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## **OLR Bill Analysis**

### **SB 1444**

#### ***AN ACT CONCERNING THE CONVERSION OF COMMERCIAL REAL PROPERTY FOR RESIDENTIAL USE.***

#### **SUMMARY**

This bill requires municipalities that exercise zoning powers under the statutes (i.e. CGS § 8-2) to adopt regulations allowing the conversion (or partial conversion) of commercial buildings into residential developments as of right. As under existing law, “as of right” means able to be approved without requiring (1) a public hearing; (2) a variance, special permit, or special exception; or (3) other discretionary zoning action, other than a determination that a site plan conforms with applicable zoning regulations. The bill also sets related requirements for the as-of-right permit application and review process (see below).

Additionally, the bill prohibits municipalities from conducting a revaluation of a conversion or partial conversion for at least a three-year period beginning after a certificate of occupancy is issued in connection with the conversion. This prohibition applies regardless of existing law on municipal property revaluations, which requires municipalities to perform revaluations every five years based on a rotating schedule the Office of Policy and Management prescribes.

Under the bill, commercial buildings are those designed or used primarily for non-residential purposes, including hotels, retail space, and office space. They do not include industrial buildings, meaning those used primarily for industrial activity and generally not open to the public, including warehouses, factories, and storage facilities. Residential developments are structures (or a portion of one) containing at least one dwelling unit.

EFFECTIVE DATE: October 1, 2025

## **APPLICATION REVIEW**

The bill requires regulations to establish an as-of-right permit application and review process for the conversion projects discussed above. The process must require the zoning or planning and zoning commission to decide within 65 days after an application is received unless an applicant approves an extension or extensions of up to 65 days total or withdraws the application.

The bill prohibits municipalities from conditioning a conversion's (or partial conversion's) approval on the correction of a nonconforming use, structure, or lot. (A nonconforming use is a property use that legally exists at the time a zoning restriction prohibiting or limiting it is adopted. The term also generally applies to lots and structures that do not comply with zoning regulations.) The bill also specifies that its provisions do not exempt these conversions from the requirements of applicable building and fire codes, however, it prohibits municipalities from unreasonably delaying inspections required in connection with conversions.

## **BACKGROUND**

### ***Related Bills***

sSB 1263, reported favorably by the Housing Committee, requires the Department of Housing to establish a tax credit program for owners that convert commercial buildings into residential developments or taxpayers that make contributions toward the conversion.

sSB 12 (File 251), § 7, reported favorably by the Housing Committee, generally has the same provisions as this bill.

## **COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea 12    Nay 7    (03/21/2025)