

Written Testimony in Opposition of Section 22 Line 2035 of SB 877

of

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Connecticut Attorneys Title Insurance Company (CATIC) is a title insurance company that operates throughout New England and Florida. CATIC provides title services to customers through its network of experienced attorneys and independent agents. CATIC is currently the largest title insurer in the State of Connecticut based on gross written premiums. As a title insurer, we provide peace of mind to homebuyers and lenders that their property rights are protected.

The Connecticut General Assembly is considering a proposal contained within the Governor's budget that would impose a sales tax on legal services. This proposal, if enacted, would have serious negative consequences on the delivery of legal services within the state. Unlike other goods and services, the purchase of legal services is rarely a choice or a luxury. Most people seek legal services when they need to protect their interests in situations such as divorce, bankruptcy, criminal charges, and large financial decisions such as purchasing a home. A sales tax on these services would place another barrier to access to justice, and interfere with consumers' ability to protect themselves and their assets.

Forty-seven states do *not* have a tax on legal services. If this proposal is enacted, it would encourage consumers to seek their legal services from neighboring jurisdictions where such a tax does not exist. Many of our attorney agents have indicated to us that if this legislation were to pass, they would move their legal practice to an adjoining state.

We urge the Committee to defeat this legislation.