



General Assembly

Amendment

February Session, 2026

LCO No. 4687



Offered by:
REP. KAVROS DEGRAW, 17th Dist.

To: Subst. House Bill No. 5508

File No. 275

Cal. No. 231

"AN ACT CONCERNING HISTORIC DISTRICTS AND HISTORIC PRESERVATION."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

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

16 statutes on a public Internet web site, and (2) any other issues deemed
17 relevant by the chairs of the task force.

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

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

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

21 (3) One appointed by the majority leader of the House of
22 Representatives;

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

24 (5) One appointed by the minority leader of the House of
25 Representatives;

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

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

29 (c) Any member of the task force appointed under subdivision (1),
30 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
31 of the General Assembly.

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

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

40 (f) The administrative staff of the joint standing committee of the
41 General Assembly having cognizance of matters relating to planning

42 and development shall serve as administrative staff of the task force.

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

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

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

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

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

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

70 (4) "Owner" means any person, firm, limited liability company,
71 nonprofit or for-profit corporation or other business entity or

72 municipality that possesses title to an historic structure and that
73 undertakes the rehabilitation of such structure;

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

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

84 (7) "Rehabilitation plan" means any narrative, construction plans and
85 specifications for the proposed rehabilitation of a certified historic
86 structure in sufficient detail for evaluation of compliance with the
87 Secretary of the Interior's Standards for Rehabilitation, as established in
88 36 CFR 67;

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

92 (9) "Affordable housing" has the same meaning as provided in section
93 8-39a; and

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

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

102 certified historic structures.

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

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

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

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

131 (6) If a credit under this section is sold, assigned or otherwise
132 transferred, whether by the owner or any subsequent transferee, the

133 transferor and transferee shall jointly submit written notification of such
134 transfer to the Department of Economic and Community Development
135 not later than thirty days after such transfer. The notification after each
136 transfer shall include the credit voucher number, the date of transfer,
137 the amount of such credit transferred, the tax credit balance before and
138 after the transfer, the tax identification numbers for both the transferor
139 and the transferee, and any other information required by the
140 department. Failure to comply with this subsection shall result in a
141 disallowance of the tax credit until there is full compliance on the part
142 of the transferor and the transferee, and for a second or third transfer,
143 on the part of all subsequent transferors and transferees.

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

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

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

166 subparagraph (C) of subdivision [(3)] (1) of subsection (e) of this section,
167 (A) the number of units of affordable housing to be created, (B) the
168 proposed rents or sale prices of such units, and (C) the median income
169 for the municipality where the project is located. For projects under
170 subparagraph (C) of subdivision [(3)] (1) of subsection (e) of this section,
171 the owner shall submit a copy of data required under subdivision (3) of
172 this subsection to the Department of Housing.

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

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

197 (f) Following the completion of rehabilitation of a certified historic
198 structure in its entirety or in phases to an identifiable portion of the

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

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

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

232 preservation in the state.

233 (i) The aggregate amount of all tax credits that may be reserved by
234 the Department of Economic and Community Development upon
235 certification of rehabilitation plans pursuant to subsections (b) to (h),
236 inclusive, of this section shall not exceed thirty-one million seven
237 hundred thousand dollars in any fiscal year. No project may receive tax
238 credits in an amount exceeding four million five hundred thousand
239 dollars.

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

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

259 (i) The commission shall have the following powers and duties: To
260 (1) issue reports and recommendations to all three branches of
261 government concerning historical questions of memorialization and
262 commemoration related to Connecticut and United States history, either
263 upon the request of any executive, legislative or judicial department,

264 board, commission or other agency of the state or upon its own
 265 initiative, including, but not limited to, developing the process required
 266 under subsection (j) of this section; (2) obtain from any executive,
 267 legislative or judicial department, board, commission or other agency of
 268 the state such assistance and data as necessary and available to carry out
 269 the purposes of this section; (3) collaborate with the State Commission
 270 on Capitol Preservation and Restoration on matters concerning the State
 271 Capitol building and grounds; (4) accept any gift, donation or bequest
 272 for the purpose of performing the duties described in this section; and
 273 [(4)] (5) perform such other acts as may be necessary and appropriate to
 274 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)