



General Assembly

Amendment

February Session, 2026

LCO No. 4209



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 are anticipated to produce income once the property is placed
66 in service, (C) mixed residential and nonresidential uses, or [(C)] (D)
67 nonresidential use consistent with the historic character of such
68 property or the district in which such property is located, as determined
69 by regulations adopted by the Department of Economic and
70 Community Development;

71 (4) "Owner" means any person, firm, limited liability company,

72 nonprofit or for-profit corporation or other business entity or
73 municipality that possesses title to an historic structure and that
74 undertakes the rehabilitation of such structure;

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

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

85 (7) "Rehabilitation plan" means any narrative, construction plans and
86 specifications for the proposed rehabilitation of a certified historic
87 structure in sufficient detail for evaluation of compliance with the
88 Secretary of the Interior's Standards for Rehabilitation, as established in
89 36 CFR 67;

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

93 (9) "Affordable housing" has the same meaning as provided in section
94 8-39a; and

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

100 (b) (1) The Department of Economic and Community Development
101 shall administer a system of tax credit vouchers within the resources,

102 requirements and purposes of this section for owners rehabilitating
103 certified historic structures.

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

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

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

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

132 (6) If a credit under this section is sold, assigned or otherwise

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

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

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

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

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

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

192 (2) The owner of any certified historic structure intended for
193 residential use and having not less than two and not more than four
194 units, where such units are anticipated to produce income once the
195 property is placed into service, shall not receive a reservation for a tax
196 credit pursuant to this subsection if such owner's projected qualified
197 rehabilitation expenditures are less than fifteen thousand dollars. No
198 such owner shall receive a reservation for a tax credit in excess of one

199 hundred thousand dollars.

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

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

230 (h) The Department of Economic and Community Development may
231 charge any owner seeking a tax credit pursuant to subsection (b) of this

232 section an application fee in an amount not to exceed ten thousand
233 dollars to (1) cover the cost of administering the program established
234 pursuant to this section, and (2) fund programs that advance historic
235 preservation in the state.

236 (i) The aggregate amount of all tax credits that may be reserved by
237 the Department of Economic and Community Development upon
238 certification of rehabilitation plans pursuant to subsections (b) to (h),
239 inclusive, of this section shall not exceed thirty-one million seven
240 hundred thousand dollars in any fiscal year, of which five million
241 dollars shall be reserved for projects relating to certified historic
242 structures intended for residential use and having not less than two and
243 not more than four units, where such units are anticipated to produce
244 income once the property is placed into service. No project may receive
245 tax credits in an amount exceeding four million five hundred thousand
246 dollars.

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

263 Sec. 3. Subsection (i) of section 2-150 of the 2026 supplement to the
264 general statutes is repealed and the following is substituted in lieu

265 thereof (*Effective October 1, 2026*):

266 (i) The commission shall have the following powers and duties: To
 267 (1) issue reports and recommendations to all three branches of
 268 government concerning historical questions of memorialization and
 269 commemoration related to Connecticut and United States history, either
 270 upon the request of any executive, legislative or judicial department,
 271 board, commission or other agency of the state or upon its own
 272 initiative, including, but not limited to, developing the process required
 273 under subsection (j) of this section; (2) obtain from any executive,
 274 legislative or judicial department, board, commission or other agency of
 275 the state such assistance and data as necessary and available to carry out
 276 the purposes of this section; (3) collaborate with the State Commission
 277 on Capitol Preservation and Restoration on matters concerning the State
 278 Capitol building and grounds; (4) accept any gift, donation or bequest
 279 for the purpose of performing the duties described in this section; and
 280 [(4)] (5) perform such other acts as may be necessary and appropriate to
 281 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)