



## CONNECTICUT REALTORS®

111 Founders Plaza, Suite 1101 ▪ East Hartford, CT 06108  
Tel: (860) 290-6601 ▪ ctrealtor.com

### Statement on

#### **S.B. No. 468 (RAISED) AN ACT ESTABLISHING INCENTIVES TO PROMOTE HOME OWNERSHIP - OPPOSE**

And

#### **H.B. No. 5545 (RAISED) AN ACT CONCERNING A COMPREHENSIVE STUDY OF THE STATE'S TAX STRUCTURE - SUPPORT**

Finance, Revenue and Bonding Committee  
March 17, 2014

By Mary Ann Hebert  
REALTOR®

Senator Fonfara, Representative Widlitz and members of the Committee, my name is Mary Ann Hebert. I am a REALTOR in Middlebury and the immediate past president of Connecticut REALTORS®. I appreciate the opportunity to speak on behalf of our over 15,000 members in opposition to Section 2 of SB 468 and in support of HB 5545.

Our Association thanks you for the thoughtful attention you are providing to real estate in Connecticut.

While we generally support incentives as noted in Section 1 that would lead to more owner-occupied housing, especially in urban areas, there is a provision in the proposal we oppose. We also generally oppose any provision that inequitably raises assessment rates for non-residents who may actually utilize fewer municipal services than residents.

**Section 2 is problematic** as it permits a municipality to establish one level of taxation for owner-occupied and an additional level of taxation for non-owner occupied. "by adjusting the annual assessment rate for non-owner-occupied residential properties so that, while the annual assessment rate for owner-occupied residential properties shall be calculated at all times in accordance with subsection (e) of this section, the annual assessment rate for non-owner-occupied residential properties shall be calculated at a rate that shall keep the annual assessment rate for owner-occupied residential properties lower than that of non-owner-occupied residential properties."

This new tax rate would be municipality-wide even though the benefits of Section 1 are restricted to certain census districts. Secondly, absentee landlords are not necessarily going to happily absorb this new tax rate and may very well pass those costs along to already hard-pressed tenants. Third, this proposal may create problems for town assessors since it complicates their lives in determining what is owner-occupied and what is not. It also raises questions about what happens when, for example, an owner moves out of multi and it is no longer owner-occupied or moves into a multi-family.

Regarding **HB 5545**, we applaud efforts to study how the State's tax structure could be overhauled in the future. Connecticut REALTORS® have a long history of being supportive of a broad based, fair and equitable tax system, we understand how the current system can negatively impact the cities and towns that our members work in. The real estate market is one of the most important predictors of economic recovery or a down turn and our organization and membership know that market better than anyone else. We **respectfully request that a member of our Association be included on any group that studies the state's tax structure. Property tax reform would deeply impact our industry**, and we believe we could add value to the deliberations as to options to do that.

Thank you for your consideration.