

Chairpersons Rep. Scanlon, Sen. Fonfara, Ranking Members Rep. Cheeseman, Sen. Martin and distinguished Members of the Finance, Revenue & Bonding Committee

My name is Maria Weingarten and I am a former auditor with PwC, a currently member of New Canaan's Board of Finance and a realtor in Fairfield County. I am here to submit my own personal testimony not on behalf of any other entity. I am here to testify in strong opposition to Bills: SB171, SB172, SB821, and HB 5280.

Each of the following tax bills will bring significant unintended consequences.

SB171 - This Bill will tax a certain portion of the State that is in closest proximity to NYC, at a disproportionate level and have a chilling effect on the real estate market in Fairfield County at a time when it is finally just recovering from a long period of depressed values. In fact, pre-Covid, CT was the only state in the country where property values have not recovered to where they were prior to the Great Recession.

SB172 – This bill impacts most communities in CT where land cost tends to be more expensive and extensively developed. It is concerning that current 8-30g guidelines specifically exclude any naturally existing market value affordable housing that is not deed restricted or built before 1990. These naturally affordable properties likely exist in every municipality and have not been quantified. As of right multifamily development will further take every town away from the arbitrary 8-30g 10% affordable housing threshold since there will be exponential market value multi-family over development. So now the targeted towns will be higher taxed to meet the infrastructure burdens as well as this arbitrary penalty tax on residents. This will make these communities even less affordable for all – renters, homeowners and local main street businesses and make these towns less attractive to homebuyers.

I oppose SB 821 & HB 6187 It contains measures to assist so many that have been impacted by Covid, which is great. But other sections will also increase the tax burden on residents that are high-income earners and there are foreseeable consequences to that. We have seen from other similar increases in recent years that this will have a chilling effect on high end real estate markets. Why should legislators care?

The reality is that the highest end of the market and the highest-income earners have the greatest flexibility to establish residency elsewhere in states with more favorable tax structures. Other similar past hikes have caused tax revenues from the top 100 wealthiest residents to decline since they moved out of CT permanently or now just have a second home in CT, while moving their primary residence elsewhere and they have been replaced by less wealthy residents that bring lower incremental revenues to the state. This ultimately reduces the total revenues in the state's coffers. CT has many hedge funds. The great experiment with Covid-19 has proved that employees can be highly productive in a "work from home" environment and this may permanently change how we live and work. It also means that employees may no longer need to be geographically tied to NYC. This greater flexibility means that now more than ever CT must become more competitive since CT will no longer be competing just with our neighboring states but essentially the entire country. I urge you to please take these factors into consideration when deciding on the bills you will move forward.

Why are the majority party legislators always addressing the symptoms and not the root cause of the issues facing CT? For too long legislators have pandered to special interests and the unfunded state pension and health benefits will continue to strangle our state. I urge you to look to better public policy that would bring economic vibrancy back to our state. This is the only real solution for CT and unfortunately one that the legislature has no appetite to address.

Maria Weingarten

New Canaan, CT