

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

sHB-5507

## AN ACT PROMOTING THE DEVELOPMENT OF ACCESSORY DWELLING UNITS.

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Department of Housing	GF - Potential Cost	Indeterminate	Indeterminate
Department of Housing	GF - Cost	500,000	10,000

Note: GF=General Fund

#### **Municipal Impact:**

Municipalities	Effect	FY 27 \$	FY 28 \$
All Municipalities	Potential Savings	See Below	See Below
Various Municipalities; Municipal Water Companies	Potential Revenue Loss	See Below	See Below

#### **Explanation**

The bill requires the Department of Housing (DOH) to establish a program to develop at least one pre-approved building plan, results in a one-time cost of approximately \$500,000 in FY 27 and an estimated ongoing annual cost of \$10,000 in FY 28.

DOH will contract with an architectural and/or engineering firm(s) to develop at least one plan that can be used by multiple parties. This is estimated to result in a one-time cost of approximately \$500,000. DOH may incur an ongoing annual cost of approximately \$10,000 for contracted costs for plan revisions, licensing, etc.

The bill also requires DOH to provide incentives for this program,

Primary Analyst: LG  
Contributing Analyst(s): JP, BP  
Reviewer: JP

3/30/26

but it does not require any specific type of incentive. This results in an indeterminate ongoing potential cost beginning in FY 27 depending upon what incentives DOH chooses to adopt.

The bill extends provisions on zoning regulations' treatment of as-of-right accessory dwelling units (ADUs) to municipalities that exercise zoning authority under a special act.<sup>1</sup> This may result in a revenue loss associated with fewer connection fees to various municipalities and municipal water companies beginning in FY 27 as these ADUs cannot be treated as new residential use when calculating connections fees or capacity charges.

The bill may result in a potential savings to municipalities beginning in FY 27 to the extent it reduces the number of building plans that must be approved.

The bill makes other changes to zoning laws that do not result in a fiscal impact.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of connection fees.

---

<sup>1</sup> Currently these provisions only apply to municipalities that exercise zoning authority under the statutes (CGA 8-2).