nonconforming use, building or structure shall not by itself be evidence of such property owner's intent to not reestablish such use, building or structure;

(5) Prohibit the installation, in accordance with the provisions of section 8-1bb, of temporary health care structures for use by mentally or physically impaired persons if such structures comply with the provisions of said section, unless the municipality opts out in accordance with the provisions of subsection (j) of said section;

(6) Prohibit the operation in a residential zone of any cottage food operation, as defined in section 21a-62b;

(7) Establish for any dwelling unit a minimum floor area that is greater than the minimum floor area set forth in the applicable building, housing or other code;

(8) Place a fixed numerical or percentage cap on the number of dwelling units that constitute multifamily housing over four units, middle housing or mixed-use development that may be permitted in the municipality;

(9) Require **[**more than one parking space for each studio or one-bedroom dwelling unit or more than two parking spaces for each dwelling unit with two or more bedrooms, unless the municipality opts out in accordance with the provisions of section 8-2p**]** a minimum number of off-street motor vehicle parking spaces for any residential development except as provided in section 3 of this act; or

(10) Be applied to deny any land use application, including for any site plan approval, special permit, special exception or other zoning

approval, on the basis of (A) a district's character, unless such character is expressly articulated in such regulations by clear and explicit physical standards for site work and structures, or (B) the immutable characteristics, source of income or income level of any applicant or end user, other than age or disability whenever age-restricted or disability-restricted housing may be permitted.

Sec. 3. (NEW) (*Effective July 1, 2026*) (a) Except as provided in subsection (b) of this section, no zoning enforcement officer, planning commission, zoning commission or combined planning and zoning commission shall reject an application for any development solely on the basis that such development fails to conform with any requirement for off-street parking unless such officer or commission finds that a lack of such parking will have a specific adverse impact on public health and safety.

(b) For any proposed residential development that contains twenty-four or more dwelling units, as defined in section 47a-1 of the general statutes, the proposed developer of such development shall submit to the zoning enforcement officer, planning commission, zoning commission or combined planning and zoning commission a parking needs assessment that conforms with the requirements of subsection (c) of this section. Such commission may condition the approval of such development on the construction of off-street parking not exceeding one hundred ten per cent of the parking requirements demonstrated by the submitted needs assessment.

(c) A parking needs assessment submitted pursuant to this section shall be paid for by the proposed developer and shall include an analysis of (1) available existing public and private parking that may be used by residents of the proposed development, (2) public transportation options that may be used by residents of the proposed development that mitigate the need for off-street parking, and (3) current needs and projected future needs for off-street parking for such

proposed development.

Sec. 4. (*Effective from passage*) The Commissioner of Social Services shall, within available appropriations, develop and administer a pilot program to provide portable showers and laundry facilities to persons experiencing homelessness. Such program shall be implemented in not fewer than three municipalities and shall provide not less than three portable shower trailers and not less than three traveling laundry trucks. The commissioner may contract with one or more nonprofit organizations to administer the program. Not later than January 1, 2027, the commissioner shall submit a report on the success of the pilot program, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to housing. The pilot program shall terminate on January 1, 2027.

Sec. 5. Subsection (b) of section 8-3 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(b) Such regulations and boundaries shall be established, changed or repealed only by a majority vote of all the members of the zoning commission, except as otherwise provided in this chapter. In making its decision the commission shall take into consideration the plan of conservation and development, prepared pursuant to section 8-23, and shall state on the record its findings on consistency of the proposed establishment, change or repeal of such regulations and boundaries with such plan. If a protest against a proposed change is filed at or before a hearing with the zoning commission, signed by the owners of **[**twenty**]** (1) fifty per cent or more of the area of the lots included in such proposed change, (2) fifty per cent or more of the owners of the lots included in such area, or (3) fifty per cent or more of the lots within five hundred feet in all directions of the property included in the proposed change, such change shall not be adopted except by a majority vote **[**of two-thirds**]** of all the members of the commission.

Sec. 6. Section 8-30j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) **[**(1) Not later than June 1, 2022**]** As used in this section:

(1) "Affordable housing plan" means a plan for the development of affordable housing units in a municipality pursuant to subsection (b) of this section;

(2) "Affordable housing unit" means a dwelling unit conveyed by an instrument containing a covenant or restriction that requires such dwelling unit, for at least forty years after the initial occupation of the unit, to be sold or rented at, or below, a price that will preserve the units as housing for which persons and families pay thirty per cent or less of their annual income where such person or family is considered a low-income household, very low-income household or extremely low-income household;

(3) "Compliance implementation mechanisms" means (A) changes to a municipality's policies and procedures, and (B) proactive steps a municipality may take in order to allow for the development of affordable housing units, including, but not limited to, (i) redevelopment of a site, (ii) seeking funding for the development of affordable housing units or sewer infrastructure, (iii) donating municipal land for development, and (iv) entering into agreements with developers for a development that includes affordable housing units;

(4) "Developable land" means the area within the boundaries of a municipality that feasibly can be developed into residential or mixed uses, not including: (A) Land already committed to a public use or purpose, whether publicly or privately owned; (B) existing parks, recreation areas and open space that is dedicated to the public or subject to a recorded conservation easement; (C) land otherwise subject to an enforceable restriction on or prohibition of development; (D) wetlands

or watercourses as defined in chapter 440; and (E) areas exceeding one-half or more acres of contiguous land that are unsuitable for development due to topographic features, such as steep slopes;

(5) "Discretionary infrastructure funding" means any grant, loan or other financial assistance program (A) administered by the state under the provisions of sections 4-66c, 4-66g, 4-66h, 22a-477 to the extent said section provides financial assistance for municipal drinking water or sewerage system projects, or sections 8-13m to 8-13x, inclusive, or (B) managed by the Secretary of the Office of Policy and Management, the Commissioner of Economic and Community Development or the Commissioner of Transportation, for the purpose of transit-oriented development, as defined in section 13b-79o;

(6) "Dwelling unit" has the same meaning as provided in section 47a-1;

(7) "Extremely low-income household" means a person or family with an annual income less than or equal to thirty per cent of the median income;

(8) "Family units" means a dwelling unit whose occupancy is not restricted by age and has two or more bedrooms;

(9) "Low-income household" means a person or family with an annual income less than or equal to eighty per cent of the median income;

(10) "Median income" has the same meaning as provided in section 8-30g, as amended by this act;

(11) "Municipal affordable housing allocation" or "municipality's affordable housing allocation" has the same meaning as "municipal fair share allocation" as defined in section 4-68ii, as amended by this act;

(12) "Priority affordable housing plan" means a plan for the development of the number of affordable housing units allocated to a municipality pursuant to such municipality's affordable housing allocation pursuant to subsection (e) of this section;

(13) "Realistic opportunity" means utilizing (A) municipal powers, including, but not limited to, adopting planning and zoning regulations, and (B) municipal compliance implementation mechanisms, in order to remove barriers and constraints for the construction, rehabilitation, repair or maintenance of affordable housing units within a municipality and the administrative burdens to construct, rehabilitate, repair or maintain such affordable housing units on developable land for the benefit of low-income households, including fees and hearings, and in time frames that shall be consistent and comparable to those for single-family homes;

(14) "Secretary" means the Secretary of the Office of Policy and Management; and

(15) "Very low-income household" means a person or family with an annual income less than or equal to fifty per cent of the median income.

(b) (1) In accordance with the provisions of subdivision (2) of this subsection, and at least once every five years thereafter, each municipality shall prepare or amend and adopt an affordable housing plan for the municipality and shall submit a copy of such plan to the Secretary of the Office of Policy and Management. Such plan shall specify how the municipality intends to **[**(A)**]** increase the number of affordable housing developments in the municipality. **[**, and (B) for any affordable housing plan submitted after October 1, 2023, improve the accessibility of affordable housing units for individuals with an intellectual disability or other developmental disabilities.**]** The secretary shall post such affordable housing plans submitted pursuant to this subsection on the office's Internet web site.

(2) Except as provided in subdivision (3) of this subsection, each municipality shall submit such municipality's initial affordable housing plan required pursuant to subdivision (1) of this subsection, and each municipality required to prepare a priority affordable housing plan pursuant to subsection (e) of this section shall additionally submit such municipality's initial priority affordable housing plan, in accordance with the following schedule:

(A) Not later than June 1, 2027, for municipalities that begin with the letters "A" to "F", inclusive;

(B) After June 1, 2027, but not later than June 1, 2028, for municipalities that begin with the letters "G" to "P", inclusive; and

(C) After June 1, 2028, but not later than June 1, 2029, for municipalities that begin with the letters "Q" to "Z", inclusive.

[(2)**]** (3) If, at the same time the municipality is required to submit to the Secretary of the Office of Policy and Management an affordable housing plan pursuant to subdivision (1) of this subsection, the municipality is also required to submit to the secretary a plan of conservation and development pursuant to section 8-23, such affordable housing plan may be included as part of such plan of conservation and development. The municipality may, to coincide with its submission to the secretary of a plan of conservation and development, submit to the secretary an affordable housing plan early, provided the municipality's next such submission of an affordable housing plan shall be five years thereafter.

[(b)**]** (c) The municipality may hold public informational meetings or organize other activities to inform residents about the process of preparing the affordable housing plan and shall post a copy of any draft plan or amendment to such plan on the Internet web site of the municipality. If the municipality holds a public hearing, such posting

shall occur at least thirty-five days prior to the public hearing. After adoption of the plan, the municipality shall file the final plan in the office of the town clerk of such municipality and post the plan on the Internet web site of the municipality.

[(c)**]** (d) Following adoption, the municipality shall regularly review and maintain such affordable housing plan. The municipality may adopt such geographical, functional or other amendments to the plan or parts of the plan, in accordance with the provisions of this section, as it deems necessary. If the municipality fails to amend and submit to the Secretary of the Office of Policy and Management such plan every five years, the chief elected official of the municipality shall submit a letter to the secretary that (1) explains why such plan was not amended, and (2) designates a date by which an amended plan shall be submitted.

(e) In addition to the affordable housing plan required pursuant to subsection (b) of this section, any municipality identified by the secretary to be in the highest eighty per cent of the adjusted equalized net grand list per capita, as defined in section 10-261, as of the fiscal year prior to the date the municipality's affordable housing plan is due pursuant to subdivision (2) of subsection (b) of this section, shall prepare a priority affordable housing plan. Such plan shall:

(1) Set forth how the municipality intends to create a realistic opportunity for the development of the number of affordable housing units allocated to such municipality pursuant to such municipality's affordable housing allocation or the alternative number of affordable housing units offered by the municipality pursuant to subsection (f) of this section;

(2) Identify (A) specific zones or parcels within the municipality sufficient to build the municipality's affordable housing allocation as of right, and (B) the planned density for such zones or parcels;

(3) Detail how the municipality intends to change its zoning regulations and utilize compliance implementation mechanisms in order to allow for the development of the number of housing units allocated to such municipality pursuant to such municipality's affordable housing allocation or the alternative number of affordable housing units offered by the municipality pursuant to subsection (f) of this section; and

(4) Provide for the creation of a sufficient supply of the different types of affordable housing units required for meeting twenty-five per cent of the municipality's number of affordable housing units allocated to such municipality pursuant to such municipality's affordable housing allocation, including ensuring that:

(A) Not less than fifty per cent of the units are family units;

(B) Not less than twenty-five per cent of the units are rental units, provided at least fifty per cent of such twenty-five per cent are family units;

(C) Not more than twenty-five per cent of the units are restricted by occupant age or disability; and

(D) Not more than twenty per cent of the units are studios or one-bedroom units.

(f) Any municipality asserting that it is unable to satisfy the requirements of subdivision (4) of subsection (e) of this section shall provide an explanation for why the municipality is unable to satisfy such requirements and the steps the municipality has taken or intends to take in order to overcome any impediments to the development of affordable housing units needed to achieve such municipality's affordable housing allocation, including providing an alternative number of affordable housing units the municipality is currently able to develop. Such explanation shall include any evidence of a lack of

developable land, if applicable.

(g) (1) Any municipality required to submit a priority affordable housing plan pursuant to subsection (e) of this section shall submit such plan to the secretary for approval, in a form and manner prescribed by the secretary, in accordance with the provisions of subdivisions (1) and (2) of subsection (b) of this section, and at least once every five years thereafter.

(2) Not later than ninety days after receipt of such submission, the secretary shall either approve or reject such submission. Such approval or rejection shall be accompanied by a written statement of the reasons for approval or rejection, pursuant to the provisions of subsection (e) of this section. If the submission is approved by the secretary, the secretary shall issue a letter of approval to the municipality. If the secretary fails to either approve or reject the submission within such ninety-day period, such submission shall be deemed provisionally approved. Such provisional approval shall remain in effect unless the secretary subsequently acts upon and rejects the submission, in which case the provisional approval shall terminate upon notice to the municipality by the secretary.

(h) Following approval of a priority affordable housing plan pursuant to subsection (g) of this section, a municipality shall (1) amend its zoning regulation and implement compliance implementation mechanisms in accordance with such approved plan, and (2) any subsequent priority affordable housing plan submitted by such municipality shall detail how the municipality has amended its zoning regulations and implemented compliance implementation mechanisms in accordance with the previously approved priority affordable housing plan.

(i) (1) The following municipalities shall be eligible for discretionary infrastructure funding on a priority basis, provided such municipality

meets the eligibility criteria for such discretionary infrastructure funding:

(A) Any municipality not required to create a priority affordable housing plan pursuant to subsection (e) of this section; and

(B) Any municipality with an approved priority affordable housing plan pursuant to subsection (g) of this section, including municipalities with provisionally approved priority affordable housing plans.

(2) To receive such funding on a priority basis, any such municipality shall submit an application for such funding to the secretary in a form developed by the secretary. The secretary shall make recommendations to the state agency responsible for administering or managing such funding and, if priority funding is permitted for such funding, such agency may prioritize such municipality for the receipt of such funding over any municipality that is not a qualifying municipality pursuant to subdivision (1) of this subsection, based on the secretary's recommendations.

(3) Nothing in this subsection shall be construed to make a municipality that does not have an approved affordable housing plan pursuant to subsection (g) of this section ineligible for discretionary infrastructure funding.

Sec. 7. Section 4-68ii of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) As used in this section:

(1) "Affordable housing unit" means a dwelling unit conveyed by an instrument containing a covenant or restriction that requires such dwelling unit to be sold or rented at or below a price intended to preserve such unit as housing for a low-income household;

(2) "Commission", "zoning commission" or "zoning authority" means a zoning commission, planning commission, planning and zoning commission, zoning board of appeals or other municipal agency exercising zoning or planning authority;

(3) "Commissioner" means the Commissioner of Housing, unless otherwise specified;

(4) "Dwelling unit" means any house or building, or portion thereof, which is occupied, is designed to be occupied, or is rented, leased or hired out to be occupied, as a home or residence of one or more persons;

(5) "Median income" is the state median income, as determined by the United States Department of Housing and Urban Development;

(6) "Multifamily housing" means a residential building that contains three or more dwelling units;

(7) "Municipal fair share allocation" means the portion of the minimum need for affordable housing units in a planning region, as determined pursuant to subsection (b) of this section, that is allocated to a municipality located within such planning region;

(8) "Planning region" means a planning region of the state, as defined or redefined by the Secretary of the Office of Policy and Management, or the secretary's designee, under the provisions of section 16a-4a, except the Metropolitan and Western planning regions shall be considered a single planning region; and

(9) "Secretary" means the Secretary of the Office of Policy and Management.

(b) (1) Not later than December 1, 2024, and every ten years thereafter, the secretary, in consultation with the Commissioners of Housing and Economic and Community Development and, as may be determined by

the secretary, experts, advocates, state-wide organizations that represent municipalities, organizations with expertise in affordable housing, fair housing and planning and zoning, shall establish a methodology for each municipality's fair share allocation by:

(A) Determining the need for affordable housing units in each planning region; and

(B) Fairly allocating such need to the municipalities in each planning region considering the duty of the state and municipalities to affirmatively further fair housing pursuant to section 8-2, as amended by this act, and 42 USC 3608. Such methodology shall rely on data from the Comprehensive Housing Affordability Strategy data set published by the United States Department of Housing and Urban Development, or from a similar source as may be determined by the secretary.

(2) Notwithstanding the provisions of this section, on and after October 1, 2025, until December 1, 2034, the secretary shall use the "Alternative Approach A" methodology specified in Appendix A of the Connecticut Fair Share Housing Study, Housing Needs Methodology and Allocation, dated May 2025, to determine each municipality's municipal fair share allocation, subject to the provisions of subdivision (3) of this subsection;

(3) (A) Not later than January 1, 2026, each municipality required to submit a priority affordable housing plan pursuant to subsection (e) of section 8-30j, as amended by this act, shall submit to the majority leader's roundtable established pursuant to section 2-139, in a form and manner established by the majority leader's roundtable, an inventory detailing vacant and developable land, as defined in section 8-30j, as amended by this act, in such municipality and as part of such submission, a municipality may propose an alternative municipal fair share allocation. If no alternative municipal fair share allocation is proposed by a municipality, the municipal fair share allocation for such

municipality shall be as set forth in subdivision (2) of this subsection. For purposes of this subsection, "vacant" means land that is not developed or land that lacks essential appurtenant improvements, above and below water, required for such land to serve a useful purpose, including land that may be an approved subdivision but is not presently being physically improved or sold as lots.

(B) Not later than February 1, 2026, the majority leader's roundtable shall analyze the information submitted pursuant to subparagraph (A) of this subdivision and make recommendations on whether any alternative municipal fair share allocations proposed by a municipality should be approved by the General Assembly. The majority leader's roundtable shall submit such recommendations, in accordance with the provisions of section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to housing, which shall report its approval or disapproval of such recommendations. Each house of the General Assembly, by resolution, shall confirm or reject the recommendations. If either such house rejects the recommendations, the recommendations shall be referred back to the joint standing committee of the General Assembly having cognizance of matters relating to housing for reconsideration.

[(2)**]** (4) The secretary shall ensure that the fair share allocation methodology:

(A) Is designed with due consideration for the duty of the state and each municipality to affirmatively further fair housing in accordance with section 8-2, as amended by this act, and 42 USC 3608;

(B) Relies on appropriate metrics of the minimum need for affordable housing units in a planning region to ensure adequate housing options, including the number of households whose income is not greater than thirty per cent of the area median income and whose housing costs constitute fifty per cent or more of such household's income;

(C) Relies on appropriate factors for fairly allocating such need to each municipality within each planning region, including a municipality's compliance with the requirements of sections 8-2, as amended by this act, and 8-23 with regard to promoting housing choice and economic diversity in housing, including housing for both low and moderate income households, and encouraging the development of housing which meets the identified housing needs and the development of housing opportunities, including opportunities for multifamily housing, for all residents of the municipality and the planning region in which the municipality is located;

(D) Does not assign a fair share allocation to any municipality with a federal poverty rate of twenty per cent or greater based on data reported in the most recent United States decennial census or similar source; and

(E) Increases the municipal fair share allocation of a municipality if such municipality, when compared to other municipalities in the same planning region, has:

(i) A greater dollar value of the ratable real and personal property, as reflected by its equalized net grand list, calculated in accordance with the provisions of section 10-261a, for residential, commercial, industrial, public utility and vacant land;

(ii) A higher median income, based on data reported in the most recent United States decennial census or similar source;

(iii) A lower percentage of its population that is below the federal poverty threshold, based on data reported in such census or similar source; or

(iv) A lower percentage of its population that lives in multifamily housing, based on data reported in such census or similar source.

[(3)**]** (5) (A) Not later than December 1, 2024, and every ten years

thereafter, the secretary, in consultation with the Commissioners of Housing and Economic and Community Development, shall, using the methodology established pursuant to this subsection, determine the minimum need for affordable housing units for each planning region and a municipal fair share allocation for each municipality within each planning region.

(B) No municipal fair share allocation determined pursuant to subparagraph (A) of this subdivision shall exceed twenty per cent of the occupied dwelling units in such municipality.

(c) **[**The**]** Not later than January 1, 2035, and every ten years thereafter, the secretary shall submit the methodology established pursuant to subsection (b) of this section to the joint standing committees of the General Assembly having cognizance of matters relating to planning and development and housing, in accordance with the provisions of section 11-4a, and each chamber of the General Assembly for approval.

Sec. 8. (NEW) (*Effective October 1, 2025*) (a) For the purposes of this section, "municipality" has the same meaning as provided in section 7-148 of the general statutes and "hostile architecture" means any building or structure that is designed or intended primarily for the purpose of preventing a person experiencing homelessness from sitting or lying in the building or on the structure at street level, provided "hostile architecture" does not include design elements intended to prevent individuals from skateboarding or rollerblading or to prevent vehicles from entering certain areas.

(b) On and after October 1, 2025, no municipality shall install or construct hostile architecture in any publicly accessible building or on any publicly accessible real property owned by the municipality.

(c) Upon receipt of written notice from any person alleging that a

building or structure violates the provisions of subsection (b) of this section, a municipality shall investigate such alleged violation. If after such investigation the municipality determines that such building or structure is hostile architecture in violation of the provisions of subsection (b) of this section, the municipality shall remove such building or structure not later than ninety days after making such determination.

(d) The provisions of this section shall not apply to any hostile architecture installed or constructed prior to October 1, 2025.

Sec. 9. (NEW) (*Effective July 1, 2025*) (a) For the purposes of this section, "middle housing" has the same meaning as provided in section 8-1a of the general statutes, "housing authority" has the same meaning as provided in section 8-39 of the general statutes, and "municipality" has the same meaning as provided in section 7-148 of the general statutes.

(b) The Commissioner of Housing shall, within available bond authorizations, develop and administer a middle housing development grant program to support housing authorities in expanding the availability of middle housing in municipalities having populations of fifty thousand or less persons as determined by the most recent decennial census. The commissioner shall develop and issue a request for proposals from housing authorities for purposes of this program.

(c) The commissioner may award grants under the middle housing development grant program to housing authorities to provide assistance for predevelopment, construction or rehabilitation of middle housing developments or to provide assistance for a land or building acquisition for the purposes of developing middle housing developments.

Sec. 10. (NEW) (*Effective July 1, 2025*) (a) As used in this section:

(1) "Authority" means any of the public corporations created by section 8-40 of the general statutes;

(2) "Commissioner" means the Commissioner of Housing;

(3) "Department" means the Department of Housing;

(4) "Direct rental assistance" means a cash payment made to, or on behalf of, a recipient for the purpose of securing or maintaining housing;

(5) "Direct rental assistance program" or "program" means a program managed by a nonprofit provider to provide direct rental assistance to, or on behalf of, a recipient;

(6) "Recipient" means an individual or household determined by a nonprofit provider to be eligible for its direct rental assistance program; and

(7) "Nonprofit provider" means (A) a nonprofit corporation incorporated pursuant to chapter 602 of the general statutes or any predecessor statutes thereto, having as one of its purposes philanthropy or the ownership or operation of housing, or (B) an authority.

(b) The commissioner, each authority, or one or more authorities acting jointly, may, within available appropriations or funding, provide financial assistance in the form of grants-in-aid to any nonprofit provider for the purpose of administering a direct rental assistance program, provided such program (1) conforms with the requirements of subsections (c) and (d) of this section, (2) is approved by the Commissioner of Social Services pursuant to subsection (e) of this section, and (3) is limited in duration to not later than July 1, 2028.

(c) Any nonprofit provider seeking a grant-in-aid to operate a program pursuant to this section shall develop a proposal to (1) implement program operations, (2) determine recipient eligibility, (3)

process direct rental assistance payments, (4) establish privacy policies and procedures and collect data concerning the operation of the program pursuant to such policies and procedures, and (5) report on program operations to the commissioner. Such nonprofit provider shall submit such proposal to the commissioner or participating authority in a form and manner to be prescribed by the commissioner.

(d) (1) Recipients in any direct rental assistance program shall be limited to individuals or families that are (A) eligible for a rental assistance program certificate pursuant to section 8-345 of the general statutes, and (B) currently on the waiting list of the federal Housing Choice Voucher Program, 42 USC 1437f(o).

(2) Direct rental assistance provided by a nonprofit provider shall not exceed the greater of (A) the maximum rent levels established by the commissioner pursuant to section 8-345 of the general statutes, or (B) the fair market rent established for the federal Housing Choice Voucher Program pursuant to 42 USC 1437f(o).

(3) Any nonprofit provider that implements a program pursuant to this section shall comply with state housing policy and program eligibility requirements.

(e) (1) The commissioner or any authority that receives a proposal to operate a program pursuant to this section shall submit such proposal to the Commissioner of Social Services for review. The Commissioner of Social Services shall review any submitted proposal and approve such proposal in accordance with the provisions of this subsection. In reviewing any such proposal, the Commissioner of Social Services shall ensure that any direct rental assistance provided under such program does not adversely affect a recipient's eligibility for, or the amount of, any benefit provided under a state-administered public assistance program, including any program administered by a state or municipal agency that receives federal funding or assistance.

(2) The Commissioner of Social Services shall disregard any direct rental assistance received by a recipient pursuant to this section, or by a member of the recipient's household, to the extent such assistance is provided as part of a direct rental assistance program established pursuant to this section. Such disregard shall apply for the duration of the recipient's participation in such program and may be reauthorized by the Commissioner of Social Services.

(3) If the Commissioner of Social Services determines that a federal, state or local waiver or approval is necessary to authorize such income disregards under applicable benefits programs, the Commissioner of Social Services shall request and promptly pursue any such waiver or approval.

(4) The Commissioner of Social Services shall approve a proposal submitted pursuant to this subsection upon (A) obtaining waivers or approvals pursuant to subdivision (3) of this subsection, or (B) determining that such waivers or approvals are not required.

(f) (1) No nonprofit provider shall initiate the provision of direct rental assistance under a program until the Commissioner of Social Services has approved such provider's proposal pursuant to this subsection.

(2) A nonprofit provider shall provide each recipient participating in a program pursuant to this section with written notice, prior to the provision of direct rental assistance, informing such recipient of any potential impact of participation in the pilot program on the recipient's current or future eligibility for federal or state benefits. Such notice shall include contact information for the recipient to obtain additional information or guidance regarding such impacts.

(g) The commissioner may provide financial or technical support to any nonprofit provider operating a direct rental assistance program

pursuant to this section.

(h) Any data collected from a recipient pursuant to policies and procedures implemented or regulations adopted pursuant to subsection (c) of this section shall be confidential and exempt from disclosure under the Freedom of Information Act, as defined in section 1-200 of the general statutes, except to the extent such information is included on an aggregated basis in the report required by subsection (e) of this section.

(i) Not later than July 1, 2029, any nonprofit provider that implements a program pursuant to this section shall submit a report to the commissioner concerning the implementation and outcomes of the program. The commissioner shall submit any such report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to housing. Any such report shall include, but need not be limited to: (1) An analysis of the number of recipients served by the program disaggregated by demographics, including household size, income level and housing insecurity status, (2) the impact of the program on recipients, including any changes in housing stability, ability to relocate to another housing unit, household income and access to employment or educational opportunities, (3) a cost-effective analysis comparing the pilot program to the federal Housing Choice Voucher Program, 42 USC 1437f(o), and the state rental assistance program, (4) any feedback from recipients and landlords participating in the program, and (5) any recommendations for the continuation, expansion or modification of the program.

(j) Any program established pursuant to this section shall terminate not later than July 1, 2028. Any recipient who continues to require housing assistance at the conclusion of any such program may be issued a rental assistance program certificate, if available. Participation in any program pursuant to this section shall not affect a recipient's status on the federal Housing Choice Voucher Program or state Rental Assistance

Program waiting list, and any recipient who is issued a federal or state voucher may elect to exit any such program at the time payment under the voucher begins. A recipient shall no longer be eligible to receive direct rental assistance under a direct rental assistance program during receipt of a rental assistance program certificate, a federal Housing Choice Voucher pursuant to 42 USC 1437f(o) or any other housing subsidy that partially or fully subsidizes such recipient's rental obligation. Any nonprofit provider administering a program pursuant to this section shall reallocate any unexpended funds or vacated program slots resulting from a recipient's exit or ineligibility to another eligible recipient, in accordance with the criteria established by the nonprofit provider for purposes of implementing the program.

Sec. 11. Section 1 of special act 21-26 is amended to read as follows (*Effective July 1, 2025*):

(a) Not later than June 15, **[**2022**]** 2026, the Commissioner of Housing, in consultation with the Commissioner of Education and housing, civil rights and education advocates, shall **[**establish**]** reestablish the Open Choice Voucher pilot program. Such pilot program shall designate twenty rental assistance program certificates under section 8-345 of the general statutes over a period of two years, for use by families who (1) qualify as low income under the rental assistance program, (2) have participated for at least one year in the interdistrict public school attendance program, established under section 10-266aa of the general statutes, **[**in the Hartford region,**]** and (3) would like to move to the town where their child participating in the interdistrict public school attendance program attends school.

(b) The Commissioner of Housing shall develop procedures for landlord recruitment, family recruitment, housing search assistance and counseling for such pilot program. As existing rental assistance certificates become available, the commissioner shall make ten rental assistance certificates available during the school year commencing in

[2022**]** 2026 and ten additional rental assistance certificates during the school year commencing in **[**2023**]** 2027 for such pilot program. All participants in the pilot program shall have access to the residence mobility counseling program established under section 8-348 of the general statutes.

(c) The Commissioner of Housing shall submit an interim report and final report concerning such pilot program, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to housing and education. The commissioner shall submit the interim report on or before August 31, **[**2022**]** 2026, and a final report on or before August 31, **[**2023**]** 2027. Each report shall include, but need not be limited to: (1) A summary of program implementation, including efforts to inform and educate families about the program, recruit landlords and provide search assistance and counseling, and (2) assessment of program utilization rates, waiting list numbers, and the racial, ethnic and household composition and income demographics of the program participants and those on the waiting list. The final report shall include an assessment of program performance during the pilot period based on available data, including, but not limited to, data concerning both the implementation of the program by the Department of Housing and the use of the program, and any recommendations the commissioner may have regarding future implementation or an extension of the pilot program.

Sec. 12. Section 4-66k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) There is established an account to be known as the "regional planning incentive account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Secretary of the Office of Policy and

Management for the purposes of first providing funding to regional planning organizations in accordance with the provisions of this section, next providing grants for the support of regional election advisors pursuant to section 9-229c and then providing grants under the regional performance incentive program established pursuant to section 4-124s.

(b) (1) For the fiscal year ending June 30, 2014, funds from the regional planning incentive account shall be distributed to each regional planning organization, as defined in section 4-124i of the general statutes, revision of 1958, revised to January 1, 2013, in the amount of one hundred twenty-five thousand dollars. Any regional council of governments that is comprised of any two or more regional planning organizations that voluntarily consolidate on or before December 31, 2013, shall receive an additional payment in an amount equal to the amount the regional planning organizations would have received if such regional planning organizations had not voluntarily consolidated.

[(c)**]** (2) For the fiscal years ending June 30, 2015, to June 30, 2021, inclusive, funds from the regional planning incentive account shall be distributed to each regional council of governments formed pursuant to section 4-124j, in the amount of one hundred twenty-five thousand dollars plus fifty cents per capita, using population information from the most recent federal decennial census. Any regional council of governments that is comprised of any two or more regional planning organizations, as defined in section 4-124i of the general statutes, revision of 1958, revised to January 1, 2013, that voluntarily consolidated on or before December 31, 2013, shall receive a payment in the amount of one hundred twenty-five thousand dollars for each such regional planning organization that voluntarily consolidated on or before said date.

[(d) (1)**]** (3) For the fiscal years ending June 30, 2022, and June 30, 2023, funds from the regional planning incentive account shall be distributed to each regional council of governments formed pursuant to section 4-

124j, in the amount of one hundred eighty-five thousand five hundred dollars plus sixty-eight cents per capita, using population information from the most recent federal decennial census.

[(2)**]** (4) For the fiscal **[**year**]** years ending June 30, 2024, and **[**each fiscal year thereafter**]** June 30, 2025, funds from the regional planning incentive account shall be distributed to **[**the**]** each regional council of governments formed pursuant to section 4-124j, in the amount totaling seven million dollars. Such funds shall be distributed under a formula determined by the Secretary of the Office of Policy and Management in consultation with the regional **[**council**]** councils of governments, that includes (A) a base payment amount payable to each such regional council, and (B) a per capita payment amount to each such regional council based upon population data for each such regional council from the most recent federal decennial census. **[**Such formula shall be reviewed and updated every five years after the initial adoption of such formula.**]**

(5) For the fiscal year ending June 30, 2026, and each fiscal year thereafter, funds from the regional planning incentive account shall be distributed to each regional council of governments formed pursuant to section 4-124j as follows: (A) Each such regional council shall receive two hundred thousand dollars, for the purpose of funding positions within each such regional council to provide technical support and legal services for the planning and development of additional housing in each such regional council's region, (B) each such regional council shall receive two hundred thousand dollars, for the purpose of funding a regional stormwater management and flood mitigation coordinator position or a regional municipal solid waste and recycling coordinator position within each such regional council, and (C) an amount totaling seven million dollars shall then be distributed pursuant to a formula determined by the Secretary of the Office of Policy and Management in consultation with the regional councils of governments that includes (i)

a base payment amount payable to each such regional council, and (ii) a per capita payment amount to each such regional council based upon population data for each such regional council from the most recent federal decennial census. The secretary, in consultation with the regional councils of governments, shall review and update such formula every five years after the initial adoption of such formula.

[(3)**]** (c) Not later than July 1, 2021, and annually thereafter, each regional council of governments shall submit to the secretary a proposal for expenditure of the funds described in **[**subdivision (1) of this**]** subsection (b) of this section. Such proposal may include, but need not be limited to, a description of **[**(A)**]** (1) functions, activities or services currently performed by the state or municipalities that may be provided in a more efficient, cost-effective, responsive or higher quality manner by such council, a regional educational service center or similar regional entity; **[**(B)**]** (2) anticipated cost savings relating to the sharing of government services, including, but not limited to, joint purchasing; **[**(C)**]** (3) the standardization and alignment of various regions of the state; or **[**(D)**]** (4) any other initiatives that may facilitate the delivery of services to the public in a more efficient, cost-effective, responsive or higher quality manner.

Sec. 13. (NEW) (*Effective January 1, 2026*) (a) For the purposes of this section:

(1) "Account holder" means an individual who, either individually or jointly with another individual, establishes a first-time homebuyer savings account;

(2) "Allowable closing costs" means the disbursements listed on a settlement statement concerning a transaction involving the purchase of a one-to-four family residence in this state by a qualified beneficiary to serve as the qualified beneficiary's primary residence;

(3) "Commissioner" means the Commissioner of Revenue Services;

(4) "Eligible costs" means the down payment and all allowable closing costs paid or reimbursed by a qualified beneficiary to purchase a one-to-four family residence in this state to serve as the qualified beneficiary's primary residence;

(5) "Financial institution" means a bank, out-of-state bank, Connecticut credit union, federal credit union or out-of-state credit union, as those terms are defined in section 36a-2 of the general statutes, and any affiliate or third-party provider of such entities;

(6) "First-time homebuyer" means an individual who did not own or purchase, either individually or jointly with another person, a one-to-four family residence prior to the closing date of a real estate transaction involving the purchase of a one-to-four family residence in this state by the individual;

(7) "First-time homebuyer savings account" means an account established by one or more account holders with a financial institution that the account holders designate as an account exclusively containing funds to pay or reimburse eligible costs incurred by the qualified beneficiary of the account;

(8) "One-to-four family residence" means a residential dwelling consisting of not more than four dwelling units, including, but not limited to, a mobile manufactured home, as defined in section 21-64 of the general statutes, or a residential unit in a cooperative, common interest community or condominium, as such terms are defined in section 47-202 of the general statutes;

(9) "Qualified beneficiary" means a first-time homebuyer who (A) is an account holder and designated as the qualified beneficiary of a first-time homebuyer savings account, and (B) resides in the one-to-four family residence in this state that is purchased with the funds deposited

in such account; and

(10) "Settlement statement" means the statement of receipts and disbursements for a transaction related to real estate, including, but not limited to, a statement prescribed pursuant to the Real Estate Settlement Procedures Act of 1974, 12 USC Section 2601 et seq., as amended from time to time, and regulations adopted thereunder.

(b) For purposes of implementing the deduction allowed under subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes, as amended by this act, and the credit allowed under section 15 of this act, the commissioner shall prepare forms for (1) the designation of accounts as first-time homebuyer savings accounts, (2) the designation of qualified beneficiaries, and (3) account holders to submit to the commissioner the information described in subparagraph (B) of subdivision (1) of subsection (d) of this section and any additional information that the commissioner reasonably requires pursuant to the provisions of this section.

(c) An individual may establish one or more first-time homebuyer savings accounts with a financial institution. Two individuals may jointly establish and serve as the account holders of a first-time homebuyer savings account, provided such account holders shall file a joint return for the tax imposed under chapter 229 of the general statutes for each taxable year during which such account exists. The account holder or account holders shall, not later than April fifteenth of the taxable year immediately following the taxable year during which such account holder or account holders established a first-time homebuyer savings account, designate the qualified beneficiary of such account. The account holder or account holders of a first-time homebuyer savings account may designate a new qualified beneficiary of the account at any time, provided there shall not be more than one qualified beneficiary of such account at any time. No individual may establish or serve as an account holder of multiple first-time homebuyer savings accounts that

have the same qualified beneficiary. First-time homebuyer savings accounts shall exclusively contain cash and there shall be no limit on the amount of contributions made to, or contained in, such accounts. Any person may contribute to a first-time homebuyer savings account, including, but not limited to, employers of the account holder or account holders of such account. If an account holder of a first-time homebuyer savings account leaves employment with an employer that contributed to such account while such account holder was employed by such employer, such employer shall not seek reimbursement of any contribution to such account. The account holder or account holders may invest funds deposited in a first-time homebuyer savings account in money market funds.

(d) (1) Each account holder shall:

(A) Not use any portion of the funds deposited in a first-time homebuyer savings account to pay any administrative fees or expenses, other than service fees imposed by the depository financial institution, for such account; and

(B) Submit to the commissioner such account holder's tax return for each taxable year beginning on or after January 1, 2026, during which a first-time homebuyer savings account established by such account holder exists, along with:

(i) Any information required by the commissioner concerning such first-time homebuyer savings account for purposes of implementing the deduction allowed under subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes, as amended by this act, and the credit allowed under section 15 of this act;

(ii) The Internal Revenue Service Form 1099 issued by the depository financial institution for such first-time homebuyer savings account; and

(iii) If such account holder withdrew funds from such first-time

homebuyer savings account during the taxable year that is the subject of such return, a detailed accounting of all eligible costs and ineligible costs paid or reimbursed using such funds during such taxable year and the balance of funds remaining in such account.

(2) Each account holder may withdraw all, or any portion of, the funds contributed to and deposited in a first-time homebuyer savings account and deposit such funds in another first-time homebuyer savings account established by such account holder at any financial institution.

(e) (1) The commissioner may require that financial institutions furnish certain information about each first-time homebuyer savings account.

(2) No financial institution shall be required to (A) designate an account as a first-time homebuyer savings account, (B) track the use of any funds withdrawn from a first-time homebuyer savings account, or (C) allocate funds in a first-time homebuyer savings account among account holders.

(3) No financial institution shall be liable or responsible for (A) determining whether, or ensuring that, an account satisfies the requirements established in this section concerning first-time homebuyer savings accounts or the funds in first-time homebuyer savings accounts are used to pay or reimburse eligible costs, or (B) disclosing or remitting taxes or penalties concerning first-time homebuyer savings accounts unless such disclosure or remittance is required by applicable law.

(4) Upon receiving proof of the death of an account holder and all other information required by any contract governing a first-time homebuyer savings account established by the account holder, the depository financial institution shall distribute the funds in the first-time homebuyer savings account in accordance with the terms of such

contract.

(f) (1) Except as provided in subdivision (2) of this subsection, each account holder who withdraws funds from a first-time homebuyer savings account for any reason other than paying or reimbursing the qualified beneficiary of such account for eligible costs incurred by such qualified beneficiary shall be liable to this state for a civil penalty in an amount equal to ten per cent of the withdrawn amount. Such civil penalty shall be collectible by the commissioner. If such funds were deducted by an account holder in accordance with subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes, as amended by this act, then such withdrawn funds shall be considered income.

(2) No account holder shall be liable for a penalty under subdivision (1) of this subsection, nor shall funds withdrawn from a first-time homebuyer savings account be considered income, if the funds withdrawn from the first-time homebuyer savings account:

(A) Are deposited in another first-time homebuyer savings account pursuant to subdivision (2) of subsection (d) of this section;

(B) Are withdrawn due to the death or disability of an account holder who established such account;

(C) Constitute a disbursement of the assets of such account pursuant to a filing for protection under the United States Bankruptcy Code, as amended from time to time; or

(D) Are not claimed as a deduction pursuant to subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes, as amended by this act, by the account holder on a return for the tax imposed under chapter 229 of the general statutes.

(g) The commissioner may adopt regulations, in accordance with the

provisions of chapter 54 of the general statutes, to implement the provisions of this section.

Sec. 14. Subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2026*):

(B) There shall be subtracted therefrom:

(i) To the extent properly includable in gross income for federal income tax purposes, any income with respect to which taxation by any state is prohibited by federal law;

(ii) To the extent allowable under section 12-718, exempt dividends paid by a regulated investment company;

(iii) To the extent properly includable in gross income for federal income tax purposes, the amount of any refund or credit for overpayment of income taxes imposed by this state, or any other state of the United States or a political subdivision thereof, or the District of Columbia;

(iv) To the extent properly includable in gross income for federal income tax purposes and not otherwise subtracted from federal adjusted gross income pursuant to clause (x) of this subparagraph in computing Connecticut adjusted gross income, any tier 1 railroad retirement benefits;

(v) To the extent any additional allowance for depreciation under Section 168(k) of the Internal Revenue Code for property placed in service after September 27, 2017, was added to federal adjusted gross income pursuant to subparagraph (A)(ix) of this subdivision in computing Connecticut adjusted gross income, twenty-five per cent of such additional allowance for depreciation in each of the four succeeding taxable years;

(vi) To the extent properly includable in gross income for federal income tax purposes, any interest income from obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut;

(vii) To the extent properly includable in determining the net gain or loss from the sale or other disposition of capital assets for federal income tax purposes, any gain from the sale or exchange of obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut, in the income year such gain was recognized;

(viii) Any interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such interest on indebtedness is not deductible in determining federal adjusted gross income and is attributable to a trade or business carried on by such individual;

(ix) Ordinary and necessary expenses paid or incurred during the taxable year for the production or collection of income which is subject to taxation under this chapter but exempt from federal income tax, or the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the taxable year on any bond the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such expenses and premiums are not deductible in determining federal adjusted gross income and are attributable to a trade or business carried on by such individual;

(x) (I) For taxable years commencing prior to January 1, 2019, for a person who files a return under the federal income tax as an unmarried

individual whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than sixty thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than sixty thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes;

(II) For taxable years commencing prior to January 1, 2019, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or as a married individual filing separately whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income from such taxable year is sixty thousand dollars or more or for a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is sixty thousand dollars or more, an amount equal to the difference between the amount of Social Security benefits includable for federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code;

(III) For the taxable year commencing January 1, 2019, and each taxable year thereafter, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars,

or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes; and

(IV) For the taxable year commencing January 1, 2019, and each taxable year thereafter, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is seventy-five thousand dollars or more, or as a married individual filing separately whose federal adjusted gross income for such taxable year is seventy-five thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income from such taxable year is one hundred thousand dollars or more or for a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is one hundred thousand dollars or more, an amount equal to the difference between the amount of Social Security benefits includable for federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code;

(xi) To the extent properly includable in gross income for federal income tax purposes, any amount rebated to a taxpayer pursuant to section 12-746;

(xii) To the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, any distribution to

such beneficiary from any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state;

(xiii) To the extent allowable under section 12-701a, contributions to accounts established pursuant to any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state;

(xiv) To the extent properly includable in gross income for federal income tax purposes, the amount of any Holocaust victims' settlement payment received in the taxable year by a Holocaust victim;

(xv) To the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, as defined in section 3-123aa, interest, dividends or capital gains earned on contributions to accounts established for the designated beneficiary pursuant to the Connecticut Homecare Option Program for the Elderly established by sections 3-123aa to 3-123ff, inclusive;

(xvi) To the extent properly includable in gross income for federal income tax purposes, any income received from the United States government as retirement pay for a retired member of (I) the Armed Forces of the United States, as defined in Section 101 of Title 10 of the United States Code, or (II) the National Guard, as defined in Section 101 of Title 10 of the United States Code;

(xvii) To the extent properly includable in gross income for federal income tax purposes for the taxable year, any income from the discharge of indebtedness in connection with any reacquisition, after December 31, 2008, and before January 1, 2011, of an applicable debt instrument or instruments, as those terms are defined in Section 108 of the Internal

Revenue Code, as amended by Section 1231 of the American Recovery and Reinvestment Act of 2009, to the extent any such income was added to federal adjusted gross income pursuant to subparagraph (A)(xi) of this subdivision in computing Connecticut adjusted gross income for a preceding taxable year;

(xviii) To the extent not deductible in determining federal adjusted gross income, the amount of any contribution to a manufacturing reinvestment account established pursuant to section 32-9zz in the taxable year that such contribution is made;

(xix) To the extent properly includable in gross income for federal income tax purposes, (I) for the taxable year commencing January 1, 2015, ten per cent of the income received from the state teachers' retirement system, (II) for the taxable years commencing January 1, 2016, to January 1, 2020, inclusive, twenty-five per cent of the income received from the state teachers' retirement system, and (III) for the taxable year commencing January 1, 2021, and each taxable year thereafter, fifty per cent of the income received from the state teachers' retirement system or, for a taxpayer whose federal adjusted gross income does not exceed the applicable threshold under clause (xx) of this subparagraph, the percentage pursuant to said clause of the income received from the state teachers' retirement system, whichever deduction is greater;

(xx) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a head of household whose federal adjusted gross income for such

taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2019, fourteen per cent of any pension or annuity income, (II) for the taxable year commencing January 1, 2020, twenty-eight per cent of any pension or annuity income, (III) for the taxable year commencing January 1, 2021, forty-two per cent of any pension or annuity income, and (IV) for the taxable years commencing January 1, 2022, and January 1, 2023, one hundred per cent of any pension or annuity income;

(xxi) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, any pension or annuity income for the taxable year commencing on or after January 1, 2024, and each taxable year thereafter, in accordance with the following schedule, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars:

Federal Adjusted Gross Income	Deduction
Less than $75,000	100.0%
$75,000 but not over $77,499	85.0%
$77,500 but not over $79,999	70.0%
$80,000 but not over $82,499	55.0%
$82,500 but not over $84,999	40.0%
$85,000 but not over $87,499	25.0%

$87,500 but not over $89,999	10.0%
$90,000 but not over $94,999	5.0%
$95,000 but not over $99,999	2.5%
$100,000 and over	0.0%

(xxii) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, any pension or annuity income for the taxable year commencing on or after January 1, 2024, and each taxable year thereafter, in accordance with the following schedule for married individuals who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred fifty thousand dollars:

Federal Adjusted Gross Income	Deduction
Less than $100,000	100.0%
$100,000 but not over $104,999	85.0%
$105,000 but not over $109,999	70.0%
$110,000 but not over $114,999	55.0%
$115,000 but not over $119,999	40.0%
$120,000 but not over $124,999	25.0%
$125,000 but not over $129,999	10.0%
$130,000 but not over $139,999	5.0%
$140,000 but not over $149,999	2.5%
$150,000 and over	0.0%

(xxiii) The amount of lost wages and medical, travel and housing expenses, not to exceed ten thousand dollars in the aggregate, incurred by a taxpayer during the taxable year in connection with the donation to another person of an organ for organ transplantation occurring on or after January 1, 2017;

(xxiv) To the extent properly includable in gross income for federal income tax purposes, the amount of any financial assistance received from the Crumbling Foundations Assistance Fund or paid to or on behalf of the owner of a residential building pursuant to sections 8-442 and 8-443;

(xxv) To the extent properly includable in gross income for federal income tax purposes, the amount calculated pursuant to subsection (b) of section 12-704g for income received by a general partner of a venture capital fund, as defined in 17 CFR 275.203(l)-1, as amended from time to time;

(xxvi) To the extent any portion of a deduction under Section 179 of the Internal Revenue Code was added to federal adjusted gross income pursuant to subparagraph (A)(xiv) of this subdivision in computing Connecticut adjusted gross income, twenty-five per cent of such disallowed portion of the deduction in each of the four succeeding taxable years;

(xxvii) To the extent properly includable in gross income for federal income tax purposes, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, for the taxable year commencing January 1, 2023, twenty-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account;

(xxviii) To the extent properly includable in gross income for federal income tax purposes, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2024, fifty per cent of any distribution from an individual retirement account other than a Roth individual retirement account, (II) for the taxable year commencing January 1, 2025, seventy-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account, and (III) for the taxable year commencing January 1, 2026, and each taxable year thereafter, any distribution from an individual retirement account other than a Roth individual retirement account. The subtraction under this clause shall be made in accordance with the following schedule:

Federal Adjusted Gross Income	Deduction
Less than $75,000	100.0%
$75,000 but not over $77,499	85.0%
$77,500 but not over $79,999	70.0%
$80,000 but not over $82,499	55.0%
$82,500 but not over $84,999	40.0%
$85,000 but not over $87,499	25.0%
$87,500 but not over $89,999	10.0%
$90,000 but not over $94,999	5.0%
$95,000 but not over $99,999	2.5%
$100,000 and over	0.0%

(xxix) To the extent properly includable in gross income for federal income tax purposes, for married individuals who file a return under the federal income tax as married individuals filing jointly whose

federal adjusted gross income for such taxable year is less than one hundred fifty thousand dollars, (I) for the taxable year commencing January 1, 2024, fifty per cent of any distribution from an individual retirement account other than a Roth individual retirement account, (II) for the taxable year commencing January 1, 2025, seventy-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account, and (III) for the taxable year commencing January 1, 2026, and each taxable year thereafter, any distribution from an individual retirement account other than a Roth individual retirement account. The subtraction under this clause shall be made in accordance with the following schedule:

Federal Adjusted Gross Income	Deduction
Less than $100,000	100.0%
$100,000 but not over $104,999	85.0%
$105,000 but not over $109,999	70.0%
$110,000 but not over $114,999	55.0%
$115,000 but not over $119,999	40.0%
$120,000 but not over $124,999	25.0%
$125,000 but not over $129,999	10.0%
$130,000 but not over $139,999	5.0%
$140,000 but not over $149,999	2.5%
$150,000 and over	0.0%

(xxx) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2022, the amount or amounts paid or otherwise credited to any eligible resident of this state under (I) the 2020 Earned Income Tax Credit enhancement program from funding allocated to the state through the Coronavirus Relief Fund established under the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned Income Tax Credit enhancement program from funding allocated to the state pursuant to Section 9901 of Subtitle M of Title IX of the American

Rescue Plan Act of 2021, P.L. 117-2;

(xxxi) For the taxable year commencing January 1, 2023, and each taxable year thereafter, for a taxpayer licensed under the provisions of chapter 420f or 420h, the amount of ordinary and necessary expenses that would be eligible to be claimed as a deduction for federal income tax purposes under Section 162(a) of the Internal Revenue Code but that are disallowed under Section 280E of the Internal Revenue Code because marijuana is a controlled substance under the federal Controlled Substance Act;

(xxxii) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing on or after January 1, 2025, and each taxable year thereafter, any common stock received by the taxpayer during the taxable year under a share plan, as defined in section 12-217ss;

(xxxiii) To the extent properly includable in gross income for federal income tax purposes, the amount of any student loan reimbursement payment received by a taxpayer pursuant to section 10a-19m;

(xxxiv) Contributions to an ABLE account established pursuant to sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for each individual taxpayer or ten thousand dollars for taxpayers filing a joint return; **[**and**]**

(xxxv) To the extent properly includable in gross income for federal income tax purposes, the amount of any payment received pursuant to subsection (c) of section 3-122a;

(xxxvi) For an account holder, as defined in section 13 of this act, who files a return under the federal income tax as an unmarried individual, a married individual filing separately or a head of household, whose federal adjusted gross income for the taxable year is less than one hundred twenty-five thousand dollars or who files a return under the

federal income tax as married individuals filing jointly whose federal adjusted gross income for the taxable year is less than two hundred fifty thousand dollars:

(I) To the extent not deductible in determining federal adjusted gross income, for the taxable year commencing January 1, 2027, an amount equal to the contributions deposited during the taxable years commencing January 1, 2026, and January 1, 2027, in a first-time homebuyer savings account established pursuant to subsection (c) of section 13 of this act, less any amounts withdrawn during said taxable years by the account holder from such account under subparagraph (D) of subdivision (2) of subsection (f) of section 13 of this act. The amount claimed under this subclause shall not exceed two thousand five hundred dollars for each such taxable year for an unmarried individual, a married individual filing separately or a head of household and five thousand dollars for each such taxable year for married individuals filing jointly;

(II) To the extent not deductible in determining federal adjusted gross income, for the taxable year commencing January 1, 2028, and each taxable year thereafter, an amount equal to the contributions deposited during the taxable year in a first-time homebuyer savings account established pursuant to subsection (c) of section 13 of this act, less any amounts withdrawn during the taxable year by the account holder from such account pursuant to subparagraph (D) of subdivision (2) of subsection (f) of section 13 of this act. The amount allowed to be claimed under this subclause for the taxable year shall not exceed two thousand five hundred dollars for an unmarried individual, a married individual filing separately or a head of household and five thousand dollars for married individuals filing jointly; and

(III) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2027, and each taxable year thereafter, an amount equal to the sum of all

interest accrued on a first-time homebuyer savings account, established pursuant to subsection (c) of section 13 of this act, during the taxable year; and

(xxxvii) To the extent properly includable in gross income for federal income tax purposes, for an account holder who is a qualified beneficiary of a first-time homebuyer savings account, as those terms are defined in section 13 of this act, and who files a return under the federal income tax as an unmarried individual, a married individual filing separately or a head of household, whose federal adjusted gross income for the taxable year is less than one hundred twenty-five thousand dollars or who files a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for the taxable year is less than two hundred fifty thousand dollars, for taxable years commencing on or after January 1, 2027, an amount equal to any withdrawal from such account that is used to pay or reimburse such qualified beneficiary for eligible costs, as defined in section 13 of this act, incurred by the qualified beneficiary.

Sec. 15. (NEW) (*Effective January 1, 2026*) (a) (1) For the taxable or income year commencing on or after January 1, 2027, but prior to January 1, 2028, there shall be allowed a credit against the tax imposed under chapter 208 or 229 of the general statutes, other than the liability imposed by section 12-707 of the general statutes, for contributions deposited by the employer of an account holder in a first-time homebuyer savings account established pursuant to subsection (c) of section 13 of this act during the taxable or income years commencing on or after January 1, 2026, but prior to January 1, 2028, provided such account holder was employed by such employer at the time such contributions were made.

(2) For the taxable or income years commencing on or after January 1, 2028, there shall be allowed a credit against the tax imposed under chapter 208 or 229 of the general statutes, other than the liability

imposed by section 12-707 of the general statutes, for contributions deposited by the employer of an account holder in a first-time homebuyer savings account established pursuant to subsection (c) of section 13 of this act during the taxable or income year, provided such account holder was employed by such employer at the time such contributions were made.

(3) The amount of the credit allowed under subdivisions (1) and (2) of this subsection shall be equal to ten per cent of the amount of the contributions made by the taxpayer into the first-time homebuyer savings accounts of account holders of such accounts during the income or taxable year, provided the amount of the credit allowed for any income or taxable year with respect to a specific account holder shall not exceed two thousand five hundred dollars.

(b) If the taxpayer is an S corporation or an entity treated as a partnership for federal income tax purposes, the credit may be claimed by the shareholders or partners of the taxpayer. If the taxpayer is a single member limited liability company that is disregarded as an entity separate from its owner, the credit may be claimed by such limited liability company's owner, provided such owner is a person subject to the tax imposed under chapter 208 or 229 of the general statutes. Any taxpayer claiming the credit shall provide to the Department of Revenue Services documentation supporting such claim in the form and manner prescribed by the Commissioner of Revenue Services.

Sec. 16. Section 3-129g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) The Attorney General may investigate, intervene in or bring a civil or administrative action in the name of the state, seeking injunctive or declaratory relief, damages, and any other relief that may be available under law, whenever any person is or has engaged in a practice or pattern of conduct that:

(1) Subjects, or causes to be subjected, other persons to the deprivation of any rights, privileges or immunities secured by the constitutions or laws of this state or the United States; or

(2) Interferes, or attempts to interfere, by threats, intimidation or coercion, with the exercise or enjoyment by other persons of any rights, privileges or immunities secured by the constitutions or laws of this state or the United States.

(b) In conducting any investigation under this section, the Attorney General may issue subpoenas and interrogatories, and otherwise gather information, in the same manner and to the same extent as is provided in section 35-42. No information obtained pursuant to the provisions of this subsection may be used in a criminal proceeding.

(c) If the Attorney General prevails in a civil action brought pursuant to this section, the court shall order the distribution of any award of damages to the injured person. In a matter involving the interference or attempted interference with any right protected by the constitutions of this state or the United States, the court may also award civil penalties against each defendant in an amount not exceeding two thousand five hundred dollars for each violation, provided such violation has been established by clear and convincing evidence. Any civil penalty that is received pursuant to this subsection shall be deposited in the General Fund.

(d) In lieu of bringing a civil action under this section, the Attorney General may accept an assurance of the discontinuance of any allegedly unlawful or unconstitutional practice from any person engaged in such practice. Thereafter, any evidence of a violation of such assurance shall constitute prima facie proof of violation of the applicable law or right in any action commenced by the Attorney General.

(e) Nothing in this section shall limit the right of a person adversely

affected by a violation of chapter 814c to file a complaint with the Commission on Human Rights and Opportunities.

(f) Nothing in this section shall limit the jurisdiction of the Commission on Human Rights and Opportunities under chapter 814c.

(g) The Attorney General shall not bring an action under the provisions of this section during the pendency of a matter involving the same parties and the same alleged facts and circumstances before the Commission on Human Rights and Opportunities.

(h) Nothing in this section shall permit the Attorney General to bring an action that would otherwise be barred under the applicable statute of limitations or repose.

(i) The Attorney General shall post on the Attorney General's Internet web site information on how to properly file a complaint with the Commission on Human Rights and Opportunities. The Attorney General may, as appropriate, refer cases to the Commission on Human Rights and Opportunities.

(j) Nothing in this section shall permit the Attorney General to assert any claim against a state agency or a state officer or state employee in such officer's or employee's official capacity, regarding actions or omissions of such state agency, state officer or state employee. If the Attorney General determines that a state officer or state employee is not entitled to indemnification under section 5-141d, the Attorney General may, as relates to such officer or employee, take any action authorized under this section.

(k) With regard to any action brought pursuant to this section against a person for a pattern or practice of conduct in violation of section 46a-64, 46a-64c, 46a-81d or 46a-81e, or, as a result of an investigation conducted pursuant to this section, of a potential violation of section 46a-64, 46a-64c, 46a-81d or 46a-81e, the Attorney General may petition

the superior court for the judicial district in which the violation or alleged violation occurred for any relief available under section 46a-89.

Sec. 17. Subsection (g) of section 8-30g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(g) Upon an appeal taken under subsection (f) of this section, the burden shall be on the commission to prove, based upon the evidence in the record compiled before such commission, that the decision from which such appeal is taken and the reasons cited for such decision are supported by sufficient evidence in the record. The commission shall also have the burden to prove, based upon the evidence in the record compiled before such commission, that (1) (A) the decision is necessary to protect substantial public interests in health, safety or other matters which the commission may legally consider; (B) such public interests clearly outweigh the need for affordable housing; and (C) such public interests cannot be protected by reasonable changes to the affordable housing development, or (2) (A) the application which was the subject of the decision from which such appeal was taken would locate affordable housing in an area which is zoned for industrial use and which does not permit residential uses; and (B) the development is not assisted housing. If the commission does not satisfy its burden of proof under this subsection, the court shall wholly or partly revise, modify, remand or reverse the decision from which the appeal was taken in a manner consistent with the evidence in the record before it. In addition, if the court finds, after a hearing, that the commission's decision denying an affordable housing application or approving such application with restrictions which have a substantial adverse impact on the viability of the affordable housing development or the degree of affordability of the affordable dwelling units in a set-aside development was made in bad faith or to cause undue delay, the court may award reasonable attorney's fees to the person who filed the appeal under subsection (f) of this

section, provided the total number of units in the affordable housing development or affordable dwelling units in the set-aside development ordered by the court to be built is at least ninety per cent of the units proposed in the original application of such person to the commission.

Sec. 18. (NEW) (*Effective October 1, 2025*) (a) As used in this section:

(1) "Revenue management device" means a device commonly known as revenue management software that uses one or more programmed or automated processes to perform calculations of nonpublic competitor data concerning local or state-wide rents or occupancy levels, for the purpose of advising a landlord on (A) whether to leave a unit vacant; or (B) the amount of rent that the landlord may obtain for a unit. "Revenue management device" includes a product that incorporates a revenue management device, but does not include: (i) A report that publishes existing rental data in an aggregated manner but does not recommend rental rates or occupancy levels for future leases; or (ii) a product used for the purpose of establishing rent or income limits in accordance with the affordable housing program guidelines of a local, state or federal program.

(2) "Nonpublic competitor data" means information that is not available to the general public, including information about actual rent amounts, occupancy levels, lease start and end dates and other similar data, regardless of whether the information is (A) attributable to a specific competitor or anonymized, and (B) derived from or otherwise provided by another person that competes in the same or a related market.

(b) It shall be an unlawful practice in violation of chapter 624 of the general statutes for any person to use a revenue management device to set rental rates or occupancy levels for residential dwelling units.

(c) Any violation of subsection (b) of this section shall be subject to

the investigation and enforcement provisions of chapter 624 of the general statutes.

Sec. 19. (NEW) (*Effective October 1, 2025*) (a) As used in this section and sections 20 and 21 of this act:

(1) "Discretionary infrastructure funding" has the same meaning as provided in section 8-30j of the general statutes, as amended by this act;

(2) "Downtown area" means a central business district or other commercial neighborhood area of a municipality that serves as a center of socioeconomic interaction, characterized by a cohesive core of commercial and mixed-use buildings, often interspersed with civic, religious and residential buildings and public spaces, that are typically arranged along a main street and intersecting side streets and served by public infrastructure;

(3) "Middle housing development" means a residential building containing not less than two dwelling units but not more than nine such units, including, but not limited to, townhomes, duplexes, triplexes, perfect sixes and cottage clusters;

(4) "Perfect six" means a three-story residential building with a central entrance containing two dwelling units per story;

(5) "Qualifying bus transit community" means any municipality that contains not less than one regular bus service station operating not less than five days a week within a transit-oriented district adopted by such municipality, provided such transit-oriented district is of reasonable size, as determined by the secretary, or the secretary's designee, in accordance with the provisions of subsection (e) of this section, and either (A) includes land of such municipality located within a one-half-mile radius of any such station, or (B) is located within a reasonable distance, as determined by the secretary, or the secretary's designee, of any other transit service, a commercial corridor or the downtown area

of such municipality;

(6) "Qualifying rapid transit community" means any municipality that contains not less than one rapid transit station or a planned rapid transit station, contained within a transit-oriented district adopted by such municipality, provided such transit-oriented district is of reasonable size, as determined by the secretary, or the secretary's designee, in accordance with subsection (e) of this section, and either (A) includes land of such municipality located within a one-half-mile radius of any such station, or (B) is located within a reasonable distance, as determined by the secretary, or the secretary's designee, of any other transit service, a commercial corridor or the downtown area of such municipality;

(7) "Qualifying transit-oriented community" means any municipality that is a qualifying rapid transit community or qualifying bus transit community;

(8) "Rapid transit station" means any public transportation station serving any rail or rapid bus route;

(9) "Regular bus service station" means any fixed location where a bus regularly stops, not less than once every sixty minutes during peak operating hours, for the loading or unloading of passengers along a defined route operating on a fixed schedule;

(10) "Secretary" means the Secretary of the Office of Policy and Management, or the secretary's designee;

(11) "Transit-oriented district" means a collection of parcels of land in a municipality designated by such municipality and subject to zoning criteria designed to encourage increased density of development, including mixed-use development and a concentration of developments utilizing discretionary infrastructure funding; and

(12) "Zoning commission" means any zoning commission, a planning commission in a municipality that has adopted a planning commission but not a zoning commission or a combined planning and zoning commission.

(b) A qualifying transit-oriented community or municipality that has adopted a resolution pursuant to subsection (c) of this section shall be eligible for the receipt of discretionary infrastructure funding on a priority basis, provided such community meets the eligibility criteria for the discretionary infrastructure funding. Any funding provided on a priority basis pursuant to this section shall be used exclusively for the development, renovation, expansion, management or maintenance of improvements located in a transit-oriented district. To receive such funding on a priority basis, any such community or municipality shall submit an application for such funding to the secretary in a form developed by the secretary. The secretary shall make recommendations to the state agency responsible for administering or managing such funding and, if priority funding is permitted for such funding, such agency may prioritize such community or municipality for the receipt of such funding over any municipality that is not a qualifying transit-oriented community or that has not adopted a resolution pursuant to subsection (c) of this section, based on the secretary's recommendations. Nothing in this subsection shall be construed to limit the use of funding received pursuant to this section if the use of such funding to develop, renovate, expand, manage or maintain improvements within a transit-oriented district also benefits real property located outside of a transit-oriented district.

(c) A municipality that is not a qualifying transit-oriented community shall be eligible for discretionary infrastructure funding on a priority basis pursuant to this section if the legislative body of the municipality adopts a resolution stating that such municipality intends to enact zoning regulations that enable such municipality to become a qualifying

transit-oriented community, provided such municipality meets the eligibility criteria for the discretionary infrastructure funding. Such municipality shall enact such zoning regulations not later than eighteen months after the adoption of such resolution. If such municipality does not enact such regulations within eighteen months after the adoption of such resolution, unless the secretary grants an extension to such municipality at the secretary's discretion, such municipality shall return any discretionary infrastructure funding provided to such municipality on a priority basis pursuant to this section and such municipality shall be ineligible for discretionary infrastructure funding on a priority basis until such municipality enacts zoning regulations that enable the municipality to become a qualifying transit-oriented community. Nothing in this section shall be construed to make a municipality that is not a qualifying transit-oriented community ineligible for discretionary infrastructure funding.

(d) The zoning commission of the municipality shall consult with the inland wetlands agency of the municipality to establish the boundaries of any proposed transit-oriented district within the municipality. If any proposed activity in such proposed district may be a regulated activity, as defined in section 22a-38 of the general statutes, such commission shall collaborate with such agency to determine whether such proposed activity would constitute a regulated activity for which a permit is required.

(e) In determining whether a transit-oriented district is of reasonable size, the secretary, or the secretary's designee, in consultation with the zoning commission of the municipality, shall (1) determine whether the area of such district is adequate to support greater density of development in an equitable manner, as determined by the secretary, or the secretary's designee, considering the geographic characteristics of the municipality; (2) consider municipal and regional housing needs; and (3) not require the inclusion of the following lands in any such

district: (A) Special flood hazard areas designated on a flood insurance rate map published by the National Flood Insurance Program, (B) wetlands, as defined in section 22a-38 of the general statutes, (C) land designated for use as a public park, (D) land subject to conservation or preservation restrictions, as defined in section 47-42a of the general statutes, (E) coastal resources, as defined in section 22a-93 of the general statutes, (F) areas necessary for the protection of drinking water supplies, and (G) areas designated as likely to be inundated during a thirty-year flood event by the Marine Sciences Division of The University of Connecticut pursuant to the division's responsibilities to conduct sea level change scenarios pursuant to subsection (b) of section 25-68o of the general statutes. The zoning commission may consult with any other agency of the municipality to determine whether a transit-oriented district is of reasonable size.

(f) (1) A qualifying transit-oriented community shall allow the following developments as of right in any transit-oriented district: (A) Middle housing developments, if such development contains nine or fewer dwelling units; (B) developments that contain ten or more dwelling units where not less than thirty per cent of such units qualify as a set-aside development pursuant to section 8-30g of the general statutes, as amended by this act; and (C) developments on land owned by (i) the municipality in which such land is located, (ii) the state, (iii) the public housing authority of the municipality in which such district is located, (iv) any not-for-profit entity, and (v) any religious organization, as defined in section 49-31k of the general statutes, if such development is composed entirely of units that are subject to a deed restriction that requires, for not less than forty years after the initial occupation of the proposed development, that such units be sold or rented at, or below, a cost in rent or mortgage payments equivalent to not more than thirty per cent of the annual income of individuals and families earning sixty per cent of the median income of the state or the area median income as determined by the United States Department of

Housing and Urban Development, whichever is less.

(2) A qualifying transit-oriented community shall allow, as of right, the conversion of any residential development or commercial development into any development described in subdivision (1) of subsection (f) of this section on any lot located in a transit-oriented district.

(3) Notwithstanding the provisions of this subsection, if a proposed development is required to have a public hearing by the inland wetlands agency of the municipality, such proposed development must receive such public hearing prior to such development's approval.

(g) Each qualifying transit-oriented community shall require that any proposed development within any transit-oriented district that contains ten or more dwelling units that are not allowed as of right under subsection (f) of this section be subject to (1) a deed restriction that requires, for not less than forty years after the initial occupation of the proposed development, that a percentage of dwelling units, as set forth in subsection (h) of this section, be sold or rented at, or below, a cost in rent or mortgage payments equivalent to not more than thirty per cent of the annual income of individuals and families earning sixty per cent of the median income of the state or the area median income as determined by the United States Department of Housing and Urban Development, whichever is less; or (2) a contribution agreement pursuant to subsection (i) of this section.

(h) The percentage of deed-restricted dwelling units required pursuant to subdivision (1) of subsection (g) of this section shall be determined based upon sales market typologies as described in the most recent Connecticut Housing Finance Authority Housing Needs Assessment:

(1) Ten per cent for any municipality designated High

Opportunity/Heating Market;

(2) Ten per cent for any municipality designated High Opportunity/Cooling Market; and

(3) Five per cent for any municipality designated Low Opportunity/Heating Market.

(i) Any municipality that has adopted a transit-oriented district before October 1, 2025, shall be eligible for the receipt of discretionary infrastructure funding on a priority basis for developments in such district, regardless of whether such municipality is a qualifying transit-oriented community, provided such municipality meets the eligibility criteria for the discretionary infrastructure funding. Nothing in this section shall be construed to (1) require that a municipality that has adopted a transit-oriented district be determined to be a qualifying transit-oriented community, or (2) authorize the secretary to deem a municipality a qualifying transit-oriented community without the approval of such municipality.

(j) Each qualifying transit-oriented community shall be eligible for additional funding pursuant to any program administered by the secretary if such community implements additional zoning criteria, including, but not limited to, higher density development, greater affordability of housing units than is required in subsection (h) of this section, the development of public land or public housing, the implementation of programs to encourage homeownership opportunities within such community and any additional criteria determined by the secretary.

(k) (1) The secretary, in consultation with the interagency council on housing development established pursuant to section 21 of this act, shall develop guidelines concerning transit-oriented districts within qualifying transit-oriented communities, including, but not limited to,

prioritizing mixed-use and mixed-income developments; increasing the availability of affordable housing; ensuring appropriate environmental considerations in the development of such districts, with an emphasis on the analysis of any potential impacts on environmental justice communities, as defined in section 22a-20a of the general statutes; increasing ridership of mass transit systems; increasing the feasibility of walking, biking and utilizing other means of mobility other than motor vehicle travel; reducing the need for motor vehicle travel; maximizing the availability of developable land; increasing the economic viability of development projects; reducing the length of time to approve applications for development; lot size; lot coverage; setback requirements; floor area ratio; height restrictions; and inclusionary zoning requirements. Such guidelines may include model ordinances, regulations or bylaws that may be adopted by a municipality pursuant to section 8-2 of the general statutes, as amended by this act. Except as provided in subdivision (2) of this subsection, regulations developed by a qualifying transit-oriented community concerning transit-oriented districts within such community shall substantially comply with the guidelines adopted by the secretary. The secretary, or the secretary's designee, may offer technical assistance to any qualifying transit-oriented community concerning the adoption of such regulations.

(2) If a qualifying transit-oriented community seeks to adopt regulations concerning a transit-oriented district that do not substantially comply with the guidelines developed pursuant to subdivision (1) of this subsection, or subsection (f) or (g) of this section, such community shall seek an exemption by submitting an application, in a form and manner prescribed by the secretary, that specifies the reasons such community seeks to adopt regulations that do not substantially comply with the guidelines developed by the secretary, or subsection (f) or (g) of this section, except no community may seek an exemption from the provisions of subsection (f) or (g) of this section unless the secretary determines such community is a qualifying transit-

oriented community pursuant to subsection (i) of this section. Not later than sixty days after the receipt of any such application, the secretary shall approve or deny such exemption in writing. The secretary shall not unreasonably withhold approval for any such exemption.

(3) If an application submitted pursuant to subdivision (2) of this subsection is denied by the secretary, the transit-oriented community that submitted such application may opt out of the provisions of this section and no longer qualify for discretionary infrastructure funding on a priority basis pursuant to this section, provided such community shall return any discretionary infrastructure funding such community received pursuant to this section.

(l) Notwithstanding the provisions of subsection (b) of this section, any qualifying transit-oriented community with one or more transit-oriented districts located in an activity zone, as identified in the state plan of conservation and development adopted under chapter 297 of the general statutes for the years 2025 to 2030, inclusive, shall be awarded discretionary infrastructure funding by the agency administering any such funding at a higher priority than a qualifying transit-oriented community without any such district located in any such zone.

(m) The secretary, or the secretary's designee, may provide a municipality with an interpretation or written guidance concerning whether zoning regulations adopted or proposed to be adopted by such municipality, if such regulations apply to a transit-oriented district, comply with the requirements of section 8-2 of the general statutes, as amended by this act. Nothing in this subsection shall be construed to allow the secretary to impose any additional requirement upon any such district or municipality that is not specified in this section or section 8-2 of the general statutes, as amended by this act.

Sec. 20. (NEW) (*Effective October 1, 2025*) (a) For the purposes of this section, "qualifying transit-adjacent community" means a municipality

(1) without a rapid transit station, (2) that borders a municipality that has one or more rapid transit stations or regular bus service stations, and (3) that designates a transit-oriented district in or adjacent to a downtown area located in such municipality;

(b) A municipality may, by resolution of the municipality's legislative body, request that the State Responsible Growth Coordinator deem such municipality a qualifying transit-adjacent community. The coordinator shall designate such municipality a qualifying transit-adjacent community if the coordinator finds that such municipality (1) meets the definition of such community provided in subsection (a) of this section, and (2) is not a qualifying transit-oriented community.

(c) A municipality deemed by the coordinator to be a qualifying transit-adjacent community shall be entitled to any discretionary infrastructure funding available to a qualifying transit-oriented community on a priority basis if such municipality adopts a transit-oriented district that complies with the requirements concerning such districts provided in section 19 of this act.

Sec. 21. (NEW) (*Effective from passage*) (a) There is established an interagency council on housing development to advise and assist the State Responsible Growth Coordinator in reviewing regulations, developing guidelines and establishing programs concerning transit-oriented districts to support the responsible growth of housing in the state.

(b) The council shall consist of the following regular members: (1) The State Responsible Growth Coordinator; (2) the Secretary of the Office of Policy and Management, or the secretary's designee; (3) the Commissioner of Housing, or the commissioner's designee; (4) the Commissioner of Economic and Community Development, or the commissioner's designee; (5) the Commissioner of Energy and Environmental Protection, or the commissioner's designee; (6) the

Commissioner of Public Health, or the commissioner's designee; (7) the Commissioner of Transportation, or the commissioner's designee; (8) the chief executive officer of the Connecticut Housing Finance Authority, or the chief executive officer's designee; and (9) the chief executive officer of the Municipal Redevelopment Authority, or the chief executive officer's designee.

(c) In addition to the regular members set forth in subsection (b) of this section, the council may consist of any ad hoc members that the State Responsible Growth Coordinator determines are necessary to complete the work of the council.

(d) The chairperson of the council shall be the State Responsible Growth Coordinator.

(e) The council shall convene not later than July 1, 2025, and meet not less than once every six months and more often upon the call of the chairperson, to:

(1) Review and evaluate the plans, programs, regulations and policies of state or quasi-public agencies for opportunities to combine efforts and resources of such agencies to increase housing development;

(2) Develop consistent reporting methods concerning data and documentation related to housing development;

(3) Provide a forum to develop approaches to housing growth that balance both needs for conservation and development, including the need for additional housing and economic growth, the protection of natural resources and the maintenance and support for existing infrastructure;

(4) Review existing discretionary grant programs to make recommendations to state or quasi-public agencies concerning the adherence of such programs with the goals established in the state plan

of conservation and development adopted under chapter 297 of the general statutes. Such recommendations shall include, but need not be limited to, methods to increase the development of deed-restricted housing in transit-oriented districts and middle housing, as defined in section 8-1a of the general statutes; and

(5) Develop guidelines, in consultation with the Secretary of the Office of Policy and Management and consistent with the requirements of subsection (l) of section 19 of this act, concerning the adoption and development of transit-oriented districts within qualifying transit-oriented communities.

(f) Not later than October 1, 2026, the council shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to planning and development and housing, concerning the recommendations and guidelines developed by the council pursuant to subdivisions (4) and (5) of subsection (e) of this section. The coordinator shall publish such recommendations and guidelines on the Internet web site of the Office of Policy and Management.

(g) Not later than October 1, 2026, and annually thereafter, the council shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to planning and development and housing, concerning the recommendations of the council.

Sec. 22. (NEW) (*Effective October 1, 2025*) The Secretary of the Office of Policy and Management may, within available appropriations, establish a program to provide grants to regional councils of governments for the development of projects related to public transit infrastructure, bicycle infrastructure or pedestrian infrastructure.

Sec. 23. Subsection (a) of section 8-169tt of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) As used in this section, "housing growth zone" means (1) any area within a municipality in which applicable zoning regulations adopted pursuant to section 8-2, as amended by this act, are designed to facilitate substantial development of new dwelling units consistent with subsection (c) of this section, or (2) any transit-oriented district established by a municipality pursuant to section 19 of this act. Any housing growth zone shall encompass an entire development district and may include areas outside such district.

Sec. 24. Subsection (f) of section 8-2o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(f) Notwithstanding the provisions of subsections (a) to (d), inclusive, of this section, the zoning commission or combined planning and zoning commission, as applicable, of a municipality, by a two-thirds vote, may initiate the process by which such municipality opts out of the provisions of said subsections regarding the allowance of accessory apartments, provided such commission: (1) First holds a public hearing in accordance with the provisions of section 8-7d on such proposed opt-out, (2) affirmatively decides to opt out of the provisions of said subsections within the period of time permitted under section 8-7d, (3) states **[**upon its**]** in the records of such commission the reasons for such decision, and (4) publishes notice of such decision in a newspaper having a substantial circulation in the municipality not later than fifteen days after such decision has been rendered. Thereafter, the municipality's legislative body or, in a municipality where the legislative body is a town meeting, **[**its**]** such municipality's board of selectmen, by a two-thirds vote, may complete the process by which such municipality opts out of the provisions of subsections (a) to (d),

inclusive, of this section, except that, on and after January 1, 2023, no municipality may opt out of the provisions of said subsections.

Sec. 25. Section 8-2o of the general statutes is amended by adding subsection (g) as follows (*Effective October 1, 2025*):

(NEW) (g) Notwithstanding any prior action of the municipality to opt out of the provisions of subsections (a) to (d), inclusive, of this section, pursuant to subsection (f) of this section, any owner of real property located within a transit-oriented district, as defined in section 19 of this act, who has owned real property in the municipality for not fewer than three years may construct an accessory apartment as of right on such real property, provided such accessory apartment complies with any structural or architectural requirements imposed by any zoning regulations adopted pursuant to section 8-2, as amended by this act.

Sec. 26. (*Effective from passage*) The Secretary of the Office of Policy and Management shall, within available appropriations and in coordination with the interagency council on housing development established pursuant to section 21 of this act, conduct a state-wide wastewater capacity study that evaluates the capacity, flows, physical conditions, regulatory compliance and vulnerabilities to natural hazards of publicly and privately owned wastewater infrastructure. In conducting the study, the secretary shall identify areas underserved by wastewater infrastructure and existing wastewater capacity limitations and make recommendations for efficient investments in wastewater infrastructure to support housing and economic development while protecting public and environmental health. Not later than July 1, 2026, the secretary shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, on the secretary's findings and recommendations to the joint standing committees of the General Assembly having cognizance of matters relating to planning and development, housing, economic development and the environment.

The secretary shall also submit such report to the members of the interagency council on housing development.

Sec. 27. *(Effective January 1, 2026)* (a) The Commissioner of Housing shall, within available bond authorizations, develop and administer a program to provide funding for proposed projects that create employment opportunities in the construction industry to develop affordable housing.

(b) On and after July 1, 2026, an eligible project sponsor may submit an application, in a form and manner provided by the commissioner, to receive funds from the program for a proposed project. The commissioner shall establish criteria for awarding funds pursuant to this section. Such criteria for awarding funds pursuant to this section shall include, but need not be limited to, a requirement that (1) an applicant secure coinvestment funding in the proposed project by a union pension fund or comingled fund of union pension fund investments with a demonstrated record of successful investment in the construction of affordable housing, (2) the proposed project be covered by a project labor agreement, and (3) an applicant be committed to workforce training by adhering to state-registered apprenticeship standards and apprenticeship readiness programs.

(c) All housing built with funds received from the program established pursuant to this section shall remain affordable, through the use of deeds containing covenants or restrictions that require such housing to be sold or rented at, or below, prices that will preserve the unit as housing, for a period of not less than forty years, for which persons and families pay thirty per cent or less of income, where such income is less than or equal to eighty per cent of the median income or other means selected by the commissioner.

(d) The commissioner shall not approve financing for a proposed project later than three years after the Department of Housing is

allocated funds for the program established pursuant to this section.

Sec. 28. Section 7-148b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) For purposes of this section and sections 7-148c to 7-148f, inclusive, "seasonal basis" means housing accommodations rented for a period or periods aggregating not more than one hundred twenty days in any one calendar year, **[**and**]** "rental charge" includes any fee or charge in addition to rent that is imposed or sought to be imposed upon a tenant by a landlord, and "municipality" means a town, city or consolidated town and city.

(b) Any **[**town, city or borough**]** municipality may, and **[**any town, city or borough**]** each municipality with a population of **[**twenty-five**]** fifteen thousand or more, as determined by the most recent decennial census, shall, through its legislative body, adopt an ordinance that (1) creates a fair rent commission, (2) establishes or joins the municipality in a joint fair rent commission pursuant to subsection (d) of this section, or (3) joins the municipality in a regional fair rent commission pursuant to subsection (e) of this section. Any such commission shall make studies and investigations, conduct hearings and receive complaints relative to rental charges on housing accommodations, except those accommodations rented on a seasonal basis, within its jurisdiction, which term shall include mobile manufactured homes and mobile manufactured home park lots, in order to control and eliminate excessive rental charges on such accommodations, and to carry out the provisions of sections 7-148b to 7-148f, inclusive, as amended by this act, section 47a-20 and subsection (b) of section 47a-23c. The commission, for such purposes, may compel the attendance of persons at hearings, issue subpoenas and administer oaths, issue orders and continue, review, amend, terminate or suspend any of its orders and decisions. The commission may be empowered to retain legal counsel to advise it.

(c) Any **[**town, city or borough**]** municipality required to create a fair rent commission pursuant to subsection (b) of this section shall adopt an ordinance creating **[**such**]** a fair rent commission, or joining a joint fair rent commission or regional fair rent commission, on or before **[**July 1, 2023**]** January 1, 2028. No municipality required to create a fair rent commission pursuant to subsection (b) of this section that has created a fair rent commission prior to July 1, 2025, shall abolish such commission before January 1, 2028, unless such municipality joins a joint fair rent commission or regional fair rent commission pursuant to this section. Not later than thirty days after the adoption of such ordinance, the chief executive officer of such **[**town, city or borough**]** municipality shall (1) notify the Commissioner of Housing that such commission has been created or joined by such municipality, and (2) transmit a copy of the ordinance adopted by the **[**town, city or borough**]** municipality to the commissioner.

(d) **[**Any two**]** Two or more **[**towns, cities or boroughs not subject to the requirements of subsection (b) of this section**]** contiguous municipalities may, **[**through their legislative bodies, create**]** by concurrent ordinances adopted by their legislative bodies, establish a joint fair rent commission. Any municipality that is contiguous to a municipality that is a member of an existing joint fair rent commission may become a member of such joint fair rent commission upon the adoption of an ordinance by such municipality's legislative body. Any municipality that is a member of a joint fair rent commission may, by vote of its legislative body, elect to withdraw from such commission, provided such withdrawing municipality creates its own fair rent commission or joins another joint fair rent commission or regional fair rent commission in compliance with the requirements of this section.

(e) A regional council of governments formed pursuant to section 4-124j may establish a regional fair rent commission. Any municipality that is a member of such council may join such regional fair rent

commission upon the adoption of an ordinance by such municipality's legislative body. Any regional fair rent commission shall prescribe a form and manner in which complaints to such commission shall be made.

(f) Upon the request of a party to a matter pending before a regional fair rent commission, a meeting or a portion of a meeting during which the participation of such party is required shall be conducted by means of electronic equipment, as defined in section 1-200, in conjunction with an in-person meeting of such commission.

Sec. 29. (*Effective July 1, 2025*) The Connecticut Housing Finance Authority shall, as part of the homeownership loan program, and within the resources allocated by the State Bond Commission to the Department of Housing for the purposes of said program, expand the pilot program known as the Smart Rate Pilot Interest Rate Reduction Program to provide additional mortgage borrowers who are eligible for such pilot program with the benefits provided pursuant to the pilot program.

Sec. 30. Subsection (a) of section 47a-23 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) When the owner or lessor, or the owner's or lessor's legal representative, or the owner's or lessor's attorney-at-law, or in-fact, desires to obtain possession or occupancy of any land or building, any apartment in any building, any dwelling unit, any trailer, or any land upon which a trailer is used or stands, and (1) when a rental agreement or lease of such property, whether in writing or by parol, terminates for any of the following reasons: (A) By lapse of time; (B) by reason of any expressed stipulation therein; (C) violation of the rental agreement or lease or of any rules or regulations adopted in accordance with section 47a-9 or 21-70; (D) nonpayment of rent within the grace period provided

for residential property in section 47a-15a, as amended by this act, or 21-83, as amended by this act, except this subparagraph shall not apply if the owner or lessor's online rental payment system prevents such payment of rent within the grace period provided for residential property in section 47a-15a, as amended by this act, or 21-83, as amended by this act; (E) nonpayment of rent when due for commercial property; (F) violation of section 47a-11 or subsection (b) of section 21-82; (G) nuisance, as defined in section 47a-32, or serious nuisance, as defined in section 47a-15 or 21-80; or (2) when such premises, or any part thereof, is occupied by one who never had a right or privilege to occupy such premises; or (3) when one originally had the right or privilege to occupy such premises but such right or privilege has terminated; or (4) when an action of summary process or other action to dispossess a tenant is authorized under subsection (b) of section 47a-23c for any of the following reasons: (A) Refusal to agree to a fair and equitable rent increase, as defined in subsection (c) of section 47a-23c, (B) permanent removal by the landlord of the dwelling unit of such tenant from the housing market, or (C) bona fide intention by the landlord to use such dwelling unit as such landlord's principal residence; or (5) when a farm employee, as described in section 47a-30, or a domestic servant, caretaker, manager or other employee, as described in subsection (b) of section 47a-36, occupies such premises furnished by the employer and fails to vacate such premises after employment is terminated by such employee or the employer or after such employee fails to report for employment, such owner or lessor, or such owner's or lessor's legal representative, or such owner's or lessor's attorney-at-law, or in-fact, shall give notice to each lessee or occupant to quit possession or occupancy of such land, building, apartment or dwelling unit, at least three days before the termination of the rental agreement or lease, if any, or before the time specified in the notice for the lessee or occupant to quit possession or occupancy.

Sec. 31. Section 47a-15a of the general statutes is repealed and the

following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) If rent is unpaid when due and the tenant fails to pay rent within nine days thereafter or, in the case of a one-week tenancy, within four days thereafter, the landlord may terminate the rental agreement in accordance with the provisions of sections 47a-23 to 47a-23b, inclusive, as amended by this act, except that such nine-day or four-day time period shall be extended an additional five days if a landlord's online rental payment system prevented the payment of rent when due. For purposes of this section, "grace period" means the nine-day or four-day time periods or the extension of such time periods identified in this subsection, as applicable.

(b) If a rental agreement contains a valid written agreement to pay a late charge in accordance with subsection (a) of section 47a-4 a landlord may assess a tenant such a late charge on a rent payment made subsequent to the grace period in accordance with this section. Such late charge may not exceed the lesser of (1) five dollars per day, up to a maximum of fifty dollars, or (2) five per cent of the delinquent rent payment or, in the case of a rental agreement paid in whole or in part by a governmental or charitable entity, five per cent of the tenant's share of the delinquent rent payment. The landlord may not assess more than one late charge upon a delinquent rent payment, regardless of how long the rent remains unpaid.

Sec. 32. Section 21-83 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) An owner and a resident may include in a rental agreement terms and conditions not prohibited by law, including rent, term of the agreement and other provisions governing the rights and obligations of the parties. No rental agreement shall contain the following:

(1) Any provision by which the resident agrees to waive or forfeit

rights or remedies under this chapter and sections 47a-21, 47a-23 to 47a-23b, inclusive, as amended by this act, 47a-26 to 47a-26h, inclusive, 47a-35 to 47a-35b, inclusive, 47a-41a, 47a-43 and 47a-46, or under any section of the general statutes or any municipal ordinance, unless such section or ordinance expressly states that such rights may be waived;

(2) Any provision which permits the owner to terminate the rental agreement for failure to pay rent unless such rent is unpaid when due and the resident fails to pay rent within (A) nine days thereafter, or (B) fourteen days thereafter if an online rental payment system prevented the payment of rent when due;

(3) Any provision which permits the owner to collect a penalty fee for late payment of rent without allowing the resident a minimum of nine days beyond the due date in which to remit or which provides for the payment of rent in a reduced amount if such rent is paid prior to the expiration of such grace period;

(4) Any provision which permits the owner to charge a penalty for late payment of rent in excess of five per cent of the total rent due for the mobile manufactured home space or lot or four per cent of the total rent due for the mobile manufactured home and mobile manufactured home space or lot;

(5) Any provision which allows the owner to increase the total rent or change the payment arrangements during the term of the rental agreement;

(6) Any provision allowing the owner to charge an amount in excess of one month's rent for a security deposit or to retain the security deposit upon termination of the rental agreement if the resident has paid his rent in full as of the date of termination and has caused no damage to the property of the owner or to waive the resident's right to the interest on the security deposit pursuant to section 47a-21;

(7) Any provision allowing the owner to charge an entrance fee to a resident assuming occupancy;

(8) Any provision authorizing the owner to confess judgment on a claim arising out of the rental agreement;

(9) Any provision which waives any cause of action against or indemnification from an owner, by a resident for any injury or harm caused to such resident, his family or his guests, or to his property, or the property of his family or his guests resulting from any negligence of the owner, his agents or his assigns in the maintenance of the premises or which otherwise agrees to the exculpation or limitation of any liability of the owner arising under law or to indemnify the owner for that liability or the costs connected therewith;

(10) Any provision permitting the owner to dispossess the resident without resort to court order;

(11) Any provision consenting to the distraint of the resident's property for rent;

(12) Any provision agreeing to pay the owner's attorney's fees in excess of fifteen per cent of any judgment against the resident in any action in which money damages are awarded;

(13) Any provision which denies to the resident the right to treat as a breach of the agreement, a continuing violation by the owner, substantial in nature, of any provision set forth in the rental agreement or of any state statute unless the owner discontinues such violation within a reasonable time after written notice is given by the resident by registered or certified mail.

(b) A provision prohibited by this chapter included in a rental agreement is unenforceable.

Sec. 33. Section 29-195 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) Each elevator or escalator shall be thoroughly inspected by a department elevator inspector at least once each eighteen months, except (1) elevators located in private residences shall be inspected upon the request of the owner, and (2) as provided in subsection (b) of this section. More frequent inspections of any elevator or escalator shall be made if the condition thereof indicates that additional inspections are necessary or desirable.

(b) Each elevator at a privately owned multifamily housing project, as defined in section 29-453a, shall be thoroughly inspected by a department elevator inspector at least once each twelve months. For each such inspection, the department elevator inspector shall submit a report to the State Building Inspector that describes the status of each elevator at such housing project, describes the status of any elevator repair and estimates the duration of time during which any inoperable elevator at such housing project is expected to remain inoperable.

Sec. 34. Subsection (l) of section 8-30g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(l) (1) Except as provided in subdivision (2) of this subsection, the affordable housing appeals procedure established under this section shall not be applicable to an affordable housing application filed with a commission during a moratorium, which shall commence after (A) a certification of affordable housing project completion issued by the commissioner is published in the Connecticut Law Journal, or (B) notice of a provisional approval is published pursuant to subdivision (4) of this subsection. Any such moratorium shall be for a period of four years, except that for any municipality that has (i) twenty thousand or more dwelling units, as reported in the most recent United States decennial

census, and (ii) previously qualified for a moratorium in accordance with this section, any subsequent moratorium shall be for a period of five years. Any moratorium that is in effect on October 1, 2002, is extended by one year.

(2) Such moratorium shall not apply to (A) affordable housing applications for assisted housing in which ninety-five per cent of the dwelling units are restricted to persons and families whose income is less than or equal to sixty per cent of the median income, (B) other affordable housing applications for assisted housing containing forty or fewer dwelling units, or (C) affordable housing applications which were filed with a commission pursuant to this section prior to the date upon which the moratorium takes effect.

(3) Eligible units completed before a moratorium has begun, but that were not counted toward establishing eligibility for such moratorium, may be counted toward establishing eligibility for a subsequent moratorium. Eligible units completed after a moratorium has begun may be counted toward establishing eligibility for a subsequent moratorium.

(4) (A) **[**The**]** Except as provided in subparagraph (B) of this subdivision, the commissioner shall issue a certificate of affordable housing project completion for the purposes of this subsection upon finding that there has been completed within the municipality one or more affordable housing developments which create housing unit-equivalent points equal to (i) the greater of two per cent of all dwelling units in the municipality, as reported in the most recent United States decennial census, or seventy-five housing unit-equivalent points, or (ii) for any municipality that has (I) adopted an affordable housing plan in accordance with section 8-30j, as amended by this act, (II) twenty thousand or more dwelling units, as reported in the most recent United States decennial census, and (III) previously qualified for a moratorium in accordance with this section, one and one-half per cent of all dwelling

units in the municipality, as reported in the most recent United States decennial census.

(B) If a municipality has received a final letter of eligibility from the commissioner pursuant to sections 38 and 39 of this act, the commissioner shall issue a certificate of affordable housing completion to such municipality at such time as, upon application, the commissioner determines, in the commissioner's discretion, that the municipality is in compliance with the following conditions: The municipality remains in compliance with all requirements for a final letter of eligibility, and there has been completed within the municipality one or more affordable housing developments which create housing unit-equivalent points equal to (i) the greater of one and three-quarter per cent of all dwelling units in the municipality, as reported in the most recent United States decennial census, or sixty-five housing unit-equivalent points, or (ii) for any municipality that (I) has adopted an affordable housing plan in accordance with section 8-30j, as amended by this act, (II) has twenty thousand or more dwelling units, as reported in the most recent United States decennial census, and (III) previously qualified for a moratorium in accordance with this section, one and one-half per cent of all dwelling units in the municipality, as reported in the most recent United States decennial census.

[(B)**]** (C) A municipality may apply for a certificate of affordable housing project completion pursuant to this subsection by applying in writing to the commissioner, and including documentation showing that the municipality has accumulated the required number of points within the applicable time period**.** Such documentation shall include the location of each dwelling unit being counted, the number of points each dwelling unit has been assigned, and the reason, pursuant to this subsection, for assigning such points to such dwelling unit**.** Upon receipt of such application, the commissioner shall promptly cause a notice of the filing of the application to be published in the Connecticut

Law Journal, stating that public comment on such application shall be accepted by the commissioner for a period of thirty days after the publication of such notice. Not later than ninety days after the receipt of such application, the commissioner shall either approve or reject such application. Such approval or rejection shall be accompanied by a written statement of the reasons for approval or rejection**,** pursuant to the provisions of this subsection. If the application is approved, the commissioner shall promptly cause a certificate of affordable housing project completion to be published in the Connecticut Law Journal. If the commissioner fails to either approve or reject the application within such ninety-day period, such application shall be deemed provisionally approved, and the municipality may cause notice of such provisional approval to be published in a conspicuous manner in a daily newspaper having general circulation in the municipality, in which case, such moratorium shall take effect upon such publication. The municipality shall send a copy of such notice to the commissioner**.** Such provisional approval shall remain in effect unless the commissioner subsequently acts upon and rejects the application, in which case the moratorium shall terminate upon notice to the municipality by the commissioner.

(5) For the purposes of this subsection, "elderly units" are dwelling units whose occupancy is restricted by age, "family units" are dwelling units whose occupancy is not restricted by age, and "resident-owned mobile manufactured home park" has the same meaning as provided in subsection (k) of this section.

(6) For the purposes of this subsection, housing unit-equivalent points shall be determined by the commissioner as follows: (A) No points shall be awarded for a unit unless its occupancy is restricted to persons and families whose income is equal to or less than eighty per cent of the median income, except that (i) unrestricted units in a set-aside development shall be awarded one-quarter point each**,** **[**;**]** and (ii) dwelling units in middle housing developed as of right pursuant to

section 8-2s shall be awarded one-quarter point each; **[**.**]** (B) **[**Family**]** family units restricted to persons and families whose income is equal to or less than eighty per cent of the median income shall be awarded one point if an ownership unit and one and one-half points if a rental unit; **[**.**]** (C) **[**Family**]** family units restricted to persons and families whose income is equal to or less than sixty per cent of the median income shall be awarded one and one-half points if an ownership unit and two points if a rental unit; **[**.**]** (D) **[**Family**]** family units restricted to persons and families whose income is equal to or less than forty per cent of the median income shall be awarded two points if an ownership unit and two and one-half points if a rental unit; **[**.**]** (E) **[**Elderly**]** elderly units restricted to persons and families whose income is equal to or less than eighty per cent of the median income shall be awarded one-half point; **[**.**]** (F) **[**A**]** a set-aside development containing family units which are rental units shall be awarded additional points equal to twenty-two per cent of the total points awarded to such development, provided the application for such development was filed with the commission prior to July 6, 1995; **[**.**]** (G) **[**A**]** a mobile manufactured home in a resident-owned mobile manufactured home park shall be awarded points as follows: (i) One and one-half points when occupied by persons and families with an income equal to or less than eighty per cent of the median income, **[**;**]** (ii) two points when occupied by persons and families with an income equal to or less than sixty per cent of the median income, **[**;**]** and (iii) one-fourth point for the remaining units; and (H) any unit described in subparagraphs (A) to (G), inclusive, of this subdivision shall be awarded an additional one-quarter point, provided such unit was constructed by or in conjunction with a housing authority, as defined in section 8-40, of a neighboring municipality.

(7) Points shall be awarded only for dwelling units which (A) were newly-constructed units in an affordable housing development, as that term was defined at the time of the affordable housing application, for which a certificate of occupancy was issued after July 1, 1990, (B) were

newly subjected after July 1, 1990, to deeds containing covenants or restrictions which require that, for at least the duration required by subsection (a) of this section for set-aside developments on the date when such covenants or restrictions took effect, such dwelling units shall be sold or rented at, or below, prices which will preserve the units as affordable housing for persons or families whose income does not exceed eighty per cent of the median income, or (C) are located in a resident-owned mobile manufactured home park.

(8) Points shall be subtracted, applying the formula in subdivision (6) of this subsection, for any affordable dwelling unit which, on or after July 1, 1990, was affected by any action taken by a municipality which caused such dwelling unit to cease being counted as an affordable dwelling unit.

(9) A newly-constructed unit shall be counted toward a moratorium when it receives a certificate of occupancy. A newly-restricted unit shall be counted toward a moratorium when its deed restriction takes effect.

(10) The affordable housing appeals procedure shall be applicable to affordable housing applications filed with a commission after a three-year moratorium expires, except (A) as otherwise provided in subsection (k) of this section, or (B) when sufficient unit-equivalent points have been created within the municipality during one moratorium to qualify for a subsequent moratorium.

(11) The commissioner shall, within available appropriations, adopt regulations in accordance with chapter 54 to carry out the purposes of this subsection. Such regulations shall specify the procedure to be followed by a municipality to obtain a moratorium, and shall include the manner in which a municipality is to document the units to be counted toward a moratorium. A municipality may apply for a moratorium in accordance with the provisions of this subsection prior to, as well as after, such regulations are adopted.

Sec. 35. (*Effective from passage*) The majority leaders' roundtable group on affordable housing, established pursuant to section 2-139 of the general statutes, shall review the potential issues and benefits of changing the exemption threshold provided in subsection (k) of section 8-30g of the general statutes from a percentage of certain dwelling units located in a municipality to a flat numerical value. Not later than February 1, 2026, the roundtable group shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, on its findings and any recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to housing.

Sec. 36. (*Effective July 1, 2025*) The Commissioner of Housing shall, within available resources, establish and administer an Affordable Housing Real Estate Investment Trust pilot program. Such pilot program shall be for the purpose of providing grants to entities for purposes of acquiring housing units that are subject to long-term deed restrictions requiring the units to be maintained as affordable housing, provided such units are located in municipalities in the state with populations of at least one hundred thirty thousand but less than one hundred forty thousand, as determined by the most recent federal decennial census. Participation in such pilot program shall be by application, submitted in a form and manner prescribed by the commissioner. For the purposes of this section, "municipality" has the same meaning as provided in section 7-148 of the general statutes.

Sec. 37. (NEW) (*Effective July 1, 2025*) As used in this section and sections 38 and 39 of this act:

(1) "Approved priority housing development zone" means a priority housing development zone for which a final letter of eligibility has been issued by the Commissioner of Housing pursuant to section 38 of this act.

(2) "Developable land" means the area within the boundaries of an approved priority housing development zone that feasibly can be developed into residential uses consistent with the provisions of this section. "Developable land" does not include: (A) Land already committed to a public use or purpose, whether publicly or privately owned; (B) existing parks, recreation areas and open space that is dedicated to the public or subject to a recorded conservation easement; (C) land otherwise subject to an enforceable restriction on or prohibition of development; (D) wetlands or watercourses as defined in chapter 440 of the general statutes; and (E) areas of one-half or more acres of contiguous land that are unsuitable for development due to topographic features, such as steep slopes.

(3) "Dwelling unit" has the same meaning as provided in section 47a-1 of the general statutes.

(4) "Eligible location" means an area within existing residential or commercial districts suitable for development as a priority housing development zone.

(5) "Historic district" means a historic district established pursuant to chapter 97a of the general statutes.

(6) "Priority housing development zone" means a zone adopted by a zoning commission pursuant to this section and sections 38 and 39 of this act as an overlay to one or more existing zones in an eligible location.

(7) "Letter of eligibility" means a preliminary or final letter issued to a municipality by the commissioner pursuant to section 39 of this act.

(8) "Multifamily housing" means a building that contains or will contain three or more residential dwelling units.

(9) "Open space" means land or a permanent interest in land that is

used for or satisfies one or more of the criteria listed in subsection (b) of section 7-131d of the general statutes.

(10) "Commissioner" means the Commissioner of Housing, or the commissioner's designee.

(11) "Townhouse housing" means a residential building consisting of single-family dwelling units constructed in a group of three or more attached units in which each unit extends from foundation to roof and has exterior walls on at least two sides.

(12) "Zoning commission" means a municipal agency designated or authorized to exercise zoning powers under chapter 124 of the general statutes or a special act and includes an agency that exercises both planning and zoning authority.

Sec. 38. (NEW) (*Effective July 1, 2025*) (a) Notwithstanding the provisions of any charter or special act, a zoning commission may adopt regulations, as part of any zoning regulations adopted under section 8-2 of the general statutes, as amended by this act, or any special act, that establish a priority housing development zone in accordance with the provisions of this section.

(b) A priority housing development zone shall satisfy the following requirements:

(1) The zone shall be consistent with the state plan of conservation and development and be located in an eligible location.

(2) The commissioner determines, in the commissioner's discretion, that the regulations establishing a priority housing development zone are likely to substantially increase the production of new dwelling units necessary to meet housing needs within the zone, including addressing the provisions identified in subdivisions (4) to (6), inclusive, of subsection (b) of section 8-2 of the general statutes, as amended by this

act.

(3) The regulations establishing a priority housing development zone shall permit, as of right, multifamily housing, as provided in this section.

(4) The minimum allowable density for a priority housing development zone, per acre of developable land, shall be: (A) Four units per acre for single-family detached housing; (B) six units per acre for duplex or townhouse housing; and (C) ten units per acre for multifamily housing.

(5) The minimum densities prescribed in subdivision (4) of this subsection shall be subject only to site plan or subdivision procedures, submission requirements and approval standards of the municipality and shall not be subject to special permit or special exception procedures, requirements or standards.

(6) A priority housing development zone may consist of one or more subzones, provided each subzone and the zone as a whole comply with the requirements of this section.

(7) A priority housing development zone shall be not less than ten per cent of the total developable land within a municipality.

(8) The regulations establishing a priority housing development zone shall satisfy the provisions set forth in section 8-2 of the general statutes, as amended by this act, including, but not limited to, subdivisions (4) to (6), inclusive, of subsection (b) of said section.

(c) A zoning commission may modify, waive or eliminate dimensional standards contained in the zone or zones that underlie a priority housing development zone in order to support the minimum or desired densities, mix of uses or physical compatibility in the priority housing development zone. Standards subject to modification, waiver

or elimination by a zoning commission include, but shall not be limited to, building height, setbacks, lot coverage, parking ratios and road design standards.

(d) The regulations of a priority housing development zone may allow for a mix of business, commercial or other nonresidential uses within a single zone or for the separation of such uses into one or more subzones, provided that the zone as a whole complies with the requirements of this section, and such uses are consistent with as-of-right residential uses and densities required under this section.

(e) A priority housing development zone may overlay all or any part of an existing historic district, and a municipality may establish a historic district within an approved priority housing development zone, provided, if the requirements or regulations of such historic district render the approved priority housing development zone out of compliance with the provisions of this section, the commissioner shall deny or revoke a preliminary or final letter of eligibility and deny or revoke a certificate of affordable housing project completion, as provided in subdivision (4) of subsection (l) of section 8-30g of the general statutes, as amended by this act, as applicable.

(f) The provisions of this section shall not be construed to affect the power of a zoning commission to adopt or amend regulations under chapter 124 of the general statutes or any special act.

Sec. 39. (NEW) (*Effective July 1, 2025*) (a) Any municipality that has adopted a priority housing development zone consistent with this section and sections 37 and 38 of this act may request a final letter of eligibility from the commissioner.

(b) The commissioner may issue a preliminary letter of eligibility upon a municipality's request, provided such municipality has submitted proposed modifications that would allow it to create a

priority housing development zone. The commissioner may issue a final letter of eligibility when a municipality has implemented such proposed modifications and is in compliance with the requirements of a priority housing development zone set forth in this section and sections 37 and 38 of this act.

(c) The commissioner shall review such requests not later than ninety days after receipt of such a request. The commissioner may approve, reject or request modifications concerning a priority housing development zone consistent with the requirements of this section and sections 37 and 38 of this act.

(d) If a municipality modifies a priority housing development zone or a new historic district is created within or overlapping such zone after application for or receipt of a letter of eligibility, the municipality, not later than seven days after such modification, shall notify the commissioner of such modification, and the commissioner may deny or rescind such letter of eligibility, as applicable, if the commissioner determines that such modifications do not comply with the requirements of this section and sections 37 and 38 of this act.

(e) If after one year following the date on which a municipality received a final letter of eligibility from the commissioner, the commissioner determines, in the commissioner's discretion, that, considering market conditions in the municipality and the state, there exists a lack of building permits or other indications of progress towards construction of dwelling units in the zone, the commissioner may rescind such final letter of eligibility.

(f) If any letter of eligibility is rescinded pursuant to this section, the commissioner shall also rescind any current certificate of affordable housing completion awarded to the municipality pursuant to subparagraph (B) of subdivision (4) of subsection (l) of section 8-30g of the general statutes, as amended by this act.

Sec. 40. (NEW) (*Effective October 1, 2025*) Any municipality eligible to receive discretionary infrastructure funding, as defined in section 8-30j of the general statutes, as amended by this act, pursuant to the provisions of both section 8-30j of the general statutes, as amended by this act, and section 19 of this act, shall be given preference in the award of such funding over any municipality that is eligible for such funding under either section 8-30j of the general statutes, as amended by this act, or section 19 of this act, but not both. The Secretary of the Office of Policy and Management shall make recommendations to the state agency responsible for administering or managing such funding and, if priority funding is permitted for such funding, such agency shall prioritize such funding in accordance with this section.

Sec. 41. Section 8-446a of the general statutes is repealed. (*Effective July 1, 2025*)

Sec. 42. Sections 8-2c and 8-2p of the general statutes are repealed. (*Effective July 1, 2026*)

Governor's Action:
Vetoed June 23, 2025