

**THE EFFECTS OF DEVELOPMENT AND LAND CONSERVATION
ON PROPERTY TAXES IN CONNECTICUT TOWNS
MAY 1995**

A SUMMARY OF THE AD HOC ASSOCIATES REPORT TO THE TRUST FOR PUBLIC LAND

There is a commonly held belief that if only towns could increase development, the grand list would increase and property taxes would go down. If there were no other factors operating, this would be true. However, as this study clearly shows, it is these other factors which unhappily result in an inverse relationship between most development and property taxes.

The report tests the following assumptions:

- 1) that property taxes are higher in the more rural towns that have small tax bases and that property taxes are lower in larger towns that have more development and therefore larger tax bases
- 2) that the corollary (ie growth and development) by expanding the tax base, will result in lower property taxes and that permanent land protection measures by reducing the tax base and limiting development will lead to higher tax bills.

The main finding in this analytic report shows that these assumptions are not true in this state in general and that they are no less false in Guilford.

Indeed, tax bills are generally highest in the towns that are most developed and lowest in the towns that are most rural. The tax bill on the median-value house, on average, is higher in towns that:

- have larger tax bases
- have more residents
- have more employment
- have more retail sales
- have more commercial, industrial and utility taxable property value
- are more densely populated and
- have a low percent of their land in undeveloped forest.

The report is based on analysis of the tax bill on the median-value house in each of the 169 Connecticut towns. The tax bill is correlated with various measures of development and with various measures of ruralness or conservation. All the charts in the 25-page report show relationships which are statistically significant.