

HB 631-FN - AS AMENDED BY THE HOUSE

20Mar2025... 0667h

2025 SESSION

25-0683

06/11

HOUSE BILL

**631-FN**

AN ACT

permitting residential building in commercial zoning.

SPONSORS:

Rep. A. Murray, Hills. 20; Rep. Berry, Hills. 44; Rep. Grill, Hills. 18; Rep. H. Howard, Straf. 4; Rep. Newell, Ches. 4; Rep. Pauer, Hills. 36; Rep. Schultz, Merr. 29; Rep. Seibert, Hills. 21; Rep. Sweeney, Rock. 25; Sen. Watters, Dist 4

COMMITTEE:

Housing

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AMENDED ANALYSIS

This bill requires municipalities to permit multi-family residential development on commercially zoned land, with stipulations for infrastructure and exemptions for adaptive reuse.

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Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears ~~[in brackets and struckthrough.]~~

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Five*

AN ACT                    permitting residential building in commercial zoning.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1            1 New Subdivision; Multi-Family Residential Development on Commercially Zoned Land.  
2 Amend RSA 674 by inserting after section 76 the following new subdivision:

3                            Multi-Family Residential Development on Commercially Zoned Land

4            674:77 Definitions. In this subdivision:

5                    I. "Commercially zoned land" means land zoned for such commercial activities as retail and  
6 office space.

7                    II. "Mixed-use" means a type of development that combines residential, commercial,  
8 cultural, institutional, or entertainment uses within a single building or development area.

9                    III. "Adaptive reuse" means the repurposing of existing buildings or structures in whole or  
10 in part for residential purposes.

11            674:78 Amendment to Zoning Regulations.

12                    I. Notwithstanding any provision to the contrary, municipalities shall allow multi-family  
13 residential development on commercially zoned land, provided that adequate infrastructure,  
14 including roads, water, and sewage systems, shall be available or provided to support the  
15 development.

16                    II. Nothing in this section shall be interpreted to prohibit municipalities from restricting  
17 residential development in zones where industrial and manufacturing uses are permitted which may  
18 result in impacts that are incompatible with residential use, such as air, noise, odor, or  
19 transportation impacts.

20                    III. A municipality may require all available ground floor space or a percentage thereof to be  
21 dedicated to retail or similar uses.

22                    IV. A municipality shall provide an exemption to any requirements regarding setbacks,  
23 height, or frontage of a building being converted to multi-family or mixed-use through adaptive  
24 reuse, provided that the building's floor area, height, and setbacks do not change.

25            2 Effective Date. This act shall take effect July 1, 2026.

**HB 631-FN- FISCAL NOTE**  
AS AMENDED BY THE HOUSE (AMENDMENT #2025-0667h)

AN ACT permitting residential building in commercial zoning.

**FISCAL IMPACT:**

<b>Estimated Political Subdivision Impact</b>				
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>County Revenue</b>	\$0	\$0	\$0	\$0
<b>County Expenditures</b>	\$0	\$0	\$0	\$0
<b>Local Revenue</b>	\$0	\$0	\$0	\$0
<b>Local Expenditures</b>	\$0	Indeterminable	Indeterminable	Indeterminable

**METHODOLOGY:**

This bill requires municipalities to permit multi-family residential development on commercially zoned land, with stipulations for infrastructure and exemptions for adaptive reuse.

The New Hampshire Municipal Association indicates this bill introduces a new subdivision in RSA 674 focused on multi-family residential development on commercially zoned land. The bill stipulates that municipalities must allow multi-family residential development on commercially zoned land, provided that adequate infrastructure is available to support such development. Additionally, the bill clarifies that municipalities can impose restrictions on residential development in areas where industrial and manufacturing uses may create incompatible impacts. It allows municipalities to require a portion of ground floor space to be dedicated to retail or similar uses and provides exemptions for setbacks, height, or frontage requirements for buildings undergoing adaptive reuse, as long as their overall dimensions remain unchanged.

The Association believes there will be indeterminable impact on municipal costs of less than \$10,000 per municipality associated with amending local zoning ordinances to comply with the bill. To the extent that there may ambiguity or disagreement concerning the interpretation of the provisions of the bill, individual municipalities may also incur indeterminable expenses related to litigation.

Finally, the Association states that increased density will expand the tax base but will not increase revenue. However, the bill may increase costs associated with public services, such as police, fire, road maintenance, water, and sewer. If the affected municipalities have commercial

development targeted for certain areas, and this law could interfere with such local plans, potentially reducing future revenue.

**AGENCIES CONTACTED:**

New Hampshire Municipal Association