

Property Tax Abatement - Model Ordinance

Model Ordinance for Farm Property Tax Abatement

“An Ordinance Regarding Farm Tax Abatements”

Adopted (Date)

Effective

Section 1. Title.

This chapter shall be known and may be cited as the “Farm Tax Abatements Ordinance.”

Section 2. Legislative Authority.

This chapter is enacted pursuant to sections 7-148 and 12-81m of the Connecticut general Statutes.

Section 3. Findings and Purpose.

The (Legislative authority) of the Town of (Name of municipality) believes that agriculture and farming are vitally important to the quality of life, environment, and economy of the Town of (Name of municipality), and wishes to encourage farming in the Town.

Connecticut General Statutes §12-81m allows towns to abate up to fifty percent of the property taxes on any dairy farm, fruit orchard, vegetable farm, nursery, or nontraditional farm, including a vineyard for growing of grapes for wine, and to recapture abated taxes in certain circumstances in the event of a sale of the property.

The (legislative authority) wishes to establish a mechanism whereby such tax relief may be granted to dairy farms, fruit orchards, vegetable farms, nurseries, or vineyards for growing of grapes for wine, as provided by law.

Section 4. Property Tax Abatement.

Upon approval by the Tax Assessor and affirmative vote by the (Legislative authority), the Town may abate up to fifty percent (50%) of the property taxes for any such dairy farm, fruit orchard, vegetable farm, nursery or vineyard.

a. Any abatement shall continue in force for five years, or until such time as the dairy farm, fruit orchard, vegetable farm, nursery, or vineyard for growing of grapes for wine is sold, or until such time as the property ceases to be a dairy farm, fruit orchard, vegetable farm, nursery, or vineyard for growing of grapes for wine, or if any such business is deemed ineligible for an abatement based on a determination by the Tax Assessor that the beneficiary of the abatement has failed to show that they have derived at least fifteen thousand dollars in gross sales from such business or incurred at least fifteen thousand dollars in expenses related to such operation, with respect to the most recently completed taxable year of such business. Otherwise, any such abatement may be renewed for an additional five years by vote of the (Legislative authority) based on a proper reapplication made to the Office of the Tax Assessor at or near the end of the preceding five year term pursuant to the requirements for any initial application as set forth in this chapter.

(Over)

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b. The property owner receiving the abatement must notify the Tax Assessor and Town Council in writing within thirty (30) days of the sale of the property or the cessation of operations as a dairy farm, fruit orchard, vegetable farm, nursery, or vineyard for growing of grapes for wine.

Section 5. Application for Property Tax Abatement.

The Town of (Name of Municipality) may abate property taxes on dairy farms, fruit orchards, vegetable farms, nurseries, or vineyard for growing of grapes for wine, and recapture taxes so abated in the event of sale, in accordance with the following procedures and requirements:

a. Any action by the Town concerning the abatement of property taxes for dairy farms, fruit orchards, vegetable farms, nurseries, or vineyard for growing of grapes for wine, or the recapture of any taxes so abated, shall be done pursuant to Connecticut General Statutes §12-81m, as such statute may be amended from time to time.

b. Any request for an abatement must be made by application to the Office of the Tax Assessor of the Town of (Name of municipality) by the record owner of the property, or a tenant with a signed, recorded lease of at least three years, which lease requires the tenant to pay all taxes on any dairy farm, fruit orchard, vegetable farm, nursery, or vineyard for growing of grapes for wine, as part of the lease.

c. In order for an abatement to apply for the tax year beginning (Date), the application must be submitted no later than (Date). For any tax year thereafter, the application must be submitted by October 1 of the preceding year.

d. An abatement is only available for dairy farms, fruit orchards, vegetable farms, nurseries, or a vineyard for growing of grapes for wine. The applicant must provide the Assessor with evidence to support the status of the property as a dairy farm, fruit orchard, vegetable farm, nursery, or a vineyard for growing of grapes for wine. In determining whether a property is a dairy farm, fruit orchard, vegetable farm, nursery, or a vineyard for growing of grapes for wine, the Assessor shall take into account, among other factors: the acreage of the property; the number and types of livestock, vegetable production, fruit trees or bushes on the farm; the quantities of milk or fruit sold by the facility; the gross income of the farm derived from dairy, nursery, vegetable, or orchard related activities; the gross income derived from other types of activities; and, in the case of a dairy farm, evidence of Dairy Farm or Milk Producing Permit or Dairy Plant or Milk Dealer Permit, as provided by Connecticut General Statutes § 22-173. All residences and building lots are excluded, but any building for seasonal residential use by workers in an orchard which is adjacent to the fruit orchard itself shall be included.

e. In addition to the aforementioned evidence that must be submitted to the Assessor, the applicant must also provide a notarized affidavit certifying that the applicant derived at least fifteen thousand dollars in gross sales from such eligible business or incurred at least fifteen thousand dollars in expenses related to such operation, with respect to the most recently completed taxable year of such business. For purposes of this Chapter, such eligible business” shall cumulatively include all properties upon which an individual entity is doing

business as a dairy farm, fruit orchard, vegetable farm, nursery, or a vineyard for growing grapes for wine, otherwise, any such abatement shall be denied.

Subsequently, in order to retain any such abatement, within thirty days of each annual assessment date in the Town of (Name of municipality), the applicant must provide such notarized affidavit certifying that the applicant derived at least fifteen thousand dollars in gross sales from such business or incurred at least fifteen thousand dollars in expenses related to such operation, with respect to the most recently completed taxable year of such business.

Otherwise, any such abatement shall be terminated by the Assessor with notice to the (legislative authority).

Section 6. Recapture.

Upon sale of the property, and subject to the authority of the (legislative authority) per this chapter to waive any such payment, the property owner must pay to the Town a percentage of the original amount of the taxes abated, pursuant to the following schedule:

Number of Years Sale Follows Abatement Percentage of Original Amount of Taxes Abated for Given Tax Year Which Must be Paid

- More than 10 years, 0%
- Between 9 and 10 10%
- Between 8 and 9 20%
- Between 7 and 8 30%
- Between 6 and 7 40%
- Between 5 and 6 50%
- Between 4 and 5 60%
- Between 3 and 4 70%
- Between 2 and 3 80%
- Between 1 and 2 90%
- Between 0 and 1 100%

a. Upon affirmative vote by the (legislative authority), the Town may waive any of the amounts which would otherwise be owed pursuant to the foregoing recapture provision if the property continues to be used as “farm land,” “forest land,” or “open space,” as those terms are defined in Section 12-107b of the Connecticut General Statutes, after the sale of the property.

b. The taxes owed to the Town pursuant to the recapture provisions of this chapter shall be due and payable by the record property owner/grantor to the Town Clerk of (Name of municipality) at the time of recording of her/his deed or other instrument of conveyance. Such revenue received by the Town Clerk shall become part of the general revenue of the Town. No deed or other instrument or conveyance which is subject to the recapture of tax, as set forth herein, shall be recorded by the Town Clerk unless the funds due under the recapture provisions herein have been paid, or the obligation has been waived pursuant to the immediately preceding subsection herein.

c. The Tax Assessor shall file, not later than 30 days after abatement is approved by the (legislative authority), with the Town Clerk, a certificate for any such dairy farm, fruit orchard, vegetable farm, nursery, or vineyard land that has been approved for a tax abatement, which certificate shall set forth the date of initial abatement and the obligation to pay the recapture funds as set forth herein. Said certificate shall be recorded in the land records of the Town of (Name of municipality). *(Over)*

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Section 7. Right of Appeal.

Any person claiming to be aggrieved by any action or inaction of the Tax Assessor of the Town of (Name of municipality) regarding this chapter may appeal to the Board of Assessment Appeals of the Town of (Name of municipality) in the manner set forth in Connecticut General Statutes section 12-111, as amended.

Appeals from any decision of the Board of Tax Review may be taken to the Superior Court for the Judicial District of (County) pursuant to Connecticut General Statutes section 12-117a, as amended.

Section 8. Effective Date.

Following its adoption by the (legislative authority), this Ordinance shall become effective on the twenty-first day after publication in a newspaper having circulation in the Town.

Modeled from Town of Mansfield Ordinance