

# PECONIC LAND TRUST



## **"Peconic Bay Region Community Preservation Fund" aka Community Preservation Fund (2% real estate transfer fee)**

*Please note: Many believe that the funds raised by the 2% real estate transfer tax go to Peconic Land Trust for its conservation programs. This is incorrect! The Peconic Land Trust raises its operating budget through charitable gifts and payment for professional services. The 2% real estate transfer fee paid by buyers goes directly to the Town in which the property purchased is located.*

In 1998, the five East End towns (East Hampton, Riverhead, Shelter Island, Southampton, and Southold) obtained from NY State's legislature the right to bring forward a new real estate transfer tax of 2% (the Community Preservation Fund or CPF) on each real estate transaction occurring in these towns. An extensive coalition of farmers, business leaders, environmentalists, realtors, builders, baymen, and civic and community leaders across the region pushed for the creation of this Community Preservation Fund.

In 1998, the voters approved a referendum creating the Community Preservation Fund, which is a conservation program to preserve open space and farmland in the five East End townships. This fund is financed by a 2% tax on real estate sales. This is a one-time tax that the buyer of real estate is required to pay when purchasing a new or used home or vacant property. (In 2006, voters in all five townships approved a referendum to extend the collection of the tax from 2020 to 2030).

This program has been highly successful. More than 10,000 acres of land have been protected that otherwise would have been lost to development. The Community Preservation Fund:

- helps implement key land protection recommendations from a ten-year study to improve and restore the Peconic Estuary
- has been used to purchase open space and environmentally sensitive lands as a way to protect the quality of drinking water
- has been used to protect the water quality in the Peconic bays and our local harbors and bays
- enables towns to continue to purchase developments rights on farmland, thereby preserving the farms that produce fresh fruit and vegetables, and a traditional way of life on the East End

In the long run, the Community Preservation Fund also helps to keep our taxes down. When property is left undeveloped there is no demand for more public services such as water, police, schools and roads. Important elements of the law are:

- the first \$250,000 (East Hampton, Southampton, Shelter Island or \$150,000 (Riverhead, Southold) of the purchase price of a house or building (\$100,000/\$75,000 for unimproved land) is exempt from the real estate transfer fee
- the tax expires in the year 2020
- a bipartisan advisory committee, composed of citizens from each town, oversees the program
- farmer-to-farmer exemptions are provided for in the law
- the buyer pays the tax
- money raised in a town stays in the town in which the real estate transfer fee is levied and is used to protect open space and farmland in that town only