
OLR Bill Analysis

SB 840 (File 144, as amended by Senate "A")*

AN ACT CONCERNING CONNECTICUT'S SHELLFISH RESTORATION PROGRAM AND THE CONNECTICUT SEAFOOD COUNCIL.

SUMMARY

This bill extends Connecticut's PA 490 program to certain aquaculture operations. PA 490 allows farm, forest, open space, and maritime heritage land to be assessed for property tax purposes based on current use value rather than fair market value (CGS § 12-63). In exchange for this reduced assessment, the property owner cannot change the land's use for a period of time. By law, if the use changes within 10 years of ownership or classification, a conveyance tax penalty is charged to the owner (CGS § 12-504a).

The bill also expands Connecticut's shellfish restoration program by allowing the Department of Agriculture (DoAg) to do the following:

1. acquire, in addition to purchase as under existing law, shell or other cultch material to deposit on state shellfish beds;
2. contract to use a shell recovery vessel to collect and deposit shell on the beds; and
3. receive and deposit on the beds cultch from oyster shell recycling programs DoAg administers or authorizes.

The bill requires private, state, or federal grants and other direct funding for the shellfish restoration program to be deposited in the Shellfish Fund, which DoAg uses to operate the program. It explicitly allows DoAg to use the fund for an oyster shell recycling program it administers with any other person.

Lastly, the bill reconstitutes the Connecticut Seafood Advisory Council and renames it the Connecticut Seafood Development Council.

By law, the council, which is within DoAg, must help promote Connecticut seafood products and examine market opportunities.

*Senate Amendment "A" adds the PA 490 provisions.

EFFECTIVE DATE: October 1, 2021, and for the PA 490 provision, applies to tax assessments on and after that date.

PA 490 PROGRAM EXTENDED TO AQUACULTURE

The bill extends the state's PA 490 program to certain aquaculture operations by expanding specified definitions. Specifically, it expands the definition of "farm land" to include underwater farmlands used for aquaculture. Under current law, farm land includes tracts of land constituting a farm.

The bill also expands the definition of "maritime heritage land" to include waterfront property owned by a licensed shellstock shipper or aquaculture operator who uses the property for commercial shellfishing or aquaculture purposes, provided the shipper or operator earned at least 50% of their adjusted gross income (AGI) from the commercial operations. Maritime heritage land does not include buildings not used exclusively by the shipper or operator for commercial purposes. (Currently, maritime heritage land is limited to waterfront property a commercial lobsterman owns and uses for commercial lobstering, if at least 50% of the lobsterman's AGI comes from the commercial operation, and does not include buildings not used exclusively by the lobsterman for commercial purposes.)

The bill repeals a requirement that shellfish grounds be taxed in the same manner as real estate in the towns in which the grounds are situated.

CONNECTICUT SEAFOOD DEVELOPMENT COUNCIL

The bill increases the council's membership from 11 to 13 members. Current law includes four nonvoting members representing DoAg, the Department of Economic and Community Development (DECED), the Department of Energy and Environmental Protection (DEEP), and the UConn Sea Grant Program. The bill instead includes, as voting

members, the DoAg, DECD, and DEEP commissioners and the Sea Grant Program's director, or their designees.

Under the bill, various authorities appoint the remaining nine members, who must meet specified qualifications. The below table compares the appointments under the bill with those under current law.

Connecticut Seafood Development Council Appointments

<i>Appointing Authority</i>	<i>Current Law</i>	<i>The Bill</i>
Governor	One freshwater fish producer	One freshwater finfish producer
House speaker	One finfish, shellfish, or lobster harvester or harvester organization representative	One aquaculture finfish producer
House majority leader	One finfish, shellfish, or lobster harvester or harvester organization representative	One commercial marine finfish harvester
House minority leader	One finfish, shellfish, or lobster processor or processor organization representative	One commercial lobster harvester
Senate president pro tempore	One retailer who serves restaurants or represents a restaurant organization	One small scale aquaculture producer
Senate majority leader	One member-at-large	One seaweed aquaculture producer
Senate minority leader	One finfish, shellfish, or lobster processor or processor organization representative	One shellfish harvester
DoAg commissioner	None	One shellfish wholesale dealer
CT Restaurant Association	None	One representative of the association

The bill requires the DoAg commissioner or his designee to serve as council chairperson.

By law, the council may use federal, state, or other funds and may

enter into contracts to carry out its purposes. The bill specifically allows the council to receive state, federal, or municipal funds and funds from any nonprofit or nongovernmental organization and spend those funds to perform its duties. It also allows the council to seek funding for and provide financial support to organizations for activities directly related to seafood production and related products.

COMMITTEE ACTION

Environment Committee

Joint Favorable

Yea 31 Nay 1 (02/26/2021)