



Town of Redding

100 Hill Road, PO Box 1028
Redding, Connecticut 06875

*Natalie Ketcham
First Selectman*

203-938-2002
FAX 203-938-8816

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Town of Redding
First Selectman**

Testimony before the Finance Committee

In support of SB-434

AN ACT CONCERNING THE MUNICIPAL SHARE OF THE REAL ESTATE CONVEYANCE TAX

Senator Daily, Representative Staples, and members of the Committee:

I appreciate the opportunity to once again submit testimony from the Town of Redding in support of making the current municipal share of the real estate conveyance tax permanent.

The fiscal condition of the state, both now and in the near future, makes passage of this bill critical. Towns have endured cuts in state aid over the past several years, and have had to reduce services or pass the costs for those services on to residents, our mutual constituents. The likelihood of restoration of municipal aid is somewhere 'between slim and none', and the specter of further reductions in the revenue from the real estate conveyance tax is frightening to local officials.

Making the local share of the tax permanent at .25% will allow towns to finally rely on this source of revenue when budgeting for annual expenses. This share is still only half of what the state receives and therefore is not out of line proportionately. The conveyance tax as currently implemented is a very small part of the overall real estate transaction cost. The CT Post recently reported that Fairfield County home sales in January were up 58% over January 2009. As the economy continues to rebound, so will these revenues necessary to protect our taxpayers from further unavoidable and unwanted tax increases.

In these difficult times, this is one thing the state can do to help its municipalities, and it doesn't cost the state a thing. I respectfully urge passage of SB-434, and I thank the Committee for raising this very important bill on behalf of all the members of the Council of Small Towns.