

TESTIMONY IN SUPPORT OF HB 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

February 1, 2019

To: Honorable Chairs Senator Cohen and Representative Demicco and Distinguished Members of the Environment Committee

From: Lori Brown, Executive Director of the Connecticut League of Conservation Voters

Thank you for the opportunity to testify in support of HB 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.

In order to maintain our quality of life and meet our statutory goal of preserving 21% of our land by 2030, Connecticut must be able to protect open space and provide adequate stewardship for parcels that have already been acquired.

Unfortunately, the cost of doing so often falls to local city and town governments, most of which have designated other funding priorities for their strained budgets. HB 5254 would allow—but not require—municipalities to collect revenue for the dedicated purpose of bolstering open space acquisition and maintenance, thereby improving quality of life and preserving their community's treasured resources.

The "local option" is a conveyance or buyer's fee—limited to 1% of the purchase—on the transfer of real property or the purchase of residential real estate. The revenue generated by this fee would provide dedicated local funding for land conservation, including water resources, farmland, forests, and open space, as well as land stewardship in both rural and urban communities.

In other states, municipalities and counties that have authorized similar conveyance fees for land preservation have found that **local real estate land values are enhanced by these programs.** Moreover, such programs tend to generate significant **matching grants that double or triple the land protection funding** in their communities.

Open space helps generate more than \$502 million in state and local revenue. Towns and communities must be allowed to protect and maintain these parks, farms, historical sites, and open spaces in order to protect their local economies, keep and attract residents, and preserve their local character.

It should be noted that the **legislation being considered does NOT require municipalities to adopt the local option.** Instead, it authorizes a conveyance fee **pilot program** in Bolton, Bozrah, Bloomfield, Bethany, Coventry, Hartford, Lyme, New London, Norfolk, North Stonington and Warren, as well as any other interested municipalities. Any city

or town that opts to establish the fee must first pass an ordinance in compliance with their local governmental procedures.

It is also important to understand that the legislation, as currently proposed, **includes protections for first-time home buyers and low-income individuals by exempting purchases of \$150,000 or less from the new fee.**

Municipalities do not currently have the right to impose the needed conveyance fee without State approval. The Connecticut General Assembly **must pass legislation to give cities and towns permission to adopt such an option** through their local ordinances.

We ask that you support this legislation and empower the local authorities of Connecticut's extremely diverse towns and cities with the ability to actively pursue preservation of open space if they agree that it is a priority for their community.

Thank you for considering this testimony as you deliberate HB 5254.

Sincerely,

A handwritten signature in blue ink that reads "Lori Brown". The signature is written in a cursive, flowing style.

Lori Brown
Executive Director
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