

## Land Use Application Fees

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October 27, 2023 | 2023-R-0252

### Issue

Provide an overview of the state fee on land use applications, including the types of applications to which it applies, how it is administered, its original purpose, and the revenue it generates for the General Fund.

### Summary

The state land use application fee is a \$60 fee, the amount of which is statutorily set, that individuals must pay to municipal agencies when seeking approval to conduct certain land use activities ([CGS § 22a-27j](#)). The municipal agency (i.e., board or commission reviewing the land use application) or legislative body collects the fee and keeps \$2 of it for administrative costs. The municipality remits the remaining \$58 to the Department of Energy and Environmental Protection (DEEP) for deposit into the General Fund.

When instituted in 1992, the fee was \$10 of which \$9 had to be deposited into a now-repealed conservation fund to be used for environmental review teams and the Council on Soil and Water Conservation. In 2009, the legislature opted to have the fee, less the amount kept for administrative costs, go to the General Fund. (During this period, it appears the agency now known as DEEP was largely funded through special funds like the conservation fund. The 2009 budget implementer act eliminated most of the agency's special funds and transferred their revenue to the General Fund.)

In fiscal year (FY) 2023, the General Fund received approximately \$1.9 million from the land use application fee. This amount is more than double the amount it received in FY 2010.

## Administration and Collection

[CGS § 22a-27j](#) imposes a \$60 state fee on any person, firm, or corporation (other than a municipality) applying for the following land use applications:

1. zoning applications (under [chapter 124](#), such as those for site plans and rezoning applications);
2. planning commission applications (under [chapter 126](#), such as for subdivision plan approval);
3. wetland and watercourse applications (under [chapter 440](#), such as those for permits to conduct regulated activities (e.g., dredging or excavations) in wetlands); and
4. coastal management applications (under [chapter 444](#), such as for coastal site plan reviews).

The fee is a flat fee that does not vary based on the application type or size of a proposed project. However, although the fee is set, it is in addition to any town-imposed fees, which may vary. For example, the following statutes authorize municipalities to establish, by ordinance, certain fees:

- [CGS § 8-1c](#) allows municipalities to establish a schedule of reasonable fees for the zoning commission, planning commission, combined planning and zoning commission, zoning board of appeals, or inland wetland commission to process applications.
- [CGS § 8-26](#), if a municipality has not already established one (under [CGS § 8-1c](#)), allows its planning commission to establish a schedule of fees to cover the costs of processing subdivision applications, including the cost of registered or certified mailings, publishing notices, and inspecting subdivision improvements.

## Purpose and History of the Fee

[PA 92-235](#), § 4, established the state land use application fee. The act originally set the fee at \$10, with \$1 kept by the municipality, and directed the remainder to the now-repealed conservation fund. It required the fees the fund received to be used for (1) Bureau of Water Management environmental review teams within the Department of Environmental Protection (DEP) (now DEEP pursuant to [PA 11-80](#)) and (2) the Council on Soil and Water Conservation (established under [CGS § 22a-315](#)) and its districts.

Since its enactment, the legislature has amended this statute eight times, including increasing fees and redirecting these revenues to different funds for different purposes, notably:

- [PA 93-86](#) required the state revenues to be credited to the now-repealed Environmental Quality Fund (EQF).

- [PA 03-6](#), June Special Session (JSS), § 108, increased the fee to \$20.
- [PA 04-144](#), § 6, increased the fee to \$30, with \$2 kept by the municipality, \$19 used to fund DEP environmental review teams and the soil and water conservation council and its districts, and \$9 deposited into a hazard mitigation floodplain management account within the EQF and used for grants (under [CGS § 25-68k](#)).
- [PA 09-3](#), JSS, §§ 396 & 513, increased the fee to \$60, required the state revenue to be deposited in the General Fund, and repealed the EQF and the conservation fund.

Although the transfer to the General Fund was in the 2009 budget implementer act, a governor’s bill that year proposed doing the same (see [HB 6371](#), § 5). According to [DEP commissioner testimony](#) on that bill, at the time, the department was increasingly reliant on funding from its special funds (including the EQF), with a smaller portion of its operating costs being covered by the General Fund and federal funding. She stated that there were concerns that these special funds would become insolvent and so the bill proposed transferring personnel expenses to the General Fund. The bill also eliminated most special funds and transferred their balance to the General Fund to reduce its deficit. Additional testimony on the bill can be found [here](#).

## Revenue

By law, municipalities collect the \$60 fee, which keep \$2 for administrative fees and pay the rest quarterly to DEEP for deposit in the General Fund ([CGS § 22a-27j](#)). Table 1 below shows the fee amounts DEEP received in FYs 2010 through 2023.

**Table 1: Land Use Application Fee General Fund Revenue, FYs 2010 Through 2023**

Fiscal Year	Amount (\$)
2010	686,152
2011	1,306,610
2012	1,390,150
2013	1,315,818
2014	1,475,354
2015	1,512,373
2016	1,474,525
2017	1,515,616
2018	1,668,405
2019	1,487,064
2020	1,435,585
2021	1,533,263
2022	1,616,114
2023	1,886,716

Source: Office of Fiscal Analysis