

In the room, only a few folks had answered the survey

Fee-owned properties owned by the land trusts being taxed

- state law that requires you to pay the tax on that property, the retro-active part of it. when july comes you're going to get a tax bill if you made any transfers.
- pay taxes once just when they've made a transfer
- most of our conversation with the tax assessors is with land transfers. only talk once a year. have one existing circumstance where tax, owners of the easement pay.

\*\*some groups are making payments in lieu of taxes to the state. Catherine would not encourage this idea.

where are the educational opportunities

PA490 – 10 acres in the back of your house, you can only get the PA490 forest designation if you have 25 acres. After an easement, property owner may not have access to 490. assessors may not know if they have conservation easements on them.

challenge: Town by town challenges and different qualifications for PA 490.

PA 490 – if you're under PA490, you already have a big tax break so the easement doesn't further decrease the property taxes

\*we found it interesting that half of the land trusts were unsure if assessments

How often does PA 490 come up in conversations with land owners?

- we have avoided that convo, one reason is that there's a penalty; if I talk someone into 490 it's not into perpetuity, it's a 10-year deal and thereafter they could develop their land. one of our biggest properties is 200 acres, property owners didn't realize they had 490 potential and they were paying full tax. land trust purchased at low value. if they'd put it in 490, they wouldn't have been able to sell it in 10 years. there are penalties under 490 within the 10 years but if someone calls land trust and they have 50 acres of land, land trust encourages – do that as a neighbor but not as a land trust.

one land trust noted that property taxes are a part of the conversation with land owners  
appraiser: 30% of people have no idea that they could put their land under pa 490. first thing we do is find out if they are.

Catherine: issue – the difficulty with easement is that easements are like a contract with different terms. easements can affect the value of the property in vastly different ways. one thing CLCC is wondering is, is the easement being considered? and how is it being considered?

Confusion over buildings, are they considered part of easement and are they taxed?

one of the land trusts'

what are the main motivations when you're discussing conservation easements with land owners? tax considerations? other?

- how do you think about PA 490 when approaching land owners about easements.

### SMALL GROUP SESSIONS

1. David: "often some cash transfer...how is the conversation different in sale vs. donation?"
2. **How important is tax in conversation about easements?**
  - a. Honor: def important. we talk about it regularly in our org. Whether it will affect. also talk about income tax, though unrelated. tell them were not tax professionals and tell them to seek counsel. don't offer advice that it will benefit them...depends on their unique situation and 490 or not. If not, tell them it could lower their property taxes.
  - b. David MxLT: a tool to talk to them. Convo starts with a lot of listening to landowners. we let them bring it up as an implication. sometimes taxes are a catalyst, rarely is it the other way around. if theyre looking for savings theyre normally selling the property. was shocked on the earlier slide that anyone would provide estimates without a waiver. im not a tax professional or attorney, would never try to give an estimate. Attorneys sometimes have no idea what a conservation easement is. Recently did an easement with an attorney who was a professional, others hadn't heard of 490 or charitable deductions or CEs.
  - c. David Bingham: our land trust gives requirements of IRS to donor to let them know they'll need a yellowbook appraisal. We may or may not want to pay for the cost of yellowbook appraisal. We tell them we cannot give them any advice about taxes, but say there may be IRS benefits. May even carry forward. But we have no knowledge of their finances. If they donate the land and keep the house next to it, the house becomes more valuable than before, takes account of that. We provide some 'maybes' but don't want to get involved with personal finances. Form letter they give out was approved by the LTA.
  - d. Catherine - Weantinoge: 5500 acres of land, 25 parcels. We don't give tax advice. More conversations around transfers of land and fee. When properties are owned by the land trust are taxable, [...].
  - e. **What about PA490?**
  - f. David Bingham, Salem LT - If people don't make plans for what to do after they die, probate court will say highest and best use [under 490]. Those that inherit will be taxed, leading inheritor to sell to developer. Other problem is that assessors job is to make as much money for the town as they can. Assessors try to take away PA490 land at period of re-evaluation. This allows assessors to bring more money to town, positioning themselves to get bigger

job and better paycheck. Sometimes something that is legally a farm no longer has a goat herd because the farmer is older, assessor takes away PA490 designation because the farm is no longer making money. You have to prove every year that you are making money as a farmer in order to stay in PA490. Some can transition it to open space, but this doesn't happen in all towns.

### STAKEHOLDER MAPPING EXERCISE

1. Big line between land trust and public, medium line between land trust and state.
  - a. Land trust and state: block is limited funds
  - b. Appraiser and assessor is a thin line, not too much of a relationship
  - c. NGOs/Foundations: upside is
2. Big takeaways
  - a. Amy: working with CAAO, how to make relationships stronger
  - b. would like to learn more about relationship between land trusts and town clerks. what can we tell them that would help them help us? what are they thinking about? from their expertise, what do they think about minimizing tax burden? interested in increasing communication on this front.
  - c. David Bingham: land trust is at the center of so many communications, all the people that we reach out to. A land trust meeting seems like "nothing much on the agenda", then so much comes up! So many people that we need to communicate with and that we already do communicate with. Chart started with a couple of little spots in it and it grew. **Different kind of people you need on your board!** Need a lot of different kinds of people to manage these communications.
  - d. Coming from Massachusetts, learned that working with the town is a "thin line" in CT, but much bigger in MA.

### WRAP-UP

1. Question for the group: what would be useful for you?
2. Jim: learned about the tax ramifications. There should be an ombudsman or clearinghouse to help land trusts, such as for lawsuits that are coming. Other people that could contribute for that. This would benefit all the land trusts in the state. The assessors have their meetings about what roads they're going to go down, and it looks like they're going down a road not beneficial to land trusts, and they need to be challenged.
3. Kevin: Movement to trying to get more nonprofit land taxed at the statewide level. How does the LT community get ready for legislative challenge, beyond the court cases that Jim mentioned?
4. Amy: seeing it in CT already. Looking to remove exemption for sales tax on nonprofits. Soliciting assistance from land trust communities in opposing that.
5. Catherine: some educational institutions hold large properties, essentially conserved. They could be an ally because their land is at risk of getting taxed.
6. David B: We pay for our educations in CT with an assessment on land in property taxes. LT community is loathe to get involved in tax property conversations, but these taxes can lead towns to do things that are bad and try to make developments that raise money even though not in the best interest. Root is from towns trying to

pay for everything in property tax. If you take land and put it under 490, everyone has to pay a higher amount to make up the difference. People fight against land trust to drive up property tax, even though there is good evidence that it is more expensive to pay for a subdivision. Do we spend all our time dealing with assessors to get to heart of problem? We have not as a community weighed in enough on tax policy, but it is divisive to do so and there is a risk.

7. Catherine: power of positive messaging. Need to get out in front – economically, socially, to the community – sharing conservation value.
8. Margot: big picture comment – in planning and GIS world, talk about standardized planning for the state of CT. Lies behind all these problems, not that expensive, and could marry education, technology, and town budgets. Need information systems that are the same across all towns that everyone could get trained on. GIS and tax assessors understand common issues, but databases and tracking land transactions are an archaic method.