



General Assembly

**Substitute Bill No. 449**

February Session, 2026



**AN ACT CONCERNING THE RECOMMENDATIONS OF THE INTERGOVERNMENTAL POLICY AND PLANNING DIVISION WITHIN THE OFFICE OF POLICY AND MANAGEMENT.**

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

1 Section 1. Subsections (i) and (j) of section 7-536 of the general statutes  
2 are repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2026*):

4 (i) Notwithstanding the provisions of subsections (e), (f) and (g) of  
5 this section, [on and after June 27, 2023,] allocated moneys credited to  
6 the account of a municipality in accordance with subsection (b) of this  
7 section shall be issued as a grant by the secretary to such municipality  
8 not later than June thirtieth of each fiscal year, if the secretary  
9 determines such municipality has expended or intends to expend all  
10 funds previously issued as a grant to such municipality pursuant to this  
11 section. Such grants shall be used for reimbursement and costs  
12 associated with local capital improvement projects.

13 (j) Not later than September 1, [2024] 2026, and annually thereafter,  
14 each municipality issued a grant pursuant to subsection (i) of this  
15 section in the preceding fiscal year shall submit a report to the secretary  
16 certified by the chief financial officer of such municipality, in a form and  
17 manner prescribed by the secretary, describing the amounts expended

18 in such fiscal year for each of the local capital improvement projects  
19 described in subdivision (4) of subsection (a) of this section. Any such  
20 municipality that neglects to submit a true and correct report shall  
21 forfeit one hundred dollars to the state.

22 Sec. 2. Subsection (b) of section 4-66g of the 2026 supplement to the  
23 general statutes is repealed and the following is substituted in lieu  
24 thereof (*Effective October 1, 2026*):

25 (b) The proceeds of the sale of said bonds, to the extent of the amount  
26 stated in subsection (a) of this section, shall be used by the Office of  
27 Policy and Management for a small town economic assistance program  
28 the purpose of which shall be to provide grants-in-aid to any  
29 municipality or group of municipalities, provided the municipality and  
30 each municipality that is part of a group of municipalities is not  
31 economically distressed within the meaning of subsection (b) of section  
32 32-9p, does not have an urban center in any plan adopted by the General  
33 Assembly pursuant to section 16a-30 and is not a public investment  
34 community within the meaning of subdivision (9) of subsection (a) of  
35 section 7-545. Such grants shall be used for purposes for which funds  
36 would be available under section 4-66c. No group of municipalities may  
37 receive an amount exceeding in the aggregate one million dollars per  
38 municipality in such group in any one fiscal year under said program.  
39 No individual municipality may receive more than one million dollars  
40 in any one fiscal year under said program, except that any municipality  
41 that receives a grant under said program as a member of a group of  
42 municipalities shall continue to be eligible to receive an amount equal  
43 to one million dollars less the amount of such municipality's  
44 proportionate share of such grant. No municipality or group of  
45 municipalities shall receive a grant under said program until the  
46 Secretary of the Office of Policy and Management determines such  
47 municipality or group of municipalities has expended or intends to  
48 expend all funds previously received under this section.  
49 Notwithstanding the provisions of this subsection and section 4-66c, a  
50 municipality that is (1) a distressed municipality within the meaning of  
51 subsection (b) of section 32-9p or a public investment community within

52 the meaning of subdivision (9) of subsection (a) of section 7-545, and (2)  
53 otherwise eligible under this subsection for the small town economic  
54 assistance program may elect to be eligible for said program  
55 individually or as part of a group of municipalities in lieu of being  
56 eligible for financial assistance under section 4-66c, by a vote of its  
57 legislative body or, in the case of a municipality in which the legislative  
58 body is a town meeting, its board of selectmen, and submitting a written  
59 notice of such vote to the [Secretary of the Office of Policy and  
60 Management] secretary. Any such election shall be for the four-year  
61 period following submission of such notice to the secretary and may be  
62 extended for additional four-year periods in accordance with the same  
63 procedure for the initial election.

64 Sec. 3. Subsection (d) of section 10-265u of the 2026 supplement to the  
65 general statutes is repealed and the following is substituted in lieu  
66 thereof (*Effective October 1, 2026*):

67 (d) On [March] April first of each year, the Secretary of the Office of  
68 Policy and Management shall notify each public school operator of the  
69 amount allocated to such public school operator pursuant to subsections  
70 (b) and (c) of this section and shall post on said office's Internet web site  
71 such allocation amounts and the calculations for all public school  
72 operators.

73 Sec. 4. (NEW) (*Effective from passage and applicable to assessment years*  
74 *commencing on or after October 1, 2026*) (a) Notwithstanding the  
75 provisions of sections 12-107a to 12-107e, inclusive, 12-107g, 12-504e and  
76 12-504f of the general statutes, any special act, municipal charter or  
77 ordinance, the Secretary of the Office of Policy and Management shall  
78 collaborate with each state agency having custody or control of real  
79 property belonging to or held in trust for the state, to identify all such  
80 real property that is farm land, forest land, open space land or maritime  
81 heritage land, as those terms are defined in section 12-107b of the  
82 general statutes. Upon making any such identification, the secretary  
83 shall notify the assessor of the municipality in which such land is  
84 located, in whole or in part, that such land has been identified as farm

85 land, forest land, open space land or maritime heritage land, as  
86 applicable. The secretary shall make such notification not earlier than  
87 thirty days before or later than thirty days after the assessment date in  
88 any year, except that in a year in which a revaluation is required  
89 pursuant to section 12-62 of the general statutes, such notification may  
90 be made not later than ninety days after such assessment date. Upon  
91 receipt of such notification, the assessor shall (1) classify such property  
92 accordingly, (2) value such property in accordance with the schedules  
93 of unit prices developed pursuant to section 12-2b of the general  
94 statutes, and (3) add such property to the grand list of the municipality  
95 in the manner described in section 12-109 of the general statutes.

96 (b) Any classification of property as farm land, forest land, open  
97 space land or maritime heritage land pursuant to this section shall be  
98 deemed personal to the state and shall not run with the land. Any such  
99 property that has been so classified shall remain so classified without  
100 additional notification to the municipal assessor until (1) the use of such  
101 property is changed to a use other than that identified by the secretary  
102 pursuant to subsection (a) of this section, or (2) such property is sold or  
103 transferred.

104 Sec. 5. Section 8-3j of the general statutes is repealed and the  
105 following is substituted in lieu thereof (*Effective October 1, 2026*):

106 [(a)] No zoning regulation shall treat any family child care home or  
107 group child care home, located in a residence and licensed by the Office  
108 of Early Childhood pursuant to chapter 368a, in a manner different from  
109 single or multifamily dwellings.

110 [(b)] Not later than December 1, 2023, and annually thereafter, each  
111 municipality shall submit to the Office of Policy and Management a  
112 sworn statement from the chief executive officer of the municipality  
113 stating (1) that the municipality's zoning ordinances are in compliance  
114 with (A) subsection (a) of this section, and (B) the provisions of  
115 subdivision (1) of subsection (d) of section 8-2, or (2) the specific time  
116 frame within which the municipality will bring its zoning ordinances

117 into compliance with subsection (a) of this section and subsection (d) of  
118 section 8-2.]

119 Sec. 6. Subsection (b) of section 4-124s of the 2026 supplement to the  
120 general statutes is repealed and the following is substituted in lieu  
121 thereof (*Effective October 1, 2026*):

122 (b) There is established a regional performance incentive program  
123 that shall be administered by the Secretary of the Office of Policy and  
124 Management. Any regional council of governments, regional  
125 educational service center or a combination thereof may submit a  
126 proposal to the secretary for: (1) The provision of any service that two  
127 or more participating municipalities of such council or local or regional  
128 board of education of such regional educational service center may  
129 provide on a regional and ongoing basis, (2) the redistribution of grants  
130 awarded pursuant to sections 4-66g, as amended by this act, 4-66h [, 4-  
131 66m] and 7-536, as amended by this act, according to regional priorities,  
132 or (3) regional revenue sharing among such participating municipalities  
133 pursuant to section 7-148bb. A copy of said proposal shall be sent to the  
134 legislators representing said participating municipalities or local or  
135 regional boards of education. Any regional educational service center  
136 serving a population greater than one hundred thousand may submit a  
137 proposal to the secretary for a regional special education initiative.

138 Sec. 7. Section 4-66m of the general statutes is repealed. (*Effective*  
139 *October 1, 2026*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2026	7-536(i) and (j)
Sec. 2	October 1, 2026	4-66g(b)
Sec. 3	October 1, 2026	10-265u(d)
Sec. 4	<i>from passage and applicable to assessment years commencing on or after October 1, 2026</i>	New section
Sec. 5	October 1, 2026	8-3j

Sec. 6	<i>October 1, 2026</i>	4-124s(b)
Sec. 7	<i>October 1, 2026</i>	Repealer section

**Statement of Legislative Commissioners:**

Section 7 was deleted to remove the conforming change for the repealer in the raised bill that is no longer being repealed.

**PD**      *Joint Favorable Subst.*