

**Testimony**  
**Susan Bransfield, First Selectman**  
**Town of Portland**  
**Testimony before the Finance Committee**  
**March 7, 2011**

As First Selectman for the Town of Portland and Past Chair of the Board of Directors of the Connecticut Council of Small Towns (COST), I urge your support for **SB-1007, An Act Concerning the Governor's Recommendations for Revenue**, which includes provisions to **make permanent the increase in the municipal conveyance tax**.

Connecticut's towns and cities could lose more than \$40 million if the General Assembly fails to extend the increase in the municipal conveyance tax. Faced with deep cuts in federal and state aid, Connecticut's cities and towns have been struggling to meet our obligations to fund education, improve and maintain roads and bridges, pay for escalating health care costs and other benefits for municipal employees and stimulate economic development. This has placed an untenable burden on our residents and businesses in the form of increased reliance on property taxes.

The municipal conveyance tax is a significant revenue source for cities and towns across the state. The state already collects and has collected for many years, one-half of one percent (0.50%) on most real estate transactions. Even though the transaction is strictly a municipal transaction, the towns and cities are were only getting 0.11% and recently 0.25%. This increase, which is still only half of what the State of Connecticut receives, has been a critical revenue source over the past few years.

If the tax is allowed to expire, the Town of Portland would lose between \$50,000 and \$70,000, based on what the town received in prior years. This is a significant amount of money for our town, which is needed to fund critical services for our residents and businesses. These funds have been used to plug holes in our town budget which have resulted from cuts in state aid programs that have yet to be restored to pre-2003 levels. Towns need to be able to rely on a stable revenue stream, such as the conveyance tax, in order to appropriately plan budgets to meet future town needs.

We therefore urge lawmakers to make this tax permanent so that we don't have to wonder every year whether we can rely on this important source of revenue.