

## THE PROBLEM

Municipalities need a consistent local source of revenue to invest in community sustainability projects, and to leverage local, state and federal grants in support of such projects. Protecting open space is critical to mitigating climate change, and housing access is essential for workers to access local labor markets. Without a dedicated local source of funds to meet State open space and affordable housing goals, and to ensure that healthy and sustainable communities are available to all citizens, funding is currently limited to wealthier municipalities that can afford to match available grants. Since local funds for these long-term open space and housing access projects compete with immediate core budget items such as infrastructure and education, they tend to be put off indefinitely, making the State goals increasingly difficult to meet.

## A COMPREHENSIVE SOLUTION

Proposed legislation would allow, but not require, municipalities to establish a dedicated fund for community sustainability projects, including support for open space protection, urban gardens and green spaces, tree planting, farmland and forest preservation, protection of water resources, climate resilience & mitigation, and for housing access assistance, by enacting a 1.2 % conveyance fee on buyers of real estate, applied to sales prices greater than \$200,000.

## OPTIONS AND OPPORTUNITIES

The Sustainable Community Funding Option is not a mandate. It merely gives communities the right to establish the funding program if they so choose. Towns and cities are seeking a reliable funding source to acquire open space, preserve farmland, manage their natural resources, and address climate change. Communities also need to have equitable access to housing, including for the local workforce. Rather than put an additional burden on already strained local budgets, the Sustainable Community Funding Option would give communities another mechanism to raise revenue without bonding or raising real property taxes.



Nearby states (including MA, NY, RI, PA, and WV) have allowed some municipalities to enact a buyer's conveyance fee (from 1 to 3%) dedicated to conserving and caring for local natural areas and farmland. These programs have proven remarkably successful, resulting in the protection of many thousands of acres of open space, forests, meadows, and farms while also increasing property values for town residents. The Sustainable Community Funding Option will provide Connecticut towns with an opportunity to replicate those successes in their own communities, while assuring affordable housing access remains available for the local workforce.

## FAST FACTS

- ❖ Open space and recreation generate \$502 million in state and local tax revenue.
- ❖ Since Eastern Long Island enacted a local option for open space 20 years ago, it has generated over \$1.1 billion and protected more than 10,000 acres.
- ❖ In 2021, the Office of Fiscal Analysis found that "if all municipalities established [a tiered real estate conveyance tax that increases based on sale price] at the maximum rates allowed by the bill, they would cumulatively collect approximately \$75.1 million annually.
- ❖ Affordable housing access has emerged as a critical problem throughout the state, to the point that it is limiting job expansion and hiring, adversely impacting economic growth.

## MORE INFORMATION

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