

Date: March 23, 2021

To: Members of the Environment Committee

From: Amy Blaymore Paterson, Executive Director, CT Land Conservation Council (CLCC)
Robert LaFrance, Director of Policy, Audubon Connecticut

Re: CLCC's Rebuttal Responses to Realtor's Form Email Opposition to HB 6441 Section 3

The following are the Connecticut Land Conservation Council (CLCC) and Audubon CT rebuttal responses to arguments raised in a form email sent to legislators by realtors in opposition to Section 3 of [HB 6441](#), **An Act Concerning Climate Adaptation**. **Section 3** enables a voluntary municipal buyer's conveyance fee program to fund climate adaptation, resilience, and other local environmental projects.

Each assertion raised in the realtor's email is followed by CLCC and Audubon CT's rebuttal response, as follows:

Realtor's: *"BRAND NEW SALES TAX on Connecticut real estate buyers. This fee will range anywhere from one half of one per cent on the portion of the sale exceeding \$150,000 scaling up to as much as one and one half per cent on the portion that exceeds two million five hundred thousand dollars."*

Rebuttal #1. The program is voluntary. HB 6441 Section 3 provides authorization but not a mandate for municipalities to establish the program. If a municipality is not interested in adopting the program, it does not have to do so.

Rebuttal #2. The bill sets forth a ceiling for the percentage for the fee. A town may choose to adopt a fee that is lower than .5%.

Realtor's: *"There is an affordable housing problem in Connecticut now. Adding a new sales tax on buyers will put home purchases even further out of reach of our first-time buyers and workforce."*

Rebuttal #3. Towns that adopt the program **may use the fee to invest in affordable housing projects.**

Rebuttal #4. Towns that adopt the program **that do not meet the state's affordable housing** requirements are **prohibited from using the fees for land acquisition.**

Rebuttal #5. The program is voluntary. If a municipality is not interested in adopting the program, it does not have to do so.

Rebuttal #6. The fee structure is progressive. The bill sets ceilings for the percentages for each category of purchase price. **A municipality may choose to impose a lower percentage.** The exempt amount for each category of purchase price is a floor. **A municipality may choose to exempt a higher amount of the purchase price from the fee.**

Realtor's: *"Buyers who cannot afford this new tax will try to add it to their mortgage and may not be able to. That action could put the entire home purchase out of reach for them. This new burden causes greatest harm to those with limited funds."*

Rebuttal #7. See Rebuttal #s1 – 6 above. **There is no evidence that the fee deters homebuyers or commercial investors.** CLCC has [collected several case statements and news articles](#) which provide further insight into the positive impact that the Municipal Funding Option has had in many communities.

Rebuttal #8. People and businesses are attracted to communities that invest in greenspaces, water resources, and other natural amenities. This trend is playing out throughout Connecticut, with a booming real estate market from people flocking to our state during the COVID-19 pandemic. **According to CT DECD, more than 16,000 new residents moved to the state in 2020 and the number of new businesses in the state grew by 9%.**

Rebuttal #9. Even pre-pandemic, **real estate agents recognize the value of greenspaces to neighboring properties.** Based upon CLCC research, **since late 2019 over 400 CT real estate sale listings expressly referenced proximity to** land trust property, municipal and state open space, parks and other **greenspaces as a selling point** in their description of the property.

Realtor's: *"Real estate owners already have many high costs including property taxes. Shoreline buyers will experience high flood insurance premiums. Do NOT add to home purchase costs."*

Rebuttal #10. See Rebuttal #s1-9 above. **If realtors are truly concerned about flooding, and the associated costs for insurance, they should SUPPORT this fee which would allow towns to raise funds for projects that address sea level rise, inland flooding, the proliferation of invasive species, and rising temperatures** -- just some of the climate change related issues faced by municipalities **that impact local real property values.**

Realtor's: *"Connecticut needs more inventory including sellers who will move up or down in their own communities. People are less likely to move with this new tax."*

Rebuttal #11. The program is voluntary and also flexible. There is nothing in the bill that prevents a municipality from exempting first-time buyers or buyers who choose to move within their own community.

Rebuttal #12. There is absolutely no evidence from anywhere to support this baseless assertion.

Realtor's: *"Real estate is an important factor in the economy. Please do not harm real estate with this new tax."*

Rebuttal #13. See Rebuttal #9. This statement is refuted by the Realtor's own practice of listing proximity to greenspaces as a selling point for real estate.

Realtor's: *"Any municipality that wishes to purchase/maintain open space or invest in climate initiatives can already fund those through their own municipal processes. Placing the entire burden on those purchasing homes in those municipalities is unfair."*

Rebuttal #14. Municipalities need a sustainable source of funding for local conservation and stewardship efforts, climate resilience, and other environmental projects that would not impact the municipal mill rate or require additional bonding. If given the choice, wouldn't a buyer prefer a one-time fee then an annual increase in their real property taxes?

Rebuttal #15. HB 6441, Section 3 is enabling. The time for realtors to raise concerns about the program is if and when their town considers passing an ordinance to establish the program. This legislation permits municipalities to decide this issue on the local level where it belongs.

For further information, please contact CLCC Executive Director Amy Blaymore Paterson at abpaterson@ctconservation.org or (860) 614-8537 or Robert LaFrance, Director of Policy, Audubon Connecticut, National Audubon Society, at Robert.LaFrance@Audubon.org or (203) 668-6685.