



General Assembly

Substitute Bill No. 6535

January Session, 2003

AN ACT CONCERNING APPLICATION OF THE CONVEYANCE TAX TO LAND CLASSIFIED AS FARM LAND, FOREST LAND OR OPEN SPACE LAND.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-107a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2003, and*
3 *applicable to sales, transfers, or changes in use of land classified as farm land,*
4 *forest land or open space land that occur on or after July 1, 2003*):

5 It is hereby declared [(a)] (1) that it is in the public interest to
6 encourage the preservation of farm land, forest land and open space
7 land in order to maintain a readily available source of food and farm
8 products close to the metropolitan areas of the state, to conserve the
9 state's natural resources and to provide for the welfare and happiness
10 of the inhabitants of the state, [(b)] (2) that it is in the public interest to
11 prevent the forced conversion of farm land, forest land and open space
12 land to more intensive uses as the result of economic pressures caused
13 by the assessment thereof for purposes of property taxation at values
14 incompatible with their preservation as such farm land, forest land and
15 open space land, and [(c)] (3) that the necessity in the public interest of
16 the enactment of the provisions of sections 12-107b to 12-107e,
17 inclusive, as amended by this act, and section 12-504f, is a matter of
18 legislative determination.

19 Sec. 2. Section 12-107b of the general statutes is repealed and the

20 following is substituted in lieu thereof (*Effective July 1, 2003, and*
21 *applicable to sales, transfers, or changes in use of land classified as farm land,*
22 *forest land or open space land that occur on or after July 1, 2003*):

23 When used in sections 12-107a to 12-107e, inclusive, as amended by
24 this act:

25 [(a) The term "farm"] (1) "Farm land" means any tract or tracts of
26 land, including woodland and wasteland, constituting a farm unit;

27 [(b) The term "forest"] (2) "Forest land" means any tract or tracts of
28 land aggregating twenty-five acres or more in area bearing tree growth
29 in such quantity and so spaced as to constitute in the opinion of the
30 State Forester a forest area and maintained in the opinion of the State
31 Forester in a state of proper forest condition and such land consists of
32 [(1)] (A) one tract of land of twenty-five or more contiguous acres,
33 which acres may be in contiguous municipalities, [(2)] (B) two or more
34 tracts of land aggregating twenty-five acres or more in which no single
35 component tract shall consist of less than ten acres, or [(3)] (C) any tract
36 of land which is contiguous to a tract owned by the same owner which
37 has been designated as forest land by the State Forester, provided land
38 designated by the State Forester as forest land in accordance with
39 section 12-107d prior to July 1, 1976, shall not be subject to the
40 provisions of [subdivisions (1) to (3)] subparagraphs (A) to (C),
41 inclusive, of this [subsection] subdivision;

42 [(c) The term "open"] (3) "Open space land" means any area of land,
43 including forest land, land designated as wetland under section 22a-30
44 and not excluding farm land, the preservation or restriction of the use
45 of which would [(1)] (A) maintain and enhance the conservation of
46 natural or scenic resources, [(2)] (B) protect natural streams or water
47 supply, [(3)] (C) promote conservation of soils, wetlands, beaches or
48 tidal marshes, [(4)] (D) enhance the value to the public of abutting or
49 neighboring parks, forests, wildlife preserves, nature reservations or
50 sanctuaries or other open spaces, [(5)] (E) enhance public recreation
51 opportunities, [(6)] (F) preserve historic sites, or [(7)] (G) promote

52 orderly urban or suburban development;

53 [(d)] (4) The word "municipality" means any town, consolidated
54 town and city, or consolidated town and borough;

55 [(e) The term "planning] (5) "Planning commission" means a
56 planning commission created pursuant to section 8-19;

57 [(f) The term "plan] (6) "Plan of conservation and development"
58 means a plan of development, including any amendment thereto,
59 prepared or adopted pursuant to section 8-23.

60 Sec. 3. Section 12-107c of the general statutes is repealed and the
61 following is substituted in lieu thereof (*Effective July 1, 2003, and*
62 *applicable to sales, transfers, or changes in use of land classified as farm land*
63 *that occur on or after July 1, 2003*):

64 (a) An owner of land may apply for its classification as farm land on
65 any grand list of a municipality by filing a written application for such
66 classification with the assessor thereof not earlier than thirty days
67 before or later than thirty days after the assessment date, provided in a
68 year in which a revaluation of all real property in accordance with
69 section 12-62 becomes effective such application may be filed not later
70 than ninety days after such assessment date. The assessor shall
71 determine whether such land is farm land and, if such assessor
72 determines that it is farm land, he or she shall classify and include it as
73 such on the grand list. In determining whether such land is farm land,
74 such assessor shall take into account, among other things, the acreage
75 of such land, the portion thereof in actual use for farming or
76 agricultural operations, the productivity of such land, the gross income
77 derived therefrom, the nature and value of the equipment used in
78 connection therewith, and the extent to which the tracts comprising
79 such land are contiguous.

80 (b) An application for classification of land as farm land shall be
81 made upon a form prescribed by the Commissioner of Agriculture and
82 shall set forth a description of the land, a general description of the use

83 to which it is being put, a statement of the potential liability for tax
84 under the provisions of sections 12-504a to [12-504e] 12-504f, inclusive,
85 as amended by this act, and such other information as the assessor
86 may require to aid the assessor in determining whether such land
87 qualifies for such classification.

88 (c) Failure to file an application for classification of land as farm
89 land within the time limit prescribed in subsection (a) and in the
90 manner and form prescribed in subsection (b) shall be considered a
91 waiver of the right to such classification on such assessment list.

92 (d) Any person aggrieved by the denial of any application for the
93 classification of land as farm land shall have the same rights and
94 remedies for appeal and relief as are provided in the general statutes
95 for taxpayers claiming to be aggrieved by the doings of assessors or
96 boards of assessment appeals.

97 Sec. 4. Section 12-107d of the general statutes is repealed and the
98 following is substituted in lieu thereof (*Effective July 1, 2003, and*
99 *applicable to sales, transfers, or changes in use of land classified as farm land*
100 *that occur on or after July 1, 2003*):

101 (a) An owner of land may file a written application with the State
102 Forester for its designation by the State Forester as forest land. When
103 such application has been made, the State Forester shall examine such
104 application and, if the State Forester determines that it is forest land,
105 said forester shall issue a triplicate certificate designating it as such,
106 and file one copy of such certificate in the State Forester's office,
107 furnish one to the owner of the land and file one in the office of the
108 assessor of the municipality in which the land is located.

109 (b) When the State Forester finds that it is no longer forest land, the
110 State Forester shall issue a triplicate certificate cancelling the
111 designation of such land as forest land, and file one copy of such
112 certificate in the State Forester's office, furnish one to the owner of the
113 land and file one in the office of such assessor.

114 (c) An owner of land designated as forest land by the State Forester
115 may apply for its classification as forest land on any grand list of a
116 municipality by filing a written application for such classification with
117 the assessor thereof not earlier than thirty days before or later than
118 thirty days after the assessment date and, if the State Forester has not
119 cancelled the designation of such land as forest land as of a date at or
120 prior to the assessment date such assessor shall classify such land as
121 forest land and include it as such on the grand list, provided in a year
122 in which a revaluation of all real property in accordance with section
123 12-62 becomes effective such application may be filed not later than
124 ninety days after such assessment date in such year.

125 (d) An application to the State Forester for designation of land as
126 forest land shall be made upon a form prescribed by the State Forester
127 and approved by the Commissioner of Environmental Protection and
128 shall set forth a description of the land and such other information as
129 the State Forester may require to aid in determining whether such land
130 qualifies for such designation. An application to an assessor for
131 classification of land as forest land shall be made upon a form
132 prescribed by such assessor and approved by the Commissioner of
133 Environmental Protection and shall set forth a description of the land
134 and the date of the issuance by the State Forester of the certificate
135 designating it as forest land and a statement of the potential liability
136 for tax under the provisions of sections 12-504a to [12-504e] 12-504f,
137 inclusive, as amended by this act.

138 (e) Failure to file an application for classification of land as forest
139 land within the time limit prescribed in subsection (c) of this section
140 and in the manner and form prescribed in subsection (d) of this section
141 shall be considered a waiver of the right to such classification on such
142 assessment list.

143 (f) The municipality within which land designated as forest land by
144 the State Forester is situated or the owner of land which the State
145 Forester has refused to designate as such may appeal from the decision
146 of the State Forester to the superior court for the judicial district within

147 which such municipality is situated. Such appeal shall be taken within
148 thirty days after the issuance of the certificate designating such land as
149 forest land or the refusal to issue such certificate, as the case may be,
150 and shall be brought by petition in writing with proper citation signed
151 by competent authority to the adverse party at least twelve days before
152 the return day. The Superior Court shall have the same powers with
153 respect to such appeals as are provided in the general statutes with
154 respect to appeals from boards of assessment appeals.

155 (g) An owner of land aggrieved by the denial of any application to
156 the assessor of a municipality for classification of land as forest land
157 shall have the same rights and remedies for appeal and relief as are
158 provided in the general statutes for taxpayers claiming to be aggrieved
159 by the doings of assessors or boards of assessment appeals.

160 Sec. 5. Section 12-107e of the general statutes is repealed and the
161 following is substituted in lieu thereof (*Effective July 1, 2003, and*
162 *applicable to sales, transfers, or changes in use of land classified as open space*
163 *land that occur on or after July 1, 2003*):

164 (a) The planning commission of any municipality in preparing a
165 plan of conservation and development for such municipality may
166 designate upon such plan areas which it recommends for preservation
167 as areas of open space land, provided such designation is approved by
168 a majority vote of the legislative body of such municipality. Land
169 included in any area so designated upon such plan as finally adopted
170 may be classified as open space land for purposes of property taxation
171 or payments in lieu thereof if there has been no change in the use of
172 such area which has adversely affected its essential character as an
173 area of open space land between the date of the adoption of such plan
174 and the date of such classification.

175 (b) An owner of land included in any area designated as open space
176 land upon any plan as finally adopted may apply for its classification
177 as open space land on any grand list of a municipality by filing a
178 written application for such classification with the assessor thereof not

179 earlier than thirty days before or later than thirty days after the
180 assessment date, provided in a year in which a revaluation of all real
181 property in accordance with section 12-62 becomes effective such
182 application may be filed not later than ninety days after such
183 assessment date. The assessor shall determine whether there has been
184 any change in the area designated as an area of open space land upon
185 the plan of development which adversely affects its essential character
186 as an area of open space land and, if the assessor determines that there
187 has been no such change, said assessor shall classify such land as open
188 space land and include it as such on the grand list. An application for
189 classification of land as open space land shall be made upon a form
190 prescribed by the Commissioner of Agriculture and shall set forth a
191 description of the land, a general description of the use to which it is
192 being put, a statement of the potential liability for tax under the
193 provisions of section 12-504a to [12-504e] 12-504f, inclusive, as
194 amended by this act, and such other information as the assessor may
195 require to aid in determining whether such land qualifies for such
196 classification.

197 (c) Failure to file an application for classification of land as open
198 space land within the time limit prescribed in subsection (b) of this
199 section and in the manner and form prescribed in subsection (b) of this
200 section shall be considered a waiver of the right to such classification
201 on such assessment list.

202 (d) Any person aggrieved by the denial by an assessor of any
203 application for the classification of land as open space land shall have
204 the same rights and remedies for appeal and relief as are provided in
205 the general statutes for taxpayers claiming to be aggrieved by the
206 doings of assessors or boards of assessment appeals.

207 Sec. 6. Section 12-504a of the general statutes is repealed and the
208 following is substituted in lieu thereof (*Effective July 1, 2003, and*
209 *applicable to sales, transfers, or changes in use of land classified as farm land,*
210 *forest land or open space land that occur on or after July 1, 2003*):

211 (a) If at any time there is a change of ownership for any property
212 that is classified as farm land pursuant to section 12-107c, as amended
213 by this act, forest land pursuant to section 12-107d, as amended by this
214 act, or open space land pursuant to section 12-107e, as amended by this
215 act, a revised application shall be filed with the assessor pursuant to
216 said sections 12-107c, 12-107d and 12-107e.

217 [(a)] (b) Any land which has been classified by the record owner
218 thereof as open space land pursuant to section 12-107e, as amended by
219 this act, if sold or transferred by him within a period of ten years from
220 the time he first caused such land to be so classified, shall be subject to
221 a conveyance tax applicable to the total sales price of such land, which
222 tax shall be in addition to the tax imposed under sections 12-494 to 12-
223 504, inclusive. Said conveyance tax shall be at the following rate: (1)
224 Ten per cent of said total sales price if sold within the first year
225 following the date of such classification; (2) nine per cent if sold within
226 the second year following the date of such classification; (3) eight per
227 cent if sold within the third year following the date of such
228 classification; (4) seven per cent if sold within the fourth year following
229 the date of such classification; (5) six per cent if sold within the fifth
230 year following the date of such classification; (6) five per cent if sold
231 within the sixth year following the date of such classification; (7) four
232 per cent if sold within the seventh year following the date of such
233 classification; (8) three per cent if sold within the eighth year following
234 the date of such classification; (9) two per cent if sold within the ninth
235 year following the date of such classification; and (10) one per cent if
236 sold within the tenth year following the date of such classification. No
237 conveyance tax shall be imposed on such record owner by the
238 provisions of sections 12-504a to 12-504f, inclusive, as amended by this
239 act, following the end of the tenth year after the date of such
240 classification by [such] the record owner or person who caused such
241 land to be so classified.

242 [(b)] (c) Any land which has been classified by the record owner
243 thereof as farm land pursuant to section 12-107c, as amended by this
244 act, or as forest land pursuant to section 12-107d, as amended by this

245 act, if sold or transferred by him within a period of ten years from the
246 time he acquired title to such land or from the time he first caused such
247 land to be so classified, whichever is earlier, shall be subject to a
248 conveyance tax applicable to the total sales price of such land, which
249 tax shall be in addition to the tax imposed under sections 12-494 to 12-
250 504, inclusive. Said conveyance tax shall be at the following rate: (1)
251 Ten per cent of said total sales price if sold within the first year of
252 ownership by such record owner; (2) nine per cent if sold within the
253 second year of ownership by such record owner; (3) eight per cent if
254 sold within the third year of ownership by such record owner; (4)
255 seven per cent if sold within the fourth year of ownership by such
256 record owner; (5) six per cent if sold within the fifth year of ownership
257 by such record owner; (6) five per cent if sold within the sixth year of
258 ownership by such record owner; (7) four per cent if sold within the
259 seventh year of ownership by such record owner; (8) three per cent if
260 sold within the eighth year of ownership by such record owner; (9)
261 two per cent if sold within the ninth year of ownership by such record
262 owner; and (10) one per cent if sold within the tenth year of ownership
263 by such record owner. No conveyance tax shall be imposed by the
264 provisions of sections 12-504a to 12-504f, inclusive, as amended by this
265 act, following the end of the tenth year of ownership by [such] the
266 record owner or person acquiring title to such land who caused such
267 land to be so classified.

268 Sec. 7. Section 12-504c of the general statutes is repealed and the
269 following is substituted in lieu thereof (*Effective July 1, 2003, and*
270 *applicable to sales, transfers, or changes in use of land classified as farm land,*
271 *forest land or open space land that occur on or after July 1, 2003*):

272 The provisions of section 12-504a, as amended by this act, shall not
273 be applicable to the following: [(a)] (1) Transfers of land resulting from
274 eminent domain proceedings; [(b)] (2) mortgage deeds; [(c)] (3) deeds
275 to or by the United States of America, state of Connecticut or any
276 political subdivision or agency thereof; [(d)] (4) strawman deeds and
277 deeds which correct, modify, supplement or confirm a deed previously
278 recorded; [(e)] (5) deeds between husband and wife and parent and

279 child when no consideration is received, except that a subsequent
280 nonexempt transfer by the grantee in such cases shall be subject to the
281 provisions of said section 12-504a as it would be if the grantor were
282 making such nonexempt transfer; [(f)] (6) tax deeds; [(g)] deeds
283 releasing any property which is a security for a debt or other
284 obligation; (h)] (7) deeds of foreclosure; (8) deeds of partition; [(i)] (9)
285 deeds made pursuant to a merger of a corporation; [(j)] (10) deeds
286 made by a subsidiary corporation to its parent corporation for no
287 consideration other than the cancellation or surrender of the capital
288 stock of such subsidiary; [(k)] (11) property transferred as a result of
289 death [by devise or otherwise] when no consideration is received and
290 in such transfer the date of acquisition or classification of the land for
291 purposes of sections 12-504a to 12-504f, inclusive, as amended by this
292 act, whichever is earlier, shall be the date of acquisition or
293 classification by the decedent; [(l)] (12) deeds to any corporation, trust
294 or other entity, of land to be held in perpetuity for educational,
295 scientific, aesthetic or other equivalent passive uses, provided such
296 corporation, trust or other entity has received a determination from the
297 Internal Revenue Service that contributions to it are deductible under
298 applicable sections of the Internal Revenue Code; [(m)] (13) land
299 subject to a covenant specifically set forth in the deed transferring title
300 to such land, which covenant is enforceable by the town in which such
301 land is located, to refrain from selling, transferring, or developing such
302 land in a manner inconsistent with its classification as farm land
303 pursuant to section 12-107c, as amended by this act, forest land
304 pursuant to section 12-107d, as amended by this act, or open space
305 land pursuant to section 12-107e, as amended by this act, for a period
306 of not less than eight years from the date of transfer, if such covenant is
307 violated the conveyance tax set forth in this chapter shall be applicable
308 at the rate multiplied by the market value as determined by the
309 assessor which would have been applicable at the date the deed
310 containing the covenant was delivered and, in addition, the town or
311 any taxpayer therein may commence an action to enforce such
312 covenant; [and (n)] (14) land the development rights to which have
313 been sold to the state under chapter 422a; and (15) deeds to or from

314 any limited liability company when the grantors or grantees are the
315 same individuals as the principals or members of the limited liability
316 company. If [such] action is taken under subdivision (13) of this section
317 by [such] a taxpayer, such action shall commence prior to the ninth
318 year following the date of the deed containing such covenant and the
319 town shall be served as a necessary party.

320 Sec. 8. Section 12-504d of the general statutes is repealed and the
321 following is substituted in lieu thereof (*Effective July 1, 2003, and*
322 *applicable to sales, transfers, or changes in use of land classified as farm land,*
323 *forest land or open space land that occur on or after July 1, 2003*):

324 Any person aggrieved by the imposition of a tax under the
325 provisions of sections 12-504a to 12-504f, inclusive, as amended by this
326 act, may appeal therefrom as provided in sections 12-111, [and] 12-112
327 and 12-118. If the time for appealing to the board of assessment
328 appeals has passed, the taxpayer may appeal at the next regularly
329 scheduled meeting.

330 Sec. 9. Section 12-504e of the general statutes is repealed and the
331 following is substituted in lieu thereof (*Effective July 1, 2003, and*
332 *applicable to sales, transfers, or changes in use of land classified as farm land,*
333 *forest land or open space land that occur on or after July 1, 2003*):

334 Any land which has been classified by the owner as farm land
335 pursuant to section 12-107c, as amended by this act, as forest land
336 pursuant to section 12-107d, as amended by this act, or as open space
337 land pursuant to section 12-107e, as amended by this act, if changed by
338 him, within a period of ten years of his acquisition of title, to use other
339 than farm, forest or open space, shall be subject to said conveyance tax
340 as if there had been an actual conveyance by him, as provided in
341 sections 12-504a and 12-504b, as amended by this act, at the time he
342 makes such change in use. [and classification. Said conveyance tax
343 schedule shall apply to fair market values as determined by the
344 assessor under the provisions of section 12-63 for all other property.]
345 For the purposes of this section: (1) The value of any such property

346 shall be the fair market value thereof as determined by the assessor in
347 conjunction with the most recent revaluation, and (2) the date used for
348 purposes of determining such tax shall be the date on which the use of
349 such property is changed, or the date on which the assessor becomes
350 aware of a change in use of such property, whichever occurs first.

351 Sec. 10. Section 12-504h of the general statutes is repealed and the
352 following is substituted in lieu thereof (*Effective July 1, 2003, and*
353 *applicable to sales, transfers, or changes in use of land classified as farm land,*
354 *forest land or open space land that occur on or after July 1, 2003*):

355 Any such classification of farm land pursuant to section 12-107c, as
356 amended by this act, of forest land pursuant to section 12-107d, as
357 amended by this act, or of open space land pursuant to section 12-107e,
358 as amended by this act, shall be deemed personal to the particular
359 owner who requests and receives such classification and shall not run
360 with the land. Any such land which has been classified by [the] a
361 record owner [as farm land pursuant to section 12-107c, as forest land
362 pursuant to section 12-107d, or as open space land pursuant to section
363 12-107e] shall remain so classified without the filing of any new
364 application subsequent to such classification, notwithstanding the
365 provisions of said sections 12-107c, 12-107d and 12-107e, until either of
366 the following shall occur: (1) The use of such land is changed to a use
367 other than that described in the application for the existing
368 classification by said record owner, or (2) such land is sold or
369 transferred by said record owner. Upon the sale or transfer of any such
370 property, the classification of such land as farm land pursuant to
371 section 12-107c, as amended by this act, forest land pursuant to section
372 12-107d, as amended by this act, or open space land pursuant to
373 section 12-107e, as amended by this act, shall cease as of the date of
374 sale or transfer. In the event that a change in use of any such property
375 occurs, the provisions of section 12-504e, as amended by this act, shall
376 apply in terms of determining the date of change and the classification
377 of such land as farm land pursuant to section 12-107c, as amended by
378 this act, forest land pursuant to section 12-107d, as amended by this
379 act, or open space land pursuant to section 12-107e, as amended by this

380 act, shall cease as of such date.

381 Sec. 11. Section 12-504f of the general statutes is repealed and the
 382 following is substituted in lieu thereof (*Effective July 1, 2003*):

383 The tax assessor shall file annually, not later than sixty days after
 384 the assessment date, with the town clerk a certificate for any land
 385 which has been classified as farm land pursuant to section 12-107c, as
 386 amended by this act, as forest land pursuant to section 12-107d, as
 387 amended by this act, or as open space land pursuant to section 12-107e,
 388 as amended by this act, which certificate shall set forth the date of the
 389 initial classification and the obligation to pay the conveyance tax
 390 imposed by this chapter. Said certificate shall be recorded in the land
 391 records of such town. Any such classification of land shall be deemed
 392 personal to the particular owner who requests such classification and
 393 shall not run with the land. The town clerk shall notify the tax assessor
 394 of the filing in the land records of the sale of any such land. Upon
 395 receipt of such notice the tax assessor shall inform the new owner of
 396 the tax benefits of classification of such land as farm land, forest land
 397 or open space land.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003, and applicable to sales, transfers, or changes in use of land classified as farm land, forest land or open space land that occur on or after July 1, 2003</i>
Sec. 2	<i>July 1, 2003, and applicable to sales, transfers, or changes in use of land classified as farm land, forest land or open space land that occur on or after July 1, 2003</i>
Sec. 3	<i>July 1, 2003, and applicable to sales, transfers, or changes in use of land classified as farm land that occur on or after July 1, 2003</i>
Sec. 4	<i>July 1, 2003, and applicable to sales, transfers, or changes in use of land classified as farm land that occur on or after July 1, 2003</i>
Sec. 5	<i>July 1, 2003, and applicable to sales, transfers, or changes in use of land classified as open space land that occur on or after July 1, 2003</i>

Sec. 6	<i>July 1, 2003, and applicable to sales, transfers, or changes in use of land classified as farm land, forest land or open space land that occur on or after July 1, 2003</i>
Sec. 7	<i>July 1, 2003, and applicable to sales, transfers, or changes in use of land classified as farm land, forest land or open space land that occur on or after July 1, 2003</i>
Sec. 8	<i>July 1, 2003, and applicable to sales, transfers, or changes in use of land classified as farm land, forest land or open space land that occur on or after July 1, 2003</i>
Sec. 9	<i>July 1, 2003, and applicable to sales, transfers, or changes in use of land classified as farm land, forest land or open space land that occur on or after July 1, 2003</i>
Sec. 10	<i>July 1, 2003, and applicable to sales, transfers, or changes in use of land classified as farm land, forest land or open space land that occur on or after July 1, 2003</i>
Sec. 11	<i>July 1, 2003</i>

PD **Joint Favorable Subst.**