



**HOME BUILDERS & REMODELERS ASSOCIATION  
OF CONNECTICUT, INC.**

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*Your Home  
Is Our  
Business*

February 15, 2017

To: Senators Logan and Cassano, and Representative Lamar, Co-Chairs  
Representative Zawistowski, Ranking Member  
Members of the Planning & Development Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **Oppose HB 6926, AA permitting Municipalities to Impose a Buyer's Fee on the Conveyance of Real Property**

The HBRA of Connecticut is a professional trade association with about eight hundred (800) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers. We build between 70% to 80% of all new homes and apartments in the state each year and engage in countless home remodeling projects.

**We strongly oppose HB 6926 for all the reasons noted below on nearly identical legislation from 2010.** What is really sad is that not much has changed since 2010, and that is so disheartening about proposals such as this. Our testimony to the Environment Committee in 2010 is repeated here:

“We served on the Governor’s Blue Ribbon Comm’n on Open Space in the late 1990s that led to a renewed state open space purchase and grant program. We strongly support that program and at the time advocated for even greater funding than what the legislature approved. As this committee well knows, that funding is done through bond authorizations and everyone, then, shares in the cost. Open space is enjoyed by everyone, so everyone should pay for it. **In normal budgetary times, we urged legislators to support the commitment to the state’s open space program – the right way to purchase open space - rather than impose the cost of preservation on a minority of land owners.**

Now [again, this is from 2010], everyone knows the state is facing severe budget issues due to a deep recession that has depressed tax revenues on top of the state’s over-spending in many areas. We have a government that is far too large and which can no longer be supported by the state’s citizens. **These budget issues should not justify unfair ways to fund programs. ....**

**Municipalities should plan for the open space ... that its current and future citizens need.** It is wrong to place the burden of paying for these public benefits on the backs of only home owners and other property owners who will be selling or buying property. **There is no justifiable distinction between**

**home owners who stay put and those who do not since both use public open spaces.**

**This new tax will ensure that land not environmentally deserving of protection will be removed from the market - land that is needed by Connecticut’s citizens for new homes and growth.** The State’s open space program, both for its own open space purchases and in issuing grants to municipalities and land trusts, generally ensures that land purchased is environmentally deserving of protection. But this new local “sales tax” on real estate has no such criteria. **In fact, municipal supporters of this new tax in the past have testified that they need it “to stop development.”** Land will be purchased by municipalities regardless of its environmental merit and revenues collected from this new tax used as a roadblock to stop growth.

This new tax will reduce the availability of land and raise the price of what’s left. Legislators must answer the question of what impact this will have on Connecticut’s already very high land prices and, accordingly our future economic development potential. ....

**This sales tax on real estate places another cost burden on buyers and sellers of homes, commercial, industrial, agricultural and all other property.** Please do not dismiss “another cost burden.” Connecticut still suffers under some of the highest housing costs in the country. Potential new employees for Connecticut’s businesses are experiencing severe “Sticker Shock” at our high home prices .... This new tax makes it that much harder to attract people to Connecticut, including the employees that businesses need. This new tax is levied directly on real estate sales and will come directly out of the pocket of either the seller or the buyer; **it does not matter that it is called a buyer’s tax.** In real estate transactions, all costs are negotiable. ... For new homes and businesses, the tax will be paid two or three times - once when the developer buys land, again when sold to a builder and again on the sale of the home or building and lot to the end buyer. **And this tax hits home builders and new home buyers especially hard because residential developers already give 10%, 20%, even 50% or more of their land or fees through the open space subdivision exaction requirement.**

....

**This new tax is unwarranted and laden with adverse consequences.”**

For all the reasons we stated in 2010, which unfortunately are still relevant in 2017, we strongly urge you to reject this proposal.

Thank you for the opportunity to comment on this legislation.