

**Durham Agricultural Commission
Meeting Minutes
Tuesday, October 20th, 2015
7:00 pm, 3rd floor Meeting Room, Town Hall**

Members: Fred Mastele, Roger Passavant, David Zemelsky, Melissa Dziurgot

Alternates: Dick Porter, Joe Pasquale

Seating: Dick Porter was seated for Warren Herzig

- 1) Meeting was called to order by Fred Mastele at 7:01 pm and roll call was taken.
- 2) Motion was made by Melissa Dziurgot and seconded by Dick Porter to accept the October 20th, 2015 Meeting Agenda. The motion passed unanimously.
- 3) Motion was made by Melissa Dziurgot and seconded by Dick Porter to accept the September 15th, 2015, Meeting Minutes. The motion passed unanimously.

4) Public Comment

In attendance: Laura Francis, First Selectman; Steve Levy, Board of Selectmen; John Philip, Tax Assessor; Pierre Passavant, Rivendell Farm; Mike Falana, Horseshoe Hill Farm.

The AgComm had invited the Board of Selectmen and the Tax Assessor to attend this meeting to discuss the matter of horse farm supplies.

Fred opened the discussion, stating that the AgComm had some concerns relating to the inclusion of hay, grain and bedding as taxable personal property in Durham when many other Towns in the region did not tax these items. The Commission feels this detracts from the desired image of Durham being a horse-friendly town. Fred distributed a copy of CGS Sec. 1-1(q) which gives the Definition of "Agriculture." He also handed out a copy of an email from Joan Nichols of the CT Farm Bureau (who had been contacted by the Assessor's Office) in which she said that she thought "hay, grain and bedding should not be taxed as supplies."

A very active and lengthy (1-1/4 hours) discussion/debate ensued.

Among the issues that were raised by the AgComm and members of the Public were: whether hay, grain and bedding are "inventory" and therefore (as in manufacturing and retailing) non-taxable; whether the activity of feeding and caring for a horse is essentially similar to the process of manufacturing a product; whether the Town's intent in adopting Bill 5057 in 2014 (exempting horses from taxation) included the feeding and care of these same horses; whether the existing Assessor practice of taxing only five large horse farms for hay, grain and bedding was discriminatory since it omitted smaller equine facilities; whether dairy farms and horse farms should be treated equally in regards to taxation of hay, grain and bedding; the key difference between taxes and exemptions *mandated* by the CT Legislature and taxes

levied at the *discretion* of various local Town Assessors (who do not all agree with each other); whether the Assessor has the authority to tell Durham horse farms to attach their IRS tax returns when filing routine Declarations of Personal Property; whether the taxation of hay and grain was worth the policing effort since the total property tax raised from Durham's five large horse farms was probably less than \$1,000, etc.

The Assessor participated actively in the debate. Among his comments in defense of his current position and practices were: that some businesses enter, or might enter, "zero" in #23 - Expensed Supplies on the Personal Property Declaration; that equine facilities with less than \$15,000 gross income are not "businesses;" that "almost everything" the Assessor does is "in the law;" that the Assessor can and does change entries submitted on Personal Property Declarations; that the Assessor does try to be consistent; that a key concept in determining if an item is taxable is that "if you can't operate without it" it is taxable.

Comments and reactions by AgComm members and members of the Public included: a written statement from Shirley Corona of the CT Office of Policy and Management that "it is the Assessor's responsibility to determine what is taxable or non-taxable in their municipality..." (i.e. taxability is *not* all "in the law"); the fact that the State, in CGS 12-89a, allows an Assessor to require IRS proof of tax-exempt status if an organization is a charity, college, agricultural society, cemetery, religious group, hospital, etc., but there is *no* such IRS proof required of farmers and their Machinery exemption; that CGS 12-91(d) requires only a notarized affidavit that a farmer has gross sales of \$15,000, *not* a copy of an IRS return; an expression of incredulity that any horse farmer would enter "zero" for Expensed Supplies on their Property Declarations; the fact that the Dept. of Revenue Services issues Farmer Tax Exemption Permits to entities earning \$2,500, implying that, though small, they *are* "businesses." It was also mentioned that, based on a survey made in June 2015, only 2 of 13 Towns within an approximate 50-mile radius of Durham specifically tax bedding, hay and feed used by horse farms.

Laura Francis, the First Selectman, stated that she would never ask a Town Official to "look the other way" if there were a legal requirement to apply taxes in a prescribed way. However, she continued, if there *is* discretion in how taxes are administered, then certain things could be open to discussion. She confirmed that she would like clarity in tax policy and that she had spoken with the Dof Ag and the Legislature when she felt that the taxation of horses was not being uniformly applied. She indicated that she would be meeting with the Tax Assessor to discuss the issues raised at the AgComm meeting.

5) Old Business

Guilford Road Properties

The dialogue between the AgComm Members and the Board of Selectmen continued with the subject of the stewardship of the newly acquired Guilford Road Properties. Laura Francis started the discussion by inquiring where the AgComm stood regarding the Properties. Dick and Roger had reported to Laura at a previous BOS Meeting that they did not feel the involvement of the NRCS with these Properties was necessarily a good idea. They both recommended against the use of a riparian buffer along the existing stream bank. They both felt that such a 20-foot buffer over time becomes a 50-foot buffer due to lack of care and maintenance. In addition, these types of buffers create debris fields that, over time, clog the flow of the stream – supporting that view by citing conditions in the Durham Meadows and the Cuginchaug River downstream.

David mentioned that he, Dick and Roger had met with Seth Lehrman of the NRCS to walk the Guilford Road Properties as well as the Wimler/Porter Property to compare conditions along the stream banks.

Joe stated that for roughly 50 years, the Guilford Road Properties have stayed the way they are simply by keeping the field in hay production and mowing directly to the edge of the stream.

Roger informed Laura that the AgComm had tentatively set a date for a “Work Party” at the site to begin cleaning up some of the invasives along both sides of the stream. Laura stated that waivers would have to be signed by all parties performing the work. She also felt it was important for the AgComm to put in writing a plan for what their intentions would be on the Property before the work began.

Plan of Conservation and Development

Laura inquired whether the AgComm had done any work on developing a “Chapter” for the Town-wide future Plan of Conservation and Development. She referred to Agriculture as an economic development tool. She explained that the Town and a UConn intern were working on an inventory of all Durham properties. She discussed the development of surveys to reach out to prospective Durham consumers and to educate the Public about the benefits offered by Durham. The information from the survey would allow for the development of a future Strategic Plan.

There was a brief discussion about taxes in regards to making Durham a more attractive location. John Philip agreed that the lower the tax rate, the more appealing the environment is for business and residents. Joe Pasquale echoed Laura’s comments in regards to having a clearly defined plan. As he put it, to have a successful community “you must have a plan!” He also said that a clearly defined POCD would allow us to identify the best areas for growth. He felt that current planning was too year-to-year and that it needed to be projected well into the future. Laura touched on the topic of the development of the questionnaire/survey again, and informed the Commission that she had formed a small group of residents who will be working with the UConn intern. They are: Joe Dooley, Rob Rienny and Tom Stefon. She hopes they will complete the project by May 2016.

(Due to the late hour, Fred recommended that the rest of the Agenda be tabled till the next Meeting. All agreed.)

Motion to adjourn made by Dick Porter and seconded by Melissa Dziurgot. Approved unanimously. Meeting was adjourned at 10:08 pm.