

CONNECTICUT
Land Conservation Council

Testimony on House Bill No. 5254
Environment Committee
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Co-Chairs Cohen and Demicco, Vice-Chairs Gresko and Kushner, Ranking Members Harding and Miner, and members of the Environment Committee:

Thank you for this opportunity to present testimony on behalf of the Connecticut Land Conservation Council (CLCC) in strong support of **House Bill No. 5254, AN ACT ESTABLISHING A PILOT PROGRAM AUTHORIZING MUNICIPALITIES TO IMPOSE A BUYER'S CONVEYANCE FEE ON REAL PROPERTY TO FUND THE PURCHASE AND STEWARDSHIP OF OPEN SPACE (HB 5254)**. We thank Representative Gresko for introducing the concept bill and the Environment Committee for raising this bill to provide municipalities including Bolton, Bozrah, Bloomfield, Bethany, Coventry, Hartford, Lyme, New London, Norfolk, North Stonington and Warren, with the option to establish a local source of funding for the acquisition and stewardship of open space, and other purposes as delineated in the bill (collectively referred to herein as "land conservation and stewardship").

As the state's umbrella organization for the land conservation community, including its 137+/- land trusts, the Connecticut Land Conservation Council (CLCC) advocates for land conservation, stewardship and funding, and works to ensure the long-term strength and viability of the land conservation community in Connecticut. Establishing a local funding option for land conservation and stewardship has been a top priority for CLCC for several years.

The problem: Most cities and towns across Connecticut do not have a permanent, reliable source of funding to use in their land conservation and stewardship efforts. CLCC is contacted on a regular basis by land trusts and the municipalities with which they partner, seeking advice on funding sources to use for their conservation and stewardship projects. In most cases, the need for funding arises from a match requirement from state or federal grant programs; or to cover expenses for the due diligence associated with land transactions (appraisals, legal, surveys, environmental assessments); or, after the deal has closed, the municipality's need to implement land management planning, invasive species control (both terrestrial and aquatic), trail development, or other stewardship - related work to protect and enhance local land and/or water resources.

The solution – a pilot program: HB 5254 would enable, but not require, municipalities, including the eleven towns referenced above, to establish their own dedicated source of land conservation and stewardship funding by adopting a local conveyance fee on buyers of up to 1% on the purchase of real estate. The first \$150,000 of the purchase price, or more -- at the discretion of the municipality -- would be exempt from the fee.



The benefits of a local option: HB 5254 does not impose a mandate upon the participating municipalities to establish the program; rather, if enacted, this legislation would merely allow these communities to decide through their local public approval processes, whether or not to take advantage of this mechanism for raising revenue to acquire, preserve and protect open space, including parks and water resources, farmland, as well as for brownfields remediation and other environmental projects that benefit their community.

Positive Precedent: The concept of a local conveyance fee program is one that has been tried and tested in neighboring states – and the precedent is quite positive. Massachusetts, New York, Rhode Island, Pennsylvania, West Virginia, and others have allowed municipalities to enact a buyers' conveyance fee, with the income dedicated to conserving and caring for local natural areas. These programs have proven successful, resulting in the protection of thousands of acres of open space, forests, meadows and farms.

Concerns that the fee may deter homebuyers or investors in real estate are misplaced. Indeed, experience in other states shows the opposite. People and businesses are attracted to communities that have cleaner air and water, recreation options, local food sources, and protected natural beauty. The fee is a community investment in maintaining open spaces, water resources, and farmland, which in turn helps to sustain the community's natural assets, avoid the hidden costs of development, and even increase local property values.¹

Local impact – Community Choice: HB 5254 is about local impact and community choice. Since the funds are collected and expended locally, there is no adverse fiscal impact on the state budget. Nor would it impact the mill rate or require increased municipal bonding. Indeed, considering the current budget crisis -- impacting both state and local economies -- there perhaps has never been a better time to allow municipalities with the option to pursue alternative, creative funding mechanisms to help them achieve their land conservation, stewardship, and community planning goals.

Encouraging Public-Private Partnerships: We applaud the Committee for including language in HB 5254 that expressly encourages public/private partnerships, including with local land trusts. Fostering cooperation between government entities and the private sector will further enhance the efficiency and efficacy of the investment of these local funds -- a fact recognized by the Lamont-Bysiewicz Environment Committee which included authorization for municipal funding for land conservation through a local buyer's conveyance fee as one of its top-ranked longer-term environmental priorities.

In conclusion, the Connecticut Land Conservation Council commends the Committee for respecting the desire of municipalities to determine whether a local conveyance fee program is the right option for their respective communities, and we urge your strong support.

Thank you for this opportunity to provide our comments. As always, we would be happy to answer any questions you may have and provide additional information about the wonderful land conservation work undertaken every day in communities across the state.

¹ See, Gies, Conservation: An Investment that Pays, 2009; See also, Walker and Crompton, Programs that Work: A Review of Real-Estate Transfer Tax Legislation Enacted by 13 States and 3 Local Areas to Fund Parks and Conservation, Journal of Park and Recreation Administration Volume 23, Number 3, Fall 2005 pp. 100-114.)