

CBA LPRC POSITION REQUEST FORM

The CBA Real Property Section **position request** is as follows:

- 1) Proposed legislative or regulatory concept:

To **OPPOSE** SB171, An Act Establishing a State-Wide Tax on Real Property. The bill would establish a one mill state-wide tax on commercial and residential real property, with the first three hundred thousand dollars of the assessed value of a residential property exempt from the tax.

- 2) Explanation and rationale for advancing this position:

The imposition of an entirely new tax on real estate would devalue real estate in Connecticut. Investors and other potential purchasers would necessarily take the taxation into account when pricing real estate.

Local collection of property taxes would suffer as the result of property whose value is lessened by the state-wide tax, resulting in the imposition of higher local mill rates to make up for the reduced value.

The state-wide property tax would be passed on by landlord to their tenants, resulting in higher rent for residential and business tenants.

- 3) Is draft regulation, legislation or proposed bill included?

Proposed Bill is in concept form only.

- 4) What is the date of any legislative hearing, if known? N/A

- 5) Was this position previously approved by the CBA? If so, when does/did it expire?

No

- 6) Is the CBA section or committee seeking to join a previously approved CBA section or committee position? No

- 7) Potential or actual CBA opposition from another CBA section or committee? None expected

- 8) Strength of section position (including process and results of section vote taken on issue):

Pursuant to its bylaws, the Executive Committee was polled in between meetings of the Section. Support for this position was unanimous in those responding to the poll (thirteen responses).

- 9) Fiscal impact (on the state): There currently is no such tax, so the fiscal impact on the State in rejecting this bill would be none. Of course, if passed, the tax would generate revenues, and the amount of such revenues have not been estimated.

10) Are you seeking “fast-track” approval? Yes