

Title: The Sustainable Community Funding Option

Purpose: To enable the option of a local fee to create a dedicated account for funding certain projects essential for the sustainability of municipalities and for the mitigation of the adverse impacts of climate change, including protection of natural resources, land stewardship, local agriculture and open space, and access to workforce housing.

Section 1: A municipality may establish, by vote of its legislative body, a buyer's conveyance fee on the conveyance of real property in such municipality. The rate of such fee shall be (1) for consideration paid by the buyer equal to or less than eight hundred thousand dollars, not more than one and one-quarter per cent on the portion of such consideration that exceeds two hundred thousand dollars, (2) for consideration paid by the buyer greater than eight hundred thousand dollars but equal to or less than two million five hundred thousand dollars, not more than one and one-half per cent on the portion of such consideration that exceeds eight hundred thousand dollars, and (3) for consideration paid by the buyer greater than two million five hundred thousand dollars, not more than one and three-quarters per cent on the portion of such consideration that exceeds two million five hundred thousand dollars.

Section 2: The fee established pursuant to Section 1 of this section shall be retained by the municipality, maintained in a separate account and, except as provided in Section 3 , used for any of the following purposes: (A) Purchase, preservation or stewardship of open space land or other interests in land in such municipality, including, but not limited to, water resources, forest land and farmland; (B) funding of a Climate Change and Coastal Resiliency Reserve Fund, created by the municipality pursuant to section 7-159d of the general statutes, as amended by this act, or other municipal climate resilience, mitigation or adaptation strategies; (C) matching of investments from state programs funded pursuant to section 4-66aa of the general statutes; (D) funding of other environmental projects, including, but not limited to, urban forestry and planting of trees; (E) funding to increase workforce housing access; and (F) repayment of municipal bonds obtained for any of the purposes described in subparagraphs (A) to (F), inclusive, of this Section.

Section 3: In the case of a municipality not included in the list annually reported by the Commissioner of Housing under subparagraph (D) of subdivision (2) of subsection (a) of section 8-37qqq of the general statutes, at least 20 % of the fee established pursuant to Section 1 shall only be used for workforce housing assistance or access. This assistance

may be provided directly to housing projects managed by the municipality or may be transferred to a non-profit entity dedicated to providing workforce housing assistance and access in that municipality, such as a Community Land Trust.

Section 4: A distressed municipality, as defined in section 32-9p of the general statutes, or a targeted investment community, as defined in section 32-222 of the general statutes, may set aside up to ten per cent of the fees maintained under subsection (b) of this section for the purpose of offsetting property tax revenues that are reduced or eliminated as a result of tax exemptions granted by the municipality for protected open space land, forest land, farmland or recreational land.

Section 5: Each conveyance resulting in the preservation in perpetuity of open space land, forest land or farmland, or for workforce housing, shall be exempt from any fee imposed pursuant to Section 1.

Section 6: Any fee imposed pursuant to subsection (a) of this section shall not apply to any transaction enumerated in subsection (a) of section 12-498 of the general statutes.

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