



Senate

General Assembly

File No. 92

February Session, 2024

Substitute Senate Bill No. 6

Senate, March 25, 2024

The Committee on Housing reported through SEN. MOORE of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING HOUSING.

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

1 Section 1. (NEW) (*Effective October 1, 2024*) As used in this section and
2 sections 2 to 4, inclusive, of this act:

3 (1) "Commissioner" means the Commissioner of Economic and
4 Community Development;

5 (2) "Dwelling unit" has the same meaning as provided in section 47a-
6 1 of the general statutes;

7 (3) "Housing authority" means a public body corporate and politic
8 created pursuant to section 8-40 of the general statutes, as amended by
9 this act, or any state entity providing funds for affordable housing or
10 administering an affordable housing program;

11 (4) "Housing authority development" means a development that is,
12 in whole or in part, owned, acquired, or developed by a housing
13 authority;

14 (5) "Housing Growth Fund" or "fund" means the Housing Growth
15 Fund established pursuant to section 2 of this act;

16 (6) "Housing growth score" means the sum of a municipality's total
17 points calculated by the commissioner pursuant to section 3 of this act;

18 (7) "Mixed-income development" means a development in which
19 some, but not all, dwelling units are sold or rented at prices at or below
20 what would qualify as affordable housing, as defined in section 8-39a of
21 the general statutes;

22 (8) "Mixed-use development" means a development containing one
23 or more multifamily or single-family dwelling units and one or more
24 commercial, public, institutional, retail, office or industrial uses;

25 (9) "Multifamily housing" means a building that contains two or more
26 dwelling units, as defined in section 47a-1 of the general statutes;

27 (10) "Municipality" has the same meaning as provided in subsection
28 (a) of section 7-148 of the general statutes;

29 (11) "Set-aside development" has the same meaning as provided in
30 section 8-30g of the general statutes;

31 (12) "Total state-wide housing growth score" means the sum of the
32 housing growth scores of all municipalities pursuant to section 3 of this
33 act; and

34 (13) "Transit", "transit facility" and "transit-oriented development"
35 have the same meanings as provided in section 7-339cc of the general
36 statutes.

37 Sec. 2. (NEW) (*Effective October 1, 2024*) (a) There is established the
38 Housing Growth Fund, which shall be developed and administered by
39 the Commissioner of Economic and Community Development. The
40 purpose of the fund shall be to provide grants to eligible municipalities
41 in accordance with section 4 of this act for purposes of (1) increasing the
42 availability of affordable housing, as defined in section 8-39a of the

43 general statutes, (2) promoting the production of housing that is
44 affordable to families of low and moderate income, as defined in section
45 8-39 of the general statutes, as amended by this act, and (3) maximizing
46 the amount of residential, commercial and leisure space within walking
47 distance of transit facilities.

48 (b) The commissioner shall, within available appropriations, allocate
49 fifty million dollars to the Housing Growth Fund on an annual basis.

50 Sec. 3. (NEW) (*Effective October 1, 2024*) (a) On or before March 1, 2025,
51 and annually thereafter on or before March first, the Commissioner of
52 Economic and Community Development shall calculate a housing
53 growth score for each municipality in the state based on the number of
54 dwelling units approved for construction within each municipality
55 during the preceding fiscal year. The annual housing growth score for
56 each municipality shall be posted on the Internet web site of the
57 Department of Economic and Community Development.

58 (b) On or before December 1, 2024, and annually thereafter on or
59 before December first, each municipality shall provide the
60 commissioner any documentation deemed necessary by the
61 commissioner for the calculation of such municipality's housing growth
62 score. Any municipality that fails to submit such necessary information
63 to the commissioner by December first shall be ineligible to receive any
64 grant funding pursuant to section 4 of this act.

65 (c) The following point values shall be assigned by the commissioner
66 to compute a municipality's housing growth score based on each
67 dwelling unit approved for construction by the municipality during the
68 preceding fiscal year:

69 (1) For each dwelling unit located in the municipality, one point shall
70 be awarded;

71 (2) For each dwelling unit located within a mixed-used development;
72 one and one-half points shall be awarded;

73 (3) For each dwelling unit located within a mixed-income

74 development, one and one-half points shall be awarded;

75 (4) For each dwelling unit located within a transit-oriented
76 development, two points shall be awarded;

77 (5) For each dwelling unit located within multifamily housing, two
78 points shall be awarded;

79 (6) For each dwelling unit located within a housing authority
80 development, two points shall be awarded;

81 (7) Except as provided in subsection (d) of this section, for each
82 dwelling unit located within a set-aside development, three points shall
83 be awarded; and

84 (8) For each dwelling unit that is or will be sold or rented at, or below,
85 a cost in rent or mortgage payments equivalent to not more than thirty
86 per cent of the annual income of individuals and families earning thirty
87 per cent of the median income of the state, three points shall be awarded.

88 (d) The commissioner shall not assess a point value to a dwelling unit
89 located within an affordable housing development, as defined in
90 subsection (a) of section 8-30g of the general statutes, if such
91 development was completed pursuant to a successful appeal of a denial
92 of an affordable housing application in the Superior Court pursuant to
93 section 8-30g of the general statutes.

94 (e) The commissioner shall calculate the sum total of each housing
95 growth score determined for each municipality to determine the total
96 state-wide housing growth score.

97 (f) The commissioner may request, inspect and audit any reports,
98 books, records and any other financial or project-related information
99 necessary for the calculation of a municipality's housing growth score
100 as set forth in this section.

101 Sec. 4. (NEW) (*Effective October 1, 2024*) (a) On or before June 1, 2025,
102 and annually thereafter on or before June first, the Commissioner of

103 Economic and Community Development shall award a grant from the
104 Housing Growth Fund to any municipality eligible for such grant
105 pursuant to this section. The commissioner shall divide the eligible
106 municipality's housing growth score by the total state-wide housing
107 growth score and use the resulting percentage to determine each
108 municipality's percentage of the annual available funds in the Housing
109 Growth Fund for a grant.

110 (b) To be eligible for a grant under this section, a municipality shall
111 submit to the commissioner any documentation required by the
112 commissioner pursuant to subsection (b) of section 3 of this act, and (1)
113 (A) shall have approved during the preceding fiscal year not less than
114 two per cent of the total housing permits that were approved in the state
115 as a whole, or (B) have a poverty rate that is above the state's poverty
116 rate, as determined by the most recent federal decennial census; (2) shall
117 have approved during the preceding fiscal year not less than triple the
118 number of new housing permits as the number of demolition permits in
119 the municipality; and (3) shall have approved during the preceding
120 fiscal year not less than ten per cent of housing permits in the
121 municipality for dwelling units that will be sold or rented at, or below,
122 a cost in rent or mortgage payments equivalent to not more than thirty
123 per cent of the annual income of individuals and families earning thirty
124 per cent of the median income of the state.

125 (c) The commissioner may adopt regulations in accordance with the
126 provisions of chapter 54 of the general statutes to carry out the purposes
127 of this section, and any such regulations shall be posted on the Internet
128 web site of the Department of Economic and Community Development.

129 Sec. 5. (NEW) (*Effective July 1, 2024, and applicable to taxable years*
130 *commencing on and after July 1, 2024*) (a) As used in this section:

131 (1) "Affordable housing" has the same meaning as provided in section
132 8-39a of the general statutes;

133 (2) "Commercial building" means a structure primarily designed or
134 used for nonresidential purposes, including, but not limited to, hotels,

135 retail space or office space. "Commercial building" does not include an
136 industrial building;

137 (3) "Conversion plan" means any construction plan and specifications
138 for the proposed conversion of a commercial building into a residential
139 development that contains sufficient detail to enable the commissioner
140 to evaluate compliance with the standards developed under the
141 provisions of subsections (c) and (k) of this section;

142 (4) "Dwelling unit" has the same meaning as provided in section 47a-
143 1 of the general statutes;

144 (5) "Industrial building" means a structure that is used primarily for
145 industrial activity and that is generally not open to the public, including
146 but not limited to, warehouses, factories and storage facilities;

147 (6) "Nonprofit corporation" means a nonprofit corporation
148 incorporated pursuant to chapter 602 of the general statutes or any
149 predecessor statutes thereto, and having as one of its purposes the
150 construction, conversion, ownership or operation of housing;

151 (7) "Owner" means (A) any taxpayer filing a state of Connecticut tax
152 return who possesses title to a commercial building, or prospective title
153 in the form of a purchase agreement or option to purchase a commercial
154 building to be converted into a residential development, or (B) a
155 nonprofit corporation that possesses such title or prospective title;

156 (8) "Qualified conversion expenditure" means any cost incurred for
157 the physical construction involved in the conversion of a commercial
158 building into a residential development. "Qualified conversion
159 expenditure" does not include: (A) The owner's personal labor, (B) the
160 cost of site improvements, unless to provide building access to persons
161 with disabilities, (C) the cost of a new addition, except as may be
162 required to comply with any provision of the State Building Code or the
163 State Fire Safety Code, (D) any cost associated with the conversion of an
164 outbuilding, unless such building shall contain one or more dwelling
165 units, and (E) any nonconstruction cost such as architectural fees, legal

166 fees and financing fees; and

167 (9) "Residential development" means a structure or structures that
168 contain one or more dwelling units.

169 (b) Not later than January 1, 2025, the Commissioner of Housing shall
170 establish a program to administer a system of tax credit vouchers within
171 the resources, requirements and purposes of this section for owners
172 converting commercial buildings into residential developments or
173 taxpayers making qualified conversion expenditures. Any owner
174 eligible to apply for a tax credit voucher pursuant to this section shall be
175 eligible for such voucher in an amount equal to ten per cent of the total
176 qualified conversion expenditure.

177 (c) Not later than January 1, 2025, the commissioner shall develop
178 standards for the approval of tax credit vouchers for the conversion of
179 commercial buildings into residential developments for which a tax
180 credit voucher is sought. Any such standards shall take into account
181 whether such conversion will create or preserve units for affordable
182 housing.

183 (d) Prior to beginning any conversion work on a commercial building
184 for which an owner will seek a tax credit voucher under this section,
185 such owner shall submit to the commissioner (1) a conversion plan for
186 a determination of whether such conversion plan meets any standards
187 developed under the provisions of subsections (c) and (k) of this section,
188 (2) an estimate of the qualified conversion expenditures made, and (3)
189 any other information prescribed by the commissioner. Not later than
190 sixty days after receipt of such plan, estimate and other information, the
191 commissioner shall determine whether such plan conforms to the
192 standards developed under the provisions of subsections (c) and (k) of
193 this section.

194 (e) If the commissioner certifies that the conversion plan conforms to
195 the standards developed under the provisions of subsections (c) and (k)
196 of this section, the commissioner shall reserve for the benefit of the
197 owner an allocation for a tax credit equivalent to ten per cent of the

198 projected qualified conversion expenditures.

199 (f) Following the completion of the conversion of a commercial
200 building into a residential development, the owner shall notify the
201 commissioner that such conversion has been completed. The owner
202 shall provide the commissioner with documentation of work performed
203 on the commercial building and shall certify the cost incurred in
204 converting such building into a residential development. The
205 commissioner shall review such conversion work and verify its
206 compliance with the conversion plan. Following such verification, the
207 commissioner shall issue a tax credit voucher to either the owner
208 converting the commercial building or to the taxpayer named by the
209 owner as contributing to the conversion. The tax credit voucher shall be
210 in an amount equivalent to the lesser of (1) the tax credit reserved upon
211 certification of the conversion plan under the provisions of subsection
212 (e) of this section, or (2) ten per cent of the actual qualified conversion
213 expenditures. In order to obtain a credit against any state tax due that is
214 specified in subsection (h) of this section, the holder of the tax credit
215 voucher shall file the voucher with the holder's state tax return.

216 (g) The owner of a commercial building converted into a residential
217 development shall not be eligible for a tax credit voucher under
218 subsections (f) and (h) of this section, unless the owner incurs qualified
219 conversion expenditures exceeding fifteen thousand dollars.

220 (h) (1) The Commissioner of Revenue Services shall grant a credit
221 against the tax imposed under chapter 229 or 208a of the general
222 statutes, as applicable, in accordance with the following:

223 (A) (i) For a taxpayer described under subparagraph (A) of
224 subdivision (7) of subsection (a) of this section holding a tax credit
225 voucher issued on or after January 1, 2025, under subsections (b) to (g),
226 inclusive, of this section, against the tax imposed under chapter 229 of
227 the general statutes in the amount specified in the tax credit voucher.

228 (ii) If the amount of the tax credit voucher exceeds the taxpayer's
229 liability for the tax imposed under chapter 229 of the general statutes,

230 the Commissioner of Revenue Services shall treat such excess as an
231 overpayment and, except as provided under section 12-739 or 12-742 of
232 the general statutes, shall refund the amount of such excess, without
233 interest, to the taxpayer; and

234 (B) (i) For an owner that is a nonprofit corporation holding a tax credit
235 voucher issued on or after January 1, 2025, under subsections (b) to (g),
236 inclusive, of this section, against the tax due under chapter 208a of the
237 general statutes in the amount specified in the tax credit voucher.

238 (ii) Any unused portion of such credit under this subparagraph may
239 be carried forward to any or all of the four income years following the
240 year in which the tax credit voucher is issued.

241 (2) The Commissioner of Housing shall provide a copy of the voucher
242 to the Commissioner of Revenue Services, upon the request of the
243 Commissioner of Revenue Services.

244 (i) A credit issued under this section shall not exceed thirty thousand
245 dollars per dwelling unit for a commercial building converted into a
246 residential development for an owner that is not a nonprofit
247 corporation, or not exceeding fifty thousand dollars per such dwelling
248 unit for an owner that is a nonprofit corporation.

249 (j) The aggregate amount of all tax credits that may be reserved by
250 the Commissioner of Housing upon certification of conversion plans
251 under the provisions of subsections (b) to (d), inclusive, of this section
252 shall not exceed three million dollars in any one fiscal year.

253 (k) The Commissioner of Housing may, in consultation with the
254 Commissioner of Revenue Services, adopt regulations in accordance
255 with the provisions of chapter 54 of the general statutes to carry out the
256 purposes of this section.

257 Sec. 6. Section 12-494 of the 2024 supplement to the general statutes
258 is repealed and the following is substituted in lieu thereof (*Effective*
259 *October 1, 2024, and applicable to conveyances occurring on or after said date*):

260 (a) There is imposed a tax on each deed, instrument or writing,
261 whereby any lands, tenements or other realty is granted, assigned,
262 transferred or otherwise conveyed to, or vested in, the purchaser, or any
263 other person by such purchaser's direction, when the consideration for
264 the interest or property conveyed equals or exceeds two thousand
265 dollars:

266 (1) Subject to the provisions of [subsection (b)] subsections (b) and (c)
267 of this section, at the rate of three-quarters of one per cent of the
268 consideration for the interest in real property conveyed by such deed,
269 instrument or writing, the revenue from which shall be remitted by the
270 town clerk of the municipality in which such tax is paid, not later than
271 ten days following receipt thereof, to the Commissioner of Revenue
272 Services for deposit to the credit of the state General Fund; and

273 (2) At the rate of one-fourth of one per cent of the consideration for
274 the interest in real property conveyed by such deed, instrument or
275 writing, provided the amount imposed under this subdivision shall
276 become part of the general revenue of the municipality in accordance
277 with section 12-499.

278 (b) The rate of tax imposed under subdivision (1) of subsection (a) of
279 this section shall, in lieu of the rate under said subdivision (1), be
280 imposed on certain conveyances as follows:

281 (1) In the case of any conveyance of real property which at the time
282 of such conveyance is used for any purpose other than residential use,
283 except unimproved land, the tax under said subdivision (1) shall be
284 imposed at the rate of one and one-quarter per cent of the consideration
285 for the interest in real property conveyed. For the purposes of this
286 subdivision, "unimproved land" includes land designated as farm,
287 forest or open space land;

288 (2) [In] Except as provided in subsection (c) of this section, in the case
289 of any conveyance to a purchaser who is an individual and in which the
290 real property conveyed is [a] residential real estate, including a primary
291 dwelling and any auxiliary housing or structures, regardless of the

292 number of deeds, instruments or writings used to convey such
293 residential real estate, for which the consideration or aggregate
294 consideration, as the case may be, in such conveyance is eight hundred
295 thousand dollars or more, the tax under said subdivision (1) shall be
296 imposed:

297 (A) At the rate of three-quarters of one per cent on that portion of
298 such consideration up to and including the amount of eight hundred
299 thousand dollars;

300 (B) Prior to July 1, 2020, at the rate of one and one-quarter per cent on
301 that portion of such consideration in excess of eight hundred thousand
302 dollars; and

303 (C) On and after July 1, 2020, (i) at the rate of one and one-quarter per
304 cent on that portion of such consideration in excess of eight hundred
305 thousand dollars up to and including the amount of two million five
306 hundred thousand dollars, and (ii) at the rate of two and one-quarter
307 per cent on that portion of such consideration in excess of two million
308 five hundred thousand dollars; and

309 (3) In the case of any conveyance in which real property on which
310 mortgage payments have been delinquent for not less than six months
311 is conveyed to a financial institution or its subsidiary that holds such a
312 delinquent mortgage on such property, the tax under said subdivision
313 (1) shall be imposed at the rate of three-quarters of one per cent of the
314 consideration for the interest in real property conveyed. [For the
315 purposes of subdivision (1) of this subsection, "unimproved land"
316 includes land designated as farm, forest or open space land.]

317 (c) On and after October 1, 2024, in the case of any conveyance of real
318 property that is residential real estate to a purchaser that is not an
319 individual, regardless of the number of deeds, instruments or writings
320 used to convey such residential real estate, in lieu of the rate under
321 subdivision (1) of subsection (a) of this section or subdivision (2) of
322 subsection (b) of this section, the rate of tax imposed on such purchaser
323 of real property shall be:

324 (1) At the rate of one and three-quarters per cent on that portion of
325 such consideration up to and including the amount of eight hundred
326 thousand dollars; and

327 (2) At the rate of two and one-quarter per cent on that portion of such
328 consideration in excess of eight hundred thousand dollars.

329 [(c)] (d) In addition to the tax imposed under subsection (a) of this
330 section, any targeted investment community, as defined in section 32-
331 222, or any municipality in which properties designated as
332 manufacturing plants under section 32-75c are located, may, on or after
333 March 15, 2003, impose an additional tax on each deed, instrument or
334 writing, whereby any lands, tenements or other realty is granted,
335 assigned, transferred or otherwise conveyed to, or vested in, the
336 purchaser, or any other person by such purchaser's direction, when the
337 consideration for the interest or property conveyed equals or exceeds
338 two thousand dollars, which additional tax shall be at a rate of up to
339 one-fourth of one per cent of the consideration for the interest in real
340 property conveyed by such deed, instrument or writing. The revenue
341 from such additional tax shall become part of the general revenue of the
342 municipality in accordance with section 12-499.

343 [(d)] (e) On and after July 1, 2025, the Comptroller shall transfer from
344 the General Fund to the Housing Trust Fund established under section
345 8-3360, any revenue received by the state each fiscal year in excess of
346 three hundred million dollars from the tax imposed under subdivision
347 (1) of subsection (a) and subsections (b) [and (c)] to (d), inclusive, of this
348 section. On and after July 1, 2026, the threshold amount in this
349 subsection shall be adjusted annually by the percentage increase in
350 inflation. As used in this subdivision, "increase in inflation" means the
351 increase in the consumer price index for all urban consumers during the
352 preceding calendar year, calculated on a December over December
353 basis, using data reported by the United States Bureau of Labor
354 Statistics.

355 Sec. 7. Subdivision (1) of section 12-408 of the 2024 supplement to the
356 general statutes is repealed and the following is substituted in lieu

357 thereof (*Effective July 1, 2024, and applicable to sales occurring on or after*
358 *July 1, 2024*):

359 (1) (A) For the privilege of making any sales, as defined in
360 subdivision (2) of subsection (a) of section 12-407, at retail, in this state
361 for a consideration, a tax is hereby imposed on all retailers at the rate of
362 six and thirty-five-hundredths per cent of the gross receipts of any
363 retailer from the sale of all tangible personal property sold at retail or
364 from the rendering of any services constituting a sale in accordance with
365 subdivision (2) of subsection (a) of section 12-407, except, in lieu of said
366 rate, the rates provided in subparagraphs (B) to [(I)] (J), inclusive, of this
367 subdivision;

368 (B) (i) At a rate of fifteen per cent with respect to each transfer of
369 occupancy, from the total amount of rent received by a hotel or lodging
370 house for the first period not exceeding thirty consecutive calendar
371 days;

372 (ii) At a rate of eleven per cent with respect to each transfer of
373 occupancy, from the total amount of rent received by a bed and
374 breakfast establishment for the first period not exceeding thirty
375 consecutive calendar days;

376 (C) With respect to the sale of a motor vehicle to any individual who
377 is a member of the armed forces of the United States and is on full-time
378 active duty in Connecticut and who is considered, under 50 App USC
379 574, a resident of another state, or to any such individual and the spouse
380 thereof, at a rate of four and one-half per cent of the gross receipts of any
381 retailer from such sales, provided such retailer requires and maintains a
382 declaration by such individual, prescribed as to form by the
383 commissioner and bearing notice to the effect that false statements made
384 in such declaration are punishable, or other evidence, satisfactory to the
385 commissioner, concerning the purchaser's state of residence under 50
386 App USC 574;

387 (D) (i) With respect to the sales of computer and data processing
388 services occurring on or after July 1, 2001, at the rate of one per cent, and

389 (ii) with respect to sales of Internet access services, on and after July 1,
390 2001, such services shall be exempt from such tax;

391 (E) (i) With respect to the sales of labor that is otherwise taxable under
392 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section
393 12-407 on existing vessels and repair or maintenance services on vessels
394 occurring on and after July 1, 1999, such services shall be exempt from
395 such tax;

396 (ii) With respect to the sale of a vessel, a motor for a vessel or a trailer
397 used for transporting a vessel, at the rate of two and ninety-nine-
398 hundredths per cent, except that the sale of a vessel shall be exempt from
399 such tax if such vessel is docked in this state for sixty or fewer days in a
400 calendar year;

401 (iii) With respect to the sale of dyed diesel fuel, as defined in
402 subsection (d) of section 12-487, sold by a marine fuel dock exclusively
403 for marine purposes, at the rate of two and ninety-nine-hundredths per
404 cent;

405 (F) With respect to patient care services for which payment is
406 received by the hospital on or after July 1, 1999, and prior to July 1, 2001,
407 at the rate of five and three-fourths per cent and on and after July 1, 2001,
408 such services shall be exempt from such tax;

409 (G) With respect to the rental or leasing of a passenger motor vehicle
410 for a period of thirty consecutive calendar days or less, at a rate of nine
411 and thirty-five-hundredths per cent;

412 (H) With respect to the sale of (i) a motor vehicle for a sales price
413 exceeding fifty thousand dollars, at a rate of seven and three-fourths per
414 cent on the entire sales price, (ii) jewelry, whether real or imitation, for
415 a sales price exceeding five thousand dollars, at a rate of seven and
416 three-fourths per cent on the entire sales price, and (iii) an article of
417 clothing or footwear intended to be worn on or about the human body,
418 a handbag, luggage, umbrella, wallet or watch for a sales price
419 exceeding one thousand dollars, at a rate of seven and three-fourths per

420 cent on the entire sales price. For purposes of this subparagraph, "motor
421 vehicle" has the meaning provided in section 14-1, but does not include
422 a motor vehicle subject to the provisions of subparagraph (C) of this
423 subdivision, a motor vehicle having a gross vehicle weight rating over
424 twelve thousand five hundred pounds, or a motor vehicle having a
425 gross vehicle weight rating of twelve thousand five hundred pounds or
426 less that is not used for private passenger purposes, but is designed or
427 used to transport merchandise, freight or persons in connection with
428 any business enterprise and issued a commercial registration or more
429 specific type of registration by the Department of Motor Vehicles;

430 (I) With respect to the sale of meals, as defined in subdivision (13) of
431 section 12-412, sold by an eating establishment, caterer or grocery store;
432 and spirituous, malt or vinous liquors, soft drinks, sodas or beverages
433 such as are ordinarily dispensed at bars and soda fountains, or in
434 connection therewith; in addition to the tax imposed under
435 subparagraph (A) of this subdivision, at the rate of one per cent;

436 (J) With respect to the sale of tangible personal property purchased
437 for the construction of a new residential development project, at the rate
438 of three per cent, provided such project contains not fewer than fifty
439 units of affordable housing, as defined in section 8-39a, except the
440 provisions of this subparagraph shall not apply to a project that qualifies
441 for an exemption under section 12-412, as amended by this act;

442 ~~[(J)]~~ (K) The rate of tax imposed by this chapter shall be applicable to
443 all retail sales upon the effective date of such rate, except that a new rate
444 that represents an increase in the rate applicable to the sale shall not
445 apply to any sales transaction wherein a binding sales contract without
446 an escalator clause has been entered into prior to the effective date of the
447 new rate and delivery is made within ninety days after the effective date
448 of the new rate. For the purposes of payment of the tax imposed under
449 this section, any retailer of services taxable under subdivision (37) of
450 subsection (a) of section 12-407, who computes taxable income, for
451 purposes of taxation under the Internal Revenue Code of 1986, or any
452 subsequent corresponding internal revenue code of the United States,

453 as amended from time to time, on an accounting basis that recognizes
454 only cash or other valuable consideration actually received as income
455 and who is liable for such tax only due to the rendering of such services
456 may make payments related to such tax for the period during which
457 such income is received, without penalty or interest, without regard to
458 when such service is rendered;

459 ~~[(K)]~~ (L) (i) For calendar quarters ending on or after September 30,
460 2019, the commissioner shall deposit into the regional planning
461 incentive account, established pursuant to section 4-66k, six and seven-
462 tenths per cent of the amounts received by the state from the tax
463 imposed under subparagraph (B) of this subdivision and ten and seven-
464 tenths per cent of the amounts received by the state from the tax
465 imposed under subparagraph (G) of this subdivision;

466 (ii) For calendar quarters ending on or after September 30, 2018, the
467 commissioner shall deposit into the Tourism Fund established under
468 section 10-395b ten per cent of the amounts received by the state from
469 the tax imposed under subparagraph (B) of this subdivision;

470 ~~[(L)]~~ (M) (i) For calendar months commencing on or after July 1, 2021,
471 but prior to July 1, 2023, the commissioner shall deposit into the
472 municipal revenue sharing account established pursuant to section 4-66l
473 seven and nine-tenths per cent of the amounts received by the state from
474 the tax imposed under subparagraph (A) of this subdivision, including
475 such amounts received on or after July 1, 2023, attributable to the fiscal
476 year ending June 30, 2023; and

477 (ii) For calendar months commencing on or after July 1, 2023, the
478 commissioner shall deposit into the Municipal Revenue Sharing Fund
479 established pursuant to section 4-66p seven and nine-tenths per cent of
480 the amounts received by the state from the tax imposed under
481 subparagraph (A) of this subdivision; and

482 ~~[(M)]~~ (N) (i) For calendar months commencing on or after July 1, 2017,
483 the commissioner shall deposit into the Special Transportation Fund
484 established under section 13b-68 seven and nine-tenths per cent of the

485 amounts received by the state from the tax imposed under
486 subparagraph (A) of this subdivision;

487 (ii) For calendar months commencing on or after July 1, 2018, but
488 prior to July 1, 2019, the commissioner shall deposit into the Special
489 Transportation Fund established under section 13b-68 eight per cent of
490 the amounts received by the state from the tax imposed under
491 subparagraphs (A) and (H) of this subdivision on the sale of a motor
492 vehicle;

493 (iii) For calendar months commencing on or after July 1, 2019, but
494 prior to July 1, 2020, the commissioner shall deposit into the Special
495 Transportation Fund established under section 13b-68 seventeen per
496 cent of the amounts received by the state from the tax imposed under
497 subparagraphs (A) and (H) of this subdivision on the sale of a motor
498 vehicle;

499 (iv) For calendar months commencing on or after July 1, 2020, but
500 prior to July 1, 2021, the commissioner shall deposit into the Special
501 Transportation Fund established under section 13b-68 twenty-five per
502 cent of the amounts received by the state from the tax imposed under
503 subparagraphs (A) and (H) of this subdivision on the sale of a motor
504 vehicle;

505 (v) For calendar months commencing on or after July 1, 2021, but
506 prior to July 1, 2022, the commissioner shall deposit into the Special
507 Transportation Fund established under section 13b-68 seventy-five per
508 cent of the amounts received by the state from the tax imposed under
509 subparagraphs (A) and (H) of this subdivision on the sale of a motor
510 vehicle; and

511 (vi) For calendar months commencing on or after July 1, 2022, the
512 commissioner shall deposit into the Special Transportation Fund
513 established under section 13b-68 one hundred per cent of the amounts
514 received by the state from the tax imposed under subparagraphs (A)
515 and (H) of this subdivision on the sale of a motor vehicle.

516 Sec. 8. Subdivision (1) of section 12-411 of the 2024 supplement to the
517 general statutes is repealed and the following is substituted in lieu
518 thereof (*Effective July 1, 2024, and applicable to sales occurring on or after*
519 *July 1, 2024*):

520 (1) (A) An excise tax is hereby imposed on the storage, acceptance,
521 consumption or any other use in this state of tangible personal property
522 purchased from any retailer for storage, acceptance, consumption or any
523 other use in this state, the acceptance or receipt of any services
524 constituting a sale in accordance with subdivision (2) of subsection (a)
525 of section 12-407, purchased from any retailer for consumption or use in
526 this state, or the storage, acceptance, consumption or any other use in
527 this state of tangible personal property which has been manufactured,
528 fabricated, assembled or processed from materials by a person, either
529 within or without this state, for storage, acceptance, consumption or any
530 other use by such person in this state, to be measured by the sales price
531 of materials, at the rate of six and thirty-five-hundredths per cent of the
532 sales price of such property or services, except, in lieu of said rate:

533 (B) (i) At a rate of fifteen per cent of the rent paid to a hotel or lodging
534 house for the first period not exceeding thirty consecutive calendar
535 days;

536 (ii) At a rate of eleven per cent of the rent paid to a bed and breakfast
537 establishment for the first period not exceeding thirty consecutive
538 calendar days;

539 (C) With respect to the storage, acceptance, consumption or use in
540 this state of a motor vehicle purchased from any retailer for storage,
541 acceptance, consumption or use in this state by any individual who is a
542 member of the armed forces of the United States and is on full-time
543 active duty in Connecticut and who is considered, under 50 App USC
544 574, a resident of another state, or to any such individual and the spouse
545 of such individual at a rate of four and one-half per cent of the sales price
546 of such vehicle, provided such retailer requires and maintains a
547 declaration by such individual, prescribed as to form by the
548 commissioner and bearing notice to the effect that false statements made

549 in such declaration are punishable, or other evidence, satisfactory to the
550 commissioner, concerning the purchaser's state of residence under 50
551 App USC 574;

552 (D) (i) With respect to the acceptance or receipt in this state of labor
553 that is otherwise taxable under subparagraph (C) or (G) of subdivision
554 (2) of subsection (a) of section 12-407 on existing vessels and repair or
555 maintenance services on vessels occurring on and after July 1, 1999, such
556 services shall be exempt from such tax;

557 (ii) (I) With respect to the storage, acceptance or other use of a vessel
558 in this state, at the rate of two and ninety-nine-hundredths per cent,
559 except that such storage, acceptance or other use shall be exempt from
560 such tax if such vessel is docked in this state for sixty or fewer days in a
561 calendar year;

562 (II) With respect to the storage, acceptance or other use of a motor for
563 a vessel or a trailer used for transporting a vessel in this state, at the rate
564 of two and ninety-nine-hundredths per cent;

565 (III) With respect to the storage, acceptance or other use of dyed diesel
566 fuel, as defined in subsection (d) of section 12-487, exclusively for
567 marine purposes, at the rate of two and ninety-nine-hundredths per
568 cent;

569 (E) (i) With respect to the acceptance or receipt in this state of
570 computer and data processing services purchased from any retailer for
571 consumption or use in this state occurring on or after July 1, 2001, at the
572 rate of one per cent of such services, and (ii) with respect to the
573 acceptance or receipt in this state of Internet access services, on and after
574 July 1, 2001, such services shall be exempt from such tax;

575 (F) With respect to the acceptance or receipt in this state of patient
576 care services purchased from any retailer for consumption or use in this
577 state for which payment is received by the hospital on or after July 1,
578 1999, and prior to July 1, 2001, at the rate of five and three-fourths per
579 cent and on and after July 1, 2001, such services shall be exempt from

580 such tax;

581 (G) With respect to the rental or leasing of a passenger motor vehicle
582 for a period of thirty consecutive calendar days or less, at a rate of nine
583 and thirty-five-hundredths per cent;

584 (H) With respect to the acceptance or receipt in this state of (i) a motor
585 vehicle for a sales price exceeding fifty thousand dollars, at a rate of
586 seven and three-fourths per cent on the entire sales price, (ii) jewelry,
587 whether real or imitation, for a sales price exceeding five thousand
588 dollars, at a rate of seven and three-fourths per cent on the entire sales
589 price, and (iii) an article of clothing or footwear intended to be worn on
590 or about the human body, a handbag, luggage, umbrella, wallet or
591 watch for a sales price exceeding one thousand dollars, at a rate of seven
592 and three-fourths per cent on the entire sales price. For purposes of this
593 subparagraph, "motor vehicle" has the meaning provided in section 14-
594 1, but does not include a motor vehicle subject to the provisions of
595 subparagraph (C) of this subdivision, a motor vehicle having a gross
596 vehicle weight rating over twelve thousand five hundred pounds, or a
597 motor vehicle having a gross vehicle weight rating of twelve thousand
598 five hundred pounds or less that is not used for private passenger
599 purposes, but is designed or used to transport merchandise, freight or
600 persons in connection with any business enterprise and issued a
601 commercial registration or more specific type of registration by the
602 Department of Motor Vehicles;

603 (I) With respect to the acceptance or receipt in this state of meals, as
604 defined in subdivision (13) of section 12-412, sold by an eating
605 establishment, caterer or grocery store; and spirituous, malt or vinous
606 liquors, soft drinks, sodas or beverages such as are ordinarily dispensed
607 at bars and soda fountains, or in connection therewith; in addition to the
608 tax imposed under subparagraph (A) of this subdivision, at the rate of
609 one per cent;

610 (J) With respect to the storage, use or other consumption of tangible
611 personal property for the construction of a new residential development
612 project at the rate of three per cent, provided such project contains not

613 fewer than fifty units of affordable housing, as defined in section 8-39a,
614 except the provisions of this subparagraph shall not apply to a project
615 that qualifies for an exemption under section 12-412, as amended by this
616 act;

617 ~~[(J)]~~ [(K)] (i) For calendar quarters ending on or after September 30,
618 2019, the commissioner shall deposit into the regional planning
619 incentive account, established pursuant to section 4-66k, six and seven-
620 tenths per cent of the amounts received by the state from the tax
621 imposed under subparagraph (B) of this subdivision and ten and seven-
622 tenths per cent of the amounts received by the state from the tax
623 imposed under subparagraph (G) of this subdivision;

624 (ii) For calendar quarters ending on or after September 30, 2018, the
625 commissioner shall deposit into the Tourism Fund established under
626 section 10-395b ten per cent of the amounts received by the state from
627 the tax imposed under subparagraph (B) of this subdivision;

628 ~~[(K)]~~ [(L)] (i) For calendar months commencing on or after July 1, 2021,
629 but prior to July 1, 2023, the commissioner shall deposit into the
630 municipal revenue sharing account established pursuant to section 4-66l
631 seven and nine-tenths per cent of the amounts received by the state from
632 the tax imposed under subparagraph (A) of this subdivision, including
633 such amounts received on or after July 1, 2023, attributable to the fiscal
634 year ending June 30, 2023; and

635 (ii) For calendar months commencing on or after July 1, 2023, the
636 commissioner shall deposit into the Municipal Revenue Sharing Fund
637 established pursuant to section 4-66p seven and nine-tenths per cent of
638 the amounts received by the state from the tax imposed under
639 subparagraph (A) of this subdivision; and

640 ~~[(L)]~~ [(M)] (i) For calendar months commencing on or after July 1, 2017,
641 the commissioner shall deposit into said Special Transportation Fund
642 seven and nine-tenths per cent of the amounts received by the state from
643 the tax imposed under subparagraph (A) of this subdivision;

644 (ii) For calendar months commencing on or after July 1, 2018, but
645 prior to July 1, 2019, the commissioner shall deposit into the Special
646 Transportation Fund established under section 13b-68 eight per cent of
647 the amounts received by the state from the tax imposed under
648 subparagraphs (A) and (H) of this subdivision on the acceptance or
649 receipt in this state of a motor vehicle;

650 (iii) For calendar months commencing on or after July 1, 2019, but
651 prior to July 1, 2020, the commissioner shall deposit into the Special
652 Transportation Fund established under section 13b-68 seventeen per
653 cent of the amounts received by the state from the tax imposed under
654 subparagraphs (A) and (H) of this subdivision on the acceptance or
655 receipt in this state of a motor vehicle;

656 (iv) For calendar months commencing on or after July 1, 2020, but
657 prior to July 1, 2021, the commissioner shall deposit into the Special
658 Transportation Fund established under section 13b-68 twenty-five per
659 cent of the amounts received by the state from the tax imposed under
660 subparagraphs (A) and (H) of this subdivision on the acceptance or
661 receipt in this state of a motor vehicle;

662 (v) For calendar months commencing on or after July 1, 2021, but
663 prior to July 1, 2022, the commissioner shall deposit into the Special
664 Transportation Fund established under section 13b-68 seventy-five per
665 cent of the amounts received by the state from the tax imposed under
666 subparagraphs (A) and (H) of this subdivision on the acceptance or
667 receipt in this state of a motor vehicle; and

668 (vi) For calendar months commencing on or after July 1, 2022, the
669 commissioner shall deposit into the Special Transportation Fund
670 established under section 13b-68 one hundred per cent of the amounts
671 received by the state from the tax imposed under subparagraphs (A)
672 and (H) of this subdivision on the acceptance or receipt in this state of a
673 motor vehicle.

674 Sec. 9. Section 4-660 of the general statutes is repealed and the
675 following is substituted in lieu thereof (*Effective July 1, 2024*):

676 The Secretary of the Office of Policy and Management may establish
677 receivables for the revenue anticipated pursuant to subparagraph [(K)]
678 (L) of subdivision (1) of section 12-408, as amended by this act, and
679 section 4-66l.

680 Sec. 10. (*Effective from passage*) (a) The Commissioner of Housing shall
681 conduct a study, within available appropriations, concerning the
682 potential impacts of allowing landlords to accept advance rental
683 payments from tenants of residential dwelling units. Such study shall
684 include an examination of (1) the likelihood that prospective tenants
685 whose rental applications have been denied by a landlord would receive
686 approval from such landlord if such tenants could provide advance
687 rental payments in addition to a security deposit, (2) potential reasons a
688 landlord may require advance rental payments from a tenant, (3) any
689 potential financial burdens upon tenants resulting from allowing
690 advance rental payments to landlords, and (4) the effect advance rental
691 payments may have on housing availability in the state.

692 (b) Not later than January 1, 2025, the commissioner shall submit a
693 report, in accordance with the provisions of section 11-4a of the general
694 statutes, to the joint standing committee of the General Assembly
695 having cognizance of matters relating to housing containing the
696 findings of such study and any legislation recommended by the
697 commissioner.

698 Sec. 11. Subdivision (4) of section 12-81 of the 2024 supplement to the
699 general statutes is repealed and the following is substituted in lieu
700 thereof (*Effective October 1, 2024, and applicable to assessment years on and*
701 *after October 1, 2024*):

702 (4) (A) Except as otherwise provided by law, personal property
703 belonging to, held in trust for, or leased to, a municipal corporation of
704 this state and used for a public purpose, including personal property
705 used for cemetery purposes, and (B) real property belonging to, held in
706 trust for, or leased to, a municipal corporation of this state and used for
707 (i) a public purpose, including real property used for cemetery
708 purposes, (ii) workforce housing, as defined in section 8-395, or (iii)

709 affordable housing as defined in section 8-39a, provided any such leased
710 personal property, including, but not limited to, motor vehicles subject
711 to the provisions of section 12-71 and any such leased real property is
712 located within the boundaries of such municipal corporation;

713 Sec. 12. Section 8-39 of the general statutes is repealed and the
714 following is substituted in lieu thereof (*Effective October 1, 2024*):

715 The following terms, wherever used or referred to in this chapter,
716 [shall] have the following respective meanings, unless a different
717 meaning clearly appears from the context:

718 [(a)] (1) "Area of operation" [includes the municipality in which a
719 housing authority is created under the provisions of this chapter and
720 may include a neighboring municipality, provided the governing body
721 of such neighboring municipality agrees by proper resolution to the
722 extension of the area of operation to include such neighboring
723 municipality] means a municipal area of operation and, if adopted by a
724 housing authority, includes an expanded area of operation.

725 [(b)] (2) "Authority" or "housing authority" means any of the public
726 corporations created by section 8-40, as amended by this act, and the
727 Connecticut Housing Authority when exercising the rights, powers,
728 duties or privileges of, or subject to the immunities or limitations of,
729 housing authorities pursuant to section 8-121.

730 [(c)] (3) "Bonds" means any bonds, including refunding bonds, notes,
731 interim certificates, debentures or other obligations issued by the
732 authority pursuant to this chapter.

733 [(d)] (4) "Clerk" means the clerk of the particular city, borough or
734 town for which a particular housing authority is created.

735 (5) "Eligible developer" or "developer" means (A) a nonprofit
736 corporation; (B) any business corporation incorporated pursuant to
737 chapter 601 or any predecessor statutes thereto, having as one of its
738 purposes the construction, rehabilitation, ownership or operation of
739 housing, and having its articles of incorporation approved by the

740 Commissioner of Housing in accordance with regulations adopted
741 pursuant to section 8-79a or 8-84; (C) any partnership, limited
742 partnership, joint venture, trust, limited liability company or association
743 having as one of its purposes the construction, rehabilitation, ownership
744 or operation of housing, and having its documents of organization
745 approved by the commissioner in accordance with regulations adopted
746 pursuant to section 8-79a or 8-84; (D) a housing authority; (E) a family
747 or person approved by the commissioner as qualified to own, construct,
748 rehabilitate, manage and maintain housing under a mortgage loan made
749 or insured under an agreement entered into pursuant to the provisions
750 of this chapter; or (F) a municipal developer.

751 (6) "Expanded area of operation" means an area in a municipality,
752 other than the municipality in which the housing authority is located,
753 adopted by such housing authority, provided such other municipality
754 has adopted an agreement pursuant to subsection (c) of section 8-40, as
755 amended by this act.

756 [(e)] (7) "Families of low income" means families who lack the amount
757 of income [which] that is necessary, as determined by the authority
758 undertaking the housing project, to enable them, without financial
759 assistance, to live in decent, safe and sanitary dwellings, without
760 overcrowding.

761 [(f)] (8) "Families of low and moderate income" means families who
762 lack the amount of income [which] that is necessary, as determined by
763 the Commissioner of Housing, to enable them to rent or purchase
764 moderate cost housing without financial assistance as provided by this
765 part and parts II and III of this chapter.

766 (9) "Family" means a household consisting of one or more persons.

767 [(g)] (10) "Federal government" includes the United States of
768 America, the federal emergency administration of public works or any
769 other agency or instrumentality, corporate or otherwise, of the United
770 States of America.

771 [(h)] (11) "Governing body" means, for towns having a town council,
772 the council; for other towns, the selectmen; for cities, the common
773 council or other similar body of officials; and for boroughs, the warden
774 and burgesses.

775 [(i)] (12) "Housing project" means any work or undertaking [(1)] to
776 (A) demolish, clear or remove buildings from any slum area, which
777 work or undertaking may embrace the adaptation of such area to public
778 purposes, including parks or other recreational or community purposes;
779 [or (2) to] (B) provide decent, safe and sanitary urban or rural dwellings,
780 apartments or other living accommodations for families of low or
781 moderate income, which work or undertaking may include buildings,
782 land, equipment, facilities and other real or personal property for
783 necessary, convenient or desirable appurtenances, streets, sewers, water
784 service, parks, site preparation, gardening, administrative, community,
785 recreational, commercial or welfare purposes and may include the
786 acquisition and rehabilitation of existing dwelling units or structures to
787 be used for moderate or low rental units; or [(3) to] (C) accomplish a
788 combination of the foregoing. [The term "housing project" also may be
789 applied to] "Housing project" may also include the planning of the
790 buildings and improvements, the acquisition of property, the
791 demolition of existing structures, the construction, reconstruction,
792 alteration and repair of the improvements and all other work in
793 connection therewith and may include the reconstruction,
794 rehabilitation, alteration, or major repair of existing buildings or
795 improvements which were undertaken pursuant to parts II and VI of
796 this chapter.

797 [(j)] "Mayor" means, for cities, the mayor and, for boroughs, the
798 warden.]

799 [(k)] (13) "Moderate rental" means a rental which, as determined by
800 an authority with the concurrence of the Commissioner of Housing, is
801 below the level at which private enterprise is currently building a
802 needed volume of safe and sanitary dwellings for rental in the locality
803 involved; and "moderate rental housing project" means a housing

804 project, receiving state aid in the form of loans or grants, for families
805 unable to pay more than moderate rental. [Such project] "Moderate
806 rental housing project" may include the reconstruction, rehabilitation,
807 alteration, or major repair of existing buildings or improvements which
808 were undertaken pursuant to parts II or VI of this chapter.

809 (14) "Mortgage" means a mortgage deed, deed of trust or other
810 instrument that constitutes a lien, regardless of priority, on real estate or
811 on a leasehold interest under a lease having a remaining term, at the
812 time such mortgage is executed, that does not expire for at least that
813 number of years beyond the maturity date of the obligation secured by
814 such mortgage as is equal to the number of years remaining until the
815 maturity date of such obligation.

816 (15) "Municipal area of operation" includes the municipality in which
817 a housing authority is created under the provisions of this chapter and
818 may include any other municipality, as provided in section 8-40, as
819 amended by this act.

820 (16) "Municipal developer" means a municipality that has not
821 declared by resolution a need for a housing authority pursuant to
822 section 8-40, as amended by this act, acting by and through its legislative
823 body, except that in any town in which a town meeting or representative
824 town meeting is the legislative body, "municipal developer" means the
825 board of selectmen if such board is authorized to act as the municipal
826 developer by the town meeting or representative town meeting.

827 [(1)] (17) "Municipality" means any city, borough or town. "The
828 municipality" means the particular municipality for which a particular
829 housing authority is created.

830 (18) "Nonprofit corporation" means a nonprofit corporation
831 incorporated pursuant to chapter 602 or any predecessor statutes
832 thereto, having as one of its purposes the construction, rehabilitation,
833 ownership or operation of housing and having articles of incorporation
834 approved by the Commissioner of Housing in accordance with
835 regulations adopted pursuant to section 8-79a or 8-84.

836 [(m)] (19) "Obligee of the authority" or "obligee" includes any
837 bondholder, trustee or trustees for any bondholders, or lessor demising
838 to the authority property used in connection with a housing project, or
839 any assignee or assignees of such lessor's interest or any part thereof,
840 and the state or federal government when it is a party to any contract
841 with the authority.

842 [(n)] (20) "Real property" includes all lands, including improvements
843 and fixtures thereon, and property of any nature appurtenant thereto,
844 or used in connection therewith, and every estate, interest and right,
845 legal or equitable, therein, including terms for years and liens by way of
846 judgment, mortgage or otherwise and the indebtedness secured by such
847 liens.

848 [(o)] (21) "Rent" means the entire amount paid to an authority for any
849 dwelling unit.

850 [(p)] (22) "Shelter rent" means rent less any charges made by an
851 authority for water, heat, gas and electricity.

852 [(q)] (23) "Slum" means any area where dwellings predominate
853 which, by reason of dilapidation, overcrowding, faulty arrangement or
854 design, lack of ventilation, light or sanitary facilities, or any combination
855 of these factors, are detrimental to safety, health and morals.

856 [(r)] (24) "State public body" means any city, borough, town,
857 municipal corporation, district or other subdivision of the state.

858 [(s)] (25) "Veteran" has the same meaning [assigned by] as provided
859 in section 27-103 and includes any officer of the United States Public
860 Health Service detailed by proper authority to duty with any of the
861 armed forces and the spouse or widow or widower of such veteran,
862 provided such veteran [shall have] served for a period of ninety days or
863 more in time of war after December 7, 1941, and [shall have] resided in
864 this state at any time continuously for two years.

865 [(t)] "Family" means a household consisting of one or more persons.

866 (u) "Eligible developer" or "developer" means (1) a nonprofit
867 corporation; (2) any business corporation incorporated pursuant to
868 chapter 601 or any predecessor statutes thereto, having as one of its
869 purposes the construction, rehabilitation, ownership or operation of
870 housing, and having articles of incorporation approved by the
871 commissioner in accordance with regulations adopted pursuant to
872 section 8-79a or 8-84; (3) any partnership, limited partnership, joint
873 venture, trust, limited liability company or association having as one of
874 its purposes the construction, rehabilitation, ownership or operation of
875 housing, and having basic documents of organization approved by the
876 commissioner in accordance with regulations adopted pursuant to
877 section 8-79a or 8-84; (4) a housing authority; (5) a family or person
878 approved by the commissioner as qualified to own, construct,
879 rehabilitate, manage and maintain housing under a mortgage loan made
880 or insured under an agreement entered into pursuant to the provisions
881 of this chapter; or (6) a municipal developer.

882 (v) "Mortgage" means a mortgage deed, deed of trust, or other
883 instrument which shall constitute a lien, whether first or second, on real
884 estate or on a leasehold under a lease having a remaining term, at the
885 time such mortgage is acquired, which does not expire for at least that
886 number of years beyond the maturity date of the obligation secured by
887 such mortgage as is equal to the number of years remaining until the
888 maturity date of such obligation.

889 (w) "Nonprofit corporation" means a nonprofit corporation
890 incorporated pursuant to chapter 602 or any predecessor statutes
891 thereto, having as one of its purposes the construction, rehabilitation,
892 ownership or operation of housing and having articles of incorporation
893 approved by the Commissioner of Housing in accordance with
894 regulations adopted pursuant to section 8-79a or 8-84.

895 (x) "Municipal developer" means a municipality, as defined in
896 subsection (l) of this section, which has not declared by resolution a need
897 for a housing authority pursuant to section 8-40, acting by and through
898 its legislative body, except that in any town in which a town meeting or

899 representative town meeting is the legislative body, "municipal
900 developer" means the board of selectmen if such board is authorized to
901 act as the municipal developer by the town meeting or representative
902 town meeting.]

903 Sec. 13. Section 8-40 of the general statutes is repealed and the
904 following is substituted in lieu thereof (*Effective October 1, 2024*):

905 (a) In each municipality of the state there is created a public body
906 corporate and politic to be known as the "housing authority" of the
907 municipality, [;] provided such authority shall not transact any business
908 or exercise its powers [hereunder] under this section until the governing
909 body of the municipality by resolution declares that there is need for a
910 housing authority in the municipality. [provided it] Within such
911 resolution, the governing body shall find [(1)] that (1) insanitary or
912 unsafe inhabited dwelling accommodations exist in the municipality,
913 [or] (2) [that] there is a shortage of safe or sanitary dwelling
914 accommodations in the municipality available to families of low income
915 at rentals they can afford, or (3) [that] there is a shortage of safe or
916 sanitary dwelling accommodations in the municipality available to
917 families of moderate income at rentals they can afford. In determining
918 whether dwelling accommodations are unsafe or insanitary, [said] such
919 governing body may take into consideration the degree of
920 overcrowding, the percentage of land coverage, the light, air, space and
921 access available to the inhabitants of such dwelling accommodations,
922 the size and arrangement of the rooms, the sanitary facilities and the
923 extent to which conditions exist in such buildings which endanger life
924 or property by fire or other causes.

925 (b) The governing bodies of two or more municipalities may create a
926 regional housing authority, which shall have all the powers, duties and
927 responsibilities conferred upon housing authorities by this chapter and
928 chapter 130. The area of operation of such authority shall include the
929 municipalities for which such authority is created, provided, in the case
930 of a municipal area of operation that includes any other municipality,
931 such other municipality agrees by proper resolution and adoption of an

932 agreement to the expansion of the area of operation including such other
933 municipality. Such authority shall act through a board of commissioners
934 composed of two representatives from each municipality appointed for
935 terms of four years in the manner provided in section 8-41.

936 (c) (1) Any housing authority may adopt an expanded area of
937 operation, provided the governing body of the municipality to be
938 included in the expanded area of operation, at its sole discretion after
939 evaluating the housing needs of the municipality and the qualifications
940 of the housing authority, adopts an agreement authorizing such housing
941 authority to operate in the municipality as an expanded area of
942 operation.

943 (2) If the governing body of such municipality does not adopt an
944 agreement with a housing authority that requests such agreement
945 pursuant to subdivision (1) of this subsection, the governing body's
946 failure to adopt such agreement shall not be construed to be a violation
947 of section 8-30g or of any other provision of the general statutes.

948 Sec. 14. Section 8-44b of the general statutes is repealed and the
949 following is substituted in lieu thereof (*Effective October 1, 2024*):

950 (a) Any housing authority created by section 8-40, as amended by this
951 act, shall have the power to establish and maintain a housing authority
952 police force, [the] except that no housing authority shall have the power
953 to establish or maintain a housing authority police force in an expanded
954 area of operation. The members of [which] any such housing authority
955 police force shall be employees of such housing authority and shall be
956 known as housing authority police officers. Housing authority police
957 officers shall be appointed by the local board, agency or person
958 empowered to appoint municipal police officers, subject to approval [of]
959 by the housing authority. The requirements for appointment as a police
960 officer in the municipality in which the housing authority is located,
961 except for age and physical qualifications, shall be mandatory for
962 housing authority police officers in such municipality. No person shall
963 be appointed to such housing authority police force unless [he] such
964 person has been awarded a certificate attesting to [his] such person's

965 successful completion of an approved municipal police basic training
966 program, as provided in section 7-294e. The initial appointment shall be
967 for a probationary term upon the completion of which the appointing
968 authority may promote such probationary officers to permanent status;
969 provided such promotion shall be in accordance with procedures
970 applicable to municipal police officers in the municipality and shall be
971 made subject to the approval of the housing authority. Housing
972 authority police officers shall have and exercise the powers and
973 authority conferred upon municipal police officers and shall be subject
974 to the ultimate supervision and control of the chief of police of the
975 municipality in which the housing authority operates.

976 (b) Notwithstanding the provisions of subsection (a) of this section,
977 any housing authority police force [which] that existed prior to October
978 1, 1970, pursuant to Title 1 of Public Law 89-754, 80 Stat. 1255, the
979 Demonstration Cities and Metropolitan Development Act of 1966, and
980 which, for any reason, does not constitute a housing authority police
981 force pursuant to subsection (a) of this section, shall constitute a housing
982 authority police force pursuant to this subsection and the members of
983 any such police [forces] force may exercise the powers granted to such
984 members pursuant to this subsection. The members of such police force
985 may act, at the expense of the municipality, as special police officers
986 upon property owned or managed by any housing authority. Such
987 special police officers: (1) May arrest, without previous complaint and
988 warrant, any person for any offense in their jurisdiction, when such
989 person is taken or apprehended in the act or on the speedy information
990 of others; (2) when in the immediate pursuit of one who may be arrested
991 under the provisions of this subsection, may pursue such offender
992 outside of their jurisdiction into any part of the municipality to effect an
993 arrest; (3) shall be peace officers, as defined in subdivision (9) of section
994 53a-3; (4) shall have the authority to serve criminal process within their
995 jurisdiction; (5) shall, when on duty, wear a uniform, distinct in color
996 from that worn by the police officers of the municipality; (6) shall, when
997 on duty, wear in plain view a shield, distinct in shape from that worn
998 by the police officers of the municipality [which shall bear] that bears
999 the words "special police"; (7) shall complete a forty-hour basic training

1000 program provided by the municipality within one hundred eighty days
1001 of June 27, 1983; and (8) shall take an oath of office.

1002 Sec. 15. Section 8-50 of the general statutes is repealed and the
1003 following is substituted in lieu thereof (*Effective October 1, 2024*):

1004 An authority shall have the right to acquire by the exercise of the
1005 power of eminent domain any real property [which] that is not located
1006 in an expanded area of operation if it deems such property necessary for
1007 its purposes under this chapter after the adoption by [it] such authority
1008 of a resolution declaring that the acquisition of such real property
1009 described [therein] in such resolution is necessary for such purposes. An
1010 authority, in its own name and at its own expense and cost, may prefer
1011 a petition and exercise the power of eminent domain in the manner
1012 provided in section 48-12 and acts supplementary thereto, except that a
1013 housing authority's power of eminent domain shall not extend to an
1014 expanded area of operation. Property already devoted to a public use
1015 may be acquired, provided no real property belonging to the
1016 municipality, the state or any political subdivision thereof may be
1017 acquired without its consent.

1018 Sec. 16. Section 8-45a of the general statutes is repealed and the
1019 following is substituted in lieu thereof (*Effective October 1, 2024*):

1020 A housing authority, [as defined in subsection (b) of section 8-39,] in
1021 determining eligibility for the rental of public housing units, may
1022 establish criteria and consider relevant information concerning (1) an
1023 applicant's or any proposed occupant's history of criminal activity
1024 involving: (A) Crimes of physical violence to persons or property, (B)
1025 crimes involving the illegal manufacture, sale, distribution or use of, or
1026 possession with intent to manufacture, sell, use or distribute, a
1027 controlled substance, as defined in section 21a-240, or (C) other criminal
1028 acts which would adversely affect the health, safety or welfare of other
1029 tenants, (2) an applicant's or any proposed occupant's abuse, or pattern
1030 of abuse, of alcohol when the housing authority has reasonable cause to
1031 believe that such applicant's or proposed occupant's abuse, or pattern of
1032 abuse, of alcohol may interfere with the health, safety or right to

1033 peaceful enjoyment of the premises by other residents, and (3) an
1034 applicant or any proposed occupant who is subject to a lifetime
1035 registration requirement under section 54-252 on account of being
1036 convicted or found not guilty by reason of mental disease or defect of a
1037 sexually violent offense. In evaluating any such information, the
1038 housing authority shall [give consideration to] consider the time, nature
1039 and extent of the applicant's or proposed occupant's conduct and to
1040 factors which might indicate a reasonable probability of favorable future
1041 conduct such as evidence of rehabilitation and evidence of the
1042 willingness of the applicant, the applicant's family or the proposed
1043 occupant to participate in social service or other appropriate counseling
1044 programs and the availability of such programs.

1045 Sec. 17. Subdivision (29) of section 12-412 of the 2024 supplement to
1046 the general statutes is repealed and the following is substituted in lieu
1047 thereof (*Effective October 1, 2024*):

1048 (29) (A) Sales of and the storage, use or other consumption of tangible
1049 personal property acquired for incorporation into or used and
1050 consumed in the operation of housing facilities for low and moderate
1051 income families and persons and sales of and the acceptance, use or
1052 other consumption of any service described in subdivision (2) of section
1053 12-407 that is used and consumed in the development, construction,
1054 rehabilitation, renovation, repair or operation of housing facilities for
1055 low and moderate income families and persons, provided such facilities
1056 are constructed under the sponsorship of and owned or operated by
1057 nonprofit housing organizations or housing authorities, as defined in
1058 [subsection (b) of] section 8-39, as amended by this act. The nonprofit
1059 housing organization or housing authority sponsoring the construction
1060 of or owning or operating such housing facility shall obtain from the
1061 commissioner a letter of determination that the housing facility has, to
1062 the satisfaction of said commissioner, met all the requirements for
1063 exemption under this subsection. At the time of any sale or purchase
1064 that is exempt under this subsection, the purchaser shall present to the
1065 retailer a copy of the determination letter that was issued to the
1066 nonprofit housing organization or housing authority together with a

1067 certificate from the purchaser, in such form as the commissioner may
1068 prescribe, certifying that the tangible personal property or services that
1069 are being purchased from the retailer are to be used or consumed
1070 exclusively for the purposes of incorporation into or in the
1071 development, construction, rehabilitation, renovation, repair or
1072 operation of the housing facility identified in the letter of determination.
1073 For the purposes of this subsection, (i) "nonprofit housing organization"
1074 means any organization which has as one of its purposes the
1075 development, construction, sponsorship or ownership of housing for
1076 low and moderate income families as stated in its charter, if it is
1077 incorporated, or its constitution or bylaws, if it is unincorporated, and
1078 which has received exemption from federal income tax under the
1079 provisions of Section 501(c) of the Internal Revenue Code, as amended
1080 from time to time, provided the charter of such organization, if it is
1081 incorporated, or its constitution or bylaws, if unincorporated, shall
1082 contain a provision that no officer, member or employee [thereof] of
1083 such organization shall receive or at any future time may receive any
1084 pecuniary profit from the operation thereof, except a reasonable
1085 compensation for services in effecting the purposes of the organization;
1086 (ii) "housing facilities" means facilities having as their primary purpose
1087 the provision of safe and adequate housing and related facilities for low
1088 and moderate income families and persons, notwithstanding that [said]
1089 such housing provides other dwelling accommodations in addition to
1090 the primary purpose of providing dwelling accommodations for low
1091 and moderate income families; (iii) "related facilities" means those
1092 facilities defined in subsection (d) of section 8-243; and (iv) "low and
1093 moderate income families" means those families as defined in
1094 subsection (h) of said section 8-243.

1095 (B) Sales of and the acceptance, use or other consumption of any
1096 service described in subdivision (2) of section 12-407 that is used or
1097 consumed in the development, construction, renovation or operation of
1098 housing facilities for low and moderate income families and persons,
1099 provided such facilities are owned or sponsored by a mutual housing
1100 association, as defined in subsection (b) of section 8-214f, and operated
1101 as mutual housing by such association at a location that was conveyed

1102 to such association by the United States Secretary of Housing and Urban
1103 Development prior to September 1, 1995.

1104 Sec. 18. Section 8-389 of the general statutes is repealed and the
1105 following is substituted in lieu thereof (*Effective October 1, 2024*):

1106 Upon the incorporation of a successfully negotiated regional fair
1107 housing compact into a regional plan of conservation and development
1108 by a regional planning agency pursuant to section 8-386, the
1109 Commissioner of Housing and the Connecticut Housing Authority may
1110 give priority to any application for financial or technical assistance made
1111 by a municipality, housing authority or eligible developer, as defined in
1112 [subsection (u) of] section 8-39, as amended by this act, in connection
1113 with any project located in a municipality which has approved the
1114 regional fair housing compact pursuant to section 8-386.

1115 Sec. 19. Subdivision (9) of section 12-631 of the general statutes is
1116 repealed and the following is substituted in lieu thereof (*Effective October*
1117 *1, 2024*):

1118 (9) "Families of low and moderate income" means families meeting
1119 the criteria for designation as families of low and moderate income
1120 established by the Commissioner of Housing pursuant to [subsection
1121 (f)] subdivision (8) of section 8-39, as amended by this act.

1122 Sec. 20. Section 8-113a of the general statutes is repealed and the
1123 following is substituted in lieu thereof (*Effective October 1, 2024*):

1124 The following terms, wherever used or referred to in this part, [shall]
1125 have the following respective meanings, unless a different meaning
1126 clearly appears from the context:

1127 [(a)] (1) "Authority" or "housing authority" means any of the public
1128 corporations created by section 8-40, as amended by this act.

1129 [(b)] "Municipality" means any city, borough or town. "The
1130 municipality" means the particular municipality for which a particular
1131 housing authority is created.

1132 (c) "Governing body" means, for towns having a town council, the
1133 council; for other towns, the selectmen; for cities, the common council
1134 or other similar body of officials; and for boroughs, the warden and
1135 burgesses.

1136 (d) "Mayor" means, for cities, the mayor, and, for boroughs, the
1137 warden. "Clerk" means the clerk of the particular city, borough or town
1138 for which a particular housing authority is created.

1139 (e) "Area of operation" shall include the municipality in which a
1140 housing authority is created under the provisions of this chapter, and
1141 may include a neighboring municipality, provided the governing body
1142 of such neighboring municipality shall agree by proper resolution to the
1143 extension of the area of operation to include such neighboring
1144 municipality.]

1145 (2) "Bonds" means any bonds, notes, interim certificates, certificates
1146 of indebtedness, debentures or other obligations issued by the authority
1147 pursuant to this chapter.

1148 (3) "Elderly persons" means persons sixty-two years of age and over
1149 who lack the amount of income that is necessary, as determined by the
1150 authority or nonprofit corporation, subject to approval by the
1151 Commissioner of Housing, to enable them to live in decent, safe and
1152 sanitary dwellings without financial assistance as provided under this
1153 part, or persons who have been certified by the Social Security Board as
1154 being totally disabled under the federal Social Security Act or certified
1155 by any other federal board or agency as being totally disabled.

1156 (4) "Housing partnership" means any partnership, limited
1157 partnership, joint venture, trust or association consisting of (A) a
1158 housing authority, a nonprofit corporation, or both, and (B) (i) a
1159 business corporation incorporated pursuant to chapter 601 or any
1160 predecessor statutes thereto, having as one of its purposes the
1161 construction, rehabilitation, ownership or operation of housing, and
1162 having articles of incorporation approved by the commissioner in
1163 accordance with regulations adopted pursuant to section 8-79a or 8-84,

1164 (ii) a for-profit partnership, limited partnership, joint venture, trust,
1165 limited liability company or association having as one of its purposes
1166 the construction, rehabilitation, ownership or operation of housing, and
1167 having basic documents of organization approved by the commissioner
1168 in accordance with regulations adopted pursuant to section 8-79a or 8-
1169 84, or (iii) any combination of the entities included under subparagraphs
1170 (B)(i) and (B)(ii) of this subdivision.

1171 [(f)] (5) "Housing project" means any work or undertaking [(1)] (A) to
1172 demolish, clear or remove buildings from any slum area, which work or
1173 undertaking may embrace the adaptation of such area to public
1174 purposes, including parks or other recreational or community purposes;
1175 [(2)] (B) to provide decent, safe and sanitary urban or rural dwellings,
1176 apartments or other living accommodations for elderly persons, which
1177 work or undertaking may include buildings, land, equipment, facilities
1178 and other real or personal property for necessary, convenient or
1179 desirable appurtenances, streets, sewers, water service, parks, site
1180 preparation, gardening, administrative, community, recreational or
1181 welfare purposes; [(3)] (C) to provide a continuum of housing
1182 comprising independent living accommodations, residential care,
1183 intermediate housing facilities and skilled nursing care and facilities
1184 with ready access to medical and hospital services; or [(4)] (D) to
1185 accomplish a combination of the [foregoing. The term "housing project"
1186 also may be applied to] purposes specified in subparagraphs (A) to (C),
1187 inclusive, of this subdivision. "Housing project" may also include
1188 the planning of the buildings and improvements, the acquisition of
1189 property, the demolition of existing structures, the construction,
1190 reconstruction, alteration and repair of the improvements and all other
1191 work in connection therewith.

1192 [(g)] "Bonds" means any bonds, notes, interim certificates, certificates
1193 of indebtedness, debentures or other obligations issued by the authority
1194 pursuant to this chapter.

1195 (h) "Real property" shall include all lands, including improvements
1196 and fixtures thereon, and property of any nature appurtenant thereto,

1197 or used in connection therewith, and every estate, interest and right,
1198 legal or equitable, therein, including terms for years and liens by way of
1199 judgment, mortgage or otherwise and the indebtedness secured by such
1200 liens.

1201 (i) "Obligee of the authority" or "obligee" shall include any
1202 bondholder, trustee or trustees for any bondholders, or lessor demising
1203 to the authority property used in connection with a housing project, or
1204 any assignee or assignees of such lessor's interest or any part thereof,
1205 and the state government when it is a party to any contract with the
1206 authority.

1207 (j) "State public body" means any city, borough, town, municipal
1208 corporation, district or other subdivision of the state.]

1209 [(k)] (6) "Rent" means the entire amount paid to a local authority,
1210 nonprofit corporation or housing partnership for any dwelling unit.

1211 [(l)] (7) "Shelter rent" means "rent" as defined [herein] in this section,
1212 less any charges made by a local authority, nonprofit corporation or
1213 housing partnership for water, heat, gas, electricity and sewer use
1214 charges.

1215 [(m) "Elderly persons" means persons sixty-two years of age and over
1216 who lack the amount of income which is necessary, as determined by
1217 the authority or nonprofit corporation, subject to approval by the
1218 Commissioner of Housing, to enable them to live in decent, safe and
1219 sanitary dwellings without financial assistance as provided under this
1220 part, or persons who have been certified by the Social Security Board as
1221 being totally disabled under the federal Social Security Act or certified
1222 by any other federal board or agency as being totally disabled.

1223 (n) "Housing partnership" means any partnership, limited
1224 partnership, joint venture, trust or association consisting of (1) a housing
1225 authority, a nonprofit corporation or both and (2) (A) a business
1226 corporation incorporated pursuant to chapter 601 or any predecessor
1227 statutes thereto, having as one of its purposes the construction,

1228 rehabilitation, ownership or operation of housing, and having articles of
1229 incorporation approved by the commissioner in accordance with
1230 regulations adopted pursuant to section 8-79a or 8-84, (B) a for-profit
1231 partnership, limited partnership, joint venture, trust, limited liability
1232 company or association having as one of its purposes the construction,
1233 rehabilitation, ownership or operation of housing, and having basic
1234 documents of organization approved by the commissioner in
1235 accordance with regulations adopted pursuant to section 8-79a or 8-84
1236 or (C) any combination of the entities included under subparagraphs
1237 (A) and (B) of this subdivision.]

1238 Sec. 21. Subsection (a) of section 8-116c of the general statutes is
1239 repealed and the following is substituted in lieu thereof (*Effective October*
1240 *1, 2024*):

1241 (a) An elderly person [, as defined in subsection (m) of section 8-113a,]
1242 shall not be eligible to move into a housing project [, as defined in
1243 subsection (f) of section 8-113a,] if the person (1) is currently using illegal
1244 drugs, (2) is currently abusing alcohol and has a recent history of
1245 disruptive or dangerous behavior and whose tenancy (A) would
1246 constitute a direct threat to the health or safety of another individual, or
1247 (B) would result in substantial physical damage to the property of
1248 another, (3) has a recent history of disruptive or dangerous behavior and
1249 whose tenancy (A) would constitute a direct threat to the health and
1250 safety of another individual, or (B) would result in substantial physical
1251 damage to the property of another, or (4) was convicted of the illegal
1252 sale or possession of a controlled substance, as defined in section 21a-
1253 240, within the prior twenty-four-month period.

1254 Sec. 22. Section 8-116d of the general statutes is repealed and the
1255 following is substituted in lieu thereof (*Effective October 1, 2024*):

1256 Any elderly person [, as defined in subsection (m) of section 8-113a,]
1257 who applies for and is accepted for admission to a housing project
1258 pursuant to this part or part VII of this chapter or pursuant to any other
1259 state or federal housing assistance program may terminate the lease or
1260 rental agreement for the dwelling unit that he or she occupies at the time

1261 of such acceptance, without the penalty or liability for the remaining
1262 term of the lease or rental agreement, upon giving thirty days' written
1263 notice to the landlord of such dwelling unit.

1264 Sec. 23. Section 8-119h of the general statutes is repealed and the
1265 following is substituted in lieu thereof (*Effective October 1, 2024*):

1266 Upon preliminary approval by the State Bond Commission pursuant
1267 to the provisions of section 3-20, the state, acting by and through the
1268 Commissioner of Housing, may enter into a contract or contracts with
1269 an authority, a municipal developer, a nonprofit corporation or a
1270 housing partnership for state financial assistance for a congregate
1271 housing project, in the form of capital grants, interim loans, permanent
1272 loans, deferred loans or any combination thereof for application to the
1273 development cost of such project or projects. A contract with an
1274 authority, a municipal developer, a nonprofit corporation or a housing
1275 partnership may provide that in the case of any loan made in
1276 conjunction with any housing assistance funds provided by an agency
1277 of the United States government, if such housing assistance funds
1278 terminate prior to complete repayment of a loan made pursuant to this
1279 section, the remaining balance of such loan may be converted to a capital
1280 grant or decreased loan. Any such state assistance contract with an
1281 authority, a municipal developer, a nonprofit corporation or a housing
1282 partnership for a capital grant or loan entered into prior to the time
1283 housing assistance funds became available from an agency of the United
1284 States government, may, upon the mutual consent of the commissioner
1285 and the authority, municipal developer, nonprofit corporation or
1286 housing partnership, be renegotiated to provide for a loan or increased
1287 loan in the place of a capital grant or loan or a part thereof, consistent
1288 with the above conditions. Such capital grants or loans shall be in an
1289 amount not in excess of the development cost of the project or projects,
1290 including, in the case of grants or loans financed from the proceeds of
1291 the state's general obligation bonds issued pursuant to any
1292 authorization, allocation or approval of the State Bond Commission
1293 made prior to July 1, 1990, administrative or other cost or expense to be
1294 incurred by the state in connection therewith, as approved by said

1295 commissioner. In anticipation of final payment of such capital grants or
1296 loans, the state, acting by and through said commissioner and in
1297 accordance with such contract, may make temporary advances to the
1298 authority, municipal developer, nonprofit corporation or housing
1299 partnership for preliminary planning expense or other development
1300 cost of such project or projects. Any loan provided pursuant to this
1301 section shall bear interest at a rate to be determined in accordance with
1302 subsection (t) of section 3-20. Any such authority, municipal developer,
1303 nonprofit corporation or housing partnership may, subject to the
1304 approval of the Commissioner of Housing, contract with any other
1305 person approved by the Commissioner of Housing for the operation of
1306 a project undertaken pursuant to this part. As used in this section,
1307 "housing partnership" has the same meaning as provided in [subsection
1308 (n) of] section 8-113a, as amended by this act.

1309 Sec. 24. Section 8-119l of the general statutes is repealed and the
1310 following is substituted in lieu thereof (*Effective October 1, 2024*):

1311 The state, acting by and through the Commissioner of Housing, may
1312 enter into a contract or contracts with an authority, a municipal
1313 developer, a nonprofit corporation or a housing partnership for state
1314 financial assistance in the form of a grant-in-aid for an operating cost
1315 subsidy for state-financed congregate housing projects developed
1316 pursuant to this part. In calculating the amount of the grant-in-aid, the
1317 commissioner shall use adjusted gross income of tenants. As used in this
1318 section, "adjusted gross income" means annual aggregate income from
1319 all sources minus fifty per cent of all unreimbursable medical expenses
1320 [. As used in this section,] and "housing partnership" has the same
1321 meaning as provided in [subsection (n) of] section 8-113a, as amended
1322 by this act.

1323 Sec. 25. (NEW) (*Effective October 1, 2024*) (a) As used in this section:

1324 (1) "Certificate holder" means any individual or family who has been
1325 issued a rental assistance certificate by the commissioner pursuant to the
1326 rental assistance program established pursuant to chapter 138a of the
1327 general statutes;

- 1328 (2) "Commissioner" means the Commissioner of Housing;
- 1329 (3) "Housing" means any house or building, or portion thereof, that
1330 is occupied, designed to be occupied or rented, leased or hired out to be
1331 occupied, exclusively as a home or residence of one or more persons;
- 1332 (4) "Housing voucher" means any assistance issued to an individual
1333 or a family pursuant to a housing voucher program;
- 1334 (5) "Housing voucher holder" means any person or family entitled to
1335 participate in any housing voucher program other than the rental
1336 assistance program;
- 1337 (6) "Housing voucher program" means any housing voucher
1338 program, including any portion of the federal Housing Choice Voucher
1339 Program, that is administered in whole or in part by the commissioner;
- 1340 (7) "Low-income family" means an individual or family whose
1341 income does not exceed fifty per cent of the median family income for
1342 the area of the state in which such family lives, as determined by the
1343 commissioner; and
- 1344 (8) "Rental assistance program" or "program" means the rental
1345 assistance program established by the commissioner pursuant to
1346 chapter 138 of the general statutes.
- 1347 (b) The commissioner shall administer the rental assistance program
1348 established pursuant to chapter 138a of the general statutes, and any
1349 other housing voucher program, to promote housing choice for
1350 certificate holders and housing voucher holders and to encourage racial
1351 and economic integration.
- 1352 (c) Not less than annually, the commissioner shall undertake an
1353 assessment, based on statistically representative rental housing survey
1354 data selected by the commissioner, to determine if maximum rent
1355 amounts provided for in the rental assistance program established
1356 pursuant to chapter 138a of the general statutes, or other housing
1357 voucher programs administered in whole or in part by the

1358 commissioner, are sufficient to provide certificate holders and housing
 1359 voucher holders with housing opportunities in each municipality or zip
 1360 code in the state. If the commissioner finds such maximum rent amounts
 1361 are insufficient for such purpose, the commissioner shall adjust such
 1362 maximum rent levels so that such rent levels are sufficient for such
 1363 purpose. Such assessment shall be made publicly available on the
 1364 Internet web site of the Department of Housing.

1365 (d) Any certificate issued pursuant to chapter 138a of the general
 1366 statutes, and to the extent permissible by federal law, as applicable, any
 1367 housing voucher may be used for housing in any municipality in the
 1368 state. The commissioner shall inform certificate holders and housing
 1369 voucher holders that a certificate or housing voucher may be used in
 1370 any municipality and, to the extent practicable, the commissioner shall
 1371 assist certificate holders and housing voucher holders in finding
 1372 housing in the municipality of their choice.

1373 (e) The commissioner shall administer the program in a manner that
 1374 ensures that no certificate holder or housing voucher holder be
 1375 displaced as a result of the application of the provisions of subsection (f)
 1376 of section 8-345 of the general statutes.

1377 (f) The commissioner shall adopt regulations in accordance with the
 1378 provisions of chapter 54 of the general statutes to carry out the purposes
 1379 of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2024</i>	New section
Sec. 2	<i>October 1, 2024</i>	New section
Sec. 3	<i>October 1, 2024</i>	New section
Sec. 4	<i>October 1, 2024</i>	New section
Sec. 5	<i>July 1, 2024, and applicable to taxable years commencing on and after July 1, 2024</i>	New section

Sec. 6	<i>October 1, 2024, and applicable to conveyances occurring on or after said date</i>	12-494
Sec. 7	<i>July 1, 2024, and applicable to sales occurring on or after July 1, 2024</i>	12-408(1)
Sec. 8	<i>July 1, 2024, and applicable to sales occurring on or after July 1, 2024</i>	12-411(1)
Sec. 9	<i>July 1, 2024</i>	4-66o
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>October 1, 2024, and applicable to assessment years on and after October 1, 2024</i>	12-81(4)
Sec. 12	<i>October 1, 2024</i>	8-39
Sec. 13	<i>October 1, 2024</i>	8-40
Sec. 14	<i>October 1, 2024</i>	8-44b
Sec. 15	<i>October 1, 2024</i>	8-50
Sec. 16	<i>October 1, 2024</i>	8-45a
Sec. 17	<i>October 1, 2024</i>	12-412(29)
Sec. 18	<i>October 1, 2024</i>	8-389
Sec. 19	<i>October 1, 2024</i>	12-631(9)
Sec. 20	<i>October 1, 2024</i>	8-113a
Sec. 21	<i>October 1, 2024</i>	8-116c(a)
Sec. 22	<i>October 1, 2024</i>	8-116d
Sec. 23	<i>October 1, 2024</i>	8-119h
Sec. 24	<i>October 1, 2024</i>	8-119l
Sec. 25	<i>October 1, 2024</i>	New section

Statement of Legislative Commissioners:

In Section 1(7), "housing" was changed to "dwelling" for accuracy; in Section 3(a), "the" was changed to "each" for clarity and "annual" was added before "housing growth score" for accuracy; in Section 3(c), "for" was changed to "based on" for accuracy; Section 3(c)(8) was rewritten for clarity; in Section 3(f), "concerning" was changed to "necessary for" for clarity; Sections 4(a) and (b) and 5(b) and (d) were rewritten for clarity; in Section 5(g), "(c) and (k)" was changed to "(f) and (h)" for accuracy; in Section 6 the effective date was changed for consistency

with standard drafting conventions and in Subsec. (b)(2) "to a purchaser who is an individual" was added for clarity; in Section 7(1)(J), before "units", "dwelling" was deleted for internal consistency; in Section 8(1)(J), before "units", "dwelling" was deleted for internal consistency; in Section 20(7), "herein" was changed to "in this section" for consistency with standard drafting conventions; and in Section 25(e), "such a way" was changed to "a manner" for clarity.

HSG *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Department of Economic & Community Development	GF - Cost	50.2 million	50.2 million
Department of Revenue Services	GF - Revenue Gain	Up to 25 million	Up to 34 million
Department of Revenue Services	GF - Revenue Loss	None	Up to 3 million
Department of Revenue Services	GF - Cost	Up to 300,000	None
Department of Revenue Services	Various - Revenue Loss	2 million	2 million
Department of Housing	GF - Cost	417,000 - 867,000	390,000 - 790,000
State Comptroller - Fringe Benefits ¹	GF - Cost	160,000	213,000
Department of Housing	GF - Potential Cost	Potential Significant	Potential Significant

Note: GF=General Fund; Various=Various

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
All Municipalities	Revenue Gain	50 million	50 million
All Municipalities	Potential Cost	See Below	See Below
Various Municipalities	Grand List Reduction	None	See Below

Explanation

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.25% of payroll in FY 25.

The bill makes various changes related to housing that result in the fiscal impacts described by section below.

Sections 1–4 result in an annualized cost of \$50.2 million to the Department of Economic and Community Development (DECD) by establishing the Housing Growth Fund. The bill requires \$50 million to be allocated to the Housing Growth Fund annually.

The Department would require 2.5 full-time equivalent (FTE) staff at an approximate cost of \$250,000 in FY 25 to begin and administer the Housing Growth Fund program (\$168,750 salary, \$70,000 fringe benefits, and \$10,000 in other expenses to promote the program). The ongoing annualized cost is approximately \$330,000 (\$225,000 salary for 2.5 FTEs, \$93,000 fringe benefits, and \$10,000 in other administrative expenses to promote the program).

These sections also result in an annual revenue gain of up to \$50 million to all municipalities aggregately beginning in FY 25 associated with grants from the Housing Growth Fund. The grant amount for each municipality is dependent on its housing growth score and the total available funds.

There is also a potential cost to municipalities beginning in FY 25 for providing documentation to DECD for the purpose of calculating the housing growth score. Any impact will be dependent on what information and documentation is requested by DECD.

Section 5, which establishes a tax credit for qualified conversions of commercial buildings to residential developments, results in a revenue loss of up to \$3 million annually beginning in FY 26. This section also results in a one-time cost of up to \$75,000 to the Department of Revenue Services in FY 25 associated with programming updates to the CTax tax administration system and myconneCT online portal, and form modification.

Section 5 requires the Department of Housing to establish the new commercial conversion tax credit program by January 1, 2025. The

department would require approximately 3.5 FTE staff to administer the program at an approximate state cost of \$307,000 in FY 25 (\$217,000 salary and \$90,000 fringe benefits, reflecting nine months of costs). The ongoing annualized cost is approximately \$410,000 (\$290,000 salary and \$120,000 fringe benefits) beginning in FY 26.

Section 6, which increases real estate conveyance tax rates for conveyances of residential dwellings to non-individual buyers, results in a General Fund revenue gain of up to \$25 million in FY 25 (partial year impact) and up to \$34 million in FY 26 and annually thereafter.² This is based on data from CoreLogic and *Stateline* indicating that approximately 14% of home sales in Connecticut are by investors.

Section 6 also results in a one-time cost of up to \$75,000 to the Department of Revenue Services in FY 25 associated with programming updates to the CTax tax administration system and myconneCT online portal, and form modification.

The Department of Housing (DOH) and Connecticut Housing Finance Authority (CHFA) subsidize approximately 17 housing projects per year that are likely to face higher costs as a result of this change.

Sections 7-8 result in an estimated \$2 million annual revenue loss beginning in FY 25 by lowering the sales tax rate from 6.35% to 3% on construction materials for new residential facilities with at least 50 units of affordable housing. The actual revenue loss is dependent upon the (1) cost of materials and (2) number of qualifying construction projects, both of which may fluctuate annually based on market conditions.

Based on data provided by the Department of Housing and the Connecticut Housing Finance Authority, it is anticipated that five to ten facilities may qualify for the 3% sales tax rate annually with an average

² CGS Sec. 12-494(d) specifies that, on and after July 1, 2026, any real estate conveyance tax revenue received each fiscal year in excess of \$300 million (adjusted annually for inflation) is to be transferred from the General Fund to the Housing Trust Fund. Consequently, if this section results in revenues exceeding that threshold, the excess of the revenue gain would be deposited in the Housing Trust Fund.

revenue loss of \$200,000 per housing facility.

These sections also result in a one-time cost of up to \$150,000 to the Department of Revenue Services in FY 25 associated with programming updates to the CTax tax administration system and myconneCT online portal, form modification, and the development of an exemption certificate and guidance to retailers.

Section 10 results in a one-time cost of approximately \$100,000 to the Department of Housing (DOH) in FY 25 to conduct a study related to advance rental payments. DOH is anticipated to hire a consultant to conduct a survey and analyze the relevant data, as the agency lacks the necessary expertise and staff capacity to do so.

Section 11 exempts certain workforce housing and affordable housing from property tax.³ This results in a grand list reduction to various municipalities beginning in FY 26.⁴ A grand list reduction results in a revenue loss given a constant mill rate, however, it is likely that a municipality will adjust its mill rate to offset any predicted revenue loss. The impact for each municipality will be dependent on the number and value of qualified properties within each municipality.

Sections 12-24 make changes related to housing authority jurisdiction that have no fiscal impact.⁵

Section 25 results in higher annual costs to the Department of Housing (DOH) beginning in FY 25 associated with the Rental Assistance Program (RAP). DOH will incur costs of between \$100,000 and \$500,000 in FY 25 and annually thereafter, to assess if the maximum allowable rents for RAP are set high enough for RAP participants to have housing opportunities in every zip code. It is anticipated that DOH will need to hire a vendor to conduct an extensive rental market survey

³ This applies to real property owned by, held in trust for, or leased to a municipality.

⁴ In FY 24, exempt property that was owned, held in trust for, or leased to a municipality, made up approximately 5.8% of the total gross Grand List.

⁵ Housing authorities are autonomous public corporations that are primarily funded by the U.S. Department of Housing and Urban Development (HUD) but may also receive state funding.

each year, unless up-to-date, statistically representative rent data becomes available at zip code level. DOH's RAP vendor conducts ad hoc rent studies in single towns at a cost of \$30,000 to \$50,000 each; this section requires a more comprehensive analysis.

The section results in a potential, significant cost annually to DOH for higher RAP subsidies, to the extent DOH: (1) raises the MAR schedule rents based on the annual assessment's findings higher than it otherwise would have, and (2) cannot offset higher per-certificate costs by reducing the number of certificates through attrition. Because RAP is not an entitlement and operates within available funding, the cost increase will be temporary unless annual inflation pressures continuously exceed the value of turnover RAPs (from families leaving the program) that DOH can eliminate.⁶ For reference, the program supported 6,530 RAP certificates totaling \$73,485,912 in FY 23 and the average annualized state cost of a RAP certificate was approximately \$12,300 in January 2024 including administrative fees.

As an example of the potential cost, if the allowable rents increased by \$100 per month on average (approximately 10%) because of the assessment, annualized subsidy costs could be more than \$7.5 million higher per year.⁷ DOH would incur higher per-voucher costs both for new RAP certificates and a large portion of existing certificates as leases are renewed over time. Actual costs will depend on how DOH's MAR schedule compares to current rental market conditions and how many leases take advantage of the higher maximum allowable rents.

The section also appears to require DOH to set the payment standard for the federal Section 8 Housing Choice Voucher (HCV) program at the same assessment-determined level as RAP. It is not clear if or how this could be achieved given several factors: (1) the payment standard for

⁶ The program is likely to require additional funding during periods of higher rent inflation, if operating at full capacity.

⁷ RAP participants pay 40% of their adjusted gross income (or 30% of adjusted gross income if the participant is elderly or disabled) toward rent and utilities and the DOH rental subsidy pays the remainder of the contract rent directly to the landlord. Given this structure, changes to contract rent are fully borne by the state, all else equal.

HCV is lower than RAP for many locations; (2) DOH receives a set amount of federal funding to support HCV vouchers; and (3) DOH spends all or nearly all available program funding annually.⁸

It is not clear to what extent the bill creates a new entitlement for existing RAP certificate holders to continue receiving rental assistance even when no funding is appropriated to the program. In recent years, funding has been sufficient to continue assistance for current participants of RAP and the federal vouchers that DOH administers.

The section requires DOH to adopt implementing regulations. To the extent the agency requires outside assistance to do so, there is a potential cost to DOH in FY 25 of up to \$50,000 for legal services.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

⁸HUD Housing Choice Voucher (HCV) Data Dashboard.
https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/dashboard

OLR Bill Analysis**sSB 6*****AN ACT CONCERNING HOUSING.***

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Requires DOH to take certain actions related to its administration of RAP and other housing voucher programs

SUMMARY

This bill, among other things, makes various changes to laws related to state housing assistance programs, housing authorities, and certain state taxes. It also establishes (1) a Housing Growth Fund administered by the Department of Economic and Community Development and (2) a Department of Housing tax credit program for owners that convert commercial buildings into residential developments. A section-by-section analysis follows.

EFFECTIVE DATE: Various, see below

§§ 1-4 — HOUSING GROWTH FUND

Establishes the Housing Growth Fund administered by DECD; requires DECD to use the fund to give annual grants to eligible municipalities based on a scoring system for certain types of housing units municipalities approved during the previous fiscal year

The bill establishes the Housing Growth Fund, which the Department of Economic and Community Development (DECD) must develop and administer. The fund's purpose is to give grants to eligible municipalities for the following:

1. increasing affordable housing availability (i.e., that for which households earning no more than the federally determined area median income pay 30% or less of their annual income);
2. promoting housing production affordable to low- and moderate-income households (i.e., those lacking the income needed to rent or purchase moderate cost housing without financial assistance, as determined by the housing commissioner); and

3. maximizing residential, commercial, and leisure space within walking distance of transit facilities.

The bill requires DECD to annually allocate \$50 million to the fund, within available appropriations. Under the bill, the department must annually calculate a housing growth score for the state and each municipality, and use the scores to proportionally award annual grants to municipalities meeting certain eligibility requirements.

The bill allows DECD to adopt related regulations and requires it to post them on the department's website.

EFFECTIVE DATE: October 1, 2024

Housing Growth Scores

The bill requires DECD, by March 1, 2025, and then annually before March 1, to calculate a "housing growth score" for each municipality based on the number of dwelling units approved for construction (i.e., permitted) in the municipality during the previous fiscal year. Specifically, DECD must calculate (1) each municipality's housing growth score by totaling assigned point values for certain types of approved dwelling units, as described in the table below, and (2) a statewide housing growth score by totaling each municipality's score. The bill requires DECD to post the scores on its website.

Table: Municipal Housing Growth Score Point Values

<i>Type of Dwelling Unit Approved for Construction by the Municipality During the Previous Fiscal Year</i>	<i>Point Value</i>
Dwelling unit	1.0
Dwelling unit in a mixed-use development (i.e., that also contains at least one commercial, public, institutional, retail, office, or industrial use)	1.5
Dwelling unit in a mixed-income development (i.e., a portion of units qualify as affordable housing, as defined above)	1.5
Dwelling unit in a transit-oriented development (i.e., generally those within ½ mile or walking distance of a transit facility, such as bus and train stations)	2.0
Dwelling unit in a multi-family housing building (i.e., that contains at least two dwelling units)	2.0
Dwelling unit in a housing authority development (i.e., that is owned,	2.0

Type of Dwelling Unit Approved for Construction by the Municipality During the Previous Fiscal Year	Point Value
acquired, or developed by a housing authority, which also includes any state entity providing funds for affordable housing or an affordable housing program)	
Dwelling unit in a set-aside development (i.e., one in which, for at least 40 years after initial occupancy, at least 30% of the units are deed restricted based on specified household income limits)	3.0
Dwelling unit that is or will be sold or rented at or below a cost equal to no more than 30% of the annual household income of those earning 30% of the state median income	3.0

Under the bill, dwelling units are not eligible for a point value if they are in an affordable housing development completed after a successful court appeal under CGS § 8-30g. By law, an “affordable housing development” is either a set-aside development (see above) or certain government-assisted housing or housing occupied by people receiving rental assistance (i.e., assisted housing).

The bill requires each municipality, by December 1, 2024, and then annually before December 1, to give DECD any documentation the department needs to calculate these scores. A municipality that fails to do so is ineligible for assistance from the fund. Under the bill, DECD may request, inspect, and audit certain information needed to calculate a municipality’s score (i.e., reports, books, records, and other financial or project-related information).

Municipal Grants

Eligibility. The bill requires DECD, by June 1, 2025, and then annually before June 1, to award grants from the Housing Growth Fund to each eligible municipality. To be eligible, a municipality must have approved during the previous fiscal year:

1. at least 2% of the total housing permits that were approved statewide (or have a poverty rate greater than the state’s based on the most recent decennial census);
2. at least three times more new housing permits than demolition permits; and

3. dwelling units that will be sold or rented at a price that results in the rent or mortgage payments equaling no more than 30% of the annual household income of those earning 30% of the state median income, provided these units make up at least 10% of the total units the municipality permitted.

Grant Calculation. To calculate annual municipal grant amounts, the bill requires DECD to divide an eligible municipality's housing growth score by the statewide score; the resulting percentage is equal to the percentage of the available annual funding that the municipality will receive. (Because the statewide housing growth score equals the total of each municipality's score, rather than the total of only eligible municipalities, the bill's formula for calculating annual grants may result in unallocated moneys remaining in the fund.)

§ 5 — TAX CREDIT PROGRAM FOR COMMERCIAL CONVERSIONS

Requires DOH, by January 1, 2025, to establish a tax credit program for owners that convert commercial buildings into residential developments

The bill requires the Department of Housing (DOH), by January 1, 2025, to do the following:

1. establish a program to administer tax credit vouchers for (a) owners that convert commercial buildings into residential developments with at least one dwelling unit or (b) taxpayers that make "qualified conversion expenditures" toward these projects and
2. develop standards for approving the vouchers that account for whether the proposed conversion will create or preserve affordable housing units.

Under the program, a "commercial building" is one primarily designed or used for non-residential purposes (e.g., hotels and retail or office spaces) but not an industrial building (e.g., warehouses, factories, and storage facilities) that is used primarily for an industrial activity and generally not open to the public.

Under the bill, "qualified conversion expenditures" include

construction costs of at least \$15,000, excluding the cost of (1) the owner's labor; (2) site improvements, unless to provide access to people with disabilities; (3) new additions, unless required to comply with the state building code or fire safety code; (4) converting an outbuilding, unless it contains at least one dwelling unit; and (5) architecture fees, legal fees, financing fees, and other non-construction costs.

The bill specifies information an owner must give DOH both before and after a conversion and establishes a process by which an owner may claim a tax credit. It allows eligible owners to apply for a tax credit voucher equal to 10% of their total qualified conversion expenditure. It caps (1) owners' tax credits under the program at \$30,000 per dwelling unit or \$50,000 per unit for nonprofits and (2) the total amount of tax credits that DOH may reserve per fiscal year at \$3 million.

Additionally, the bill allows DOH, in consultation with the Department of Revenue Services (DRS), to adopt regulations related to the program.

EFFECTIVE DATE: July 1, 2024, and applicable to tax years beginning on or after this date.

Pre-Construction Application

Under the bill, before starting work on a conversion, the owner must submit to DOH the following:

1. a construction plan and specifications for the proposed conversion that includes enough detail for DOH to evaluate compliance with its conversion standards and any related program regulations (i.e., a "conversion plan");
2. as estimate of qualified conversion expenditures; and
3. any other information DOH requires.

The bill requires DOH to determine whether an application meets its conversion standards and any related regulations within 60 days after receiving the information described above. If so, DOH must reserve a

tax credit for the owner.

Post-Construction Process

The bill requires owners to notify DOH when the conversion is completed, give the department documentation of work done, and certify the conversion cost. After DOH verifies compliance with the conversion plan, it must issue a tax credit voucher to the owner (or taxpayer that contributed to the conversion) in an amount that equals the lesser of (1) the reserved tax credit or (2) 10% of the qualified conversion expenditures.

Issuance of Tax Credits

The bill requires owners holding a tax credit voucher to file it with their state tax return. It allows (1) nonprofit corporations to claim the credits against the unrelated business income tax and (2) all other taxpayers to claim them against the personal income tax. Credits applied against the income tax are refundable for any amount of the credit that exceeds that taxpayer's liability. Nonprofits applying them against the unrelated business income tax may carry forward any unused credits for up to four income years. The bill requires DOH to give DRS a copy of the voucher upon request.

Under the bill, owners are Connecticut taxpayers or nonprofits with title to a commercial building (or prospective title in the form of a purchase agreement or option to purchase a commercial building to be converted into a residential development).

§ 6 — REAL ESTATE CONVEYANCE TAX

Increases state real estate conveyance tax rates for conveyances of residential dwellings to buyers that are not individuals

Under current law, all conveyances of residential dwellings are subject to the state real estate conveyance tax at the following marginal rates:

1. 0.75% on the first \$800,000 of the sales price;
2. 1.25% on any portion of the sales price that exceeds \$800,000, up

to \$2.5 million; and

3. 2.25% on any portion of the sales price that exceeds \$2.5 million.

Beginning October 1, 2024, the bill increases the tax rate for conveyances of residential dwellings where the buyer is not an individual. Specifically, it sets a tax rate for these conveyances of (1) 1.75% on the first \$800,000 of the sales price and (2) 2.25% on any portion of the sales price that exceeds \$800,000. By law, the seller pays the tax when he or she conveys the property (CGS § 12-495). The bill also appears to limit the conveyance tax credit against the income tax so that it applies only when the seller conveys the property to an individual (see *Background*).

The bill also makes a technical change.

EFFECTIVE DATE: October 1, 2024, and applicable to conveyances occurring on or after that date.

Background — Conveyance Tax Credit Against the Income Tax

Existing law allows taxpayers who pay the conveyance tax at the 2.25% marginal rate to claim a property tax credit against their state income tax liability based on the amount they paid in conveyance tax at this rate (CGS § 12-704c(d)). Taxpayers may use this basis for the property tax credit for three years, beginning in the third year after the year in which they paid the conveyance tax.

§§ 7-9 — REDUCED SALES AND USE TAX RATE FOR CERTAIN DEVELOPMENTS

Decreases, to 3%, the sales and use tax rate for tangible personal property purchased for constructing certain new residential development projects

Existing law imposes a 6.35% sales and use tax, with some exceptions, on tangible personal property and select services purchased in the state or purchased outside the state for use in Connecticut. The bill decreases the sales and use tax rate to 3% for tangible personal property purchased for constructing a new residential development project that has at least 50 dwelling units of affordable housing (see below). It also makes a conforming change.

Under the bill, the 3% rate does not apply to projects that qualify for a sales and use tax exemption under existing law. For example, the law exempts from the sales and use tax personal property incorporated into, or used and consumed in the operation of, housing for low- and moderate-income individuals if a nonprofit housing organization or housing authority sponsors the construction and owns and operates the facilities (CGS § 12-412(29)).

Under existing law, “affordable housing” is housing for which households earning no more than the host municipality’s area median income, as determined by the U.S. Department of Housing and Urban Development, spend 30% or less of their annual income on it (CGS § 8-39a).

EFFECTIVE DATE: July 1, 2024, and applicable to sales occurring on or after this date.

§ 10 — DOH STUDY OF ADVANCE RENTAL PAYMENTS

Requires DOH to study the impacts of allowing landlords to accept advance rental payments and report its findings and recommendations to the Housing Committee by January 1, 2025

The bill requires DOH, within available appropriations, to study the potential impacts of allowing landlords to accept advance rental payments from residential tenants. It requires the study to examine the following:

1. the likelihood that prospective tenants whose rental applications have been denied would get approval if they were allowed to provide advance rental payments in addition to a security deposit,
2. potential reasons a landlord might require advance rental payments,
3. potential financial burdens for tenants due to allowing advance rental payments, and
4. the effect of advance rental payments on housing availability.

Under the bill, DOH must report its findings and any legislative recommendations to the Housing Committee by January 1, 2025.

EFFECTIVE DATE: Upon passage

§ 11 — PROPERTY TAX EXEMPTION

Exempts from the property tax real property belonging to, held in trust for, or leased to a municipality and used for workforce housing or affordable housing

The bill exempts from the property tax real property belonging to, held in trust for, or leased to a municipality and used for workforce housing (presumably, a “workforce housing development project”) or affordable housing (see above definition).

By law, a “workforce housing development project” is one to construct or substantially rehabilitate rental housing meeting the following criteria:

1. 50% of the units are market rate units (i.e., set at the rate the unit would probably command on the open market based on comparable units in the same area);
2. 40% are rented to the workforce population designated by the developer in consultation with the host municipality; and
3. 10% are affordable housing (CGS § 8-395(a)(3)).

EFFECTIVE DATE: October 1, 2024, and applicable to assessment years on or after October 1, 2024.

§§ 12-24 — HOUSING AUTHORITY JURISDICTION

Allows housing authorities to exercise their powers outside of their municipal boundaries, with certain exceptions, subject to the other municipality’s approval

The bill allows housing authorities to exercise their powers (e.g., developing and operating affordable housing projects) outside of their municipal boundaries by adopting an expanded area of operation that may include any other municipality, subject to the other municipality’s approval. Specifically, the other municipality’s governing body must adopt an agreement authorizing a housing authority’s expanded area of

operation within its borders, after evaluating its housing needs and the housing authority's qualifications. Under the bill, a municipality that opts not to enter into this agreement does not violate state law, including the affordable housing land use appeals procedure under CGS § 8-30g.

Current law limits housing authorities' areas of operation to (1) within the boundaries of the municipality in which they were created and (2) neighboring municipalities whose governing bodies have approved it.

The bill gives housing authorities the same powers in an expanded area of operation that they may exercise in their area of operation, subject to certain limitations. Specifically, it prohibits housing authorities, in an expanded area of operation, from (1) establishing or maintaining a housing authority police force or (2) acquiring property by eminent domain.

Under existing law, the governing bodies of two or more municipalities may create a regional housing authority. The bill also appears to allow a regional housing authority to adopt an area of operation outside the boundaries of its municipalities, but with that other municipality's approval by resolution and adoption of an agreement. (It is unclear whether this provision applies to a regional housing authority's adoption of an expanded area of operation or the formation of a regional housing authority.)

Finally, the bill makes numerous technical and conforming changes, including reorganizing statutes and eliminating redundant and obsolete definitions.

EFFECTIVE DATE: October 1, 2024

Background — Related Bill

sSB 207 (File 40), reported favorably by the Housing Committee, has similar provisions; however, in the case of a housing authority's expanded area of operation, it does not require approval from the other municipality.

§ 25 — DOH ADMINISTRATION OF HOUSING VOUCHER PROGRAMS

Requires DOH to take certain actions related to its administration of RAP and other housing voucher programs

The bill requires DOH to take certain actions related to its administration of the Rental Assistance Program (RAP) and other housing voucher programs (including the federal Housing Choice Voucher program). Specifically, the bill requires DOH to do the following:

1. administer RAP and any other housing voucher program to promote housing choice for program participants and encourage racial and economic integration (under current law, this requirement already applies to RAP);
2. inform participants in these programs that their housing assistance may be used in any municipality, and to the extent it is feasible, help them find housing in the municipality of their choice (under current law, this requirement already applies to RAP);
3. do an annual assessment to determine if maximum rent amounts under these programs give participants housing opportunities in all of the state's municipalities and zip codes (based on statistically representative rental housing survey data it selects);
4. adjust the maximum rent levels for these programs accordingly; and
5. post the assessment on its website.

The bill also specifies that RAP certificates and housing vouchers may be used for housing in any municipality to the extent federal law allows (as is the case for RAP certificates under current law). Additionally, it requires DOH to administer RAP in a way that ensures no participant is displaced if the program is not funded.

Lastly, the bill requires DOH to adopt regulations to implement these provisions.

EFFECTIVE DATE: October 1, 2024

Background — Related Bills

sHB 5336 (§ 1), reported favorably by the Housing Committee, requires DOH to assess housing assistance payments under the federal HCV program and attempt to equalize housing assistance payments under state housing voucher programs to the HCV standards.

sSB 146 (§ 2), reported favorably by the Housing Committee, has nearly identical provisions to § 25 of this bill.

COMMITTEE ACTION

Housing Committee

Joint Favorable Substitute

Yea 10 Nay 5 (03/07/2024)