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## **OLR Bill Analysis**

### **sSB 363**

#### ***AN ACT ALLOWING MUNICIPALITIES TO IMPOSE COMMERCIAL VACANCY ASSESSMENTS IN CERTAIN DISTRICTS.***

#### **SUMMARY**

This bill allows municipalities to impose fines on certain property owners if their property (1) is in a municipally defined area; (2) is zoned for commercial use; and (3) has been vacant (meaning not occupied or actively used) for more than 180 days, either in a row or nonconsecutively. Under the bill, municipalities may impose the fine on vacant real property (generally land, buildings, and other improvements permanently attached to the land) that is not used for residential purposes, but only on the ground level of multi-story buildings.

It allows municipalities to set the fine at up to \$5 per square foot and charge it for each assessment year the space is vacant. Revenue from the fines must be used to improve the defined area, as described below.

Under the bill, a property is exempt from the fine if:

1. its owner is actively renovating it (doing permitted construction or repair work lasting at least 90 consecutive days);
2. a permit application for it is pending;
3. a natural disaster impacted it;
4. its owner identifies specific legal or regulatory barriers that kept it from being occupied or used during the last assessment year (including pending litigation, environmental reviews, or permitting delays); or
5. state or local authorities deemed it uninhabitable.

The bill requires municipalities to deposit collected fines into a fund the municipality establishes and use these funds and any interest that accrues solely to improve infrastructure, remediate blight, or promote development in the defined area. It specifies funds may not be used for the municipality's operating expenses or treated as part of its general fund. It requires that authorizations to use these funds be made in the same way as for other capital expenditures.

Under the bill, to establish this fine and defined area, the municipality's legislative body (or board of selectmen if the legislative body is a town meeting) must (1) vote to adopt an ordinance and (2) establish how owners may claim an exemption.

The bill makes the fines due on the same date as taxes on real property and allows people to appeal the fines to the board of assessment appeals in the same way as property taxes are appealed under existing law.

EFFECTIVE DATE: October 1, 2026, and applicable to assessment years starting on and after that date.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 16 Nay 5 (03/13/2026)