



Senate

General Assembly

File No. 426

February Session, 2024

Substitute Senate Bill No. 335

Senate, April 11, 2024

The Committee on Planning and Development reported through SEN. RAHMAN of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING SHORT-TERM RENTAL PROPERTIES.

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

1 Section 1. (NEW) (*Effective October 1, 2024*) Any municipality may (1)
2 by vote of its legislative body, adopt an ordinance requiring the
3 licensure of short-term rental properties in such municipality and
4 regulating the operation and use of such properties, and (2) engage one
5 or more consultants to assist such municipality in developing such
6 ordinance. For the purposes of this section, "short-term rental
7 properties" means a dwelling unit, as defined in section 47a-1 of the
8 general statutes, or any portion thereof, that is (A) the subject of a short-
9 term rental, as defined in section 12-408h of the general statutes, and (B)
10 not a hotel or bed and breakfast establishment, as such terms are defined
11 in section 12-407 of the general statutes, or a motel, motor court, motor
12 inn or tourist court.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2024	New section

Statement of Legislative Commissioners:

The first and second sentences were combined into Subdivs. (1) and (2) for clarity and consistency with standard drafting conventions, and existing Subdivs. (1) and (2) were changed to Subparas. (A) and (B) to conform with that change.

PD *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: None

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
All Municipalities	Potential Cost	See Below	See Below

Explanation

The bill allows municipalities to (1) establish an ordinance regulating the operation and use of short-term rental properties and (2) hire consultants to help develop the ordinances. This results in a potential cost to municipalities beginning in FY 25 to the extent that they choose to hire consultants.

The Out Years

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

OLR Bill Analysis**sSB 335*****AN ACT CONCERNING SHORT-TERM RENTAL PROPERTIES.*****SUMMARY**

This bill explicitly authorizes municipalities, by vote of their legislative bodies, to adopt an ordinance regulating the operation and use of short-term rental properties and requiring their licensure. It also allows municipalities to hire consultants to help them develop these ordinances.

Under the bill, short-term rental properties are dwelling units or portions of them that are (1) the subject of a short-term rental (i.e., the transfer, for consideration, of occupancy in a furnished residence or similar accommodation for 30 days or less) and (2) not a hotel, bed and breakfast (B&B), motel, motor court, motor inn, or tourist court.

EFFECTIVE DATE: October 1, 2024

BACKGROUND***Dwelling Units***

“Dwelling units” are houses or buildings, or portions of them, which are occupied; designed to be occupied; or rented, leased, or hired out to be occupied, as a home or residence (CGS § 47a-1).

Hotels and B&Bs

By law, a “hotel” is any building regularly used and kept open as such to feed and lodge guests that (1) receives anyone who conducts themselves properly and is able and ready to pay for accommodations when available and (2) derives a major portion of its operating revenue from renting rooms and selling food. It includes apartment hotels but excludes B&Bs (CGS § 12-407(a)(16)).

“B&B” means any private operator-occupied house, other than a hotel or lodging house, with 12 or fewer rooms in which people are lodged for hire and a full morning meal is included in the rent (CGS § 12-407(a)(42)). A “lodging house” means any building or portion of one, other than a hotel, an apartment hotel, or a B&B, in which people are lodged for hire with or without meals, including motels, motor inns, furnished residences, and similar accommodations (CGS § 12-407(a)(17)).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 18 Nay 2 (03/22/2024)