

# STATE OF CONNECTICUT REGULATION

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## \*Section 10-320j. Definitions

As used in sections 10-320j-1 to 10-320j-9, inclusive, of these regulations, the following terms have the following meanings:

- (1) "Owner" means owner as defined in CGS Section 10-320j(a)(4), with purchase agreement or option to purchase referenced in said section including an agreement with a municipality to transfer title of an historic home to such owner upon completion of a property tax foreclosure or similar action that the municipality has filed in court;
- (2) "Officer" means the Director of the Connecticut Historical Commission appointed under section 10-320i of the Connecticut General Statutes or the officer's designee;
- (3) "Historic property" means a building defined as an historic home in CGS Section 10-320j(a)(2) and any associated outbuilding within the same legal boundaries as the historic home that the officer determines contributing to the historical significance of the historic home;
- (4) "Registered historic district" means a district listed on either the National Register of Historic Places or the State Register of Historic Places;
- (5) "Rehabilitation standards" means the Standards for Rehabilitation as specified under section 10-320j-4;
- (6) "Part 1 application" means a form prescribed by the officer to determine historic property status;
- (7) "Part 2 application" means a form prescribed by the officer to certify proposed rehabilitation work to an historic property;
- (8) "Part 3 application" means a form prescribed by the officer to certify completed rehabilitation work to an historic property; and
- (9) "Qualified rehabilitation expenditures" means costs as defined in CGS Section 10-320j(a)(6).

## Sec.10-320j-2. Determinations of Historic Property Status

Before the officer may certify the proposed rehabilitation work under section 10-320j-5, a building and any associated outbuilding shall be determined to be an historic property through the following processes:

- (a) The owner shall submit a Part 1 application for a written determination by the officer of historic property status. The owner shall provide interior and exterior photographs as required to enable the officer to evaluate whether the building and any associated outbuilding qualify as an historic property.

\* NOTE: Statutory references should refer to CGS Section 10-416. The Connecticut Commission on Culture and Tourism should be substituted for all references to the Connecticut Historical Commission and Executive Director should be substituted for Director.

- (b) The officer shall review a complete Part 1 application not more than thirty calendar days after receipt. If the application is incomplete, the officer shall notify the owner in writing not more than thirty calendar days after receipt and indicate what information is needed to make the application complete. The owner shall have thirty calendar after the date of notification by the officer to respond in writing. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner.
- (c) Prior to any determination action, the officer may inspect the historic property to evaluate the historic character and significance of the historic property.
- (d) If a building is individually listed on either the National Register of Historic Places or the State Register of Historic Places, and meets the definition of historic home under CGS Section 10-320j(a)(2), the officer shall approve the Part 1 application.
- (e) If a building is located in a registered historic district, the officer shall certify that the building contributes to the historic character of the district if it meets the criteria under section 10-320j-3. If the building meets the criteria under section 10-320j-3 and meets the definition of historic home under CGS Section 10-320j(a)(2), the officer shall approve the Part 1 application.
- (f) If the officer determines that the building (1) is not listed in a registered district, or (2) does not meet the criteria under 10-320j-3, or (3) does not meet the definition historic home under CGS Section 10-320j(a)(2), the building shall not qualify as an historic property. The officer shall deny approval of the Part 1 application.
- (g) The officer shall determine any associated outbuilding is contributing if by its location, design, materials, workmanship, and historical function it adds to the historical significance of the historic home.

#### Sec. 10-320j-3. Criteria for Evaluating Historic Character within Registered Districts

A building shall be considered contributing to the historic character of the district if by location, design, setting, materials, workmanship, feeling and association it adds to the district's sense of time and place and historical development.

#### Sec. 10-320j-4. Standards for Rehabilitation

The following standards shall be used by the officer in certifying proposed or completed rehabilitation work to an historic property:

- (1) A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- (2) The historic character of a property shall be retained and preserved. The removal or alteration of features and spaces that characterize a property shall be avoided.
- (3) Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
- (4) Changes that have acquired historic significance in their own right shall be retained and preserved.
- (5) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.

- (6) Deteriorated historic features shall be repaired rather than replaced. Where severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities, and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
- (7) Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used.
- (8) Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
- (9) New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
- (10) New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

#### Sec. 10-320j-5. Certifications of Proposed Rehabilitation Work

##### (a) Certification Application Requirements

- (1) The owner shall submit a Part 2 application for a written certification by the officer of proposed rehabilitation work to an historic property. The owner shall provide (A) interior and exterior photographs of the historic property as required to document existing building conditions; (B) architectural drawings specifications, or other technical information necessary to evaluate the proposed rehabilitation work; and (C) a written description of the proposed rehabilitation work.
- (2) The officer shall review a Part 2 application if the owner has submitted a Part 1 application. The officer shall review a complete application not more than thirty calendar days after receipt. If the application is incomplete, the officer shall notify the owner in writing not more than thirty calendar days after receipt and indicate what information is needed to make the application complete. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner.
- (3) Prior to any certification action, the officer may inspect the historic property to evaluate the proposed rehabilitation work to the historic property.

##### (b) Certification Actions

- (1) If the proposed rehabilitation work to the historic property meets the rehabilitation standards, the officer shall approve the Part 2 application.
- (2) If the proposed rehabilitation work to the historic property does not meet the rehabilitation standards, the officer shall notify the owner in writing what modifications to the proposed rehabilitation work are needed for approval of the application. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing. Upon written request by the owner on or before the original deadline, the officer shall grant an extension the owner. Failure to respond shall result in denial of certification. If the owner does not bring the proposed rehabilitation work to the historic property conformance with the rehabilitation standards, the officer shall deny approval of the

Part 2 application. The owner may reapply for certification of proposed rehabilitation work that has been denied by the officer. If the officer determines that the owner has made revisions to the proposed rehabilitation work to bring the project into conformance with the rehabilitation standards, the officer shall approve the Part 2 application.

- (c) Rehabilitation work completed or in progress prior to approval of the Part 2 application shall not qualify for a reservation of tax credits.

#### Sec.10-320j-6. Reservation of Tax Credits

- (a) In order to obtain a tax credit reservation, the owner of an historic property shall (1) secure approval of a Part 2 application under section 10-320j-5 and (2) submit the Part 2 application a budget indicating estimated (A) total qualified rehabilitation and (B) itemized costs associated with major aspects of the proposed rehabilitation work.
- (b) If prior to approval by the officer of the Part 2 application, changes are made to the proposed rehabilitation work, the owner shall amend the budget required under subsection (a) of this section.
- (c) The officer shall reserve tax credits as provided for under CGS Section 10-320j(f) on the date the officer approves the Part 2 application. The officer shall reserve tax credits based on the total qualified rehabilitation expenditures indicated in subsection (a) of this section. Reservation of tax credits shall be subject to availability in any fiscal year.
- (d) Tax credit reservations shall be valid for sixty months after the date of reservation.
- (e) If in the same state fiscal year that the tax credit is reserved the owner notifies the officer in writing that the rehabilitation project has been canceled, or the Part 2 application is withdrawn by the owner, the tax credit reservation shall be canceled and the tax credit may be reallocated by the officer in the same state fiscal year.
- (f) In any state fiscal year, if, at the time of receipt of the Part 2 application, the tax credits allowable under CGS Section 10-320j(m) have been exhausted, the officer shall notify the owner in writing and place the application on a waiting list. No certification action shall be taken by the officer, but the officer shall provide the owner with an advisory review of the application.
- (g) If prior to approval of the Part 2 application, the officer determines that there is an insufficiency of tax credits to reserve equal to thirty percent of the qualified rehabilitation expenditures indicated under subsection (a) of this section, the officer shall notify the owner in writing. The owner shall have the option to (1) revise proposed rehabilitation work and the budget required under subsection (a) of this section or (2) request that the Part 2 application be placed on a waiting list. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing. If the owner fails to respond, the officer shall return the Part 2 application to the owner. The owner shall have the right to reapply. No action shall be taken by the officer for an application placed on a waiting list, but the officer shall provide the owner with an advisory review of the application.
- (h) Part 2 applications placed on a waiting list shall be reviewed in order of receipt when tax credits become available. The officer shall notify the owner in writing of the availability of tax credits. The owner shall have thirty calendar days after the date of notification by the officer to request in writing that the officer initiate application review and the owner shall indicate any changes in proposed rehabilitation work or budget.

Sec. 10-320j-7. Amending an Approved Part 2 application

- (a) The owner shall obtain written approval by the officer of any changes to the proposed rehabilitation work in the certified Part 2 application. The owner shall use a Part 2 application amendment form prescribed by the officer. Such changes include deleting work items, adding new work items or modifying the details of individual work items. The owner shall submit (1) a written description of the proposed change; (2) an estimate of the qualified rehabilitation expenditures; and (3) architectural drawings, specifications, or other technical information necessary to evaluate the proposed rehabilitation work.
- (b) The officer shall review amendments to approved Part 2 applications not more than thirty calendar days after receipt and shall notify the owner in writing if additional information is required to complete review. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner.
- (c) If the proposed changes meet the rehabilitation standards, the officer shall approve the Part 2 application amendment.
- (d) If the proposed changes do not meet the rehabilitation standards, the officer shall notify the owner in writing what modifications to the rehabilitation work are needed for approval of the amendment. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner. Failure to respond shall result in denial of the amendment. If the owner does not bring the proposed rehabilitation work to the historic property into conformance with the rehabilitation standards, the officer shall deny the amendment.

Sec. 10-320j-8. Certification of Completed Rehabilitation Work

(a) Certification Application Requirements

- (1) After completion of the rehabilitation work, the owner of an historic property shall submit a Part 3 application for a written certification by the officer. The owner shall provide the officer with interior and exterior photographs of the historic property as required to document the completed rehabilitation work.
- (2) The officer shall review a Part 3 application if the owner has obtained approval of the Part 2 application under section 10-320j-5. The officer shall review a complete Part 3 application not more than thirty calendar days after receipt. If the application is incomplete, the officer shall notify the owner in writing not more than thirty calendar days after receipt and indicate what information is needed to make the application complete. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner.
- (3) Prior to any certification action, the officer may inspect the historic property to evaluate the completed rehabilitation work to the historic property.

(b) Certification Action

- (1) If the completed rehabilitation work to the historic property meets the rehabilitation standards, the officer shall approve the Part 3 application.

- (2) If the completed rehabilitation work to the historic property does not meet the rehabilitation standards, the officer shall notify the owner in writing and indicate what remedial action may be taken to bring the rehabilitation work into conformance with the rehabilitation standards. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner. If the rehabilitation work is not brought into conformance with the rehabilitation standards, the officer shall deny approval of the Part 3 application.

Sec.10-320j-9. Issuance of Tax Credit Vouchers

- (a) As used in this section, "contributing" means providing funds, including cash, grants, or extensions of credit, with, in cases of extension of credit, the tax credit being applied toward the reduction of the amount owing on the extension of credit.
- (b) In order to obtain a tax credit voucher, the owner shall (1) secure approval of a Part 3 application under section 10-320j-6 and (2) submit (A) a signed statement certifying total qualified rehabilitation expenditures; (B) financial documentation in accordance with subsection (c) of this section; and (C) a signed statement providing an assurance of owner-occupancy in accordance with CGS Section 10-320j(h).
- (c) The owner shall provide the officer with (1) a mechanics lien waiver for each construction contract or copies of construction bills marked paid in full by the contractor and (2) an accounting of qualified rehabilitation expenditures.
- (d) The owner shall request in writing to the officer that the tax credit voucher be issued either to the owner or to the taxpayer named by the owner as contributing to the rehabilitation of the historic property and shall provide the social security number, taxpayer identification number, Federal Employer Identification Number (FEIN), or Connecticut Tax Registration Number, as applicable, for the owner the taxpayer so named. If two or more taxpayers are so named, the owner shall provide the necessary documentation for each taxpayer and shall specify the percentage of the total tax credit to be allocated to each voucher recipient. The owner shall provide a notarized statement certifying that any taxpayer so named is contributing to the rehabilitation the historic property and shall provide documentation to that effect from any taxpayer so named.
- (e) The officer shall issue a tax credit voucher in accordance with CGS Section 10-320j(g) not more than thirty calendar days after receipt of complete documentation required under subsections (b) and (d) of this section. If the documentation is incomplete, the officer shall notify the owner in writing not more than thirty calendar days after receipt and indicate what information is necessary to make the documentation complete. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner.
- (f) Tax credit vouchers issued under subsection (e) of this section shall not be transferable.
- (g) The officer shall forward a copy of the tax credit voucher to the State of Connecticut Department of Revenue Services.