



General Assembly

January Session, 2015

Raised Bill No. 970

LCO No. 4001



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

AN ACT CONCERNING THE TAXATION OF GOLF COURSES.

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

1 Section 1. (NEW) (*Effective October 1, 2015, and applicable to assessment*
2 *years commencing on and after said date*) (a) For purposes of this section,
3 "golf course land" means any golf course consisting of at least twenty-
4 five acres of land that is used for golfing, derives at least fifty per cent
5 of its annual revenues from golfing fees or group outings and consists
6 of not less than nine golf holes.

7 (b) Each municipality shall, by ordinance, adopt a new assessment
8 classification for golf course land. Such ordinance shall provide for a
9 procedure by which an owner may file a written application to the
10 assessor for such classification.

11 (c) Land that is classified as golf course land pursuant to subsection
12 (b) of this section shall be valued as open space land without regard to
13 golf course improvements such as greens and tees. Buildings and
14 parking lots that are associated with the golf course shall be valued at
15 fair market value.

16 Sec. 2. Section 12-504a of the general statutes is repealed and the
17 following is substituted in lieu thereof (*Effective October 1, 2015*):

18 (a) If at any time there is a change of ownership for any property
19 that is classified as farm land pursuant to section 12-107c, forest land
20 pursuant to section 12-107d, open space land pursuant to section 12-
21 107e, as amended by this act, [or] maritime heritage land pursuant to
22 section 12-107g or golf course land pursuant to section 1 of this act, a
23 new application shall be filed with the assessor pursuant to said
24 section 12-107c, 12-107d, 12-107e, as amended by this act, or 12-107g or
25 section 1 of this act, provided such change of ownership is not an
26 excepted transfer pursuant to section 12-504c, as amended by this act.

27 (b) Any land [which] that has been classified by the record owner
28 thereof as open space land pursuant to section 12-107e, as amended by
29 this act, [or as] maritime heritage land pursuant to section 12-107g or
30 golf course land pursuant to section 1 of this act, if sold or transferred
31 by [him] such record owner within a period of ten years from the time
32 [he] such record owner first caused such land to be so classified, shall
33 be subject to a conveyance tax applicable to the total sales price of such
34 land, which tax shall be in addition to the tax imposed under sections
35 12-494 to 12-504, inclusive. Said conveyance tax shall be at the
36 following rate: (1) Ten per cent of said total sales price if sold within
37 the first year following the date of such classification; (2) nine per cent
38 if sold within the second year following the date of such classification;
39 (3) eight per cent if sold within the third year following the date of
40 such classification; (4) seven per cent if sold within the fourth year
41 following the date of such classification; (5) six per cent if sold within
42 the fifth year following the date of such classification; (6) five per cent
43 if sold within the sixth year following the date of such classification; (7)
44 four per cent if sold within the seventh year following the date of such
45 classification; (8) three per cent if sold within the eighth year following
46 the date of such classification; (9) two per cent if sold within the ninth
47 year following the date of such classification; and (10) one per cent if
48 sold within the tenth year following the date of such classification. No

49 conveyance tax shall be imposed on such record owner by the
50 provisions of sections 12-504a to 12-504f, inclusive, as amended by this
51 act, following the end of the tenth year after the date of such
52 classification by the record owner or person acquiring title to such land
53 or causing such land to be so classified, except with regard to golf
54 course land, following the end of the tenth year after the date of such
55 classification, a conveyance tax of one per cent shall be imposed on any
56 record owner of such land at the time such golf course land is sold or
57 transferred by the record owner.

58 (c) Any land [which] that has been classified by the record owner
59 thereof as farm land pursuant to section 12-107c or as forest land
60 pursuant to section 12-107d, if sold or transferred by [him] such record
61 owner within a period of ten years from the time [he] such record
62 owner acquired title to such land or from the time [he] such record
63 owner first caused such land to be so classified, whichever is earlier,
64 shall be subject to a conveyance tax applicable to the total sales price of
65 such land, which tax shall be in addition to the tax imposed under
66 sections 12-494 to 12-504, inclusive. Said conveyance tax shall be at the
67 following rate: (1) Ten per cent of said total sales price if sold within
68 the first year of ownership by such record owner; (2) nine per cent if
69 sold within the second year of ownership by such record owner; (3)
70 eight per cent if sold within the third year of ownership by such record
71 owner; (4) seven per cent if sold within the fourth year of ownership
72 by such record owner; (5) six per cent if sold within the fifth year of
73 ownership by such record owner; (6) five per cent if sold within the
74 sixth year of ownership by such record owner; (7) four per cent if sold
75 within the seventh year of ownership by such record owner; (8) three
76 per cent if sold within the eighth year of ownership by such record
77 owner; (9) two per cent if sold within the ninth year of ownership by
78 such record owner; and (10) one per cent if sold within the tenth year
79 of ownership by such record owner. No conveyance tax shall be
80 imposed by the provisions of sections 12-504a to 12-504f, inclusive, as
81 amended by this act, following the end of the tenth year of ownership

82 by the record owner or person acquiring title to such land or causing
83 such land to be so classified.

84 Sec. 3. Section 12-504c of the general statutes is repealed and the
85 following is substituted in lieu thereof (*Effective October 1, 2015*):

86 (a) The provisions of section 12-504a, as amended by this act, shall
87 not be applicable to the following: (1) Transfers of land resulting from
88 eminent domain proceedings; (2) mortgage deeds; (3) deeds to or by
89 the United States of America, state of Connecticut or any political
90 subdivision or agency thereof; (4) strawman deeds and deeds that
91 correct, modify, supplement or confirm a deed previously recorded; (5)
92 deeds between spouses and parent and child when no consideration is
93 received, except that a subsequent nonexempt transfer by the grantee
94 in such cases shall be subject to the provisions of said section 12-504a,
95 as amended by this act, as it would be if the grantor were making such
96 nonexempt transfer; (6) tax deeds; (7) deeds of foreclosure; (8) deeds of
97 partition; (9) deeds made pursuant to a merger of a corporation; (10)
98 deeds made by a subsidiary corporation to its parent corporation for
99 no consideration other than the cancellation or surrender of the capital
100 stock of such subsidiary; (11) property transferred as a result of death
101 when no consideration is received and in such transfer the date of
102 acquisition or classification of the land for purposes of sections 12-504a
103 to 12-504f, inclusive, as amended by this act, or section 12-107g,
104 whichever is earlier, shall be the date of acquisition or classification by
105 the decedent; (12) deeds to any corporation, trust or other entity, of
106 land to be held in perpetuity for educational, scientific, aesthetic or
107 other equivalent passive uses, provided such corporation, trust or
108 other entity has received a determination from the Internal Revenue
109 Service that contributions to it are deductible under applicable sections
110 of the Internal Revenue Code; (13) land subject to a covenant
111 specifically set forth in the deed transferring title to such land, which
112 covenant is enforceable by the town in which such land is located, to
113 refrain from selling, transferring or developing such land in a manner
114 inconsistent with its classification as farm land pursuant to section 12-

115 107c, forest land pursuant to section 12-107d, open space land
116 pursuant to section 12-107e, as amended by this act, [or] maritime
117 heritage land pursuant to section 12-107g or golf course land pursuant
118 to section 1 of this act, for a period of not less than eight years from the
119 date of transfer, if such covenant is violated the conveyance tax set
120 forth in this chapter shall be applicable at the rate multiplied by the
121 market value as determined by the assessor which would have been
122 applicable at the date the deed containing the covenant was delivered
123 and, in addition, the town or any taxpayer therein may commence an
124 action to enforce such covenant; (14) land the development rights to
125 which have been sold to the state under chapter 422a; and (15) deeds to
126 or from any limited liability company when the grantors or grantees
127 are the same individuals as the principals or members of the limited
128 liability company. If action is taken under subdivision (13) of this
129 subsection by a taxpayer, such action shall commence prior to the
130 ninth year following the date of the deed containing such covenant
131 and the town shall be served as a necessary party.

132 (b) Any person who obtains title to land as a result of a change of
133 ownership enumerated in subsection (a) of this section shall provide
134 notice of such change of ownership to the assessor by completing a
135 form prescribed by (1) the Commissioner of Agriculture if such land is
136 classified as farm land pursuant to section 12-107c or open space land
137 pursuant to section 12-107e, as amended by this act; (2) the State
138 Forester if such land is classified as forest land pursuant to section 12-
139 107d; or (3) the Secretary of the Office of Policy and Management if
140 such land is classified as maritime heritage land pursuant to section 12-
141 107g or golf course land pursuant to section 1 of this act. In addition to
142 the notice required under this subsection, any person who obtains title
143 to land classified as forest land shall submit a report issued by a
144 certified forester in accordance with section 12-107d if such a report
145 has not been submitted within ten years prior to the date of the change
146 of ownership.

147 (c) For any change of ownership enumerated in subsection (a) of

148 this section except subdivision (7), the ten-year period provided under
149 section 12-504a, as amended by this act, shall not be affected by the
150 date of such change of ownership and shall be measured as follows: (1)
151 For land classified as farm land pursuant to section 12-107c or forest
152 land pursuant to section 12-107d, such period shall be measured from
153 the date on which such land was classified as farm land or forest land
154 or the date on which the transferor acquired title to such farm land or
155 forest land, whichever is earlier; and (2) for land classified as open
156 space land pursuant to section 12-107e, as amended by this act, [or]
157 maritime heritage land pursuant to section 12-107g or golf course land
158 pursuant to section 1 of this act, such period shall be measured from
159 the date on which such land was classified as open space land or
160 maritime heritage land.

161 Sec. 4. Section 12-504e of the general statutes is repealed and the
162 following is substituted in lieu thereof (*Effective October 1, 2015*):

163 Any land which has been classified by the owner as farm land
164 pursuant to section 12-107c, forest land pursuant to section 12-107d,
165 open space land pursuant to section 12-107e, as amended by this act,
166 [or] maritime heritage land pursuant to section 12-107g or golf course
167 land pursuant to section 1 of this act, if changed by [him] such owner,
168 within a period of ten years [of his acquisition of] after the date on
169 which such owner acquires title, to use other than farm land, forest
170 land, open space land, [or] maritime heritage land or golf course land,
171 shall be subject to said conveyance tax as if there had been an actual
172 conveyance by [him] such owner, as provided in sections 12-504a, as
173 amended by this act, and 12-504b, at the time [he] such owner makes
174 such change in use. For the purposes of this section: (1) The value of
175 any such property shall be the fair market value thereof as determined
176 by the assessor in conjunction with the most recent revaluation, and (2)
177 the date used for purposes of determining such tax shall be the date on
178 which the use of such property is changed, or the date on which the
179 assessor becomes aware of a change in use of such property,
180 whichever occurs first.

181 Sec. 5. Section 12-504f of the general statutes is repealed and the
182 following is substituted in lieu thereof (*Effective October 1, 2015*):

183 The tax assessor shall file annually with the town clerk a certificate
184 for any land that has been classified as farm land pursuant to section
185 12-107c, as forest land pursuant to section 12-107d, as open space land
186 pursuant to section 12-107e, as amended by this act, [or] as maritime
187 heritage land pursuant to section 12-107g or as golf course land
188 pursuant to section 1 of this act, which certificate shall set forth the
189 date of the initial classification and the obligation to pay the
190 conveyance tax imposed by this chapter. Such certificate shall be filed
191 not later than sixty days after the assessment date, except that in a year
192 in which revaluation required under section 12-62 becomes effective,
193 such certificate shall be filed not later than January thirty-first
194 following the assessment date. Such certificate shall be recorded in the
195 land records of such town. Any such classification of land shall be
196 deemed personal to the particular owner who requests such
197 classification and shall not run with the land. The town clerk shall
198 notify the tax assessor of the filing in the land records of the sale of any
199 such land. Upon receipt of such notice the tax assessor shall inform the
200 new owner of the tax benefits of classification of such land as farm
201 land, forest land, open space land, [or] maritime heritage land or golf
202 course land.

203 Sec. 6. Section 12-504h of the general statutes is repealed and the
204 following is substituted in lieu thereof (*Effective October 1, 2015*):

205 Any such classification of farm land pursuant to section 12-107c,
206 forest land pursuant to section 12-107d, open space land pursuant to
207 section 12-107e, as amended by this act, [or] maritime heritage land
208 pursuant to section 12-107g or golf course land pursuant to section 1 of
209 this act, shall be deemed personal to the particular owner who requests
210 and receives such classification and shall not run with the land. Any
211 such land [which] that has been classified by a record owner shall
212 remain so classified without the filing of any new application

213 subsequent to such classification, notwithstanding the provisions of
214 sections 12-107c, 12-107d, 12-107e, as amended by this act, and 12-107g
215 and section 1 of this act, until either of the following shall occur: (1)
216 The use of such land is changed to a use other than that described in
217 the application for the existing classification by said record owner, or
218 (2) such land is sold or transferred by said record owner. Upon the sale
219 or transfer of any such property, the classification of such land as farm
220 land pursuant to section 12-107c, forest land pursuant to section 12-
221 107d, open space land pursuant to section 12-107e, as amended by this
222 act, [or] maritime heritage land pursuant to section 12-107g or golf
223 course land pursuant to section 1 of this act, shall cease as of the date
224 of sale or transfer. In the event that a change in use of any such
225 property occurs, the provisions of section 12-504e, as amended by this
226 act, shall apply in terms of determining the date of change and the
227 classification of such land as farm land pursuant to section 12-107c,
228 forest land pursuant to section 12-107d, open space land pursuant to
229 section 12-107e, as amended by this act, [or] maritime heritage land
230 pursuant to section 12-107g or golf course land pursuant to section 1 of
231 this act, shall cease as of such date.

232 Sec. 7. (NEW) (*Effective October 1, 2015*) (a) Whenever any owner of
233 golf course land classified as such pursuant to section 1 of this act or
234 golf course land classified as open space under section 12-107e of the
235 general statutes, as amended by this act, on any assessment list of a
236 municipality intends to sell or transfer for value such land or a portion
237 thereof, the owner shall first give notice of his or her intent to sell such
238 land to the municipality in which the land is located. The notice shall
239 be given in writing by certified mail, return receipt requested, to the
240 chief executive officer and the clerk of the municipality and shall
241 include a description of the land which the owner intends to sell and
242 the minimum amount, stated in dollars, which the owner will entertain
243 as an offer for the sale of such land. The municipality shall have ninety
244 days after receiving the notice to negotiate and enter into a contract for
245 the purchase of such land with the owner. During such ninety-day

246 period, the owner may negotiate with any other person for the sale of
247 such land. A valid contract to sell such land which results from any
248 negotiation shall not provide for the actual transfer of such land prior
249 to the expiration of such ninety-day period and may be contingent
250 upon the municipality and the owner failing to enter into a contract of
251 sale within such ninety-day period. If (1) the board of selectmen or
252 other governing body of the municipality gives written notice to the
253 owner during such ninety-day period by certified mail, return receipt
254 requested, that the municipality does not intend to purchase such land,
255 or (2) the owner demonstrates to such board or governing body that he
256 or she would suffer a financial hardship if he or she was unable to
257 make or accept another offer during such ninety-day period and such
258 board or governing body waives the rights of the municipality under
259 this section to negotiate and enter into a contract of sale with any other
260 person during such ninety-day period, the owner may enter into a
261 contract of sale with any other person during such ninety-day period.
262 The provisions of this section shall apply to an owner of golf course
263 land classified as such pursuant to section 1 of this act or of golf course
264 land classified of open space under section 12-107e of the general
265 statutes, as amended by this act, who changes the use and
266 classification of such land on or after October 1, 2015, to a use and
267 classification other than golf course land or open space for a two-year
268 period following the date of such change.

269 (b) The provisions of subsection (a) of this section shall not apply to
270 any sale or transfer of such land (1) to the state, the United States, a
271 spouse, a parent, a child, a grandchild or next of kin, or (2) to a person
272 who agrees in a covenant specifically set forth in the deed transferring
273 title to such land to continue the use to which such land is being put at
274 the time of the sale or transfer.

275 Sec. 8. Section 12-107e of the general statutes is repealed and the
276 following is substituted in lieu thereof (*Effective October 1, 2015, and*
277 *applicable to assessment years commencing on and after said date*):

278 (a) The planning commission of any municipality in preparing a
279 plan of conservation and development for such municipality may
280 designate upon such plan areas which it recommends for preservation
281 as areas of open space land, provided such designation is approved by
282 a majority vote of the legislative body of such municipality. Land
283 included in any area so designated upon such plan as finally adopted
284 may be classified as open space land for purposes of property taxation
285 or payments in lieu thereof if there has been no change in the use of
286 such area which has adversely affected its essential character as an
287 area of open space land between the date of the adoption of such plan
288 and the date of such classification.

289 (b) An owner of land included in any area designated as open space
290 land upon any plan as finally adopted may apply for its classification
291 as open space land on any grand list of a municipality by filing a
292 written application for such classification with the assessor thereof not
293 earlier than thirty days before or later than thirty days after the
294 assessment date, provided in a year in which a revaluation of all real
295 property in accordance with section 12-62 becomes effective such
296 application may be filed not later than ninety days after such
297 assessment date. The assessor shall determine whether there has been
298 any change in the area designated as an area of open space land upon
299 the plan of development which adversely affects its essential character
300 as an area of open space land and, if the assessor determines that there
301 has been no such change, said assessor shall classify such land as open
302 space land and include it as such on the grand list. An application for
303 classification of land as open space land shall be made upon a form
304 prescribed by the Commissioner of Agriculture and shall set forth a
305 description of the land, a general description of the use to which it is
306 being put, a statement of the potential liability for tax under the
307 provisions of section 12-504a to 12-504f, inclusive, as amended by this
308 act, and such other information as the assessor may require to aid in
309 determining whether such land qualifies for such classification.

310 (c) Failure to file an application for classification of land as open

311 space land within the time limit prescribed in subsection (b) of this
 312 section and in the manner and form prescribed in said subsection (b)
 313 shall be considered a waiver of the right to such classification on such
 314 assessment list.

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

320 (e) Golf course land that is classified as open space pursuant to this
 321 section shall be valued as open space land without regard to golf
 322 course improvements such as greens and tees. Buildings and parking
 323 lots that are associated with the golf course shall be valued at fair
 324 market value.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015, and applicable to assessment years commencing on and after said date</i>	New section
Sec. 2	<i>October 1, 2015</i>	12-504a
Sec. 3	<i>October 1, 2015</i>	12-504c
Sec. 4	<i>October 1, 2015</i>	12-504e
Sec. 5	<i>October 1, 2015</i>	12-504f
Sec. 6	<i>October 1, 2015</i>	12-504h
Sec. 7	<i>October 1, 2015</i>	New section
Sec. 8	<i>October 1, 2015, and applicable to assessment years commencing on and after said date</i>	12-107e

Statement of Purpose:

To require municipalities to establish a new tax classification for golf courses.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]