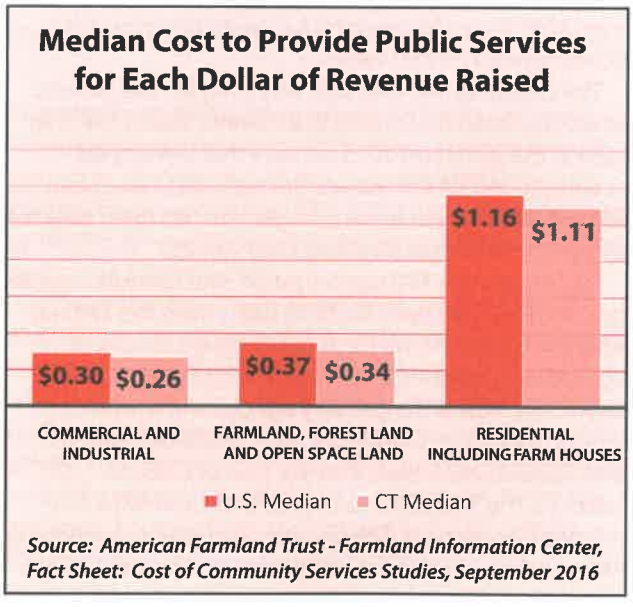
EFFECTS OF PA 490 ON LOCAL TOWN BUDGETS

Studies done across the nation have demonstrated conclusively that property tax revenues generated by farm, forest, or open space land are far greater than the municipality's expenditures to service that land. This is true even when land is assessed at its current agricultural use.

In contrast, the residential sector costs a municipality more to service than the amount of property tax generated from that sector. Cost of Community Services (COCS) studies are a case study approach used to determine the average fiscal contribution of a variety of land uses based on municipal data. What is unique about COCS studies is that they show that agricultural land is similar to other commercial and industrial land uses. In every community studied, farmland and forest land owners pay more in taxes than the value of the public services they receive from local governments, while homeowners receive more services than their taxes support. Farmland and forest land generate a fiscal surplus to help towns offset the shortfall created by residential demand for public services.

Information in this section was adapted from *Fact Sheet: Cost of Community Services Studies,* American Farmland Trust, September 2016.



Source: American Farmland Trust - Farmland Information Center, Fact Sheet: Cost of Community Services Studies, September 2016

A 2013 Cost of Community Services study conducted for the town of Colchester concluded that for every tax $1.00 collected from residential use, $1.14 is expended in municipal services. The same study concluded that for every tax $1.00 collected from farmland, forest land and open space use, only $0.18 is expended in municipal services. This means that residential uses do not provide sufficient tax revenue to support the cost of services provided to them.

Source: *Town of Colchester Fiscal Value of Land Use,* Paula Stahl, LLA, AICP

Cost of Community Services Studies

The cost of services for every dollar paid in local taxes

Connecticut Town	Residential Including Farm Houses	Combined Commercial and Industrial	Farm/ Forest Land/ Open Space Land	Source
Bolton	$1.05	$ 0.23	$ 0.50	Geyser, 1998
Brooklyn	$1.09	$ 0.17	$ 0.30	Green Valley Institute, 2002
Colchester	$1.14	$0.18	$0.18	Stahl, 2013
Coventry	$1.06	$0.25	$0.25	Green Valley Institute, 2008
Durham	$1.07	$ 0.27	$ 0.23	Southern New England Forest Consortium, 1995
Farmington	$1.33	$ 0.32	$ 0.31	Southern New England Forest Consortium, 1995
Hebron	$1.06	$ 0.47	$ 0.43	American Farmland Trust, 1986
Lebanon	$1.12	$ 0.16	$ 0.17	Green Valley Institute, 2007
Litchfield	$1.11	$ 0.34	$ 0.34	Southern New England Forest Consortium, 1995
Pomfret	$1.06	$ 0.27	$ 0.86	Southern New England Forest Consortium, 1995
Windham	$1.15	$ 0.24	$ 0.19	Green Valley Institute, 2002
Median	**$1.11**	**$ 0.26**	**$0.34**	