



**Substitute House Bill No. 5057**

**Public Act No. 14-33**

**AN ACT CONCERNING THE ASSESSMENT OF HORSES AND PONIES AND FARM MACHINERY AND THE TRANSFER OF LAND CLASSIFIED AS FARM LAND, OPEN SPACE LAND, FOREST LAND AND MARINE HERITAGE LAND.**

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

Section 1. (NEW) (*Effective October 1, 2014, and applicable to assessment years commencing on or after said date*) Notwithstanding the provisions of subdivision (68) of section 12-81 of the general statutes and section 12-91 of the general statutes, as amended by this act, any municipality may, by vote of its legislative body or, in a municipality where the legislative body is a town meeting, by vote of the board of selectmen, exempt from property taxation horses or ponies of any value.

Sec. 2. Section 12-91 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2014, and applicable to assessment years commencing on or after said date*):

(a) All farm machinery, except motor vehicles, as defined in section 14-1, to the assessed value of one hundred thousand dollars, any horse or pony which is actually and exclusively used in farming, as defined in section 1-1, when owned and kept in this state by, or when held in trust for, any farmer or group of farmers operating as a unit, a partnership or a corporation, a majority of the stock of which

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corporation is held by members of a family actively engaged in farm operations, shall be exempt from local property taxation; provided each such farmer, whether operating individually or as one of a group, partnership or corporation, shall qualify for such exemption in accordance with the standards set forth in subsection (d) of this section for the assessment year for which such exemption is sought. Only one such exemption shall be allowed to each such farmer, group of farmers, partnership or corporation. Subdivision (38) of section 12-81 shall not apply to any person, group, partnership or corporation receiving the exemption provided for in this subsection.

(b) Any municipality, upon approval by its legislative body, may provide an additional exemption from property tax for such machinery to the extent of an additional assessed value of one hundred thousand dollars. Any such exemption shall be subject to the same limitations as the exemption provided under subsection (a) of this section and the application and qualification process provided in subsection (d) of this section.

(c) Any municipality, upon approval by its legislative body, may provide an exemption from property tax for any building used actually and exclusively in farming, as defined in section 1-1, or for any building used to provide housing for seasonal employees of such farmer. The municipality shall establish the amount of such exemption from the assessed value, provided such amount may not exceed one hundred thousand dollars with respect to each eligible building. Such exemption shall not apply to the residence of such farmer and shall be subject to the application and qualification process provided in subsection (d) of this section.

(d) Annually, on or before the first day of November or the extended filing date granted by the assessor pursuant to section 12-42, each such individual farmer, group of farmers, partnership or corporation shall make written application for the exemption provided

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for in subsection (a) of this section to the assessor or board of assessors in the town in which such farm is located, including therewith a notarized affidavit certifying that such farmer, individually or as part of a group, partnership or corporation, derived at least fifteen thousand dollars in gross sales from such farming operation, or incurred at least fifteen thousand dollars in expenses related to such farming operation, with respect to the most recently completed taxable year of such farmer prior to the commencement of the assessment year for which such application is made, on forms to be prescribed by the Commissioner of Agriculture. Failure to file such application in said manner and form on or before the first day of November shall be considered a waiver of the right to such exemption for the assessment year. Any person aggrieved by any action of the assessors shall have the same rights and remedies for appeal and relief as are provided in the general statutes for taxpayers claiming to be aggrieved by the doings of the assessors or board of assessment appeals.

Sec. 3. Subsection (g) of section 12-107d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2014, and applicable to assessment years commencing on or after said date*):

(g) A report issued by a certified forester pursuant to subsection (c) of this section shall be on a form prescribed by the State Forester and shall set forth a description of the land, a description of the forest growth upon the land, a description of forest management activities recommended to be undertaken to maintain the land in a state of proper forest condition and such other information as the State Forester may require as measures of forest stocking, distribution and condition and shall include the name, address and certificate number of the certified forester and a signed, sworn statement that the certified forester has determined that the land proposed for classification conforms to the standards of forest stocking, distribution and

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condition established by the State Forester. An application to an assessor for classification of land as forest land shall be made upon a form prescribed by such assessor and approved by the Commissioner of Energy and Environmental Protection and shall set forth a description of the land and the date of the issuance of the certified forester's report and a statement of the potential liability for tax under the provisions of sections 12-504a to 12-504e, inclusive, as amended by this act. The certified forester's report shall be signed and dated by the certified forester not later than October first and shall be attached to and made a part of such application. [No later than October first, such application shall be submitted to the assessor.]

Sec. 4. Subsection (a) of section 12-504a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2014, and applicable to assessment years commencing on or after said date*):

(a) If at any time there is a change of ownership for any property that is classified as farm land pursuant to section 12-107c, forest land pursuant to section 12-107d, as amended by this act, open space land pursuant to section 12-107e or maritime heritage land pursuant to section 12-107g, a [revised] new application shall be filed with the assessor pursuant to said section 12-107c, 12-107d, 12-107e or [section] 12-107g, provided such change of ownership is not an excepted transfer pursuant to section 12-504c, as amended by this act.

Sec. 5. Section 12-504c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2014, and applicable to assessment years commencing on or after said date*):

(a) The provisions of section 12-504a, as amended by this act, shall not be applicable to the following: (1) Transfers of land resulting from eminent domain proceedings; (2) mortgage deeds; (3) deeds to or by the United States of America, state of Connecticut or any political

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subdivision or agency thereof; (4) strawman deeds and deeds [which] that correct, modify, supplement or confirm a deed previously recorded; (5) deeds between [husband and wife] spouses and parent and child when no consideration is received, except that a subsequent nonexempt transfer by the grantee in such cases shall be subject to the provisions of said section 12-504a as it would be if the grantor were making such nonexempt transfer; (6) tax deeds; (7) deeds of foreclosure; (8) deeds of partition; (9) deeds made pursuant to a merger of a corporation; (10) deeds made by a subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the capital stock of such subsidiary; (11) property transferred as a result of death when no consideration is received and in such transfer the date of acquisition or classification of the land for purposes of sections 12-504a to 12-504f, inclusive, as amended by this act, or section 12-107g, whichever is earlier, shall be the date of acquisition or classification by the decedent; (12) deeds to any corporation, trust or other entity, of land to be held in perpetuity for educational, scientific, aesthetic or other equivalent passive uses, provided such corporation, trust or other entity has received a determination from the Internal Revenue Service that contributions to it are deductible under applicable sections of the Internal Revenue Code; (13) land subject to a covenant specifically set forth in the deed transferring title to such land, which covenant is enforceable by the town in which such land is located, to refrain from selling, transferring or developing such land in a manner inconsistent with its classification as farm land pursuant to section 12-107c, forest land pursuant to section 12-107d, as amended by this act, open space land pursuant to section 12-107e or maritime heritage land pursuant to section 12-107g, for a period of not less than eight years from the date of transfer, if such covenant is violated the conveyance tax set forth in this chapter shall be applicable at the rate multiplied by the market value as determined by the assessor which would have been applicable at the date the deed containing the covenant was delivered and, in addition,

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the town or any taxpayer therein may commence an action to enforce such covenant; (14) land the development rights to which have been sold to the state under chapter 422a; and (15) deeds to or from any limited liability company when the grantors or grantees are the same individuals as the principals or members of the limited liability company. If action is taken under subdivision (13) of this [section] subsection by a taxpayer, such action shall commence prior to the ninth year following the date of the deed containing such covenant and the town shall be served as a necessary party.

(b) Any person who obtains title to land as a result of a change of ownership enumerated in subsection (a) of this section shall provide notice of such change of ownership to the assessor by completing a form prescribed by (1) the Commissioner of Agriculture if such land is classified as farm land pursuant to section 12-107c or open space land pursuant to section 12-107e; (2) the State Forester if such land is classified as forest land pursuant to section 12-107d, as amended by this act; or (3) the Secretary of the Office of Policy and Management if such land is classified as maritime heritage land pursuant to section 12-107g. In addition to the notice required under this subsection, any person who obtains title to land classified as forest land shall submit a report issued by a certified forester in accordance with section 12-107d, as amended by this act, if such a report has not been submitted within ten years prior to the date of the change of ownership.

(c) For any change of ownership enumerated in subsection (a) of this section except subdivision (7), the ten-year period provided under section 12-504a, as amended by this act, shall not be affected by the date of such change of ownership and shall be measured as follows: (1) For land classified as farm land pursuant to section 12-107c or forest land pursuant to section 12-107d, as amended by this act, such period shall be measured from the date on which such land was classified as farm land or forest land or the date on which the transferor acquired

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title to such farm land or forest land, whichever is earlier; and (2) for land classified as open space land pursuant to section 12-107e or maritime heritage land pursuant to section 12-107g, such period shall be measured from the date on which such land was classified as open space land or maritime heritage land.

Sec. 6. Section 12-504f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2014, and applicable to assessment years commencing on or after said date*):

The tax assessor shall file annually [, not later than sixty days after the assessment date,] with the town clerk a certificate for any land [which] that has been classified as farm land pursuant to section 12-107c, as forest land pursuant to section 12-107d, as amended by this act, as open space land pursuant to section 12-107e or as maritime heritage land pursuant to section 12-107g, which certificate shall set forth the date of the initial classification and the obligation to pay the conveyance tax imposed by this chapter. [Said] Such certificate shall be filed not later than sixty days after the assessment date, except that in a year in which revaluation required under section 12-62 becomes effective, such certificate shall be filed not later than January thirty-first following the assessment date. Such certificate shall be recorded in the land records of such town. Any such classification of land shall be deemed personal to the particular owner who requests such classification and shall not run with the land. The town clerk shall notify the tax assessor of the filing in the land records of the sale of any such land. Upon receipt of such notice the tax assessor shall inform the new owner of the tax benefits of classification of such land as farm land, forest land, [or] open space land or maritime heritage land.

Approved May 29, 2014