



**Testimony**  
**David Radka, President on behalf of Connecticut Water Works Association (CWWA)**  
**Finance Committee Public Hearing**  
**February 9, 2009**

**Re: SB-815, AN ACT CREATING A MORATORIUM ON TAX CREDITS**

CWWA *opposes* SB-815, which would repeal the conservation tax credit. Although we understand that the state is facing unprecedented fiscal challenges, we are concerned that the elimination of this tax credit would undermine the state's efforts to preserve and protect open space and watershed lands.

The conservation tax credit has proven a powerful incentive in encouraging the donation or discount sale of land for preservation as open space, which has helped protect Connecticut's ecological habitats, its natural beauty and its outdoor recreational areas. By helping to preserve hundreds of acres of pristine land as open space, this credit has directly benefited local municipalities and the citizens of Connecticut as well as future generations.

For example, the tax credit that is currently available to private water companies has provided an important incentive for the donation or bargain sale of lands that have been preserved as open space. When the new tax credit was approved Connecticut Water Company donated 105 acres to the town of Naugatuck and 134 acres to the town of Middlebury for open space that were previously proposed for sale for development. The Company has since donated 10 acres to the town of Avon and 365 acres to the town of Killingly for open space. This information highlighting the experience of one private water company underscores how successful the tax credit has been in furthering the state's goals for retaining and preserving Connecticut's open space and watershed lands without requiring bond money for the acquisition of the properties. The tax credits are provided based on fifty percent of the value of the donation, so in essence the open space properties have been secured at half of what it would otherwise have cost taxpayers.

We also ask that the Committee not make any changes to the corporate tax credits that would adversely affect those who have already made commitments based on laws that were in effect at that time. It would be unfair to change the laws and eliminate or reduce tax benefits that were relied upon by those companies that stepped up, did the right thing, and made open space donations based on the existing laws.

CWWA therefore urges you to **reject the provisions in this bill which would eliminate or reduce the conservation tax credit.**

*The Connecticut Water Works Association, Inc. (CWWA) is an association of private, regional and municipal water supply utilities serving more than 500,000 customers, or population of about 2½ million people, located throughout Connecticut. As purveyors of public water supplies, our members have an obligation to provide sufficient quantities of high-quality water at a reasonable cost to consumers of the communities served.*