



## State of Connecticut

### HOUSE OF REPRESENTATIVES STATE CAPITOL

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MEMBER  
FINANCE, REVENUE AND BONDING COMMITTEE  
JUDICIARY COMMITTEE  
PLANNING AND DEVELOPMENT COMMITTEE

February 10, 2011

Dear Chairmen Duff & Tong:

My name is Richard Smith and I represent the 108<sup>th</sup> District. I apologize for being unable to attend this Public Hearing in person, however, I had previously committed to a matter in the District.

I am an attorney who has been in private practice since 1983 and I am the current Chairman of the Real Estate Section of the Danbury Bar Association. I have a general legal practice with an emphasis on real estate. As such, I have represented numerous Sellers, Buyers and lenders in all types of real estate transfers, including "Short Sales." During all my years of practice, I have never found the conveyance tax to be an impediment to the closing, regardless of whether it involved a "short sale".

Regarding "Short Sales", it has been my experience and the experience of my colleagues, that the lender and property owner arrive at an agreed upon sale price, which price allots for various costs that are necessarily incurred by the owner: attorney fees, realtor fees, conveyance taxes, etc.... Therefore, by exempting the conveyance tax from having to be paid, the State is losing out on significant revenue. It has also been my experience that as part of the "Short Sale" agreement, lenders agree not to pursue a deficiency judgment. Accordingly, the home owner is not exposed to any additional liability for the shortfall.

Based on the foregoing, removing the exemption set forth in Connecticut General Statute Section 12-498, subsections (19) and (20) (A) would add additional revenue to the State without causing further hardship to the distressed homeowner. I, therefore, respectfully urge your consideration of passing House Bill 5192.

Thank you,

*Richard A. Smith*

Richard A. Smith, Esq., 108<sup>th</sup> District