



## Connecticut's PA 490 Program

### Current Use Assessment

Current use assessment determines a property's value based on its actual use, rather than a potentially more profitable use. For example, the fair market value of rural land, such as farm or forest land, could be more than its current use value because developers may be willing to pay a higher price to buy and develop the land.

Consequently, the current use assessment standard usually results in a lower assessment (and tax bill) than the fair market value standard. Most current use assessment programs require property owners to enter into a multi-year agreement restricting their ability to change the property's use and impose a penalty if the agreement is breached.

### What is Connecticut's PA 490 program?

In 1963, the Connecticut legislature enacted PA 63-490, commonly referred to as "PA 490" or the "490 program" ([CGS § 12-107a et seq.](#)). PA 490 allows four classifications of land—farm, forest, open space, and maritime heritage land—to be assessed at their current use value, rather than their fair market value ([CGS § 12-63](#)). "Current use value" refers to what the land is worth as it is actually used; "fair market value" refers to what the land may be worth on the open market (i.e., its highest and best use). The goal of the 490 program is to provide land owners with tax relief to (1) encourage preservation and (2) reduce the financial pressure to convert the property into other uses.

### Does a landowner have to apply for the program?

Landowners interested in the 490 program must apply to their municipal tax assessor to have their land classified as farm, forest, open space, or maritime land eligible for PA 490 status. Applications are available from local assessors. Owners of farm and open space land must use an application prescribed by the Department of Agriculture (DoAg) commissioner. Owners of forest land must use an application prescribed by the assessor and approved by the Department of Energy and Environmental Protection (DEEP) and include a certified forester's report with their application. Owners of maritime heritage land must use an application prescribed by the Office of Policy and Management (OPM).

## Who determines the assessment rate for PA 490 land?

While individual municipalities establish the assessment rates for PA 490 land, OPM, in consultation with DoAg, must develop a recommended schedule of use values and update them every five years ([CGS § 12-2b](#)).

## When does PA 490 status terminate?

The 490 program classification does not run with the land. Rather, it is personal to the land owner ([CGS § 12-504h](#)). The classification generally ceases when there is a change in the use of the land or when the land is sold or transferred (unless it is an excepted transfer under [CGS § 12-504c](#)). The new land owner must apply to the assessor for a new 490 program classification. Otherwise, the assessor will begin assessing the land at its fair market value instead of the current use value.

## What is the conveyance tax penalty?

In exchange for the reduced tax assessment, the property owner cannot change the use of the land for a period of time. If the use of the land changes within 10 years of ownership or classification, a conveyance tax penalty is charged to the owner ([CGS § 12-504a](#)). This tax is 10% of the fair market value if the land is sold, transferred, or changes use in year one, 9% in year two, 8% in year three, and so on. No penalty conveyance tax is charged after the 10<sup>th</sup> year.

### Eligibility Criteria for PA 490 Status

<b>Farm Land</b>	Any tract of land constituting a farm Assessor must consider total acreage, portion being farmed, productivity, gross income, nature and value of related equipment, and the extent farm land tracts are contiguous.
<b>Forest Land</b>	One tract of 25 or more contiguous acres; Two or more tracts of 25 or more acres, with no tract less than 10 acres; or Any tract contiguous to previously classified as forest land owned by the same taxpayer
<b>Open Space</b>	Open space land designated in a municipality's development plan Land must maintain and enhance natural or scenic resources; protect streams or a water supply; promote soil conservation; enhance the value of parks, forests, or other open spaces; enhance public recreation opportunities; preserve historic sites; or promote orderly development
<b>Maritime Heritage Land</b>	Waterfront real property a licensed commercial lobsterman owns and uses for commercial lobstering purposes, provided the lobsterman earned at least 50% of adjusted gross income from commercial lobstering

Source: CGS §§ [12-107b](#) to [12-107g](#)

Learn  
More

DEEP's PA 490 [website](#)

DoAg's PA 490 [website](#) and [FAQs](#)

CT Farm Bureau Association, Inc.'s [PA 490 Guide](#) and [website](#)

[OLR Report 2016-R-0021](#)

