



House of Representatives

General Assembly

File No. 275

February Session, 2026

Substitute House Bill No. 5508

House of Representatives, March 31, 2026

The Committee on Planning and Development reported through REP. KAVROS DEGRAW of the 17th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING HISTORIC DISTRICTS AND HISTORIC PRESERVATION.

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

1 Section 1. Subsection (a) of section 7-147e of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2026*):

4 (a) [The] A historic district commission shall hold a public hearing
5 upon each application for a certificate of appropriateness unless [the]
6 such commission determines that such application involves items not
7 subject to approval by the commission. [The] Any such commission
8 shall fix a reasonable time and place for such hearing. Notice of the time
9 and place of such hearing shall be given by publication in the form of a
10 legal advertisement appearing in a newspaper having a substantial
11 circulation in the municipality not more than fifteen days nor less than
12 five days before such hearing. Any public hearing held by any such
13 commission shall be broadcast contemporaneously and continuously on

14 an Internet web site identified in such notice.

15 Sec. 2. Section 7-147i of the general statutes is repealed and the
16 following is substituted in lieu thereof (*Effective October 1, 2026*):

17 Any person or persons severally or jointly aggrieved by any decision
18 of the historic district commission or of any officer thereof may, within
19 fifteen days from the date when such decision was rendered, take an
20 appeal to the [superior court for the judicial district in which such
21 municipality is located, which appeal shall be made returnable to such
22 court in the same manner as that prescribed for other civil actions
23 brought to such court. Notice of such appeal shall be given by leaving a
24 true and attested copy thereof in the hands of or at the usual place of
25 abode of the chairman or clerk of the commission within twelve days
26 before the return day to which such appeal has been taken. Procedure
27 upon such appeal shall be the same as that defined in section 8-8] zoning
28 board of appeals in accordance with the provisions of section 8-7.

29 Sec. 3. Section 7-147k of the general statutes is repealed and the
30 following is substituted in lieu thereof (*Effective October 1, 2026*):

31 (a) The provisions of this part shall in no way impair the validity of
32 any historic district previously established under any special act or the
33 general statutes. Any and all historic districts created under the general
34 statutes, prior to October 1, 1980, otherwise valid except that such
35 districts, district study committees, municipalities or officers or
36 employees thereof, failed to comply with the requirements of any
37 general or special law, and any and all actions of such districts or historic
38 district commission, are validated.

39 (b) The provisions of this part shall not apply to any property owned
40 by a nonprofit institution of higher education or state agency, as defined
41 in subsection (g) of section 4-67g, for as long as a nonprofit institution of
42 higher education or state agency owns such property.

43 (c) The provisions of this part shall not apply to any property owned
44 by a municipality, for as long as such municipality owns such property.

45 In lieu of the requirements of this part, any municipality that intends to
46 erect or alter a building or structure within an historic district shall
47 submit to the historic district commission (1) any plans, elevations,
48 specifications and materials pertaining to such erection or alteration,
49 and (2) if such plan involves demolition or removal of a building or
50 structure, a statement of the proposed condition and appearance of such
51 property after such demolition or removal. Not later than sixty-five days
52 after such submission, the commission shall issue a nonbinding opinion
53 of the appropriateness of such erection or alteration, which may include
54 recommendations concerning the design, arrangement, texture,
55 material and similar features of such erection or alteration. If the
56 commission determines such erection or alteration is not appropriate,
57 such opinion shall include the bases for such determination.

58 Sec. 4. Section 10-416c of the general statutes is repealed and the
59 following is substituted in lieu thereof (*Effective July 1, 2026, and*
60 *applicable to taxable years commencing on or after January 1, 2027*):

61 (a) As used in this section, the following terms shall have the
62 following meanings unless the context clearly indicates another
63 meaning:

64 (1) "Officer" means the State Historic Preservation Officer designated
65 pursuant to 36 CFR 61.2;

66 (2) "Certified historic structure" means any property that: (A) Is listed
67 individually on the National or State Register of Historic Places, or (B)
68 is located in a district listed on the National or State Register of Historic
69 Places and has been certified by the officer as contributing to the historic
70 character of such district;

71 (3) "Certified rehabilitation" means any rehabilitation of a certified
72 historic structure for (A) residential use of five units or more, (B)
73 residential use of not less than two and not more than four units, where
74 such units are anticipated to produce income once the property is placed
75 in service, (C) mixed residential and nonresidential uses, or [(C)] (D)
76 nonresidential use consistent with the historic character of such

77 property or the district in which such property is located, as determined
78 by regulations adopted by the Department of Economic and
79 Community Development;

80 (4) "Owner" means any person, firm, limited liability company,
81 nonprofit or for-profit corporation or other business entity or
82 municipality that possesses title to an historic structure and that
83 undertakes the rehabilitation of such structure;

84 (5) "Placed in service" means the completion of substantial
85 rehabilitation work that would allow for occupancy of the entire
86 building or an identifiable portion of the building;

87 (6) "Qualified rehabilitation expenditures" means any costs incurred
88 for the physical construction involved in the rehabilitation of a certified
89 historic structure, excluding: (A) The owner's personal labor, (B) the cost
90 of a new addition, except as required to comply with any provision of
91 the State Building Code or the Fire Safety Code, and (C) any
92 nonconstruction cost such as architectural fees, legal fees and financing
93 fees;

94 (7) "Rehabilitation plan" means any narrative, construction plans and
95 specifications for the proposed rehabilitation of a certified historic
96 structure in sufficient detail for evaluation of compliance with the
97 Secretary of the Interior's Standards for Rehabilitation, as established in
98 36 CFR 67;

99 (8) "Substantial rehabilitation" or "substantially rehabilitate" means
100 the qualified rehabilitation expenditures of a certified historic structure
101 that exceed twenty-five per cent of the assessed value of such structure;

102 (9) "Affordable housing" has the same meaning as provided in section
103 8-39a; and

104 (10) "Project" means an undertaking involving rehabilitation work to
105 a certified historic structure and any attached or adjacent new
106 construction, associated demolition or improvements on the site that
107 may affect the historic character or significance of the certified historic

108 structure.

109 (b) (1) The Department of Economic and Community Development
110 shall administer a system of tax credit vouchers within the resources,
111 requirements and purposes of this section for owners rehabilitating
112 certified historic structures.

113 (2) The credit authorized by this section shall be available in the tax
114 year in which the substantially rehabilitated certified historic structure
115 is placed in service. In the case of projects completed in phases, the tax
116 credit shall be prorated to the substantially rehabilitated identifiable
117 portion of the building placed in service. If the tax credit is more than
118 the amount owed by the taxpayer for the year in which the substantially
119 rehabilitated certified historic structure is placed in service, the amount
120 that is more than the taxpayer's tax liability may be carried forward and
121 credited against the taxes imposed for the succeeding five years or until
122 the full credit is used, whichever occurs first.

123 (3) In the case of projects completed in phases, the Department of
124 Economic and Community Development may issue vouchers for the
125 substantially rehabilitated identifiable portion of the building placed in
126 service.

127 (4) If a credit is allowed under this section for rehabilitation of a
128 certified historic structure with multiple owners, such credit shall be
129 passed through to such owners, or persons designated as partners or
130 members of such owners, pro rata or pursuant to an agreement among
131 such owners, or persons designated as partners or members of such
132 owners, documenting an alternative distribution method without
133 regard to other tax or economic attributes of such owners.

134 (5) Any owner entitled to a credit under this section may sell, assign,
135 or otherwise transfer such credit, in whole or in part, to one or more
136 persons, as defined in section 12-1, provided any credit, after issuance,
137 may be sold, assigned or otherwise transferred, in whole or in part, not
138 more than three times. Such person shall be entitled to offset the tax
139 imposed under chapter 207, 208, 209, 210, 211 or 212 as if such transferee

140 had incurred the qualified rehabilitation expenditure.

141 (6) If a credit under this section is sold, assigned or otherwise
142 transferred, whether by the owner or any subsequent transferee, the
143 transferor and transferee shall jointly submit written notification of such
144 transfer to the Department of Economic and Community Development
145 not later than thirty days after such transfer. The notification after each
146 transfer shall include the credit voucher number, the date of transfer,
147 the amount of such credit transferred, the tax credit balance before and
148 after the transfer, the tax identification numbers for both the transferor
149 and the transferee, and any other information required by the
150 department. Failure to comply with this subsection shall result in a
151 disallowance of the tax credit until there is full compliance on the part
152 of the transferor and the transferee, and for a second or third transfer,
153 on the part of all subsequent transferors and transferees.

154 (7) The Department of Economic and Community Development shall
155 provide a list to the Commissioner of Revenue Services, on an annual
156 basis, detailing the credits that have been approved for the most recent
157 fiscal year and all sales, assignments and transfers thereof that were
158 made under this section for said year.

159 (c) The Department of Economic and Community Development may
160 adopt regulations, in accordance with chapter 54, to carry out the
161 purposes of this section. Such regulations shall include provisions for:
162 (1) The filing of applications, (2) the rating criteria for evaluating
163 applications, and (3) the timely approval of applications by the
164 department. The rating criteria for evaluating applications shall give
165 priority to applications of owners rehabilitating certified historic
166 structures located in federally designated opportunity zones.

167 (d) For the purpose of seeking a tax credit pursuant to subsection (b)
168 of this section, prior to beginning any rehabilitation work on a certified
169 historic structure, the owner shall submit to the officer (1) (A) a
170 rehabilitation plan for a determination of whether such rehabilitation
171 work meets the Secretary of the Interior's Standards for Rehabilitation,
172 as established in 36 CFR 67, and (B) if such rehabilitation work is

173 planned to be undertaken in phases, a complete description of each such
174 phase, with anticipated schedules for completion; (2) an estimate of the
175 qualified rehabilitation expenditures; and (3) for projects pursuant to
176 subparagraph (C) of subdivision [(3)] (1) of subsection (e) of this section,
177 (A) the number of units of affordable housing to be created, (B) the
178 proposed rents or sale prices of such units, and (C) the median income
179 for the municipality where the project is located. For projects under
180 subparagraph (C) of subdivision [(3)] (1) of subsection (e) of this section,
181 the owner shall submit a copy of data required under subdivision (3) of
182 this subsection to the Department of Housing.

183 (e) [If] (1) Except as provided in subdivision (2) of this subsection, if
184 the officer certifies that the rehabilitation plan conforms to the Secretary
185 of the Interior's Standards for Rehabilitation, as established in 36 CFR
186 67, the Department of Economic and Community Development shall
187 reserve for the benefit of the owner an allocation for a tax credit
188 equivalent to [(1)] (A) twenty-five per cent of the projected qualified
189 rehabilitation expenditures, [(2)] (B) thirty per cent of the projected
190 qualified rehabilitation expenditures if the certified historic structure is
191 located in a federally designated opportunity zone, or [(3)] (C) thirty per
192 cent of the projected qualified rehabilitation expenditures if [(A)] (i) at
193 least twenty per cent of the units are rental units and qualify as
194 affordable housing, or [(B)] (ii) at least ten per cent of the units are
195 individual homeownership units and qualify as affordable housing. No
196 tax credit shall be allocated for the purposes of subparagraph (C) of this
197 subdivision [(3) of this subsection] unless an applicant received a
198 certificate from the Commissioner of Housing pursuant to section 8-37lll
199 confirming that the project complies with the definition of affordable
200 housing under section 8-39a.

201 (2) The owner of any certified historic structure intended for
202 residential use and having not less than two and not more than four
203 units, where such units are anticipated to produce income once the
204 property is placed into service, shall not receive a reservation for a tax
205 credit pursuant to this subsection if such owner's projected qualified
206 rehabilitation expenditures are less than fifteen thousand dollars. No

207 such owner shall receive a reservation for a tax credit in excess of one
208 hundred thousand dollars.

209 (f) Following the completion of rehabilitation of a certified historic
210 structure in its entirety or in phases to an identifiable portion of the
211 building, any owner who seeks a tax credit pursuant to subsection (b) of
212 this section shall notify the officer that such rehabilitation is complete.
213 Such owner shall provide the officer with documentation of work
214 performed on the certified historic structure and shall submit
215 certification of the costs incurred in rehabilitating the certified historic
216 structure. The officer shall review such rehabilitation and verify its
217 compliance with the rehabilitation plan. Following such verification, the
218 Department of Economic and Community Development shall issue a tax
219 credit voucher to such owner or to the taxpayer named by such owner
220 as contributing to the rehabilitation. The tax credit voucher shall be in
221 an amount equivalent to the lesser of the tax credit reserved upon
222 certification of the rehabilitation plan under the provisions of subsection
223 (e) of this section or (1) twenty-five per cent of the actual qualified
224 rehabilitation expenditures, (2) thirty per cent of the projected qualified
225 rehabilitation expenditures if the certified historic structure is located in
226 a federally designated opportunity zone, or ~~[(2)]~~ (3) for projects
227 including affordable housing pursuant to subparagraph (C) of
228 subdivision [(3)] (1) of subsection (e) of this section, thirty per cent of the
229 actual qualified rehabilitation expenditures. In order to obtain a credit
230 against any state tax due that is specified in subsection (g) of this section,
231 the holder of the tax credit voucher shall file the voucher with the
232 holder's state tax return.

233 (g) The Commissioner of Revenue Services shall grant a tax credit to
234 a taxpayer holding the tax credit voucher issued in accordance with
235 subsections (b) to (i), inclusive, of this section against any tax due under
236 chapter 207, 208, 209, 210, 211 or 212 in the amount specified in the tax
237 credit voucher. Such taxpayer shall submit the voucher and the
238 corresponding tax return to the Department of Revenue Services.

239 (h) The Department of Economic and Community Development may

240 charge any owner seeking a tax credit pursuant to subsection (b) of this
241 section an application fee in an amount not to exceed ten thousand
242 dollars to (1) cover the cost of administering the program established
243 pursuant to this section, and (2) fund programs that advance historic
244 preservation in the state.

245 (i) The aggregate amount of all tax credits that may be reserved by
246 the Department of Economic and Community Development upon
247 certification of rehabilitation plans pursuant to subsections (b) to (h),
248 inclusive, of this section shall not exceed thirty-one million seven
249 hundred thousand dollars in any fiscal year, of which five million
250 dollars shall be reserved for projects relating to certified historic
251 structures intended for residential use and having not less than two and
252 not more than four units, where such units are anticipated to produce
253 income once the property is placed into service. No project may receive
254 tax credits in an amount exceeding four million five hundred thousand
255 dollars.

256 (j) On or before October 1, 2015, and annually thereafter, the
257 Department of Economic and Community Development shall report, in
258 accordance with section 11-4a, the total amount of tax credits reserved
259 for the previous fiscal year pursuant to subsections (b) to (i), inclusive,
260 of this section, to the joint standing committees of the General Assembly
261 having cognizance of matters relating to commerce and finance, revenue
262 and bonding. Each such report shall include the following information
263 for each project for which a tax credit has been reserved: (1) The total
264 project costs, (2) the value of the tax credit reservation pursuant to
265 subdivision (1) of subsection (e) of this section, (3) a statement whether
266 the reservation is for mixed-use and if so, the proportion of the project
267 that is not residential, and (4) the number of residential units to be
268 created, and, for reservations pursuant to subparagraph (C) of
269 subdivision [(3)] (1) of subsection (e) of this section, the value of the
270 reservation and percentage of residential units that will qualify as
271 affordable housing.

272 Sec. 5. Subsection (i) of section 2-150 of the 2026 supplement to the

273 general statutes is repealed and the following is substituted in lieu
274 thereof (*Effective October 1, 2026*):

275 (i) The commission shall have the following powers and duties: To
276 (1) issue reports and recommendations to all three branches of
277 government concerning historical questions of memorialization and
278 commemoration related to Connecticut and United States history, either
279 upon the request of any executive, legislative or judicial department,
280 board, commission or other agency of the state or upon its own
281 initiative, including, but not limited to, developing the process required
282 under subsection (j) of this section; (2) obtain from any executive,
283 legislative or judicial department, board, commission or other agency of
284 the state such assistance and data as necessary and available to carry out
285 the purposes of this section; (3) collaborate with the State Commission
286 on Capitol Preservation and Restoration on matters concerning the State
287 Capitol building and grounds; (4) accept any gift, donation or bequest
288 for the purpose of performing the duties described in this section; and
289 [(4)] (5) perform such other acts as may be necessary and appropriate to
290 carry out the duties described in this section.

| | | |
|---|---|-----------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2026</i> | 7-147e(a) |
| Sec. 2 | <i>October 1, 2026</i> | 7-147i |
| Sec. 3 | <i>October 1, 2026</i> | 7-147k |
| Sec. 4 | <i>July 1, 2026, and applicable to taxable years commencing on or after January 1, 2027</i> | 10-416c |
| Sec. 5 | <i>October 1, 2026</i> | 2-150(i) |

PD Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 27 \$ | FY 28 \$ |
|--|-------------|----------|----------|
| Department of Economic & Community Development | GF - Cost | 98,000 | 98,000 |
| State Comptroller - Fringe Benefits ¹ | GF - Cost | 41,000 | 41,000 |

Note: GF=General Fund

Municipal Impact:

| Municipalities | Effect | FY 27 \$ | FY 28 \$ |
|------------------------|--------------|-----------|-----------|
| Various Municipalities | Cost/Savings | See Below | See Below |

Explanation

Section 1 requires historic district commissions to broadcast their meetings to the internet. This does not result in a fiscal impact as it is anticipated that all municipalities can comply with this requirement.

Section 2 requires municipal zoning boards of appeals to hear appeals related to the decisions of historic district commissions instead of the state's superior courts. This results in a cost to municipalities with historic district commissions beginning in FY 27 to the extent that more zoning board of appeals hearings occur.

Section 3 exempts municipalities from the historic district commission's certificate of appropriateness application process. This

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

results in a potential savings to municipalities beginning in FY 27 that would have had to pay an application fee for a certificate².

Section 4 results in an annual cost of \$139,000 to the Department of Economic and Community Development by expanding the types of projects that are eligible for the historic rehabilitation tax credit program. It is anticipated that the agency will require one full-time position at a cost of \$98,000 in salary and \$41,000 in fringe benefits in order to accommodate the increase in applications to the program as a result of this bill.

The section, which expands the historic rehabilitation tax credit program and sets aside \$5 million of the overall annual credit allocation for specific projects, does not result in any state revenue impact as it does not alter the overall \$31.7 million annual program credit cap.³

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

*Sources: Town of Wilton, Town of Milford
Connecticut Department of Economic and Community Development State
Historic Preservation Office FY 25 Annual Report*

² Application fees vary by town. For example, in Wilton the application fee is \$50 while in Milford the fee is \$100.

³ The program currently reaches the \$31.7 million program cap annually.

OLR Bill Analysis

sHB 5508

AN ACT CONCERNING HISTORIC DISTRICTS AND HISTORIC PRESERVATION.

SUMMARY

The bill makes several changes to the law on local historic district commissions (HDCs), including:

1. making HDC decisions on a certificate of appropriateness application initially appealable to the local zoning board of appeals (ZBA), rather than Superior Court;
2. subjecting municipalities to a new non-binding review process, rather than requiring them to apply to the HDC for a certificate of appropriateness;
3. requiring HDCs to live broadcast their meetings online; and
4. making explicit the existing rule that state agencies are not subject to HDCs' review processes.

The bill also expands the state's Historic Rehabilitation Tax Credit Program, which generally provides a 25% tax credit for rehabilitating a (1) residential building with at least five dwellings or (2) mixed-use or non-residential building. Under the bill, eligible projects also include rehabilitating a two- to four-family home, if the dwellings will be income producing (rental units). The bill also (1) annually reserves \$5 million of the program's tax credits for these projects; (2) caps per-project credits for these homes at \$100,000; and (3) excludes certain smaller projects on these homes from the program.

The bill also specifies that the duties of the newly created State Historical Commission (see BACKGROUND) include collaborating

with the State Commission on Capitol Preservation and Restoration on issues related to the capitol building and grounds (§ 5).

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2026, except the tax credit provisions are effective July 1, 2026, and applicable to tax years beginning on or after January 1, 2027.

LOCAL HISTORIC DISTRICT COMMISSIONS

By law, municipalities that establish historic districts must establish historic district commissions to govern their operation. Buildings in the district cannot be demolished, erected, or altered until the commission grants a certificate of appropriateness (after holding a public hearing). The commission also has jurisdiction over non-residential parking areas and outdoor advertisements within the district.

Online Broadcast of Hearings (§ 1)

The bill requires HDCs to live broadcast their public hearings on certificates of appropriateness online. When the HDC publishes the required public hearing notice in a newspaper, it must include the website for accessing the live broadcast. (The bill does not specify the broadcast format (such as audio or video), only that it be contemporaneous and continuous.)

Appealing HDC Decisions to ZBA (§ 2)

While current law allows an HDC's decision on a certificate of appropriateness application to immediately be appealed to court, the bill instead requires ZBAs to hear these appeals. In making this change, the bill appears to change the standard of review for an appeal of an HDC's decision from "substantial evidence" to "de novo." The bill retains current law's deadline for appealing an HDC decision (15 days).

By law, ZBAs have the power to (1) grant a variance of the zoning regulations and (2) decide appeals related to zoning enforcement or similar officials' decisions. In some municipalities, they also decide requests for special permits and special exemptions. ZBAs may be

elected or appointed bodies, and their decisions may be appealed in court. Under the bill, this includes ZBA decisions on certificate of appropriateness appeals.

Currently, appealing an HDC's decision to court is like appealing a ZBA's decision to court: the court reviews the record and determines if the decision was supported by substantial evidence in the record. But when a ZBA decides an appeal, it generally looks at the applicable regulations and decides for itself how they apply to the circumstances (not whether the appealed decision is supported by substantial evidence in the record). The bill appears to change, by shifting the initial appeal from court to the ZBA, the standard of review for the HDC's decision to a de novo review.

(As under existing law, HDC regulations can be enforced by filing an action in court for an injunction or civil or criminal penalties (see CGS § 7-147h).)

Oversight of Government Projects (§ 3)

Non-binding Opinion on Municipal Proposal. The bill generally exempts municipally owned property from HDCs' jurisdiction and instead creates a process for HDCs to give a non-binding opinion on a municipality's building or demolition plans.

Under the bill, before starting a project that would currently require a certificate of appropriateness from the local HDC, municipalities must give the HDC:

1. the plans, elevations, specifications, and list of materials that will be used, or
2. if demolition is involved, a statement of the proposed condition and appearance of the property after the demolition.

The bill gives HDCs 65 days to issue a non-binding opinion on the project's appropriateness, including feedback on the proposed design and materials. If the HDC decides the project is not appropriate, it must

say why. (Presumably, a municipality must wait until the opinion is issued or 65 days pass before beginning the project.)

State Agency Property. The bill clarifies that state agency property is not subject to HDCs' jurisdiction. (Generally, the state's use of its own property is immune from municipal land use controls.) Existing law also exempts from HDCs' jurisdiction property owned by nonprofit higher education institutions.

(Under existing law, unchanged by the bill, the Connecticut Environmental Policy Act and a similar federal law generally require state agencies to identify whether state actions could adversely affect the environment, including historic structures and landmarks. If a state agency determines its actions could adversely affect the environment, the agency must consider whether to avoid or mitigate the effects.)

EXPANDED HISTORIC REHABILITATION TAX CREDIT PROGRAM (§ 4)

Under current law, the historic rehabilitation tax credit applies to rehabilitation of historic structures for (1) residential use of five units or more, (2) mixed residential and non-residential uses, or (3) non-residential use consistent with the property's or district's historic character. Under the bill, eligible projects also include rehabilitating a two- to four-family home, if the dwellings will be income producing (rental units). The existing historic eligibility rules and application procedures also apply to tax credits for these homes (see BACKGROUND).

By law, the credit equals 25% of qualified rehabilitation expenditures, or 30% if the project (1) includes a specified percentage of affordable units or (2) is in an opportunity zone. Currently, no project may receive more than \$4.5 million in credits and total program credits are capped at \$31.7 million per year. The bill (1) annually reserves \$5 million of the total program credits for two- to four-family projects and (2) caps per-project credits for these homes at \$100,000. Rehabilitation of these homes is eligible for the tax credit only if anticipated qualified expenditures are at least \$15,000.

(Under existing law, there is also a Historic Homes Rehabilitation Tax Credit for rehabilitating a one- to four-family historic home that will have at least one owner-occupied unit. The credit equals 30% of qualified expenditures and the minimum expenditure is \$15,000. The credits are generally capped at \$30,000 for homeowners and \$50,000 for certain nonprofits (CGS § 10-416).)

BACKGROUND

Historic Rehabilitation Tax Credit (CGS § 10-416c)

This tax credit is only for work on property (1) listed on the national or state Register of Historic Places or (2) located in a historic district on the national or state register and certified as contributing to the district's historic character.

By law, owners seeking a tax credit under this program must provide the state with certain information before beginning rehabilitation work, including a rehabilitation plan. In order for the project to qualify for credits, the state must determine that the rehabilitation work meets the U.S. interior secretary's standards for rehabilitation. If it does, the state reserves tax credits for the owner. When the rehabilitation is complete, the state reviews the project for compliance with the approved rehabilitation plan before issuing the owner a tax credit voucher. The tax credit may be applied against the air carriers tax, community antenna and satellite television companies tax, corporation business tax, insurance companies tax, railroad companies tax, or utility companies tax.

State Historical Commission

PA 25-174, §§ 206-208, created a 12-member State Historical Commission to examine and make recommendations to the legislative, executive, and judicial branches on questions of memorialization and commemoration related to Connecticut and U.S. history. The law also required the commission to develop a (1) plan to install placards or other signs around the capitol to give the public information on the statues and other markers on the building's exterior and (2) process for identifying and commissioning additional statues that reflect the state's

diversity, character, and accomplishments.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 21 Nay 0 (03/13/2026)