



**Testimony**  
**Elizabeth Gara**  
**Connecticut Water Works Association (CWVA)**  
**Before the Finance Committee**  
**Public Hearing**  
**March 9, 2015**

**Re: SB-946, AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET**

The Connecticut Water Works Association (CWVA), an association of municipal, regional and private water utilities, **opposes provisions** in **SB-946** which would: 1) Sweep revenues from the Community Investment Account, which funds the open space and watershed acquisition land program and other preservation programs; and 2) Limit the ability of companies to utilize tax credits to reduce tax liabilities. Although we understand that the state is facing unprecedented fiscal challenges, we are concerned that these provisions will undermine the state's efforts to preserve and protect open space and watershed lands.

CWVA has long supported efforts to protect Connecticut's water supply watershed and aquifer lands by preserving these lands as open space. The state has made consistent progress in meeting its goal of protecting 21% of the state's land as open space by the year 2023 due to programs like the Open Space and Watershed Acquisition program and the tax credit for donation of open space land at discount prices. These programs provide powerful incentives to water utilities and other organizations to acquire and preserve open space lands to help protect Connecticut's ecological habitats, its natural beauty and outdoor recreational areas.

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. In 2000, Connecticut Water Company donated 105 acres to the town of Naugatuck and in 2001; the company donated 134 acres to the town of Middlebury for open space. This tax credit also facilitated the donation of 365 acres to the Town of Killingly for open space over a three-year period, 10 acres to the Town of Avon. Clearly, the tax credit has proven to be a powerful tool in helping to protect Connecticut's ecological habitats, its natural beauty and its outdoor recreational areas as open space land.

In addition, the Open Space and Watershed Land Acquisition Grant Program, which provides matching funds to various organizations for the purchase of open space and watershed lands, has helped preserve thousands of acres of pristine land as open space. This directly benefits the citizens of Connecticut as well as future generations.

CWVA therefore urges lawmakers to eliminate the provisions in SB-946 which limit the tax credit available to companies that donate or sell at a discount land to be preserved as open space and sweep revenues from the Community Investment Account which funds open space and other land preservation programs.

We are also concerned with provisions in the bill which continue the 20% corporation business tax surcharge. Adding a tax surcharge and extending the sunset period creates uncertainty in our tax structure which undermines business confidence and investment.