



# Town of Colchester, Connecticut

John J. Chaponis, Assessor

February 25, 2015

Re: SB 970 AAC the Taxation of Golf Course

Members of the Planning & Development Committee:

The Town of Colchester respectfully requests that you oppose SB 970 that would essentially take ALL Golf Course land off their tax rolls and includes Private Golf Course & exclusive Country Clubs.

SB 970 is not a local option and is being mandated.

SB 970 wants to equate Golf Courses to that of all other PA 490 land which has been preserved and not improved. Golf Courses are not similar to Farm, Forest or Open Space because only the acreage of Farmland, Forestland and Open Space that has no improvements can qualify for a PA490 assessment. Golf courses have massive improvements in their greens, fairways, tee boxes, bunkers, irrigation, & sprinkler systems.

*With no Judges dissenting, the Connecticut Supreme Court, in Rustici v. Town of Stonington, ruled that Golf Course greens, fairways, & roughs were improvements to the land and those areas could NOT be included in the PA 490 assessment program.*

Aside from the obvious revenue loss created by SB 970, even more disturbing is that the Golf Course Industry would be treated special and different than every other for profit business. In its current form, SB 970 would allow a Golf Course to add buildings and tenants with additional retail shopping as long as "50% of their annual revenue was from golfing and group outings".

Group outings remains undefined and could very well include wedding banquets in their restaurant/banquet room, wedding/baby showers, birthday/retirement parties, business meetings, etc. all while avoiding paying taxes on the land. Colchester has a golf course that consists of 89 acres in total and currently 53 of the 89 acres are already in the PA 490 program and being assessed as Forestland. There is nothing prohibiting a Golf Course from putting the land, that is not improved (with fairways, greens, tee boxes, bunkers, sprinklers, etc.), into the PA 490 assessment program. However, SB 970 will mandate that municipalities extend this assessment exemption to the land that has clearly been improved.

There is no justification for this course of action and over the last 10-20 years we have seen existing Golf Courses expanded and new Golf Courses constructed at great financial cost suggesting the demand is strong and the industry is fiscally stable.

According to the Hartford Business Journal, Connecticut Golf Courses reported a record year in sales last year with a 6.6% increase over the prior year.

[http://www.hartfordbusiness.com/article/20140909/NEWS01/140909926/1004?utm\\_source=enews&utm\\_medium=HBJ%2BToday&utm\\_campaign=Tuesday](http://www.hartfordbusiness.com/article/20140909/NEWS01/140909926/1004?utm_source=enews&utm_medium=HBJ%2BToday&utm_campaign=Tuesday)

Golf Courses and Country Clubs are “for profit business” and providing exemptions to only one “for profit industry” but not all the others is simply unfair. A Tax Assessor’s job is to identify and assess all property in town fairly and uniformly (C.G.S. Sec. 12-55). There is nothing fair or uniform about SB 970 which would merely create a special tax exemption designed for only one “for profit industry”.

Treating the for profit Golf Course Industry the same as PA 490 is in actuality providing a tax exemption because it will no longer be assessed based on its fair market valued as required pursuant to C.G.S. Sec. 12-60.

Currently Connecticut has so many statutory exemptions that we have seen some municipalities whose Grand List has become 50% exempt yet every year there are more and more bills raised to exempt a Golf Course, a property under construction, historic homes, public service company infrastructure, adult communities, volunteer personnel, bed & breakfasts, etc. The taxable pool continues to shrink at a time when the state cannot afford to increase state aid to municipalities, fully fund the state PILOT program for state owned property, and recently eliminated the state reimbursement for the Manufacturing Machinery and Equipment exemption.

*A Judge opined in the ruling of Snyder v. Newtown 147 Conn 374*

**“Exemption from taxation is the equivalent of the appropriation of public funds because the burden of the tax is lifted off of the back of the potential taxpayer who becomes exempted, and shifted onto the backs of others.”**

In concurrence with the court’s opinion, the Town of Colchester would be mandated to slash the taxes on a “for profit business” and increase the taxes on every other property in town.

SB 970 would require Colchester to reduce the value attributed to the Golf Course land by 99.1% (a 74.5% reduction to the total assessment) and shift that burden onto our remaining taxpayers.

We view this as an appropriation of public funds that is not fair, equal and uniform taxation as required in C.G.S. Sec. 12-55 and therefore respectfully request that your committee oppose SB 970.

Respectfully,

John Chaponis