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## **OLR Bill Analysis**

### **SB 1444 (as amended by Senate "B")**

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

#### **SUMMARY**

This bill allows municipalities that exercise their zoning powers under the statutes (rather than a special act) to allow the conversion (or partial conversion) of commercial buildings into residential developments subject only to a "summary review." To be eligible, the building owner must certify in writing to the municipality that the building (1) has been vacant or (2) had an average occupancy rate under 50% over the one-year period immediately before the summary review application was submitted.

As under existing law, a "summary review" allows an application to be approved without requiring (1) a public hearing; (2) a variance, special permit, or special exception; or (3) any other discretionary zoning action, except for a determination that a site plan conforms with applicable zoning regulations and that public health and safety will not be substantially impacted.

The bill also (1) sets related requirements for the summary review application and review process and municipal property revaluations of these conversions and (2) gives municipalities that adopt zoning regulations allowing for conversions priority funding under the greyfield revitalization program the Department of Economic and Community Development (DECD) is authorized to create under sSB 1247 (see BACKGROUND).

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.

\*Senate Amendment “B” (1) eliminates a provision requiring municipalities to allow these conversions “as of right,” and instead authorizes them to allow the conversions subject only to summary review and (2) adds the building owner certification requirement and prioritized greyfield revitalization program funding provision.

EFFECTIVE DATE: October 1, 2025

### **APPLICATION REVIEW**

The bill requires planning, zoning, or combined planning and zoning commissions to review and decide on each summary review conversion application within 65 days after receiving it, but the applicant may agree to extensions of up to an additional 65 days or withdraw its 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. 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.

### **MUNICIPAL PROPERTY REVALUATIONS**

The bill prohibits municipalities from conducting a revaluation of a conversion or partial conversion for a three-year period from the date 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.

**BACKGROUND*****Greyfield Revitalization Program***

sSB 1247 (File 901), §§ 99 & 100, generally allows DECD to create a greyfield revitalization program to provide grants or loans to facilitate the repurposing of greyfields. It authorizes DECD to use bond funds and available resources to provide up to \$50 million in the aggregate for program grants and loans.

Under the bill, a “greyfield” is any previously developed commercial retail or office property that (1) is economically nonviable in its current state and exhibits conditions that significantly complicate its redevelopment or reuse, as determined by the DECD, and (2) is not currently eligible for any brownfield remediation and development program.

***Related Bills***

sSB 12 (File 251), § 7, reported favorably by the Housing; Finance, Revenue and Bonding; and Appropriations committees, requires most municipalities to adopt regulations allowing the as-of-right conversion of commercial buildings into residential developments.

sSB 1247 (File 901), §§ 99 & 100, reported favorably by the Finance, Revenue and Bonding Committee, allows DECD to create a greyfield revitalization program to provide grants or loans to facilitate the repurposing of greyfields.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea    12    Nay    7    (03/21/2025)