



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Public Hearing – March 07, 2011
Environment Committee

Testimony Submitted by Acting Commissioner Susan Frechette
Department of Environmental Protection

**Raised House Bill No. 6263 - AN ACT CONCERNING THE TRANSITION FROM THE
TEN MILL PROGRAM**

Thank you for the opportunity to present testimony regarding Raised House Bill No. 6263 - AN ACT CONCERNING THE TRANSITION FROM THE TEN MILL PROGRAM. The Department of Environmental Protection (Department) offers the following testimony.

The 10 mill program was an innovative idea conceived nearly 100 years ago designed to conserve Connecticut private forest lands and the public benefits they provide. In 1963, upon determining few properties met the land value qualifications required for 10 mill classification, sections 12-96 through 12-98 were replaced with section 12-107d, classification of forestland commonly known today as "Public Act 490".

While the 10 mill program has been very successful method of conserving forest lands, the designed revaluation after 50 years from original certification poses potential unintended consequences. Significant increases in valuation may leave some landowners who desire to conserve their forests no choice but to convert part or all of their property into a non-forest use to offset the considerable increased tax burden. There are an estimated 137 properties totaling approximately 14,050 acres in 34 different communities currently at risk from this revaluation problem.

The conservation of forest land and its benefits is a national and global objective. Connecticut's forests provide abundant ecosystem services such as clean water, clean air, carbon sequestration, temperature moderation, erosion and storm water control, and wildlife habitat. They also offer abundant outdoor recreation opportunities and support a robust forest economy that contributes over \$500 million dollars annually to Connecticut's economy and employs over 3,000 people.

Nationally, forest land taxation policies and programs are key strategies for states to preserve forests. Numerous studies in Connecticut and in other states have determined the cost of community services for developed land to be considerably greater than land committed to conservation purposes. Landowners who have permanently protected their forest from non forest-use by transfer to a land preservation organization or placement of a conservation easement through sale or donation achieve the intended goals of the 10 mill program and should therefore not be subject to penalties identified in sections 12-96 through 12-98.

This bill provides forest landowners who are currently enrolled in the 10 mill program under Connecticut General Statutes Property Tax Assessment sections 12-96 through 12-98 an option to convert to the provisions of section 12-107d without penalty,. The conversion would require the sale or donation of a fee interest in the forest property, or the conveyance of a permanent conservation easement to a non-profit land preservation organization.

Alternatively, woodlands retaining a 10 mill classification upon their fiftieth year revaluation under section 12-97 would be assessed at a rate not to exceed the similar properties classified as "forestland" under section 12-107d. It is important to note that H.B. 6263 proposes no change to the graduated yield tax calculation or the penalty calculation when timber is removed, should the property be declassified without being conserved in perpetuity and prior to the 100 year anniversary of the original classifying certificate.

The Department believes parity between 10 mill property owners and PA 490 forestland owners achieves the legislative intent of current-use valuation. It is in the public's interest to encourage preservation of forest land and prevent the forced conversion to more intensive uses as a result of incompatible property taxation based upon actual value.

For clarity purposes, the Department recommends proposed language be specific to referenced section and chapter number so as to avoid confusion between relevant 10 mill and PA 490 statutes.

In summary, the Department supports Raised House Bill No. 6263 with certain recommendations. This bill provides a legislative incentive for private landowners to conserve their property by allowing transition, without penalty, from 10 mill to PA-490, a program which has also shared significant success in preserving forest land for nearly 50 years.

Thank you for the opportunity to present the Department's views on this proposal. If you should require any additional information, please contact the Department's legislative liaison, Robert LaFrance, at (860) 424-3401 or Robert.Lafrance@ct.gov.