

# CONNECTICUT Land Conservation Council



## Enabling a Local Option for Land Conservation and Stewardship Funding

### Frequently Asked Questions

As of 11.27.18

**What does this bill do?** The proposed legislation would allow, *but not require*, certain municipalities to establish funding to acquire, preserve, and steward open space (including water resources) and farmland in their community by including a conveyance fee of up to 1% paid by buyers of real property.

**Why is this needed in CT?** Many cities and towns need a sustainable source of funding for local conservation and stewardship efforts that would not impact the municipal mill rate or require additional bonding. This added source of funding would enable certain communities to fulfill match requirements for state or federal grant programs, cover the costly expenses associated with acquiring land (appraisals, surveys, environmental assessments, etc.), and better maintain the town's natural open space properties, water resources, and farmland.

**If enacted, would this legislation require all towns to establish the program?** No. This legislation authorizes certain municipalities to decide, through their local public approval processes, whether to take advantage of this funding mechanism.

**Will a conveyance fee deter homebuyers or commercial investors?** 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 increases local property values (Gies, *Conservation: An Investment that Pays*, 2009).

**Would this make housing less affordable?** The fee is limited to a maximum of 1% and does not apply to the first \$150,000 (or a higher amount, at the municipality's discretion) of the sale price. Repaid over 20 or 30 years in a mortgage, that extra cost is minimal.

**If enacted, would the fee apply to all real property (i.e., residential, commercial, industrial)?** Yes, the proposed legislation is drafted to include all real property. However, a municipality may choose to restrict the fee to purchases of only residential property.

**May a municipality impose less than the 1% fee?** Yes. The proposed legislation indicates that the conveyance may be “up to 1%.” Therefore, a municipality may adopt a lower percentage fee.

**Can the money be used to purchase and maintain open space for active recreational purposes (i.e. ball fields)?** No. The purpose of the legislation is to fund acquisition and management of open space for passive recreation, habitat enhancement, and other natural resource protection purposes.

**Can the money be raided for other purposes?** No. If enacted, the legislation would require that funds raised through this program by the community must be dedicated to land conservation and stewardship.

**Would land purchased with these funds need to remain as town land?** This is a town decision, but towns could choose to make purchases in cooperation with land trusts, forming a local partnership that would make funds go further.

**Why allow funding to be used for stewardship?** There are two critical funding needs associated with open space and farmland protection: 1) funds for acquisition, and 2) ongoing resources for maintenance or stewardship. This legislation would allow municipalities to dedicate funding to both of these pressing needs as necessary.

**Would the conveyance fee be required in perpetuity at the local level?** Perpetuity is at the community’s discretion.

**Have other states enabled similar legislation?** Nearby states (MA, NY, RI, PA, WV) have allowed some municipalities to enact a buyer’s conveyance fee, with the income dedicated to conserving and caring for local natural areas. These programs have succeeded in protecting thousands of acres of open space, forests, meadows and farms. (See case studies, attached.)

**What is the difference between a fee and a tax?** The primary purpose of a tax is to raise revenue, whereas a fee is a payment in exchange for a service or privilege. The conveyance fee proposed by this Municipal Open Space Funding Option is revenue neutral, and provides conservation support to counteract the negative effects of development.

For more information, please contact  
Connecticut Land Conservation Council  
Amy Blaymore Paterson, Executive Director  
[abpaterson@ctconservation.org](mailto:abpaterson@ctconservation.org) or at 860-614-8537.