

Planning and Development Committee

JOINT FAVORABLE REPORT

Bill No.: SB-225

AN ACT CONCERNING PERSONAL PROPERTY TAX EXEMPTIONS FOR

Title: MOTOR VEHICLES USED EXCLUSIVELY FOR FARMING.

Vote Date: 3/15/2024

Vote Action: Joint Favorable

PH Date: 2/28/2024

File No.:

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SPONSORS OF BILL:

Planning and Development Committee

REASONS FOR BILL:

Farmers play a vital role in communities, providing fresh and healthy produce that supports the economy in the process. Despite this, many farms do not have strong profit margins. The severe weather in recent years has made this impact even worse. This bill would allow for farm machinery and motor vehicles used by farmers exclusively for the purpose of farming to receive property tax exemptions for that equipment. It would provide financial relief to farmers at a time when they need it.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

[Saud Anwar, Senator, Connecticut General Assembly](#)

Senator Anwar stated that Connecticut can and should continue investing in its farmers, farms, and agriculture. Farmers can use the tax relief to further the work through equipment purchases or upgrades or even support worker pay. He stated that he is encouraged by and endorses this legislation.

[Samuel Gold, Executive Director, RiverCOG](#)

RiverCOG supports the bill because the change to exempt motor vehicles for farmers would be very helpful. Allowing a farm to use the money that now goes to the vehicle's taxes, would allow farmers to use those funds for more tangible uses and help farmers to succeed instead of barely making ends meet. They also urge the committee to consider broadening this exemption to more than one vehicle.

[Joan Nicold, Executive Director, Connecticut Farm Bureau](#)

Connecticut Farm Bureau Association requests the committee's support of SB 225. They stated that tax reduction programs free-up capital for farmers to reinvest in their farming operation.

[Andrew Reale, Resident of CT](#)

Andrew Reale stated that with rising operating expenses and worsening weather patterns, farming in Connecticut is getting more difficult by the day. He fears that another bad year of weather and some farmers will cease operations. The passage of this bill it may alleviate some of the financial strain Connecticut farmers face.

[John Voket, Director Community Development, Town of Newton](#)
[Matthew Staebner, Resident of CT](#)

John Voket and Matthew Saebner expressed support for SB 225.

NATURE AND SOURCES OF OPPOSITION:

[Betsy Gara, Executive Director, Connecticut Council of Small Towns \(COST\)](#)

COST states that although they support efforts to aid farmers that are facing economic challenges, they are concerned that SB 225 will erode property tax revenues that are heavily relied upon to fund the delivery of critical services. Given the ongoing fiscal challenges facing municipalities, the state must refrain from establishing additional property tax exemptions which undermine the ability of towns to fund critical programs and services. Although well-intended, property tax exemptions or abatements unfairly shift a greater tax burden onto other property taxpayers.

GENERAL COMMENTS:

[Randy Collins, Associate Director of Policy, The CCM](#)

CCM stated that SB 225 would impose another unfunded mandate on towns and cities by expanding the existing property tax exemptions provided to state farmers to include motor vehicle used exclusively for farming. Towns and cities remain almost exclusively reliant on the imposition of a regressive property tax system to fund all levels of local service and these proposals would further increase property tax rates that already subsidize the current 100 mandated property exemptions. CCM and its member towns and cities have been asking for the legislature to stop adding to the regressive nature of the property tax by opposing new or expanding existing property tax exemptions.

Reported by: Ashley Orser

Date: 3/18/24