



April 29, 2019

Dear Members of the Finance, Revenue and Bonding Committee:

I am a long time board member and Treasurer of the The Newtown Forest Association (CT's Oldest Private Land Trust) {"NFA"}. **The NFA Board and I personally, strongly oppose Section 1 of SB 1137 and Section 5 of SB 1138;** both of which would require nonprofits, including land trusts, with "significant" savings accounts, endowments or pension funds to pay into a state "community development account" the equivalent of 25% property tax.

**The NFA owns and protects as open space for watershed protection, preservation of critically important ecological resources for wildlife and for passive recreation of our community and other visitors. We own over 110 parcels and protect almost 1,400 acres, mostly all within Newtown.**

*This proposal would divert critical resources from our land trust's ability to acquire and manage open spaces and other natural resources that benefit our quality of life and local economy. It would penalize our land trust for our efforts to set aside funds to help secure our organization's long-term viability and to care for our land trust's properties and easements in perpetuity, pursuant to best management practices (The Land Trust Standards & Practices). This proposal would also undermine relationships with donors who want their donations to support land conservation and not a state tax.*

**Specific to the NFA we have an operating budget which is almost entirely dedicated to property management with our second largest expense being insurance. We have no paid administrative staff and we are run, and managed, by an all-volunteer board. Our operating income to support these property management activities is based predominantly on investment earnings from a portfolio of investment assets reserved specifically to care for our properties. We do not have the means to fund these costs through annual appeals and donations alone. We have committed, as part of our mission, to take on new preserves only if we have sufficient resources to maintain these properties properly in perpetuity (FOREVER). We have built these investment reserves to care for the preserves we own, and not for the purpose of paying taxes.**

**If our collective properties had an appraised value of \$25million @ 70% @ a mill rate of 34.77 @ 25% = \$147,744 would be the amount of our 2019 tax burden as a result of this proposed legislation. Our current budget is less than \$100,000, and this tax burden would**

**Newtown Forest Association, Inc.**  
P.O. Box 213  
Newtown, CT 06470

*Connecticut's Oldest Private Land Trust*



**Board of Directors:**

R.T. (Bob) Eckenrode, President  
Bart Smith, Vice President  
Guy Peterson, Treasurer  
Harvey Pessin, Secretary

Aaron Coopersmith  
Coke Cramer  
Dan Dalton  
Tim Gagne  
Ed Kelleher  
Cat Morgan  
Don Morrissey  
Bill Pisacreta

Bill Watts, Board Member Emeritus



NEWTOWN FOREST ASSOCIATION is a 501(c)3 non-profit organization, Federal Tax ID# 06-6079549



# Newtown Forest Association, Inc.

P.O. Box 213  
Newtown, CT 06470

*Connecticut's Oldest  
Private Land Trust*



### Board of Directors:

R.T. (Bob) Eckenrode,  
President  
Bart Smith, Vice President  
Guy Peterson, Treasurer  
Harvey Pessin, Secretary

Aaron Coopersmith  
Coke Cramer  
Dan Dalton  
Tim Gagne  
Ed Kelleher  
Cat Morgan  
Don Morrissey  
Bill Pisacreta

Bill Watts, Board Member  
Emeritus



NEWTOWN FOREST ASSOCIATION is a 501(c)3 non-profit organization,  
Federal Tax ID# 06-6079549

bankrupt us and/or force us to hire professional fund raisers to meet these added costs. You would have to force us, and probably all land trusts, to fold and deed the property to the Towns who would be exempt from this tax. We also know that the Town does not focus on protecting open space and is not as capable to do so as we well as the NFA and other local land trusts as they have done on a daily basis for many years.

Administratively this is also a bad idea, and not a great use of resources. The NFA, nor has the Town of Newtown, has ever focused on the accuracy of the appraised/assessed values of our preserves; as we are not taxed on them and no one cares about the accuracy of the values estimate. We know these values currently do not reflect the effects of the deed restrictions. Additionally, it will require countless volunteer hours by the NFA, hiring independent appraisers and the using up the tax appeals boards time having to deal with reconciling to what the true value of these encumbered preserves. The values currently are based on recent comparable transactions; however, most comparable transactions relate to unencumbered property that is not restricted from development. Accordingly, the appraised values are overstated and once adjusted will be a fraction of what they currently are being reported. If your expectations are based on the values as currently reported, and not factoring the fact that these will be adjusted downward significantly, you are also developing an expectation for revenues much greater than will likely ever be realizable.

***Please vote NO on these proposals that would tax land trusts.***

*Sincerely,*

**C.O.(Guy) Peterson, IV CPA  
Treasurer & Board Member**