



**HOME BUILDERS & REMODELERS ASSOCIATION
OF CONNECTICUT, INC.**

3 Regency Drive, Suite 204, Bloomfield, CT 06002
Tel: 860-216-5858 Fax: 860-206-8954 Web: www.hbact.org

*Your Home
Is Our
Business*

February 4, 2019

To: Chairwoman Cohen, Chairman Demicco, Ranking Members Minor and Harding,
Members of the Environment Committee

From: Jim Perras, Chief Executive Officer

Re: **Please Oppose HB 5254, An Act Establishing A Pilot Program Authorizing Municipalities to Impose A Buyer's Conveyance Fee on Real Property to Fund the Purchase and Stewardship of Open Space**

The Home Builders and Remodelers Association of Connecticut (HBRA-CT) is a professional trade association with over eight hundred business members statewide, employing tens of thousands of Connecticut residents. Our association of small businesses is comprised of residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry. We build between 70% to 80% of all new homes and apartments in Connecticut each year and engage in countless home remodeling projects.

The HBRA-CT respectfully requests that the Environment Committee oppose HB 5254. Land conservation is a laudable goal. The benefits of which are enjoyed by our entire state. Therefore, it is only appropriate that the cost of such benefit be spread evenly across our state as well. Municipal or state bonding is a much more fair and equitable method by which to acquire open space. A small minority of land owners should not be made to shoulder the cost of preservation to the benefit of everyone else.

The State's open space program, both for its own open space purchases and in issuing grants to municipalities and land trusts, generally ensures that land purchased is environmentally deserving of protection. But this new local "sales tax" on real estate has no such criteria. Consequently, this legislation could be used by municipalities to intentional thwart development in direct contradiction of Governor Lamont's stated objective of promoting fair and affordable housing. This new tax may unwittingly assist towns which actively seek to shirk their obligations under the CT Fair Housing Act. We should not give unscrupulous actors yet another tool to further discriminatory, anti-growth policies.

This new tax will reduce the availability of land and raise the price of what's left. Connecticut already has some of the highest land prices in the country and developable land is incredibly scarce. Additionally, Connecticut has one of the oldest housing stocks in the country. Our industry has been producing new residential units at recession levels since 2009. New residential construction is being produced at only a fraction of what is needed to maintain Connecticut's current housing stock numbers. If enacted, HB 5254 will exacerbate our affordability problems and only serve to boost the trend of outward migration and economic malaise.

This sales tax on real estate places another cost burden on buyers and sellers of homes, commercial, industrial, agricultural and all other property. Connecticut still suffers under some of the highest housing costs in the country. This new tax will make it harder to attract people and businesses to Connecticut. For new homes and businesses, the tax will be paid two or three times - once when the developer buys land,

Vision: "Building CT's Economy, Communities and Better Lives One Home at a Time"
Mission: "Using Effective Advocacy and New Knowledge to Solve Our Member's Problems"

again when sold to a builder and again on the sale of the home or building and lot to the end buyer. This tax, if enacted, would be particularly onerous to the residential construction industry and new home buyers as residential developers already give 10%, 20%, even 50% or more of their land or fees through the open space subdivision exaction requirement.

In conclusion, because of our concerns pertaining to fairness and the potential for negative impacts to our already fragile economy, the HBRA-CT respectfully requests that the Environment Committee oppose HB 5254.