



General Assembly

**Substitute Bill No. 5508**

February Session, 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. 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2 repealed and the following is substituted in lieu thereof (*Effective October*  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 Section 7-147i of the general statutes is repealed and the  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 Section 7-147k of the general statutes is repealed and the  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	October 1, 2026	7-147e(a)
Sec. 2	October 1, 2026	7-147i
Sec. 3	October 1, 2026	7-147k
Sec. 4	July 1, 2026, and applicable to taxable years commencing on or after January 1, 2027	10-416c
Sec. 5	October 1, 2026	2-150(i)

**PD** Joint Favorable Subst.