Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 3/7/2025 10:37 AM **ORIGINAL**

Bill Number: HB1973ER **Patron:** Bennett-Parker
Bill Title: Preservation of affordable housing; definitions; civil penalty.

Bill Summary: Creates a framework for localities to preserve affordable housing by granting them, or a qualified designee, the right of first refusal to purchase publicly supported housing before it is sold to third-party buyers. The bill requires owners to notify localities, tenants, and tenant associations at least 24 months prior to the termination of affordability restrictions, outlining their intentions regarding the property. The bill allows localities or designees to offer to buy the property at the same terms as third-party buyers, with provisions to extend affordability. The bill also sets penalty guidelines at the local level for non-compliance and establishes an annual reporting requirement for larger localities.

Budget Amendment Necessary: **No.** **Items Impacted:** **N/A**

Explanation: This bill involves the Department of Housing and Community Development (DHCD); however, no budget action is required. See Fiscal Analysis section, below.

Fiscal Summary: It is anticipated that any costs DHCD may incur can be absorbed within existing resources. This bill may have a fiscal impact on localities.

Fiscal Analysis: This impact statement is final. It is anticipated that the Department of Housing and Community Development can absorb any costs associated with the implementation of this bill. The bill allows for localities to impose a uniform schedule of fines or penalties, not to exceed $5,000 per violation, for noncompliance.

Other: None.