

Session to deal with real estate tax ... only

Lawmakers asked to scrap agenda

BY PAUL HUGHES | *REPUBLICAN-AMERICAN*

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HARTFORD — Real estate brokers seem to be the only organized group that doesn't want state legislators doing anything in a one-day special session next week.

House Speaker James A. Amann, D-Milford, and Senate President Donald E. Williams Jr., D-Brooklyn, have just one item on the agenda for the June 11 session — a tax matter that rankles real estate agents.

"We are going to keep the scope limited," Williams said.

The Connecticut Association of Realtors is even waging an advertising campaign to pressure the General Assembly into scrapping the special session, which is only scheduled to reinstate a real estate sales tax that will otherwise expire June 30.

The tug-of-war over the tax began in 2003, when the legislature and Gov. John G. Rowland bumped up a local tax on property sales to make up for mid-year cuts in town aid.

The higher rate was only to last 15 months, but it has been extended three times and is now almost five years old.

A budget stalemate brought the end tantalizingly close for the Connecticut Association of Realtors this year. The legislature was only hours away from adjourning for the year when Gov. M. Jodi Rell committed to a special session to extend the tax rate again. The governor had previously sided with real estate brokers.

Rell and Democrats still have an important detail to work out. The Republican governor prefers a one-year continuance, but Democrats want a two-year extension. House and Senate Republicans favor expiration.

The Connecticut Conference of Municipalities credited the lobbying of towns and cities for influencing the decision to call a special session.

The chief argument boiled down to money. Towns and cities stood to lose upwards of \$40 million if the tax rate returned to its pre-2003 level. Municipal budgets couldn't afford to take the hit.

The Connecticut Community Providers Association is now making much the same case, saying nonprofit social welfare agencies are cutting back on essential services for thousands of vulnerable people.

The adopted two-year state budget doesn't include any increases for nonprofits working with children and adults with disabilities and special needs for the upcoming fiscal year.

Some mayors and school superintendents made the same claim concerning the Early Childhood Reading Success Program. The approved \$18.4 billion budget didn't include \$20 million for grants for targeted school districts for all-day kindergarten classes, reading teachers, tutoring and summer reading programs.

Amann and Williams held out little hope for the funding requests unless Democrats can negotiate compromises with Rell and Republicans that they weren't able to reach in the regular session.

Amann and Williams said ethics reform could be added to the special session's agenda if House and Senate Democrats reach a compromise. Rell wants to see that happen.

The Democrats are also exploring the possibility about doing something about the UConn Health Center's \$22 million shortfall and deficits in other agency budgets.