

**Natalie Ketcham
First Selectman
Town of Redding
Testimony
Before the
Finance Committee
March 7, 2011**

RE: SB-1007, An Act Concerning The Governor's Recommendations for Revenue

The Town of Redding urges support for provisions in SB-1007 which will help preserve a critical source of financial assistance for our towns.

The increase in the municipal conveyance tax has provided the Town of Redding with a significant source of revenue which has helped the Town of Redding fund K-12 education, public safety, transportation and other essential local services. These revenues are of critical importance to Connecticut's town and cities to fill the funding void left by severe cuts in state aid that have not yet been restored to pre-2003 levels.

Cuts in state aid to municipalities coupled with costly state and federal mandates have placed a difficult financial burden on the state's towns and cities. Consequently, the increased portion of the municipal conveyance tax has been a much-needed mechanism for filling some of the gaps in our budget. Without these funds, our town will be forced to cut essential services or raise property taxes.

For several years now, the state has collected one-half of one percent (0.50%) on most real estate transactions. Towns and cities only received 0.11% and recently 0.25% despite the fact that this is solely a municipal transaction. This increase, which is still only half of what the State of Connecticut receives, has been a significant revenue source for our town.

Making the conveyance tax permanent will provide the Town of Redding with assurance that it can continue to rely on these revenues. We therefore urge you to support legislation to make the conveyance tax permanent.