



Senate

General Assembly

File No. 427

January Session, 2023

Substitute Senate Bill No. 998

Senate, April 4, 2023

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 ESTABLISHING A TAX ABATEMENT FOR CERTAIN CONSERVATION EASEMENTS.

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

1 Section 1. (NEW) (*Effective October 1, 2023, and applicable to assessment*
2 *years commencing on or after October 1, 2023*) (a) For the purposes of this
3 section, (1) "nonprofit land conservation organization" means a
4 nonprofit land conservation organization that is tax exempt under
5 Section 501(c)(3) of the Internal Revenue Code of 1986, or any
6 subsequent corresponding internal revenue code of the United States,
7 as amended from time to time, (2) "greenway" has the same meaning as
8 provided in section 23-100 of the general statutes, and (3) "conservation
9 restriction" has the same meaning as provided in section 47-42a of the
10 general statutes.

11 (b) Each municipality shall establish by ordinance, not later than
12 January 1, 2024, a program to provide for the abatement of real property
13 taxes due on any portion of land that (1) meets the criteria for
14 designation as a greenway established under subsection (b) of section
15 23-102 of the general statutes, (2) is a terrestrial recreational trail with a

16 clearly defined trail corridor that does not exceed one hundred feet in
17 width at its widest point, and (3) is subject to a recorded permanent
18 conservation restriction conveyed by the owner of the land, or such
19 owner's predecessor in title, to the municipality, the state or a nonprofit
20 land conservation organization, provided such conservation easement
21 or any other encumbrance on the land shall not prohibit the public use
22 of any such terrestrial recreational trail for compatible recreation.

23 (c) Whenever any municipality enacts an ordinance required by
24 subsection (b) of this section, an owner of land may apply for its
25 abatement under such ordinance by filing a written application for such
26 abatement with the assessor of such municipality. Any application filed
27 under this subsection shall be made upon a form prescribed by the
28 assessor and shall include (1) a description of the land, (2) a copy of the
29 recorded permanent conservation restriction concerning the land, (3) a
30 copy of the deed that establishes such owner's ownership interest in the
31 land, (4) a certified land survey that depicts the boundaries of the
32 terrestrial recreational trail on the land of such owner, and (5) such other
33 information as the assessor may require to aid in determining whether
34 such land qualifies for such tax abatement pursuant to such ordinance.
35 Any certification of a survey required by this subsection shall be made
36 by a licensed surveyor and such certification shall be made in
37 accordance with chapter 390 of the general statutes.

38 (d) Not later than thirty days after receipt of a written application
39 under subsection (c) of this section, the assessor shall submit such
40 written application with the assessor's recommendation to either
41 approve or deny the tax abatement based on the criteria set forth in
42 subsection (b) of this section to the legislative body of the municipality
43 or, in a municipality where the legislative body is a town meeting, to the
44 board of selectmen.

45 (e) The abatement of any real property taxes under subsection (b) of
46 this section shall be approved by vote of the legislative body of the
47 municipality or, in a municipality where the legislative body is a town
48 meeting, by vote of the board of selectmen.

49 (f) Any abatement under this section shall continue upon the sale or
50 transfer of the land unless the legislative body of the municipality, or in
51 a municipality where the legislative body is a town meeting, the board
52 of selectmen, votes to discontinue such abatement.

53 Sec. 2. Subsection (a) of section 12-107e of the general statutes is
54 repealed and the following is substituted in lieu thereof (*Effective October*
55 *1, 2023*):

56 (a) The planning commission of any municipality, in preparing a plan
57 of conservation and development for such municipality, may designate
58 upon such plan areas which it recommends for preservation as areas of
59 open space land, provided such designation is approved by a majority
60 vote of the legislative body of such municipality. Land, or a portion
61 thereof, including any terrestrial recreational trail corridor that meets
62 the criteria for designation as a greenway pursuant to chapter 454,
63 included in any area so designated upon such plan as finally adopted
64 may be classified as open space land for purposes of property taxation
65 or payments in lieu thereof if there has been no change in the use of such
66 area which has adversely affected its essential character as an area of
67 open space land between the date of the adoption of such plan and the
68 date of such classification.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2023, and applicable to assessment years commencing on or after October 1, 2023</i>	New section
Sec. 2	<i>October 1, 2023</i>	12-107e(a)

Statement of Legislative Commissioners:

In Section 1(b), "greenway" was changed to "terrestrial recreational trail" for accuracy.

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 24 \$	FY 25 \$
Various Municipalities	STATE MANDATE ¹ - Revenue Loss	Potential	Potential

Explanation

The bill requires municipalities to adopt an ordinance by January 1, 2024 that establishes a property tax abatement for certain portions of land that are subject to a recreational trail conservation restriction. Each municipality must continue with the abatement until the municipality's legislative body votes to end it. This results in a revenue loss beginning in FY 24 that is dependent on the value of the land that qualifies for the property tax abatement and the level of the abatement.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation in the value of the land subject to the abatement and when (if at all) the municipality votes to end the abatement.

¹ State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

OLR Bill Analysis**sSB 998****AN ACT ESTABLISHING A TAX ABATEMENT FOR CERTAIN CONSERVATION EASEMENTS.****SUMMARY**

This bill requires municipalities to adopt an ordinance, by January 1, 2024, establishing a program to abate property taxes for qualifying portions of a taxpayer's land that are subject to a conservation restriction preserving its use as a recreational trail. It relatedly establishes an application and municipal approval process for these abatements. Under the bill, an abatement continues with the land (even if sold or transferred) until the municipality's legislative body, or board of selectmen if the legislative body is a town meeting, votes to end it.

Under existing law, municipalities may recommend in their local plans of conservation and development (POCD) particular areas of land for preservation as open space, making it eligible for classification as open space for property tax purposes. The bill specifies that this recommendation may also include portions of land, including terrestrial recreational trail corridors that meet Connecticut Greenways Council (CGC)-established criteria for designating greenways (see BACKGROUND).

EFFECTIVE DATE: October 1, 2023, and the property tax abatement provision is applicable to assessment years beginning on or after that date.

ABATEMENT FOR CONSERVATION-RESTRICTED TRAILS***Eligibility***

Under the bill, to qualify for a property tax abatement, the portion of land involved must meet the following criteria:

1. be a terrestrial recreation trail with a clearly defined trail corridor that does not exceed 100 feet at its widest point;
2. meet CGC's criteria for designation as a greenway; and
3. be subject to a recorded permanent conservation restriction (see BACKGROUND) that (a) is conveyed to the municipality, the state, or a nonprofit land conservation organization and (b) does not prohibit public use of it for compatible recreation purposes.

Application and Approval

After the municipality adopts an ordinance for the abatement program, the bill authorizes owners of eligible land to file an application to the municipal assessor for an abatement. The application must be made on an assessor-prescribed form and include the following:

1. a description of the land;
2. a copy of the land's permanent conservation restriction;
3. a copy of the owner's deed;
4. a certified land survey, done by a licensed surveyor, showing the recreation trail's boundaries; and
5. any other information the assessor requires to determine the property's eligibility.

Within 30 days after receiving the application, the bill requires the assessor to submit it to the municipality's legislative body (or board of selectmen if the legislative body is a town meeting) along with his or her recommendation on whether it should be approved or denied, based on the eligibility criteria set in the bill (see above). The legislative body, or board of selectmen, as applicable, must approve of the abatement by a vote.

BACKGROUND

Connecticut Greenways Council Designation Criteria

In 1995, the legislature created the Connecticut Greenways Council and required it to set criteria to use for designating official greenways (CGS § 23-102). To be considered for the designation, a project must meet at least one of the council’s criteria, which consider, among other things, whether the project (1) connects existing open spaces, trail segments, neighborhoods, or transportation centers; (2) is a municipal project included in a local POCD; (3) is included in a regional Council of Governments plan; (4) is sponsored by an organization with a proven record of land use protection; or (5) may be a key link in an emerging greenway.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 14 Nay 7 (03/17/2023)