

TAX ABATEMENT FOR DAIRY FARMERS

Adopted: November 16, 1992, by the Board of Selectmen

Published: November 26, 1992

Effective Date: December 11, 1992

The purpose of this ordinance is to permit those dairy farmers who qualify hereunder to obtain an abatement of fifty percent (50%) of their tax liability annually and to provide for the recapture of the taxes so abated in the event that farming activity subsequently ceases.

This ordinance is authorized by Connecticut General Statutes 12-81m and 7-192 which empowers the municipality "to adopt, amend, and repeal ordinances..."

Section 1: Application

Request for an abatement hereunder must be made by written application to the Assessor by the record owner of the property.

Section 2: Time of Application

The application provided for hereunder must be submitted to the Assessor no later than November 1 of the year prior to the beginning of the next fiscal year. For taxes due July 1, 1993, applicants may submit their application for tax abatement within 30 days after the effective date of this ordinance.

Section 3: Taxes to be Current

The Assessor shall grant the abatement only if taxes are current at the time of his review.

Section 4: Definitions

(A) A Dairy Farm is a farm which has as its primary purpose the production of milk from cattle. It includes those fields used to grow feed used in milk production.

(B) Termination of Dairy Farm Use: This means the termination of Dairy Farm status through the sale, termination of lease, or other cessation of Dairy Farm activity as herein defined.

(C) Abatement Date: Abatement Date means July 1 of the first fiscal year in which the property qualifies for the abatement hereunder.

Section 5: Assessed Components Qualifying for Abatement

For the purposes of this ordinance a Dairy Farm consists only of those portions of the property devoted to active dairy farming or necessarily related to active dairy farming. This abatement shall apply only to that portion of the property utilized as tillable land (the production of feed used exclusively for milk producing animals); as permanent pasture (for such animals); as the principal residents and associated building lot; and such land and improvements that are exclusively used and dedicated to the normal operations of a Dairy Farm.

Section 6: Assessed Components Which Do Not Qualify for Abatement

To the extent that portions of the property contain assessed components which are not directly and exclusively used in dairy farming, such components will not be eligible for abatement under this ordinance.

Section 7: Consideration for Qualification

In determining whether an applicant meets the criteria of this ordinance, the Assessor shall consider the acreage of the farm; the dairy permit; the number and type of livestock; the quantity of milk sold; the gross income derived from milk production as compared to gross income from other activities; and/or the existence of a milk producing permit, dairy plant or milk dealer permit issued by the Connecticut Department of Agriculture. The abatement is available only to the owner or owners of the real property qualifying as a Dairy Farm hereunder.

Section 8: Abatement

The abatement shall be equal to fifty percent (50%) of the property taxes for the qualifying assessed components of the Dairy Farm. Any abatement will continue in force so long as permitted by State law or until such time as this ordinance is modified by the Board of Selectmen or until such time as the termination of the property's use as a Dairy Farm, whichever comes first.

Section 9: Notice of Abatement on Land Records

The Assessor shall (within 30 days after abatement is approved) issue a Notice of Abatement in triplicate. One copy will be kept by the Assessor's office for their file; one copy will be given to the Town Clerk's office for filing on the land records; and one copy will be given to the property owner. This certificate shall set forth the date of initial abatement as well as the recapture obligation.

Section 10: Notice of Termination of Dairy Farm Use

The property owner receiving the abatement shall notify the Assessor in writing within 30 days of the termination of the property's use as a Dairy Farm.

Section 11: Recapture of Abated Taxes

Upon the termination of the property's use as a Dairy Farm the property owner shall be liable to the Town for that portion of the taxes abated in the ten (10) years immediately preceding the termination of the Dairy Farm use. In no case shall the property owner be liable for recapture of abated taxes for more than a ten (10) year period. At the time of termination as a dairy farm, the Assessor will recapture the abated taxes for the ten (10) years immediately preceding termination of Dairy Farm use as follows:

Schedule of Recapture of Abatement Amounts

For the 10th year preceding termination; 10% recapture of abated taxes

For the 9th year preceding termination; 20% recapture of abated taxes

For the 8th year preceding termination; 30% recapture of abated taxes

For the 7th year preceding termination; 40% recapture of abated taxes

For the 6th year preceding termination; 50% recapture of abated taxes

For the 5th year preceding termination; 60% recapture of abated taxes

For the 4th year preceding termination; 70% recapture of abated taxes

For the 3rd year preceding termination; 80% recapture of abated taxes

For the 2nd year preceding termination; 90% recapture of abated taxes

For the 1st year preceding termination; 100% recapture of abated taxes

(Example: Assuming that a property owner whose property taxes were \$2000 per year applies and qualifies for abatement for the fiscal year beginning July 1, 1993. In 1993, owner's taxes would be abated by 50% for a total tax due of \$1000 per year. If the property owner continues the dairy farm use until 2008 and then sells the property after July 1, the taxes would be recaptured as follows: For the year 2008, 100% of the abatement would be recaptured (100% of \$1000 = \$1000); for the year 2007, 90% of the abatement would be recaptured (90% of \$1000 = \$900); for the year 2006, 80% of the abatement would be recaptured (80% of \$1000 = \$800); for the year 2005, 70% of the abatement would be recaptured (70% of \$1000 = \$700); for the year 2004, 60% of the abatement would be recaptured (60% of \$1000 = \$600); for the year 2003, 50% of the abatement would be recaptured (50% of \$1000 = \$500); for the year

2002, 40% of the abatement would be recaptured (40% of \$1000 = \$400); for the year 2001, 30% of the abatement would be recaptured (30% of \$1000 = \$300); for the year 2000, 20% of the abatement would be recaptured (20% of \$1000 = \$200); and for the year 1999, 10% of the abatement would be recaptured (10% of \$1000 = \$100). This would make a total recapture amount due to the Town of \$5,500 upon sale or termination of dairy farming.)

Section 12: Payments Due Upon Recording; Lien

Payment of taxes abated and owed to the Town pursuant to Section 11 shall be due and payable by the record property owner/grantor to the Town at the time of recording of a deed of transfer. The revenue received by the Town hereunder shall become part of the general revenues of the Town. In the event of any unpaid balance of recapture of taxes abated at the time of termination of Dairy Farm use, the Tax Collector shall cause a certificate of lien to be filed on the land records in the office of the Town Clerk within 30 days of said termination of Dairy Farm use.

Section 13: Refund of Recaptured Taxes

Should the transferee of a Dairy Farm file an application required by Section 1 hereunder and qualify to substantially the same extent as a Dairy Farm as the transferor, that is, Dairy Farm components must comprise at least 90% of those found by the Assessor pursuant to Section 5. Then in that event the transferor will receive a refund of the tax abatement payment made at the time of recording of the transfer instrument. To qualify for such refund, the transferee must apply for the Dairy Farm status within 30 days after the transfer of the Dairy Farm, and upon subsequent approval of the Assessor in accordance with this ordinance transferor will receive a refund of the recaptured amount.

