

**Act Number: PA10-001 June S.S.**

**2010**

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**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
2010**

**VETO  
SESSION**

**JUNE  
JULY  
SPECIAL  
SESSION**

**VOL. 53  
PART 18  
5591-5870**

Emergency Certified Bill 501, AN ACT

CONCERNING THE REAL ESTATE CONVEYANCE TAX, THE  
CONVEYANCE OF CERTAIN PARCELS OF STATE LAND,  
ADJUSTMENTS TO CERTAIN PROGRAMS IMPLEMENTED  
THROUGH THE DEPARTMENT OF SOCIAL SERVICES, A  
REPORT ON TAX CREDITS, JUVENILE JUSTICE, ABSENTEE  
VOTING BY MEMBERS OF THE MILITARY, REVISIONS TO  
VARIOUS TASK FORCES, COMMISSIONS AND COUNCILS, AND  
AMENDMENTS AND MINOR AND TECHNICAL CHANGES TO  
CERTAIN SPECIAL AND PUBLIC ACTS OF THE 2010  
REGULAR SESSION.

SPEAKER DONOVAN:

Representative Cam Staples, Chair of the  
Finance Committee.

REP. STAPLES (96th):

Thank you, Mr. Speaker.

Mr. Speaker, I move passage of Emergency  
Certified bill.

SPEAKER DONOVAN:

The question is on passage of the bill.

Representative Staples, you have the floor.

REP. STAPLES (96th):

Thank you, Mr. Speaker.

Mr. Speaker, this is a bill where the title of

the bill actually conveys most of what's in it, at least if by section.

The most significant portion, and I will not summarize the entire bill before us, Mr. Speaker, but the most significant portion of this bill, in my estimation and what really brought us back here today, is the extension of the real estate conveyance tax as it applies to municipalities.

The bill before us is the same as this Chamber adopted at the close of session, which extends the conveyance tax for one additional year, but it also provides exemptions in the case of short sales, foreclosures by sale, Mr. Speaker, to provide opportunities for relief for those homeowners who are selling their properties without realizing any gains.

So, Mr. Speaker, there are several other sections. As I mentioned, I will not summarize them all, but I will mention that there are sections relating to the conveyance of real property, a bill that we do every year and a bill that is now contained in the bill before us.

There are revisions to various provisions of our statutes relating to SAGA to relating to

HUSKY, many of which are required for federal law purposes. There is a provision relating to increasing access to the elections process for members of the military; some fixes to bond bills that we did during the session, and a couple of notwithstanding provisions relating to educational school construction projects.

So, Mr. Speaker, with that, I urge my colleagues to support the bill before us.

SPEAKER DONOVAN:

Thank you, Representative.

Would you care to remark further on Bill 501? Would you care to remark further? Would you care to remark further? If not, will staff and guests please come to the well of the House. Members take their seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is taking a roll call vote. Members to the chamber, please.

SPEAKER DONOVAN:

Have all the members voted? Have all the members voted? Please check the roll call board

to make sure your vote has been properly cast. If all the members have voted the machine will be locked. The Clerk will please take a tally. The Clerk, please announce the tally.

THE CLERK:

Emergency Certified Bill 501.

Total Number voting . . . . . 138

Necessary for adoption . . . . . 70

Those voting Yea . . . . . 129

Those voting Nay . . . . . 9

Those absent and not voting . . . . . 13

SPEAKER DONOVAN:

Emergency Certified bill is passed.

Will the Clerk please call Emergency Certified Bill 502.

THE CLERK:

Emergency Certified Bill 502, AN ACT MAKING ADJUSTMENTS TO THE BUDGET AND TO CERTAIN PUBLIC ACTS, AND ESTABLISHING THE HOMEOWNER'S EQUITY RECOVERY OPPORTUNITY LOAN PROGRAM.

SPEAKER DONOVAN:

Representative Geragosian.

REP. GERAGOSIAN (25th):

Good afternoon, Mr. Speaker.

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Joint Resolution Number 101.

THE CHAIR:

So ordered, sir.

Senator Looney.

SENATOR LOONEY:

Yes, thank you, Mr. President.

Mr. President, if the Clerk would call as the next item from Senate Agenda Number 2 for the June Special Session, Emergency Certified Senate Bill Number 501.

THE CHAIR:

Let's keep our voices down. We've got business to do.

I'm sorry. But, Senator Looney, please proceed again.

SENATOR LOONEY:

Yes, thank you, Mr. President.

If the Clerk might call, as the next item, on Senate Agenda Number 2 for the June Special Session, Emergency Certified Senate Bill Number 501.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Calling from Senate Agenda Number 2, Emergency



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Certified Bill 501, AN ACT CONCERNING THE REAL ESTATE CONVEYANCE TAX, THE CONVEYANCE OF CERTAIN PARCELS OF STATE LAND, ADJUSTMENTS TO CERTAIN PROGRAMS IMPLEMENTED THROUGH THE DEPARTMENT OF SOCIAL SERVICES, A REPORT ON TAX CREDITS, JUVENILE JUSTICE, ABSENTEE VOTING BY MEMBERS OF THE MILITARY, REVISIONS TO VARIOUS TASK FORCES, COMMISSIONS AND COUNCILS, AND AMENDMENTS AND MINOR AND TECHNICAL CHANGES TO CERTAIN SPECIAL AND PUBLIC ACTS OF THE 2010 REGULAR SESSION. The bill is accompanied by emergency certification signed Donald E. Williams, Jr., President Pro Tempore of the Senate; Christopher G. Donovan, Speaker of the House of Representatives.

THE CHAIR:

Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Mr. President.

Mr. President, I move for adoption and passage of the emergency certified bill.

THE CHAIR:

Acting on approval and passage, sir, would you like to remark further?

THE CHAIR:

Yes. Thank you, Mr. President.

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This bill, as you might tell from Clerk's reading of the title, contains a variety of subjects on matters that were unresolved or unpassed in both chambers at the end of the regular 2010 session and that they are now brought together in this one bill for purposes of clarification and completion.

The significant item is the extension of the expiration date of a higher municipal real estate conveyance tax rate for one-year. It also exempts foreclosures by sale and short sales from that conveyance tax.

It makes some changes to the Fiscal Year '11 Budget Act as well as two other laws enacted in the 2010 regular session that relate to Medicaid and HUSKY plus juvenile justice, various tax credits, school construction projects and appointments to commissions and task forces. It also authorizes certain conveyances of state property, establishes temporary high risk pool in conformance with the federal health care reform law and changes state election law to comply with the Federal Military and Overseas Voter Empowerment Act.

And also, finally Mr. President, the bill does make some minor and technical changes and corrections

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in public and special acts including bond acts that were passed in the 2010 regular session.

Mr. President, one of the -- just, I will conclude my remarks after one additional notation. And then since these components of this bill came from various committees during the session, I believe that the chairs of the various committees of cognizance will answer any questions that may arise.

But just wanted to point out in terms of the exemption of sales -- foreclosures by sale and short sales from the real estate conveyance tax, the revenue shortfall for that is adjusted under Section 3 of the bill under Fiscal Year '11, unallocated lapses in which the bill increases the unallocated General Fund lapses by -- for fiscal '11, by 1.73 million and clarifies that what would otherwise have been a state revenue loss of 1.73 million for making that adjustment an exemption to the real estate conveyance tax.

Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

Will you remark further?

Senator Duff.

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SENATOR DUFF:

Thank you, Mr. President. Good afternoon.

THE CHAIR:

Good afternoon, sir.

SENATOR DUFF:

Thank you, Mr. President.

Mr. President, I rise in support of this legislation today, one brief section and I'll make it quick. Many in the circle know that I am certainly no fan of the conveyance tax, and I certainly am not today, even though we have a one-year extension of it. Though I will mention to members of the circle that I am very, very pleased and happy that we are taking action today to exempt foreclosures and short sales from the conveyance tax.

This was a priority of the Banks Committee earlier this year. We unanimously passed legislation in our committee to exempt foreclosures and short sales. The Finance Committee passed legislation as well, and I know for many of us in the circle today that it is something that we see on a day-to-day basis where friends and neighbors and others are hitting on tough times and not only are they getting foreclosed on or they have a short sale, they kind of get kicked

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while they're down with the conveyance tax.

And while lots of times in this building people like to take credit for ideas, this is not one that people would like to take credit for, putting the conveyance tax on foreclosures and short sales. So I am pleased today that we are going to give people who are, at times at their worst, a little bit of relief from this tax and appreciate the fact that it is in this large bill that we have here today and is something that we can make sure we remind those of our constituents who are hitting these tough times that we have taken the appropriate action here today to exempt them from the conveyance tax.

Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

Senator Boucher.

SENATOR BOUCHER:

Thank you, Mr. President.

Mr. President, in discussing this particular bill, I agree with my colleague, my distinguished colleague and seat mate, that it was a very good thing to exclude certain sales from this particular onerous tax.

But all in all this bill that includes so many different issues, some of which we may agree with, and some of us may disagree; however, this particular tax, the conveyance tax, we should remember was enacted some years ago at a time when we thought we couldn't get worse, when we had the tech bubble and we had September 11th and they were trying to find another way to close a very serious shortfall, and it was supposed to be enacted for a very short period of time.

It was added to many other taxes that Connecticut is infamous for, including the estate tax, tax on pensions, car property taxes and other such taxes that make Connecticut a very attractive state for people to live and retire in particularly.

And unfortunately, this extension has continued year after year. There has been several amendments that have been filed. I'm not going to call any of them. However, one in particular should be mentioned even though it does not have the votes to pass and that's why I'm not bringing it on. And that is the possibility that maybe this Legislature should move to, and that is eliminating the state portion of that tax. If we go back to its beginning, there was only a

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state portion of that tax at one time, but we added a municipal portion and we increased the tax, thereby communities becoming dependent on it.

Our communities this year have worked extremely hard to close their budget shortfalls. They have cut. The State unfortunately has come up short in that regard. It's much recognized throughout our state in that the towns have worked very hard, but the State has only made less than meaningful cuts to a very expensive budget that is being put forward. And that is the most responsible action to take. And that is removing the State's portion of it going forward and allowing the municipalities to keep their portion. Again, because they would come up short this year.

But long-term, I think it's something the State should look at because in extending it this one year we all know full well that we're going to be back at this again next year, and they're going to have a very hard time eliminating this tax altogether. It should go away because, in fact, this is a tax on people's equities in their home and when they go to sell it, it is an equity that they have paid on property taxes year after year. And so we're taxing them once again going out the door.

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So as I said, this is reluctantly -- we see this extension again. I feel it should go away. There are many that agree with us. I understand the difficulties of our communities and as such, I hope that in the future that they will consider eliminating the state portion and thereby bringing it back to where it used to be before we increased it so much on our very tired and burdensome taxpayers who think that we haven't been responsible fiscally.

In fact, they would like to see us change that terminology and bring about some fiscal austerity. I think they've had enough of what they've had to go through in these last couple of years. Thank you very much for your indulgence, Mr. President, and I'll leave it to others to comment further.

THE CHAIR:

Thank you, ma'am.

Senator Debicella.

SENATOR DEBICELLA:

Thank you, Mr. President.

Mr. President, I rise to associate my remarks with Senator Boucher's. But first I actually go back to something Senator Duff said, which is we don't want to kick people when we are down. And I think the



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compromise that was reached is a smart one because people who are the furthest down are not being kicked, those who are in foreclosure, but those aren't the only people who are down right now.

People have seen the prices of their homes drop 10, 20, 30 percent since when they purchased them. And now we're going to hit them with an extra tax. I don't think that's the right thing to do, to be kicking people when they're down. That is what this additional conveyance tax does.

And Senator Boucher is absolutely right. We could today be voting on a bill that cuts state spending by just \$40 million and transferring that over to our municipalities to keep them whole. Municipalities wouldn't have to raise a dollar of property taxes if we in state government had cut just a miniscule amount, \$40 million out of an \$18 billion budget, but yet again, we have failed to cut spending to help our municipalities.

And unfortunately, Mr. President, I cannot do this to the homeowners of Connecticut to extend this tax, and I will be voting no today. Thank you.

Thank you.

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Thank you, sir.

Will you remark further?

Senator Guglielmo.

SENATOR GUGLIELMO:

Thank you, Mr. President.

I'll be very brief. I just want to associate myself with the remarks of, actually, all three speakers who preceded me.

I think it's a very unfair tax, a conveyance tax. I've always opposed it. Most people don't expect it when they go to the closing. I mean, you've got situations where you've got individuals selling their homes in order to downsize, maybe moving to a condominium because they can't afford the upkeep or the property tax on the family homestead, and then we whack them with a pretty heavy burden.

So I think it's -- I think it's unfair. I agree with what Senator Boucher said that we should remove the state portion of the tax at some point. I think the towns, and I know from first-hand experience that the 13 towns I represent, whether they -- whether their chief executive officers be Republican or Democrat, they have done an extraordinary job of controlling expenses, and I think that is the reason

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that so many of these budgets have gone through without a whole lot of opposition in most of the towns, as opposed to a few years ago when they had referendum after referendum.

So I agree with my colleagues. I hope that someday we focus and do the right thing. Thank you, Mr. President.

THE CHAIR:

Thank you.

Will you remark further? Will you remark further on Senate Bill 501?

Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Mr. President.

I just wanted to add one other note to call attention to the members to Section 18 of the bill which allows employees who are receiving vocational training for the Board of Education and Services for the Blind to qualify for the new job tax credit, which was established in Section 9 of Public Act 10-75, the jobs bill enacted earlier in the regular session.

In that bill, we provided for a credit for employers who hire people through the Bureau of Rehabilitation Services. We had also intended to have

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it cover people who receive services from the Board of Education and Services for the Blind.

We had passed a bill in the Senate dealing with that correction that didn't make it through the House in the last night, and that provision is incorporated into this bill to have a broader tax credit for the hiring of persons with various disabilities.

Thank you, Mr. President.

THE CHAIR:

Thank you, sir.

Will you remark? Will you remark further on the bill? Will you remark further?

If not, Mr. Clerk, please call for a roll call vote. The machine will be open.

THE CLERK:

An immediate roll call vote has been ordered in the Senate. Will all Senators please return to the chamber. An immediate roll call vote has been ordered in the Senate. Will all Senators please return to the chamber.

THE CHAIR:

Have all Senators voted? If all Senators have voted, please check your vote. The machine will be locked. The Clerk will call the tally.

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THE CLERK:

Motion is on passage of Emergency Certified Bill

501.

Total Number Voting	36
Necessary for Adoption	19
Those voting Yea	32
Those voting Nay	4
Those absent and not voting	0

THE CHAIR:

Senate Bill 501 passes. Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President.

Mr. President, I would move for immediate transmittal to the House of Representatives of Emergency Certified Senate Bill 501.

THE CHAIR:

So ordered, sir.

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President.

Mr. President, I would ask the Clerk to call from Senate Agenda Number 2, Senate Bill Number --  
Emergency Certified Senate Bill Number 502.

THE CHAIR: