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Testimony of Eric Hammerling, Executive Director, Connecticut Forest & Park Association

Public Hearing Subject Matter	Position
SB 1137: AN ACT CONCERNING DEPOSITS IN LIEU OF TAXES.	Opposed to Section 1
SB 1138: AN ACT CONCERNING COMMUNITY RESTORATION.	Opposed to Section 5

The Connecticut Forest & Park Association (CFPA) is the first conservation organization established in Connecticut in 1895. For over 120 years, CFPA has offered testimony before the General Assembly on various State Park and Forest, trail recreation, sustainable forestry, and land conservation issues.

On behalf of CFPA, I ask you to **oppose both Section 1 of SB 1137 and Section 5 of SB 1138**. Both of these sections would require all nonprofits with “significant” savings accounts or endowments to pay the equivalent of a 25% property tax.

Although it may not be this Committee’s intention, those sections would hurt the ability of nonprofit land conservation organizations such as land trusts to set-aside stewardship funds to maintain the properties entrusted to them. This new tax could be devastating to nonprofit organizations established to protect land in perpetuity – lands which both benefit communities today and future generations.

Land trusts receive donations of land or raise money to acquire land in order to manage it for public benefit forever. Land trusts are not a significant burden on community services, and in fact, avoid most costs for communities associated with developed land (e.g., sewer and water infrastructure, school construction, police, and other services).

A property tax on land trusts would impact those who have struggled to raise funding to ensure they will be able to care for and protect the integrity of the current and future lands in their portfolios forever. They have raised funding to conform with national standards and practices for land stewardship. And if a land trust has been fortunate enough to raise funds from private contributors to care for these lands, they shouldn’t be taxed.

Not only do protected lands avoid costs to municipalities (as noted above), but also they provide numerous community benefits. These lands help to protect drinking water and air quality, support outdoor recreation, sustain habitats for wildlife, sequester carbon to mitigate for climate change, and benefit a community’s quality of life.

Land trusts exist to benefit the public, and for this reason, they have been exempt from property taxes and able to accept tax deductible donations from individuals and corporations.

Section 1 of SB 1137 and Section 5 of SB 1138 would undermine the sustainability of Connecticut’s land trusts and hurt our state’s quality of life, so we hope you will oppose them. Thank you for this opportunity to testify. I would be happy to respond to any questions you may have.