



House of Representatives

File No. 733

General Assembly

February Session, 2026

(Reprint of File No. 275)

Substitute House Bill No. 5508
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 28, 2026

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. (*Effective from passage*) (a) There is established a task force
2 to study issues relating to municipal historic district commissions. Such
3 study shall include, but need not be limited to, an examination of (1) the
4 feasibility of (A) exempting property owned by municipalities from the
5 provisions of part I of chapter 97a of the general statutes, (B) establishing
6 a nonbinding process for the historic district commission review of
7 proposed erections or alterations of municipally owned buildings and
8 structures located within historic districts, (C) establishing a (i) state-
9 wide board to which appeals from decisions of historic district
10 commissions may be taken in lieu of appeals to the Superior Court, and
11 (ii) process for the taking of such appeals, and (D) requiring historic
12 district commissions to contemporaneously broadcast hearings
13 conducted pursuant to subsection (a) of section 7-147e of the general
14 statutes on a public Internet web site, and (2) any other issues deemed

15 relevant by the chairs of the task force.

16 (b) The task force shall consist of the following members:

17 (1) One appointed by the speaker of the House of Representatives;

18 (2) One appointed by the president pro tempore of the Senate;

19 (3) One appointed by the majority leader of the House of
20 Representatives;

21 (4) One appointed by the majority leader of the Senate;

22 (5) One appointed by the minority leader of the House of
23 Representatives;

24 (6) One appointed by the minority leader of the Senate; and

25 (7) The Commissioner of Economic and Community Development,
26 or the commissioner's designee.

27 (c) Any member of the task force appointed under subdivision (1),
28 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
29 of the General Assembly.

30 (d) All initial appointments to the task force shall be made not later
31 than thirty days after the effective date of this section. Any vacancy shall
32 be filled by the appointing authority.

33 (e) The speaker of the House of Representatives and the president pro
34 tempore of the Senate shall select the chairpersons of the task force from
35 among the members of the task force. Such chairpersons shall schedule
36 the first meeting of the task force, which shall be held not later than sixty
37 days after the effective date of this section.

38 (f) The administrative staff of the joint standing committee of the
39 General Assembly having cognizance of matters relating to planning
40 and development shall serve as administrative staff of the task force.

41 (g) Not later than January 1, 2027, the task force shall submit a report
42 on its findings and recommendations to the joint standing committee of
43 the General Assembly having cognizance of matters relating to planning
44 and development, in accordance with the provisions of section 11-4a of
45 the general statutes. The task force shall terminate on the date that it
46 submits such report or January 1, 2027, whichever is later.

47 Sec. 2. Section 10-416c of the general statutes is repealed and the
48 following is substituted in lieu thereof (*Effective July 1, 2027, and*
49 *applicable to taxable years commencing on or after January 1, 2028*):

50 (a) As used in this section, the following terms shall have the
51 following meanings unless the context clearly indicates another
52 meaning:

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

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

60 (3) "Certified rehabilitation" means any rehabilitation of a certified
61 historic structure for (A) residential use of five units or more, (B)
62 residential use of not less than two and not more than four units, where
63 such units produce income, (C) mixed residential and nonresidential
64 uses, or [(C)] (D) nonresidential use consistent with the historic
65 character of such property or the district in which such property is
66 located, as determined by regulations adopted by the Department of
67 Economic and Community Development;

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

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

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

82 (7) "Rehabilitation plan" means any narrative, construction plans and
83 specifications for the proposed rehabilitation of a certified historic
84 structure in sufficient detail for evaluation of compliance with the
85 Secretary of the Interior's Standards for Rehabilitation, as established in
86 36 CFR 67;

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

90 (9) "Affordable housing" has the same meaning as provided in section
91 8-39a; and

92 (10) "Project" means an undertaking involving rehabilitation work to
93 a certified historic structure and any attached or adjacent new
94 construction, associated demolition or improvements on the site that
95 may affect the historic character or significance of the certified historic
96 structure.

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

101 (2) The credit authorized by this section shall be available in the tax

102 year in which the substantially rehabilitated certified historic structure
103 is placed in service. In the case of projects completed in phases, the tax
104 credit shall be prorated to the substantially rehabilitated identifiable
105 portion of the building placed in service. If the tax credit is more than
106 the amount owed by the taxpayer for the year in which the substantially
107 rehabilitated certified historic structure is placed in service, the amount
108 that is more than the taxpayer's tax liability may be carried forward and
109 credited against the taxes imposed for the succeeding five years or until
110 the full credit is used, whichever occurs first.

111 (3) In the case of projects completed in phases, the Department of
112 Economic and Community Development may issue vouchers for the
113 substantially rehabilitated identifiable portion of the building placed in
114 service.

115 (4) If a credit is allowed under this section for rehabilitation of a
116 certified historic structure with multiple owners, such credit shall be
117 passed through to such owners, or persons designated as partners or
118 members of such owners, pro rata or pursuant to an agreement among
119 such owners, or persons designated as partners or members of such
120 owners, documenting an alternative distribution method without
121 regard to other tax or economic attributes of such owners.

122 (5) Any owner entitled to a credit under this section may sell, assign,
123 or otherwise transfer such credit, in whole or in part, to one or more
124 persons, as defined in section 12-1, provided any credit, after issuance,
125 may be sold, assigned or otherwise transferred, in whole or in part, not
126 more than three times. Such person shall be entitled to offset the tax
127 imposed under chapter 207, 208, 209, 210, 211 or 212 as if such transferee
128 had incurred the qualified rehabilitation expenditure.

129 (6) If a credit under this section is sold, assigned or otherwise
130 transferred, whether by the owner or any subsequent transferee, the
131 transferor and transferee shall jointly submit written notification of such
132 transfer to the Department of Economic and Community Development
133 not later than thirty days after such transfer. The notification after each

134 transfer shall include the credit voucher number, the date of transfer,
135 the amount of such credit transferred, the tax credit balance before and
136 after the transfer, the tax identification numbers for both the transferor
137 and the transferee, and any other information required by the
138 department. Failure to comply with this subsection shall result in a
139 disallowance of the tax credit until there is full compliance on the part
140 of the transferor and the transferee, and for a second or third transfer,
141 on the part of all subsequent transferors and transferees.

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

147 (c) The Department of Economic and Community Development may
148 adopt regulations, in accordance with chapter 54, to carry out the
149 purposes of this section. Such regulations shall include provisions for:
150 (1) The filing of applications, (2) the rating criteria for evaluating
151 applications, and (3) the timely approval of applications by the
152 department. The rating criteria for evaluating applications shall give
153 priority to applications of owners rehabilitating certified historic
154 structures located in federally designated opportunity zones.

155 (d) For the purpose of seeking a tax credit pursuant to subsection (b)
156 of this section, prior to beginning any rehabilitation work on a certified
157 historic structure, the owner shall submit to the officer (1) (A) a
158 rehabilitation plan for a determination of whether such rehabilitation
159 work meets the Secretary of the Interior's Standards for Rehabilitation,
160 as established in 36 CFR 67, and (B) if such rehabilitation work is
161 planned to be undertaken in phases, a complete description of each such
162 phase, with anticipated schedules for completion; (2) an estimate of the
163 qualified rehabilitation expenditures; and (3) for projects pursuant to
164 subparagraph (C) of subdivision [(3)] (1) of subsection (e) of this section,
165 (A) the number of units of affordable housing to be created, (B) the
166 proposed rents or sale prices of such units, and (C) the median income

167 for the municipality where the project is located. For projects under
168 subparagraph (C) of subdivision [(3)] (1) of subsection (e) of this section,
169 the owner shall submit a copy of data required under subdivision (3) of
170 this subsection to the Department of Housing.

171 (e) [If] (1) Except as provided in subdivision (2) of this subsection, if
172 the officer certifies that the rehabilitation plan conforms to the Secretary
173 of the Interior's Standards for Rehabilitation, as established in 36 CFR
174 67, the Department of Economic and Community Development shall
175 reserve for the benefit of the owner an allocation for a tax credit
176 equivalent to [(1)] (A) twenty-five per cent of the projected qualified
177 rehabilitation expenditures, [(2)] (B) thirty per cent of the projected
178 qualified rehabilitation expenditures if the certified historic structure is
179 located in a federally designated opportunity zone, or [(3)] (C) thirty per
180 cent of the projected qualified rehabilitation expenditures if [(A)] (i) at
181 least twenty per cent of the units are rental units and qualify as
182 affordable housing, or [(B)] (ii) at least ten per cent of the units are
183 individual homeownership units and qualify as affordable housing. No
184 tax credit shall be allocated for the purposes of subparagraph (C) of this
185 subdivision [(3) of this subsection] unless an applicant received a
186 certificate from the Commissioner of Housing pursuant to section 8-37lll
187 confirming that the project complies with the definition of affordable
188 housing under section 8-39a.

189 (2) The owner of any certified historic structure intended for
190 residential use and having not less than two and not more than four
191 units, where such units produce income, shall not receive a reservation
192 for a tax credit pursuant to this subsection if such owner's projected
193 qualified rehabilitation expenditures are less than fifteen thousand
194 dollars.

195 (f) Following the completion of rehabilitation of a certified historic
196 structure in its entirety or in phases to an identifiable portion of the
197 building, any owner who seeks a tax credit pursuant to subsection (b) of
198 this section shall notify the officer that such rehabilitation is complete.
199 Such owner shall provide the officer with documentation of work

200 performed on the certified historic structure and shall submit
201 certification of the costs incurred in rehabilitating the certified historic
202 structure. The officer shall review such rehabilitation and verify its
203 compliance with the rehabilitation plan. Following such verification, the
204 Department of Economic and Community Development shall issue a tax
205 credit voucher to such owner or to the taxpayer named by such owner
206 as contributing to the rehabilitation. The tax credit voucher shall be in
207 an amount equivalent to the lesser of the tax credit reserved upon
208 certification of the rehabilitation plan under the provisions of subsection
209 (e) of this section or (1) twenty-five per cent of the actual qualified
210 rehabilitation expenditures, (2) thirty per cent of the projected qualified
211 rehabilitation expenditures if the certified historic structure is located in
212 a federally designated opportunity zone, or [(2)] (3) for projects
213 including affordable housing pursuant to subparagraph (C) of
214 subdivision [(3)] (1) of subsection (e) of this section, thirty per cent of the
215 actual qualified rehabilitation expenditures. In order to obtain a credit
216 against any state tax due that is specified in subsection (g) of this section,
217 the holder of the tax credit voucher shall file the voucher with the
218 holder's state tax return.

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

225 (h) The Department of Economic and Community Development may
226 charge any owner seeking a tax credit pursuant to subsection (b) of this
227 section an application fee in an amount not to exceed ten thousand
228 dollars to (1) cover the cost of administering the program established
229 pursuant to this section, and (2) fund programs that advance historic
230 preservation in the state.

231 (i) The aggregate amount of all tax credits that may be reserved by
232 the Department of Economic and Community Development upon

233 certification of rehabilitation plans pursuant to subsections (b) to (h),
234 inclusive, of this section shall not exceed thirty-one million seven
235 hundred thousand dollars in any fiscal year. No project may receive tax
236 credits in an amount exceeding four million five hundred thousand
237 dollars.

238 (j) On or before October 1, 2015, and annually thereafter, the
239 Department of Economic and Community Development shall report, in
240 accordance with section 11-4a, the total amount of tax credits reserved
241 for the previous fiscal year pursuant to subsections (b) to (i), inclusive,
242 of this section, to the joint standing committees of the General Assembly
243 having cognizance of matters relating to commerce and finance, revenue
244 and bonding. Each such report shall include the following information
245 for each project for which a tax credit has been reserved: (1) The total
246 project costs, (2) the value of the tax credit reservation pursuant to
247 subdivision (1) of subsection (e) of this section, (3) a statement whether
248 the reservation is for mixed-use and if so, the proportion of the project
249 that is not residential, and (4) the number of residential units to be
250 created, and, for reservations pursuant to subparagraph (C) of
251 subdivision [(3)] (1) of subsection (e) of this section, the value of the
252 reservation and percentage of residential units that will qualify as
253 affordable housing.

254 Sec. 3. Subsection (i) of section 2-150 of the 2026 supplement to the
255 general statutes is repealed and the following is substituted in lieu
256 thereof (*Effective October 1, 2026*):

257 (i) The commission shall have the following powers and duties: To
258 (1) issue reports and recommendations to all three branches of
259 government concerning historical questions of memorialization and
260 commemoration related to Connecticut and United States history, either
261 upon the request of any executive, legislative or judicial department,
262 board, commission or other agency of the state or upon its own
263 initiative, including, but not limited to, developing the process required
264 under subsection (j) of this section; (2) obtain from any executive,
265 legislative or judicial department, board, commission or other agency of

266 the state such assistance and data as necessary and available to carry out
 267 the purposes of this section; (3) collaborate with the State Commission
 268 on Capitol Preservation and Restoration on matters concerning the State
 269 Capitol building and grounds; (4) accept any gift, donation or bequest
 270 for the purpose of performing the duties described in this section; and
 271 [(4)] (5) perform such other acts as may be necessary and appropriate to
 272 carry out the duties described in this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2027, and applicable to taxable years commencing on or after January 1, 2028</i>	10-416c
Sec. 3	<i>October 1, 2026</i>	2-150(i)

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: None

Explanation

The bill results in the following impacts noted below.

Section 1 has no fiscal impact by establishing a task force to study issues relating to municipal historic district commissions. It is anticipated that members assigned to the task force will have the expertise necessary to complete the study.

Section 2 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

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.

program, does not result in any state revenue impact as it does not alter the overall \$31.7 million annual program credit cap.²

Section 3 specifies that the State Historical Commission must collaborate with the State Commission on Capitol Preservation and Restoration on issues related to the State Capitol building and ground. This does not result in a fiscal impact as the provision does not increase the workload of the State Historical Commission.

House "A" strikes the underlying bill and its associated impact and results in the impacts noted below.

The Out Years

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

Sources: Connecticut Department of Economic and Community Development State Historic Preservation Office FY 25 Annual Report

² The program currently reaches the \$31.7 million program cap annually.

OLR Bill Analysis**sHB 5508 (as amended by House "A")******AN ACT CONCERNING HISTORIC DISTRICTS AND HISTORIC PRESERVATION.*****SUMMARY**

This bill 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 project is expected to cost at least \$15,000 and the dwellings are income producing (rental units).

The bill also:

1. creates a task force to study issues related to local historic district commissions (HDCs), including the feasibility of exempting municipal property from their jurisdiction and creating a statewide appeals board to hear appeals of HDC decisions;
2. 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; and
3. makes technical and conforming changes.

EFFECTIVE DATE: Upon passage, except the tax credit provisions are effective July 1, 2027, and applicable to tax years beginning on or after January 1, 2028, and the provision on the State Historical Commission is effective October 1, 2026.

*House Amendment "A" (1) adds the provision creating a task force; (2) modifies the tax credit provisions by, among other things, delaying the effective date by one year and eliminating a provision requiring a portion of the credits to be reserved for two- to four- family homes; and (3) eliminates the provisions in the underlying bill on local HDCs (including one that made HDC decisions on a certificate of appropriateness application initially appealable to the local zoning board of appeals, rather than Superior Court).

EXPANDED HISTORIC REHABILITATION TAX CREDIT PROGRAM

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 are income producing (rental units). Rehabilitation of these homes is eligible for the tax credit only if anticipated qualified expenditures are at least \$15,000. 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. By law, no project may receive more than \$4.5 million in credits and total program credits are capped at \$31.7 million per year.

(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).)

TASK FORCE

The bill creates a seven-member task force to study issues related to

HDCs (see BACKGROUND), including examining the feasibility of:

1. exempting property owned by municipalities from HDC oversight;
2. creating a nonbinding process for HDCs to review construction of, or work on, municipally owned buildings and structures;
3. establishing a statewide board to hear appeals of HDC decisions, as well a process for these appeals; and
4. requiring HDCs to contemporaneously broadcast their certificate of appropriateness hearings online.

The task force must also examine any issues its chairs deem relevant. It must report to the Planning and Development Committee by January 1, 2027.

The bill requires the six legislative leaders to each appoint one member to the task force. The seventh member is the Department of Economic and Community Development commissioner, or his designee. The legislative leaders' appointees (1) may be legislators and (2) must be appointed within 30 days of the bill's passage. The leaders fill any vacancies.

The House speaker and Senate president pro tempore must select the task force's chairperson from among its members. The chairpersons must schedule and hold the first meeting within 60 days after the bill's passage.

The Planning and Development Committee's administrative staff serve as the task force's staff. The task force terminates on January 1, 2027, or when it submits its report, whichever is later.

BACKGROUND

HDCs (CGS § 7-147c et seq.)

By law, municipalities that establish a historic district must establish an HDC to govern its 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.

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)

Appropriations Committee

Joint Favorable

Yea 41 Nay 10 (04/24/2026)