



CBIA SUMMARY OF
**BUSINESS
LEGISLATION**

2014 Session of the Connecticut
General Assembly

CBIA Summary of Business-Related Legislation
2014 Session of the Connecticut General Assembly

State Spending & Taxes

Campaign Finance & Ethics

Commerce & Economic Development

Education

Energy

Environment

Healthcare

Judicial & General Corporate

Labor & Employment

Regulation Reform

Transportation

State Spending and State & Local Taxes

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Lawmakers adopted a revised budget for fiscal year 2015 that increases spending by about 2.5% and relies on myriad fixes to technically erase an unanticipated budget gap. The \$19 billion budget, however, addresses such priorities as transportation, higher education, job training, manufacturing, and aid for municipalities. It also puts \$38 million into the state's Rainy Day Fund, which raises the fund to \$309 million. Most significant on the tax front this year was the creation of a comprehensive study of state and local tax structures.

PA 14-02 (HB 5465) AN ACT CONCERNING THE CONNECTICUT AEROSPACE REINVESTMENT ACT

Allows the commissioner of Economic and Community Development to enter into a contract which permits, in part, the redeployment of previously earned tax credits to help strengthen Connecticut's aerospace industry, encourage job creation and retention, and drive economic growth.

Effective: May 8, 2014

PA 14-19 (HB 5055) AN ACT ELIMINATING MUNICIPAL MANDATES

Authorizes municipalities to delay the revaluation scheduled to be implemented in the 2013 or 2014 assessment year until the 2015 assessment year at the latest. It allows similar delays for municipalities that are phasing in assessment increases from earlier revaluations.

The act also

- Eliminates the requirement that a municipality pay to participate in the Department of Motor Vehicles' (DMV) delinquent property tax program
- Requires municipalities that do participate in this program to report property tax delinquencies to DMV at least once a month.
- Eliminates the requirement that municipalities annually report to the Connecticut Siting Council on each existing telecommunications tower and existing or proposed antennae subject to local jurisdiction.

Effective: May 5, 2014, except for the Connecticut Siting Council provision, effective July 1, 2014, and DMV provision, effective July 1, 2015.

PA 14-33 (HB 5057) AN ACT CONCERNING THE ASSESSMENT OF HORSES AND PONIES AND FARM MACHINERY AND THE TRANSFER OF LAND CLASSIFIED AS FARM LAND, OPEN SPACE LAND, FOREST LAND AND MARINE HERITAGE LAND

Makes procedural changes to the "490 Program," in which eligible farm, forest, open space, and maritime heritage land is assessed for the purposes of property taxes based on its current use, rather than full market value.

The act also:

- Allows municipalities to exempt horses and ponies from local property taxes, regardless of their use;
- Expands mandatory property tax exemption for farm machinery

- Extends the application deadline for property tax exemptions for farm machinery, horses, and buildings for farmers that are granted an extension to submit their personal property declarations

Effective: Oct. 1, 2014, and applicable to assessment years starting on or after that date

PA 14-47 (HB 5596) AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Modifies appropriations and revenue estimates for FY15, including:

- Reducing net General Fund appropriations for FY15
- Carrying forward unspent balances from FY14 appropriations and direct funds, which are to be spent in FY15 for specific programs
- Specifying each municipality's Education Cost Sharing grant
- Transferring \$25 million from the Connecticut Student Loan Foundation's assets for various purposes

The act also makes various state tax changes, including:

- Delaying by one month the effective date of sales and use tax exemptions on clothing and footwear costing less than \$50
- Exempting nonprescription drugs and medicines from sales and use tax, beginning April 1, 2015
- Exempting a portion of state teacher pension income from income tax
- Repealing the authorization for the state to operate keno as a lottery game

Effective: July 1, 2014, unless otherwise noted

PA 14-69 (SB 232) AN ACT CONCERNING THE MANUFACTURING REINVESTMENT ACCOUNT PROGRAM

Amends the existing Manufacturing Reinvestment Account (MRA) program by increasing the allowable personal income tax credit to 100% of withdrawals for qualifying purposes (including equipment, training and facility work). In addition, the program can now be used by employers with up to 150 employees (previously the limit was 50 employees) but caps at 50 the total number of employers that can participate.

Effective July 1, 2014

PA 14-81 (HB 5467) AN ACT CONCERNING PROCEDURES FOR DEBT CERTIFICATIONS AND THE TAX EXPENDITURE REPORT

Requires the Senate president pro tempore and the House speaker or their designees to notify the state treasurer when their chamber is first to consider any bill that authorizes the state to issue bonds, notes, or debt instruments. Except in certain situations, the treasurer, by law, must already certify that these bills will not cause the state's debt to exceed the statutory limit before approval by the legislature.

The act also delays, from Jan. 1 to Feb. 1, the deadline by which the Office of Fiscal Analysis must prepare and submit its biennial tax expenditure report to the Finance, Revenue and Bonding Committee. The report must list, among other things, each tax expenditure, and explain why the legislature enacted it, and estimate the revenue loss.

Effective: Oct. 1, 2014

PA 14-98 (SB 29) AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES, AND CONCERNING MISCELLANEOUS PROGRAMS, INCLUDING THE SMART START PROGRAM, THE WATER IMPROVEMENT SYSTEM PROGRAM, SCHOOL SECURITY GRANTS, THE REGENERATIVE MEDICINE RESEARCH FUND, THE CONNECTICUT MANUFACTURING INNOVATION FUND AND THE BOARD OF REGENTS FOR HIGHER EDUCATION INFRASTRUCTURE ACT

Authorizes up to \$933.1 million in new state general obligation (GO) bonds for state capital projects and grant programs, including \$860.5 million in new authorizations for FYs 14 through 24; \$89.7 million in changes to FY 15 authorizations that were enacted in 2013; and \$17.2 million in new special tax obligation (STO) bonds for transportation projects, including \$28.4 million in new authorizations for projects and \$10.9 million in decreases to FY 15 STO authorizations.

Among other things, the act:

- Authorizes \$103.5 million in new bonding under the Connecticut State University System 2020 infrastructure program, and extends the program to include regional community-technical colleges and Charter Oak State College
- Establishes the Connecticut Manufacturing Innovation Fund, authorizes up to \$30 million in GO bonds to capitalize the fund, and establishes an 11-member board to oversee its operations
- Broadens the scope of existing Stem Cell Research Fund, shifts responsibility of funds to Connecticut Innovations Incorporated, and authorizes up to \$40 million in GO bonds for the fund from FY15 through FY19
- Establishes new grant program for drinking water projects and authorizes up to \$50 million in GO bonds in FY15 for the program
- Authorizes up to 105 million in GO bonds from FY15 through FY24 for the newly created Connecticut Smart Start grant program
- Authorizes \$80 million in new bonds for Urban Action program, and reserves \$10 million of this amount for a grant to develop an intermodal transportation facility in northeastern Connecticut
- Authorizes DECD commissioner to waive the requirement that small businesses provide a match for grants received under the Small Business Express program, in the state's 25 distressed municipalities
- Increases the total amount of business tax credits under the Urban and Industrial Site Reinvestment Program to \$800 million
- Authorizes \$100 million in new bonds for the Manufacturing Assistance Act program
- Expands state's school security grant program to regional education service centers, charter schools, technical schools, endowed academies and private schools, along with authorizing an additional \$22 million in bonds for this program

Effective: July 1, 2014

PA 14-101 (SB 114) AN ACT ESTABLISHING A PROPERTY TAX PROGRAM TO ENCOURAGE THE PRESERVATION OF HISTORIC AGRICULTURAL STRUCTURES

Authorizes municipalities to establish, by ordinance, a property tax incentive program that encourages the preservation of historic agricultural structures that are at least 75 years old. Under the ordinance, the property owner must agree to offer a municipality a preservation easement for the structure for up to 10 years. If the easement is accepted, the owner must maintain the structure. The act also provides a mechanism to terminate easements under certain conditions.

Effective: June 6, 2014

PA 14-102 (SB 115) AN ACT CONCERNING THE GOVERNANCE OF SPECIAL TAXING DISTRICTS CREATED BY SPECIAL ACT

Staggeres the terms of special taxing district directors for Stamford's Harbor Point and Bridgeport's Steel Point. It requires the directors to be elected by district voters at the first meeting after July 1, 2014, to serve staggered one-, two-, or four-year terms. Any director elected to fill a vacancy will serve a four-year term. There are no specifications for term lengths if district voters elect all five directors.

Effective: July 1, 2014

PA 14-124 (HB 5140) AN ACT CONCERNING PROPERTY TAX RELIEF ON CERTAIN REAL PROPERTY HELD IN TRUST

Authorizes municipalities to provide property tax relief to those qualifying homeowners who are seniors or have disabilities for real property they own and occupy as a principal residence. This act allows tax relief to qualifying residents who occupy, as his or her principal residence, a property held in trust.

Effective: Oct. 1, 2014

PA 14-130 (HB 5290) AN ACT REVISING MOTOR VEHICLE LAWS

Prohibits the commissioner, after notice and hearing, from renewing a motor vehicle dealer or repairer license to an applicant or licensee that the Department of Revenue Services reports is delinquent in paying sales taxes for a business which required payment.

Effective: July 1, 2014

PA 14-139 (HB 5056) AN ACT MAKING TECHNICAL AMENDMENTS TO CERTAIN STATUTES CONCERNING MUNICIPALITIES, REGIONAL PLANNING ORGANIZATIONS AND TAX EXEMPTIONS AND CONCERNING GROWTH-RELATED PROJECTS

Raises, from \$100,000 to \$200,000, the threshold at which certain state agency capital projects and grant authorizations are considered growth-related projects and thus must be undertaken in designated funding areas. The act subjects state grants that are more than \$200,000 to the priority funding area restrictions if the grant is for a project that is meant to add to an existing facility. Grants still exempt from the restrictions are projects maintaining, repairing, or renovating existing facilities.

Effective: June 6, 2014, except the growth-related project provision, effective October 1, 2014, and the COG provisions, effective Jan. 1, 2015

PA 14-155 (HB 5466) AN ACT CONCERNING THE DEPARTMENT OF REVENUE SERVICES' STATUTES AND PROCEDURES, INCLUDING BACKGROUND CHECKS FOR EMPLOYEES, THE MASTER SETTLEMENT AGREEMENT, THE MOTOR VEHICLE FUELS TAX, THE ESTATE TAX, ADDITIONS AND CHANGES TO VARIOUS PUBLIC LISTS MAINTAINED BY THE DEPARTMENT, THE PAYMENT SCHEDULE FOR THE SALES AND USE TAX, A DATA MATCH SYSTEM WITH FINANCIAL INSTITUTIONS, THE PERSONAL INCOME TAX AND TECHNICAL CORRECTIONS

Makes numerous changes to the tax and tobacco settlement statute, including:

- Requiring the DRS commissioner to issue information annually about the calculation of motor vehicle fuels tax on gaseous fuels
- Modifying the starting point for the estate tax calculation for those who die on or after Jan. 1, 2015, and gives these estates tax credits
- Authorizing the DRS commissioner to list the people that were denied, revoked, or had a license, permit or certificate suspended
- Requiring the DRS commissioner to explain why he is removing someone from the delinquent taxpayers list
- Moving the deadline for remitting monthly sales tax and filing sales tax returns to the 20th day of the month (*DRS has subsequently delayed this requirement until 2015*)
- Requiring the commissioner to exchange delinquent taxpayer information with financial institutions
- Requiring trusts and estates to add lump sum distributions to their Connecticut fiduciary adjustment when calculating their income tax
- Subjects to Connecticut's personal income tax the income nonresidents receive from nonqualified deferred compensation plans attributable to service performed in Connecticut and the sale or transfer of shares in a business that owns real property in Connecticut
- Modifying the apportionment process of nonresidents' business income

Effective: June 11, 2014

PA 14-171 (SB 75) AN ACT INCREASING THE CAP ON NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM

Increases from \$5 million to \$10 million, the annual cap on the Neighborhood Assistance Act tax credits available for businesses that contribute to or invest in approved community programs and projects. DRS must continue to award \$3 million in NAA credit to businesses contributing funds specifically for energy conservation projects, job training programs and programs that benefit low-income residents.

Effective: July 1, 2014

PA 14-174 (SB 447) AN ACT CONCERNING A PROGRAM TO PROVIDE PROPERTY TAX RELIEF FOR BUSINESSES, A HOMEOWNERSHIP INCENTIVE PROGRAM, ADJUSTMENTS TO A PROPERTY TAX SYSTEM AND A MUNICIPAL OPTION FOR ASSESSMENT OF PROPERTY USED FOR WHOLESALE AND RETAIL BUSINESS

Authorizes several tax relief measures for homeowners and businesses in specific areas. It requires municipal property tax abatements and state income tax exemptions to boost homeownership rate in two Hartford census blocks until it reaches specific levels.

The act also:

- Establishes an Office of Policy Management-administered pilot program under which municipalities may offer business property owners the option of paying property taxes that are based on net profits of the businesses that occupy the property, instead of the property's fair market value
- Allows Hartford to provide property tax relief to those residents who own and reside in their homes by keeping the assessment ration for their homes lower than the ration for nonowner-occupied residences. It also changes how the Hartford assessor must measure the change in the city's total tax levy between current and prior fiscal year when adjusting assessment ratio for residential property.
- Expands municipalities' options to fix the real and personal property tax assessments on retail development projects.

Effective: Various dates

PA 14-183 (HB 5581) AN ACT CONCERNING SEWER ASSESSMENT APPEALS AND THE APPROVAL OF CERTAIN PROPERTY TAX EXEMPTIONS

Allows municipalities to adopt ordinances authorizing their boards of assessment appeals to hear appeals of municipal sewer system benefit assessments. Under prior law, anyone contesting sewer benefit assessments had to appeal to the Superior Court.

The act also requires owners that are claiming the property tax exemption for manufacturing or biotechnology machinery equipment to annually file a request for this exemption by Nov. 1. Existing law for machinery and equipment-related tax exemptions allows for deadline extensions and retroactive exemption approval. This act extends the provisions to the MME exemption and also extends to the boards of selectmen authority to grant retroactive exemptions.

Effective: June 12, 2014, and the MME exemption-filing requirement is applicable to assessment years starting on or after Oct. 1, 2014

PA 14-217 (HB 5597) AN ACT IMPLEMENTING PROVISIONS OF THE STATE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Mandates a comprehensive review of state and local tax structures in Connecticut. The chairs and ranking members of the legislature's Finance, Revenue and Bonding Committee are charged to convene a panel of experts to conduct the study, which must be completed by Jan. 1, 2016. The state has appropriated \$500,000 for costs associated with this study.

The act also:

- Permits pass-through entities (S corporations, LLCs, LLPs and sole proprietorships) to earn apprenticeship tax credits for income years beginning on or after Jan. 1, 2015. This will particularly help small and midsize businesses in Connecticut gain access to apprentices. The credits must be assigned, sold or transferred to taxpayers that are liable for the corporation business tax or premium tax; and they may not be transferred more than three times.

- Modifies, in Section 66, the existing immunization fund fee so that it is deposited in the Insurance Fund instead of the General Fund; also provides for some reconciliation measures.

Effective: June 13, 2014

PA 14-227 (HB 5546) AN ACT CONCERNING CERTAIN RECOMMENDATIONS OF THE AUDITORS OF PUBLIC ACCOUNTS, AN EXPANSION OF THE NEIGHBORHOOD ASSISTANCE ACT, CERTIFICATION OF MINORITY BUSINESS ENTERPRISES AND AN ALLOCATION TO THE LEGACY FOUNDATION OF HARTFORD

Makes several changes concerning tax credit program, small and minority business set-aside program, the Auditors of Public Accounts, and appropriation. The act:

- Makes investments in certain college loan forgiveness programs that are in designated areas and eligible for a 100% Neighborhood Assistance Act (NAA) tax credit;
- Requires the Department of Administrative Services commissioner to provide for denied businesses an initial or renewal certificate to participate in state's small business set-aside program written notice of the reasons for denial;
- Allows persons aggrieved by these denials to appeal at the Superior Court level;
- Authorizes the Department of Revenue Services (DRS) commissioner to disclose only certain tax information to Auditors of Public Accounts for the purpose of reviewing whistleblower complaints;
- Requires state auditors to conduct biennial compliance audits, of the Capital Region Development Authority and Stadium Facility Enterprise Fund; and
- Transfers, in FY 15, a \$225,000 grant, funded by the Judicial Department's appropriation for Children of Incarcerated Parents, from the Greater Hartford Male Youth Leadership Program to the Legacy Foundation of Hartford.

Effective: July 1, 2014

SPECIAL ACT 14-4 (HB 5472) AN ACT CONCERNING FAILURE TO FILE FOR PROPERTY TAX EXEMPTIONS

Among other things, this act:

- Allows Seymour, Monroe and Berlin residents who did not file the personal property declaration within the prescribed time period to file the declaration no later than 30 days after this act becomes effective. This will be regarded as having filed a timely declaration. The assessor will then verify the exemption eligibility of machinery and equipment that the resident includes in the declaration. Finally, if the taxes have been paid on the property, and an exemption is approved, the various towns will reimburse each person.
- In Middletown and Farmington, any person otherwise eligible for 2013 grand list exemption, that failed to file their statement in the required time period shall be considered as filing in a timely period if they file no later than 30 days after this act becomes effective and they pay the late filing fee. The assessor will then review the exemption for eligible properties, and if approved Middletown and Farmington will reimburse the taxes, interest, and penalties that have been paid.

- In East Haven and Danbury, any person eligible for a 2009 grand list exemption that failed to file the claim, will be regarded as having filed in a timely manner if they file no later than thirty days after this act becomes effective, and pay the late filing fee. The assessor will then review the exemption for eligible properties, and if approved, East Haven will reimburse the amount equal to the amount of taxes payable if claim had been timely.
- In New Haven, any person eligible for a 2009, 2010, 2011 or 2012 grand list exemption that failed to file required claims within the time period, will be regarded as having filed in a timely manner if they file a claim no later than thirty days after this act is effective, and pays the late filing fee. The assessor will then review the exemption eligibility. If approved, New Haven will reimburse the amount equal to the amount of taxes payable if the claim had been filed timely.

Effective: July 1, 2014

Campaign Finance & Ethics

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PA 14-78 (SB 455) AN ACT CONCERNING THE CITIZENS' ELECTION FUND

Modifies the state's Citizens Election Program (CEP) by changing the cap on grants to candidates and modifying how deposits are made into the fund. Under this act, if the CEP receives funds from the state's corporate tax in any year, it must deduct that amount from the payment it would receive in the next year.

Effective June 3, 2014, and applicable to primaries and elections held on or after such date

Commerce, Economic Development & Misc.

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The legislature this year passed a number of bills designed to support innovation and the growth of Connecticut's economy. Specifically, lawmakers expanded the potential manufacturing talent pipeline and made more financial resources available to help manufacturers in the state upgrade facilities, expand use of technology, increase training, and boost their competitiveness.

SPECIAL ACT 14-16 (HB 5516) AN ACT CONCERNING A STUDY OF KITCHEN INCUBATORS

Requires the commissioner of the state Department of Economic and Community Development (DECD) to study the kitchen incubator programs (an entrepreneur support dedicated to the food businesses) in New York, New Jersey and Vermont, and report the findings back to the Commerce and Higher Education Committees by Jan. 1, 2015.

Effective Oct. 1, 2014

SPECIAL ACT 14-18 (HB 5311) AN ACT ESTABLISHING THE CONSTRUCTION CONTRACTING AND BIDDING TRANSPARENCY WORKING GROUP

Establishes the Construction Contracting and Bidding Transparency Working Group to study state contracting and subcontracting process. The commissioner of the state Department of Administrative Services will chair the working group, which will solicit input from the public and stakeholders. The working group must submit its report by Jan. 1, 2015, after which it will terminate.

Effective July 1, 2014

PA 14-85 (HB 5518) AN ACT CONCERNING THE LIABILITIES OF APPLICATIONS FOR STATE FINANCIAL ASSISTANCE

Requires DECD and Connecticut Innovations, Inc., when considering applications for economic assistance, to determine whether an applicant or any of its principles are being sued for debt or owe taxes to the state or municipality.

Effective Oct. 1, 2014

PA 14-98 (SB 29) AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES, AND CONCERNING MISCELLANEOUS PROGRAMS, INCLUDING THE SMART START PROGRAM, THE WATER IMPROVEMENT SYSTEM PROGRAM, SCHOOL SECURITY GRANTS, THE REGENERATIVE MEDICINE RESEARCH FUND, THE CONNECTICUT MANUFACTURING INNOVATION FUND AND THE BOARD OF REGENTS FOR HIGHER EDUCATION INFRASTRUCTURE ACT

Section 47 of the act establishes the Manufacturing Innovation Fund with \$30 million to support Connecticut's manufacturing community. The fund may be used for equipment, research and development, training, efforts to attract new manufacturers to the state, and voucher programs for technical assistance. The act earmarks \$5 million as a grant to the Connecticut Center for Advanced Technology to research and develop advanced composite machining. The Department of Economic & Community Development (DECD) is the administrator of the fund. The approval process for grants includes an advisory board of 10 members who must either have manufacturing experience or be a faculty member in a related field.

Effective May 22, 2014

PA 14-217 (HB 5597) AN ACT IMPLEMENTING PROVISIONS OF THE STATE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Among other things, the budget implementer bill expands the use of apprenticeships, one of the most effective pipelines available for developing manufacturing talent. Specifically, the act expands the state's apprenticeship tax credit to pass-through entities (mainly small and midsize businesses) that have manufacturing apprentices. *Effective June 13, 2014*

In Section 212, requires creation of a Department of Economic & Community Development program to support and develop bioscience and biotechnology businesses in the Southeastern Connecticut Planning Region. DECD must work with Connecticut Innovations, Connecticut United Research for Excellence, the Southeastern Connecticut Enterprise Region, the Chamber of Commerce of Eastern Connecticut, and other organizations with expertise in the region.

Effective Oct. 1, 2014.

PA 14-53 (SB 209) AN ACT PROHIBITING UNSOLICITED COMMERCIAL TEXT MESSAGES AND INCREASING PENALTIES FOR VIOLATIONS OF THE DO NOT CALL REGISTRY

Broadens the scope of regulating laws for telemarketers. This act generally prohibits telephone solicitors from making unsolicited sales calls, including sending both text and media messages, to consumers on the “Do Not Call” registry unless there is written consent from the consumer. This act also prohibits solicitors from making unsolicited, automatically dialed, recorded telephonic sales calls without consent. These calls are known as “robocalls.” Finally, this act increases the maximum fine for a registry violation from \$11,000 to \$20,000.

Effective: October 1, 2014

PA 14-111 (SB 269) AN ACT CONCERNING A SINGLE ALCOHOLIC LIQUOR PERMIT FOR MULTIPLE EVENTS IN A CALENDAR YEAR

Allows certain organizations seeking temporary or daily liquor permits to apply to the Department of Consumer Protection for single permit that allows alcohol sales for multiple events, rather than having to apply each time they wish to hold a permit. The act also increases the number of times the permits are effective to 12 times per year. The affected licenses are: temporary beer, temporary alcoholic liquor, charitable organization, and nonprofit corporation permits.

Effective: July 1, 2014

Education

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This session brought significant changes to early childhood education with a bill that officially created the state Office of Early Education and legislation funding municipal preschool programs. In addition, measures that will help plan for and develop skilled talent for the state’s employers were adopted. However, many good measures did not pass due to funding and timing in the short legislative session with significant budget constraints.

Special Act 14-19 (HB 5434) AN ACT CONCERNING A PLAN FOR CAREER READINESS AND MANUFACTURING APPRENTICESHIP PREPARATION PROGRAMS AT THE TECHNICAL HIGH SCHOOLS

Convenes the state’s technical high school system, departments of Labor and Education, Board of Regents and business representatives to develop a plan to maximize the use of manufacturing centers at technical high schools after school hours and on weekends. The group must consider a number of specific factors when developing the plan, and deliver its final product by Jan. 1, 2015.

Effective July 1, 2014

PA 14-38 (HB 5559) AN ACT CONCERNING THE RECOMMENDATIONS OF THE UNIFORM REGIONAL SCHOOL CALENDAR TASK FORCE, LICENSURE EXEMPTIONS FOR CERTAIN AFTER

SCHOOL PROGRAMS AND EXPANDING OPPORTUNITIES UNDER THE SUBSIDIZED TRAINING AND EMPLOYMENT PROGRAM

Besides making changes to the uniform school calendar policy, this act creates a “new apprentice” grant program under the Subsidized Training and Employment Program (STEP). The program enables small employers (100 or fewer employees) and manufacturers to provide on-the-job training for high school or higher education students. Employers must apply to the Department of Labor to receive the grant, which cannot exceed \$10 per hour and varies based on the amount of time the employee has been training.

Effective July 1, 2014

PA 14-39 (HB 5562) AN ACT ESTABLISHING THE OFFICE OF EARLY CHILDHOOD, EXPANDING OPPORTUNITIES FOR EARLY CHILDHOOD EDUCATION AND CONCERNING DYSLEXIA AND SPECIAL EDUCATION

Officially establishes the state’s Office of Early Childhood and transfers a number of responsibilities to it, including services for children and their families, outreach strategies, developing public and private partnerships, assessment tools, collecting data to assess progress, develop a quality rating system, promote universal access to early childhood care and education, school readiness and day care licensing. The bill also addresses specific requirements regarding school readiness programs.

Effective May 28, 2014, or July 1, 2014, depending on the specific item

PA 14-41 (SB 25) AN ACT ESTABLISHING THE CONNECTICUT SMART START PROGRAM

Requires the Office of Early Childhood, in consultation with the State Department of Education, to implement the Smart Start competitive grant program for preschool. The Smart Start program reimburses municipalities with capital and operating grants for starting or expanding a preschool program. Municipal boards of education must apply for the money and are capped at \$300,000 annually. In order to receive funding the board of education must demonstrate need, and submit a plan and letters of support from school readiness councils, if applicable. Applications will also take into account capacity, current opportunities and other programs currently offered. The Office of Early Childhood must also:

- Develop and implement a childhood information system to track and share health, safety and school readiness data and the system must also include children enrolled in the Smart Start program
- Develop a plan to provide spaces to eligible children in school readiness programs.

Effective July 1, 2014

PA 14-98 (SB 29) AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES, AND CONCERNING MISCELLANEOUS PROGRAMS, INCLUDING THE SMART START PROGRAM, THE WATER IMPROVEMENT SYSTEM PROGRAM, SCHOOL SECURITY GRANTS, THE REGENERATIVE MEDICINE RESEARCH FUND, THE CONNECTICUT MANUFACTURING INNOVATION FUND AND THE BOARD OF REGENTS FOR HIGHER EDUCATION INFRASTRUCTURE ACT

In Section 82, requires the state Department of Education to use up to \$3.5 million from the sale of bonds to start a pilot program that extends the hours at technical high schools in Hamden, Hartford, New Britain and Waterbury for secondary and adult students.

Effective July 1, 2014

Energy

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This year, the legislature's primary attention on energy issues was narrowly focused. As the session began, customers of independent electric suppliers expressed dissatisfaction with recent spikes in their electricity bills; as a result, lawmakers quickly determined to address the matter. The other significant debate concerned whether Connecticut should be the first state to designate wastewaters from hydraulic fracturing (fracking) as hazardous waste and ban them from the state. While both of these issues were introduced with very aggressive bills, moderation prevailed and neither measure, as adopted, is expected to adversely impact businesses.

PA 14-51 (SB 299) AN ACT CONCERNING HEATING FUEL DELIVERY FEES, CHARGES AND SURCHARGES AND PREPAID GUARANTEED HEATING FUEL PRICE PLANS

Prohibits heating fuel dealers from offering prepaid guaranteed price plans to consumers between Nov. 1 and March 31 of the following year.

The act also:

- Requires dealers with such plans to disclose to consumers on a Department of Consumer Protection (DCP)-prescribed form, details of the plan before the offer is made, including how contract is secured and that they may be entitled to recover credit card payments if fuel is not delivered.
- Requires the Department of Revenue Services (DRS) commissioner to notify DCP, by June 15 annually, of outstanding tax delinquencies a heating fuel dealer owes the state; lowers the minimum heating fuel deliver amount on which there can be a surcharge imposed.

Effective: July 1, 2014, except DRS notification, which is effective May 28, 2014

PA 14-75 (SB 2) AN ACT CONCERNING ELECTRIC CUSTOMER CONSUMER PROTECTION

Gives electricity consumers several new protections, although most apply to residential customers and will be determined through proceedings of the Public Utilities Regulatory Authority (PURA). For example, PURA is required to develop contract provisions between electric suppliers and residential customers, and must prohibit suppliers from raising rates for the first three billing cycles of new supplier contracts.

Electric suppliers have to notify residential customers in advance of certain rate changes, and must limit cancellation or early termination fees. The act prohibits and restricts certain marketing practices and requires PURA to implement additional standards governing abusive switching practices, telemarketing, door-to-door sales, and the hiring and training of sales representatives.

Regarding commercial and industrial customers, electrical suppliers will have to provide them with a written notice describing rates, information on air emissions, and the mix of generation resources contracted with the supplier, along with terms and conditions of service and a notice describing the customer's right to cancel.

Electric companies and electric suppliers are required to distribute certain rate information in bills and mailings, and must facilitate customer transfers in a timely manner. Electric suppliers must disclose information on the highest and lowest rates charged in the last year, and provide that information online and in certain notices.

In a related measure, the state budget implementer (HB 5597) mandates \$4.5 million of settlement funds to be deposited into an account in DEEP and requires that the money be used for consumer education, consumer assistance and enforcement activities related to electricity suppliers and providers.

Effective June 3, 2014, except for certain provisions on disclosure and restrictions on rate increases that are effective July 1, 2014. A provision giving PURA authority to investigate possible targeting of customers is effective Sept. 1, 2014.

PA 14-94 (SB 357) AN ACT CONCERNING CONNECTICUT'S RECYCLING AND MATERIALS MANAGEMENT STRATEGY, THE UNDERGROUND DAMAGE PREVENTION PROGRAM AND REVISIONS TO ENERGY AND ENVIRONMENTAL STATUTES

Makes several changes to state energy statutes, including increasing the percentage of the state's energy supplies that must come from trash to energy plants and requiring new sustainable building code requirements for new state federal standards and national rating systems.

Also changed is the name of the current Connecticut Energy Finance and Investment Authority (CEFIA), to the Connecticut Green Bank and expands its commercial property assessed clean energy program (C-PACE) to include microgrids.

Among other things, the act:

- Modifies certain product energy efficiency compliance standards, dissolves the Connecticut Energy Advisory Board, and eliminates the request for proposal process in applications for siting certain facilities with the Connecticut Siting Council
- Allows electric companies to recover costs, investments, and lost revenues incurred as a result of on-bill repayment programs established for residential clean energy and heating equipment financing programs (currently being developed through the Connecticut Energy Efficiency Board). Electric companies are also allowed to recover costs incurred under certain DEEP-mandated power purchasing agreements
- Expands the scope of, and makes several other changes to, the state's Call Before You Dig program and modifies how certain gas company revenues are used to offset the costs of expanding gas company infrastructure
- Limits property tax exemptions for solar thermal and geothermal energy systems to the difference between the property's value with the installed system and the value with only the system's conventional portion; makes certain amendments to certain electric supplier consumer protections provided by SB 2 (PA 14-75).

- Makes several changes to Connecticut environmental statutes (See description under “Environment” Section of this report.

Also on a related note, Section 208 of the budget implementer bill HB 5597 requires that beginning July 1, 2014, \$1.1 million shall be annually transferred from ratepayer fees designated for energy efficiency and clean energy, to Operation Fuel.

Effective on various dates

PA 14-134 (HB 5115) AN ACT CONCERNING TECHNICAL AND MINOR REVISIONS TO AND REPEAL OF OBSOLETE PROVISIONS OF ENERGY AND TECHNOLOGY STATUTES

Makes a minor change in the law governing virtual net metering, allowing certain electricity customers to share a billing credit they receive when generating power from renewable energy technologies. It also explicitly exempts entities that submeter from the laws and regulations that apply to electric companies.

Among other things, the act also:

- Clarifies that (effective Jan. 1, 2015) electric suppliers are exempt from regulations concerning the installation of oil burners and related equipment, regulations concerning storage or transportation of flammable or combustible liquids, installation and operation of gas equipment.
- Makes numerous technical changes to state energy and public utility laws that, among other things, eliminate obsolete provisions (e.g., those regulating telegraph companies) and correct statutory references.

Effective dates vary by section

PA 14-136 (HB 5117) AN ACT CONCERNING A CLEAN ALTERNATIVE FUEL VEHICLE PROCUREMENT PREFERENCE

Expands the items for which the Department of Administrative Services (DAS) can offer up to a 10% price preference when awarding state contracts for vehicle acquisition. Eligible items are:

- Vehicles fueled by hydrogen or propane
- Equipment to convert a conventionally powered vehicle to one powered by hydrogen, propane, or a combination of conventional fuel and hydrogen or propane. Existing law allows the commissioner to apply the price preference to electric- or natural-gas-powered vehicles and their related conversion equipment, among other things.

The law also requires all cars and light-duty trucks (with some exceptions) purchased by the state after Jan. 1, 2012, to be alternative-fueled, hybrid electric, or plug-in electric vehicles (CGS § 4a-67d) and allows the DAS commissioner, under certain conditions, to waive competitive bidding requirements when purchasing cars or light-duty trucks to comply with state or federal laws regarding alternative fuel vehicle purchases.

Effective Oct. 1, 2014

PA 14-152 (HB 5410) AN ACT CONCERNING LOST AND UNACCOUNTED FOR GAS

Requires the state Public Utilities Regulatory Authority (PURA) to:

- Submit an annual report to the legislature’s Energy Committee on gas companies' lost and unaccounted for (LUAF) gas (generally considered the difference between the

amount of gas that enters a distribution system and the amount actually delivered to the company's customers or used for other purposes the company knows about).

- Investigate a gas company if its LUAF gas exceeds 3% in any calendar year
- Establish a financial incentive to encourage companies to reduce their LUAF gas

Effective June 6, 2014

PA 14-200 (SB 237) AN ACT PROHIBITING THE STORAGE OR DISPOSAL OF FRACKING WASTE IN CONNECTICUT

Establishes a moratorium on locating hydraulic fracturing waste in Connecticut until the Department of Energy and Environmental Protection (DEEP) adopts regulations for managing those wastes. DEEP must submit proposed regulations to the legislature's Regulations Review Committee between June 30, 2017, and July 1, 2018.

The moratorium applies to any person accepting, receiving, collecting, storing, treating, disposing, and transferring between vehicles or modes of transportation any hydraulic fracturing waste. It also includes the sale, manufacture, and distribution of de-icing and dust suppression products derived from or containing these wastes.

Hydraulic fracturing is defined as the process of pumping a fluid underground in order to create fractures in rock for exploration, development, production, or recovery of oil or gas. It does not include the drilling of geothermal water wells or any other well drilled for drinking water.

The act does create an exception to the moratorium to conduct research on small quantities of these waste waters.

Effective July 1, 2014

Environment

CBIA Contact: Eric Brown (860.244.1926 | eric.brown@cbia.com)

Most environment-related measures adopted this year are not expected to have a significant impact on the state's business climate, but some in fact could help. For example, legislators passed a brownfields bill that gives greater flexibility to individuals, municipalities and developers in the cleanup and revitalization of contaminated properties. Lawmakers also passed a measure to develop a statewide water plan over the next few years that hopefully will create a clear and efficient plan for balancing environmental and economic goals.

PA 14-88 (HB 5573) AN ACT CONCERNING BROWNFIELD REMEDIATION AND DEVELOPMENT

Gives property owners investigating and remediating contaminated property more options for complying with DEEP requirements. Those participating in DEEP's voluntary cleanup program may submit interim verifications signifying that a site was remediated according to DEEP standards, except for groundwater undergoing long-term remediation and monitoring.

Participants may also submit interim or final verifications for part of a site, instead of waiting until the entire site is remediated. Up to now, interim verifications have not been an option for voluntary cleanup projects.

The act also:

- Exempts more property from the state’s Transfer Act. Under current law, a property owner must comply with the act if the property generated more than 100 kilograms (220 pounds) of hazardous waste in any month. However, the law exempts properties if the waste was generated by soil, groundwater, or sediment remediation. This act provides an additional exemption where the waste consists of removed or abated building materials, such as asbestos or caulking containing PCBs.
- Exempts any sites taken by municipalities under eminent domain, and when a municipality conveys the site to another party, as current law allows for sites taken under the redevelopment statutes.
- Allows DECD to forgive or delay repayments of brownfield loans made to private developers, not just municipalities and regional entities, as current law allows.

Effective June 3, 2014

PA 14-94 (SB 357) AN ACT CONCERNING CONNECTICUT’S RECYCLING AND MATERIALS MANAGEMENT STRATEGY, THE UNDERGROUND DAMAGE PREVENTION PROGRAM AND REVISIONS TO ENERGY AND ENVIRONMENTAL STATUTES

Modifies the goal of statewide waste management from “recycling not less than 25% of the solid waste generated in the state” to “diverting through source reduction, reuse and recycling, not less than 60% of the solid waste generated in the state.” To help achieve this goal, the act replaces the current Connecticut Resources Recovery Authority with a new Materials Innovation and Recycling Authority.

The act also:

- Allows PURA, under certain circumstances and in consultation with the Department of Public Health, to order a water company to extend its system to supply water to properties served by a deficient well system.
- Eliminates a requirement for DEEP to identify solid waste facilities available for municipalities without landfills or certain disposal contracts and requirements that DEEP submit reports on the state's electronics recycling program to the Environment Committee.
- Makes several changes to Connecticut energy statutes (See description in the Energy section of this report.)

Effective June 6, 2014, for the provisions noted here.

PA 14-139 (HB 5056) AN ACT MAKING TECHNICAL AMENDMENTS TO CERTAIN STATUTES CONCERNING MUNICIPALITIES, REGIONAL PLANNING ORGANIZATIONS AND TAX EXEMPTIONS AND CONCERNING GROWTH-RELATED PROJECTS

Eliminates the statutory role of Regional Planning Organizations (RPOs) in state funding of transportation projects, consistent with PA 13-247, which eliminated the RPOs after Jan. 1, 2015. The Council of Governments will be the sole regional bodies involved in such decisions. What’s more, the act raises, from \$100,000 to \$200,000, the threshold at which certain state agency capital projects and grant authorizations are considered growth-related projects and thus must be undertaken in designated priority funding areas. This means more smaller projects will have access to state funding outside of these designated areas.

Effective June 6, 2014 for RPO provisions; provisions concerning growth-related projects effective Oct. 1, 2014

PA 14-153 (HB 5418) AN ACT CONCERNING LIABILITY FOR THE CLEAN-UP OF CERTAIN HAZARDOUS WASTE

Under state law, DEEP has the authority to cleanup contamination and later go back and seek “cost recovery” from one or more responsible parties. This act gives the DEEP the flexibility in such circumstances to enter into agreements to mitigate or eliminate recovery of such expenses with any person or the estate of any person who died or sustained serious bodily injury and for which DEEP incurred expenses to contain, remove or mitigate human bodily effects on any land or waters of the state.

Effective June 6, 2014

PA 14-163 (HB 5424) AN ACT CONCERNING THE RESPONSIBILITIES OF THE WATER PLANNING COUNCIL

Calls for the state’s Water Planning Council (WPC) to prepare a plan for the management of Connecticut’s water resources by July 1, 2017, and to submit it for legislative review by Jan. 1, 2018.

The WPC will oversee the plan's implementation, provide periodic updates, and annually report on its development and implementation. The Office of Policy and Management (OPM), on the WPC's behalf and within available appropriations, will be able to enter into memoranda of understanding with independent consultants for advice or assistance in developing and compiling the plan, which may include data collection, storage, and organization, as the WPC considers necessary.

The act also:

- Expands the authority of the Department of Public Health to declare a public drinking water supply emergency and requires the agency to conduct feasibility studies on licensing water professionals.

It also requires the Department of Energy and Environmental Protection (DEEP) commissioner to comment on water quality, flood management, recreation, and aquatic habitat issues in draft Water Utility Coordinating Committee coordinated water system plans. Further, the act allows Water Planning Council Advisory Group membership to expand to include representatives of regional councils of government and a public health district.

Effective July 1, 2014, except for the water professional licensing feasibility study provision, which takes effect Oct. 1, 2014, and the MOU provision, which takes effect June 11, 2014

Healthcare

CBIA Contact: Jennifer Herz (860.244.1921 | jennifer.herz@cbia.com)

Numerous attempts were made this year to modify aspects of state health insurance policy, but with federal healthcare changes already driving significant transformation, many proposals were stopped. Lawmakers passed only two proposals for new health benefit mandates. Also

approved was an increased tax on certain employers to fund a state healthcare initiative called the State Innovation Model (SIM). In addition, two bills increasing disclosure for hospitals and nursing homes also were passed this session.

PA 14-1 (HB 5285) AN ACT CONCERNING A STUDY OF THE RENEWAL TIME FOR OCCUPATIONAL LICENSES

Requires the state commissioners of Public Health and Consumer Protection to review the renewal times for occupational licenses for health care and pharmacy professionals. The commissioners must recommend to the legislature's Public Health and General Law committees, by July 1, 2015, whether license renewal dates can be extended without putting public health and safety in jeopardy.

Effective May 12, 2014

PA 14-6 (SB 188) AN ACT CONCERNING CAPTIVE INSURANCE COMPANIES

Allows a captive insurance company (an entity formed to insure or reinsure the risks of its owners) to be licensed and domiciled in Connecticut for life, health, and commercial risk insurance as well as for annuities. In addition, captives are restricted from offering certain personal lines of insurance and must follow certain requirements when relocating to Connecticut.

Effective Oct. 1, 2014

PA 14-40 (HB 5578) AN ACT CONCERNING THE HEALTH INSURANCE GREIVANCE PROCESS FOR ADVERSE DETERMINATIONS

Eliminates the requirement for insurers to use "clinical peers" to review adverse determination requests. Instead, insurers must ensure that appropriate or, as circumstances dictate, required professionals undertake reviews of adverse determinations.

Effective May 28, 2014

PA 14-47 (HB 5596) AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 2015

In Section 5, increases the allocation to the Office of Healthcare Advocate, which will help fund the State Innovation Model (SIM). Overall, OHA's budget will increase by about \$4.2 million. The increased allocation will come in the form of a higher assessment from the state Department of Insurance.

Effective July 1, 2014

PA 14-55 (HB 5051) AN ACT IMPROVING TRANSPARENCY OF NURSING HOMES OPERATIONS

Requires all for-profit and convalescent nursing homes receiving state funding to report to the Department of Social Services annual profit and loss statements from any related party to those businesses that is paid \$50,000 or more. Also, the Nursing Home Financial Advisory Committee must convene and change its membership and duties.

Effective July 1, 2014

PA 14-97 (SB 10) AN ACT CONCERNING COPAYMENTS FOR BREAST ULTRASOUND SCREENINGS AND OCCUPATIONAL THERAPY SERVICES

Requires health insurance carriers to cap copayments for two different services offered in fully insured plans. Copayments for ultrasound breast screenings must be capped at \$20 and copayments for occupational therapy services must be capped at \$30 for in-network services.

Effective Jan. 1, 2014

PA 14-98 (SB 29) AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES, AND CONCERNING MISCELLANEOUS PROGRAMS, INCLUDING THE SMART START PROGRAM, THE WATER IMPROVEMENT SYSTEM PROGRAM, SCHOOL SECURITY GRANTS, THE REGENERATIVE MEDICINE RESEARCH FUND, THE CONNECTICUT MANUFACTURING INNOVATION FUND AND THE BOARD OF REGENTS FOR HIGHER EDUCATION INFRASTRUCTURE ACT

Section 2 provides \$1.9 million in bonding for the Office of the Healthcare Advocate to buy and implement health information technology systems in support of the State Innovation Model (SIM).

Effective July 1, 2014

PA 14-107 (SB 194) AN ACT CONCERNING RISK MANAGEMENT AND OWN RISK AND SOLVENCY ASSESSMENTS FOR DOMESTIC INSURERS

Requires domestic insurers in Connecticut to conduct an Own Risk and Solvency Assessment at least annually, and to submit the report to the Connecticut Department of Insurance. Failure to comply may result in financial penalties; however, certain insurers are exempt from this requirement.

Effective Jan. 1, 2015

PA 14-118 (SB 394) AN ACT CONCERNING REQUIREMENTS FOR INSURERS' USE OF STEP THERAPY

Bars insurers from requiring the use of prescription drug step therapy for longer than 60 days and also requires carriers establish a procedure to allow physicians to override step therapy protocols.

Effective Jan. 1, 2015

PA 14-145 (HB 5337) AN ACT CONCERNING FEES CHARGED FOR SERVICES PROVIDED AT HOSPITAL-BASED FACILITIES

Requires hospitals and health systems that charge facility fees (a bill for an outpatient service at a hospital based facility) to provide patients with notice of the fee, including their financial liability, and let them know that additional information is available through their insurance company. This notice does not apply to Medicaid or Medicare patients or workers' compensation services. Hospital-based facilities are also required to display a sign informing patients about the about potential fees.

Effective Oct. 1, 2014

PA 14-148 (HB 5386) AN ACT CONCERNING CARE COORDINATION FOR CHRONIC DISEASE

Requires the state Public Health commissioner to develop and implement a plan addressing chronic disease in Connecticut, and to report on the plan's progress to the legislature's Public Health Committee by Jan. 15, 2015 (and annually thereafter). Among other things, the plan must address reducing the incidence of chronic diseases and improving care coordination and outcomes. The plan must also be consistent with the State Innovation Model and be made in consultation with the lieutenant governor.

Effective Oct. 1, 2014

PA 14-168 (SB 35) AN ACT CONCERNING NOTICE OF ACQUISITIONS, JOINT VENTURES, AFFILIATIONS OF GROUP MEDICAL PRACTICES AND HOSPITAL ADMISSIONS, MEDICAL FOUNDATIONS AND CERTIFICATES OF NEED

- Allows for-profit hospitals to operate in the state with the same abilities to employ healthcare professionals as nonprofit hospitals. Requires new notice procedures in the event of mergers or acquisitions of practices and hospitals, as well as new requirements for Certificate of Need (CON) applications. These notices procedures include: If an individual or any legal entity files merger, acquisition or other market concentration information with the Federal Trade Commission or the Department of Justice, notice shall also be provided to the state attorney general. *Effective Oct. 1, 2014*
- A group practice must file, at least 30 days before a "material change" to its business or structure, notice of the change with the state attorney general. A material change generally includes changes surrounding mergers and acquisitions. *Effective Oct. 1, 2014*
- Hospitals, hospital systems and group practices with 30 or more doctors must file annual written reports with the state attorney general. *Effective Oct. 1, 2014*
- New restrictions are placed on board membership for medical foundations, non-profit hospitals and for-profit hospitals. *Effective June 3, 2014*
- Upon admission to a hospital, a patient must be asked if he or she wants their doctor to be notified about the admission. *Effective Oct. 1, 2014*
- Establishes new factors for a CON application, including impacts of consolidation on the diversity, cost and accessibility of care. In addition, new public hearing requirements are added to the process. *Effective July 1, 2014.*

PA 14-203 (SB 257) AN ACT CONCERNING HEPATITIS C TESTING

Requires primary care providers to offer Hepatitis C testing to patients born between 1945 and 1965, except if a patient is being treated for a life-threatening condition; or has already been, or offered to be, tested; or lacks the capacity to consent to the test.

Effective Oct. 1, 2014

PA 14-217 (HB 5597) AN ACT IMPLEMENTING PROVISIONS OF THE STATE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2015

- In Section 66, modifies the existing immunization fund fee so that it is deposited in the Insurance Fund instead of the General Fund; also provides for other reconciliation measures. *Effective July 1, 2014.*

- Section 77: Requires the state Comptroller to analyze the impact of facility fees on the state employee health plan, including the feasibility of removing such fees; a final report is due Oct. 1, 2015. *Effective June 13, 2014*
- Section 87: Provides an enforcement mechanism for the state's health insurance exchange to collect market assessment fees by notifying the Connecticut Insurance Department (CID). The CID will then ensure the fee is paid through the agency's enforcement mechanisms. *Effective June 13, 2014*
- Section 88: Revises the compliance requirements for carriers offering qualified health plans by deleting the reference to compliance with all state health insurance laws and CID Commissioner's orders and instead asserting that compliance must follow the state's exchange laws, its board and the All Payers Claim Database. *Effective June 13, 2014*
- Section 117: Once again extends the due date for the state Education Commissioner's pilot study to promote best practices in early literacy and closing the achievement gap. The pilot is now extended through July 1, 2015 and the reporting deadline is Oct. 1, 2016. *Effective June 13, 2014*
- Section 169-175 & 259: Eliminates the Health Information Technology Exchange and moves its responsibilities to the Department of Social Services (DSS). The DSS Commission is required to submit the health information technology plan annually. *Effective July 1, 2014.*

Judicial and General Corporate Matters

CBIA Contact: Bonnie Stewart (860.244.1925 | bonnie.stewart@cbia.com)

In general, only modest changes were made to Connecticut's laws governing judicial and general corporate matters. Of the bills that passed, nearly all will have a positive impact on businesses (or at least, no negative impact). Of note was the near passage of legislation to curtail patent trolling. CBIA led a coalition of businesses and trade associations that strengthened and improved the proposal while maintaining the protection of valid patent claims. Ultimately, the legislation passed the Senate but fell victim to timing deadlines. However, with the significant improvements and support of interested stakeholders and policymakers, we are confident that if and when this issue comes up in future sessions, it will be drafted in a similarly positive manner.

PA 14-27 (SB 153) AN ACT CONCERNING THE RECOMMENDATIONS OF THE CONNECTICUT SENTENCING COMMISSION WITH RESPECT TO CERTIFICATES OF REHABILITATION

Enacts certain recommendations of the Connecticut Sentencing Commission concerning certificates of rehabilitation, in order to give certain eligible offenders greater access to employment opportunities.

Effective Oct. 1, 2014

PA 14-37 (HB 5338) AN ACT CONCERNING THE ADMISSIBILITY OF RECORDS AND REPORTS OF CERTAIN EXPERT WITNESSES AS BUSINESS ENTRIES

In civil matters, applies rules, concerning the admissibility of records or reports of out-of-state physicians and various other professionals, identical to standards that presently apply to similar in-state professionals.

Effective Oct. 1, 2014

PA 14-125 (HB 5220) AN ACT CONCERNING A PROPERTY OWNER'S LIABILITY FOR THE EXPENSES OF REMOVING A FALLEN TREE OR LIMB

Imposes financial liability on owners of real property for expenses related to removing a tree or limb from a tree that is, or was, sited on the property and falls on an adjoining real property. In order for a property to be liable, the adjoining property owner must have notified the property owner that the tree or limb was compromised and likely to fall, but the property owner did not remedy the situation within 30 days.

Effective Oct. 1, 2014

PA 14-154 (HB 5489) AN ACT CONCERNING THE INTEGRITY OF THE BUSINESS REGISTRY

Improves the accuracy and credibility of Connecticut's business records database by allowing the secretary of the state to begin the administrative dissolution of inactive and defunct companies that have not filed their annual reports for two consecutive years, and which do not remedy the failure within 90 days. The bill also eliminates certain business filing fees.

Effective in general on Jan. 1, 2015.

PA 14-168 (SB 35) AN ACT CONCERNING NOTICE OF ACQUISITIONS, JOINT VENTURES AND AFFILIATIONS OF GROUP MEDICAL PRACTICES

Among other things, requires giving notice to the state attorney general of any acquisitions, joint ventures, affiliations and other material changes of group medical practices. Also requires similar notice if the transaction involves a hospital, hospital group or healthcare provider that is subject to any federal antitrust review.

Effective July 1, 2014 in general

PA 14-217 (HB 5597) AN ACT IMPLEMENTING PROVISIONS OF THE STATE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2015

In Section 140, allows investors to form companies under a new benefit corporation model. These benefit corporations will not receive any tax or other legal advantage over other companies organized under other corporate forms. However, benefit corporations will be required to identify a societal mission that they aim to, and must, fulfill. They may also choose to have their social mission to be protected into perpetuity if they provide their shareholders with two years notice of such intention and the action is unanimously approved by its shareholders.

Effective Oct. 1, 2014

Labor and Employment

CBIA Contact: Eric Gjede (860.244.1931 | eric.gjede@cbia.com)

Even in the short session lawmakers considered numerous proposals impacting many aspects of Connecticut workplaces. Ultimately, the 2014 legislative session took a few steps forward for businesses, but some legislators still spent considerable effort on proposals that would drive up costs for businesses and negatively impact Connecticut's competitiveness. While the business community successfully stopped nearly every harmful measure, it's clear that much work remains to avoid these types of efforts altogether and focus instead on ways to improve Connecticut's economy and business climate.

PA 14-1 (SB 32) AN ACT CONCERNING WORKING FAMILIES' WAGES

Increases Connecticut's minimum wage to \$9.15 on Jan. 1, 2015; to \$9.60 on Jan. 1, 2016; and to \$10.10 on Jan. 1, 2017.

Effective July 1, 2014

PA 14-9 (SB 57) AN ACT CONCERNING THE DIRECT DEPOSIT OF WAGES

Adds an individual's wages to the list of funds that are partially exempt from execution by a creditor.

Effective Oct. 1, 2014

SPECIAL ACT 14-17 (HB 5527) AN ACT CONCERNING THE TASK FORCE ON DOMESTIC WORKERS

Creates a task force that will study issues involving domestic workers in the state, and recommend legislative initiatives to provide outreach and education services for domestic workers and employers of domestic workers.

Effective Oct. 1, 2014

PA 14-42 (SB 64) AN ACT CONCERNING THE CONNECTICUT EMPLOYMENT AND TRAINING COMMISSION AND AMENDMENTS TO THE DEPARTMENT OF LABOR STATUTES

In addition to making several technical changes, the act expands reporting requirements for the Connecticut Employment and Training Commission job placement program, repeals the requirement that the Office of Workforce Competitiveness update a self-sufficiency measurement every three years, changes how employment information is exchanged between the Labor Department and the Department of Social Services, requires the Labor Department to enter into an agreement with the Connecticut Health Insurance Exchange for employment information, and eliminates the film industry workforce training program.

Effective May 28, 2014

PA 14-44 (SB 318) AN ACT CONCERNING ELECTRONIC PREVAILING WAGE NOTICES, INFORMATION AND RECORDS

Modifies certain notices and documents required for construction activities on public works projects. Specifically, the act allows employers to electronically submit their monthly certified

payroll records to the contracting state or local agency; and maintain those records in an electronic format

State or local agencies may also electronically notify a contractor and the state that it is terminating a contractor's right to work on the job in the event the contractor or subcontractor fails to pay the required prevailing wage.

Effective July 1, 2015

PA 14-109 (SB 221) AN ACT CONCERNING CREDIT CHECKS AND FINANCIAL INSTITUTIONS

Allows mortgage brokers, mortgage correspondent lenders, and mortgage servicing companies to require current or prospective employees to submit to a credit check as a condition of employment

Effective Oct. 1, 2014

PA 14-128 (HB 5269) AN ACT CREATING PARITY BETWEEN PAID SICK LEAVE BENEFITS AND OTHER EMPLOYER-PROVIDED BENEFITS

Modifies the state's paid sick leave law to allow employers to track employee accumulation of paid sick days using a 365-day cycle other than a calendar year. The act also:

- Allows employers report their number of employees once a year, similar to reporting for family and medical leave (rather than on a quarterly basis)
- Adds "radiologic technologist" to the list of job titles eligible for paid sick leave
- Prohibits employers from terminating, dismissing or transferring employees solely to avoid falling under the threshold needed to trigger the paid sick leave law

Effective Jan. 1, 2015

PA 14-159 (HB 5453) AN ACT CONCERNING EMPLOYERS AND HOME CARE WORKERS

Amends state law on overtime pay to allow individuals who are employed as providers of companionship services, and present at work sites for at least 24 consecutive hours, to enter into agreements with employers to exclude up to eight hours of scheduled sleep time from the total number of hours worked.

Effective Jan. 1, 2015

PA 14-167 (SB 61) AN ACT CONCERNING WORKERS' COMPENSATION AND LIABILITY FOR HOSPITAL AND AMBULATORY SURGICAL CENTER SERVICES

Requires the state Workers' Compensation Commission to establish a Medicare based fee schedule for hospitals and ambulatory surgical centers (ASCs) for treating work-related injuries if the parties involved have not reached a negotiated fee.

Effective June 11, 2014

Regulatory Reform

CBIA Contact: Eric Brown (860.244.1926 | eric.brown@cbia.com)

Several proposals this year aimed to improve how state regulations are adopted, although some were written from a misguided perception that the legislature's Regulations Review Committee has been responsible for slowing the process. The fact is, the state needs to continue leaning various activities within individual agencies that lead to a long regulatory adoption process. Ultimately, lawmakers passed one bill that appropriately focuses on implementing a new state "eRegulation System" which, once tested, finalized and put into use, hopefully will expand opportunities for the general public and business community to participate in the process. However, it is unlikely that the measure that was adopted will do much to speed the process.

PA 14-187 (HB 5049) AN ACT ELIMINATING UNNECESSARY GOVERNMENT REGULATION

Institutes several changes to laws relating to the regulatory adoption process in Connecticut. With the secretary of the state and governor's office finalizing a new eRegulations System, this act should help transform much of the current notice and documentation part of the process to a more electronically based system. Several of the act's provisions are linked to the certification date by which the secretary of the state confirms in writing that the eRegulations System is ready to serve as "the official compilation and electronic repository" for all state regulations.

The new eRegulations System will be used for posting notices and documents—such as drafts, comments, and hearing reports—related to the regulatory adoption process. Significantly, the act will put the onus more on the public to stay abreast of regulatory developments via the new eRegulations System, as it reduces the burden on individual agencies to proactively send notices to municipalities, groups or individuals.

Also of significance is that the act allows agencies in certain circumstances to avoid the formal regulation adoption process when making technical amendments to existing regulations. This includes when an agency determines that amendments are necessary because of a transfer of authority from one agency to another, an agency name change, the renumbering of statutory sections referenced in the regulation, or the repeal of a regulation due to the repeal of the underlying statute.

The act also:

- Extends the deadline for the secretary of the state to post regulations approved by the Regulation Review Committee from five to 10 days after such approval. While the secretary of the state will not have to post state regulations that incorporate federal regulations or the regulations of another state, a link to those documents may be posted on the SOTS website.
- Eliminates several requirements for the Department of Children and Families (DCF) to adopt regulations—in some cases requiring the department to adopt policies rather than regulations.

- Eliminates numerous requirements for several different agencies to adopt certain regulations and the State Board of Education's (SBE) authority to set fees for certain exams. It also makes additional changes affecting fire extinguisher regulations, motor vehicle sale orders and invoices and regulations for safety standards, banking department regulations, and qualified public depositories.

Effective dates vary by section.

Transportation

CBIA Contact: Eric Gjede (860.244.1931 | eric.gjede@cbia.com)

One of Connecticut's weakest competitive links is its aging transportation infrastructure, but the state's fiscal situation prevented the legislature from making many of the investments critical to fixing the problem. Lawmakers did take some steps, however, that could be beneficial over time, including approving the Department of Transportation's five-year plan to improve Connecticut's transportation infrastructure; and the creation of a port authority to spearhead development of the state's seaports.

PA 14-31 (SB 336) AN ACT CONCERNING THE PENALTY FOR CAUSING HARM TO A VULNERABLE USER OF A PUBLIC WAY

Establishes a \$1,000 penalty for an operator of a motor vehicle on a public way who fails to exercise reasonable care and causes the serious physical injury or death of a vulnerable user of a public way. Vulnerable user is defined as a pedestrian, highway worker, a blind person and service animal, or a person riding or using an animal, bicycle, skateboard, roller skates, in-line skates, tractor, or wheelchair.

Effective Oct. 1, 2014

PA 14-63 (HB 5459) AN ACT CONCERNING THE ADOPTION OF THE UNIFORM CERTIFICATE OF TITLE FOR VESSELS ACT

Establishes new rules governing certificates of titles for boats that are principally used in Connecticut waters. The act require owners to apply to the Department of Motor Vehicles (DMV) when a boat's ownership changes, or if Connecticut becomes the principal place of use.

Among other things, the act also:

- Establishes a certificate of title as prima facie evidence of ownership
- Sets rules for perfecting security interests or transfers of interest in a boat
- Establishes penalties for fraudulent certificates
- Requires DMV to adopt regulations and maintain certain information for public searches

Effective Jan. 1, 2016

PA 14-68 (SB 34) AN ACT CONCERNING THE CERTIFICATION OF HOUSEHOLD GOODS CARRIERS

Includes an applicant's financial stability and criminal history as factors in determining whether the state Department of Transportation will grant a certificate allowing the operation of a moving company, but removes the "public need for the services" as a determining factor.

Effective July 1, 2014

PA 14-130 (HB 5290) AN ACT REVISING MOTOR VEHICLE LAWS

Makes a variety of changes to state motor vehicle laws, including: Prohibiting the registration of a motor vehicle as a taxi if the vehicle is more than 10 years old, renaming the public passenger transportation permit as a public passenger endorsement, allowing the Department of Motor Vehicles (DMV) to rescind a suspended registration if a motor vehicle enters into a consent agreement with the department, broadens the adult instruction permit waiting period exemption, requiring the police to report to DMV when an individual licensed to transport members of the public commit certain crimes, prohibiting a DMV commissioner from administering a commercial driver's license (CDL) road test until an applicant has held a commercial driver's instruction permit for at least 14 days, making various changes to fees related to commercial drivers licenses and expedited licensing procedures, allowing a licensed motor vehicle repairer to keep records in electronic format, requiring sales orders and invoices for the sale of motor vehicles to include additional information about the seller, and requiring owners of commercial vehicles to annually file evidence they have properly insured each vehicle

Effective: Various effective dates

PA 14-199 (SB 235) AN ACT CONCERNING REVISIONS TO THE TRANSPORTATION STATUTES

Creates the position of inspector to enforce fare collection on state-owned public buses; exempts certain state buildings, such as salt sheds, from compliance with energy efficiency standards; requires a study of the corrosive effects of chemical road treatments and the potential for alternative road treatments; allows the construction of new highway railroad crossings in certain municipalities; establishes an advisory committee to deal with matters relating to Bradley International Airport; allows directional signs with notices pertaining to agricultural tourism and the Connecticut beer and wine trails; calls for a study of regulations of for-hire transportation services in the state as they pertain to the use of emerging technologies, such as smart phone applications.

Effective: Various effective dates

PA 14-222 (HB 5289) AN ACT ESTABLISHING THE CONNECTICUT PORT AUTHORITY

Creates a state port authority, a new quasi-public agency responsible for coordinating port development, pursuing federal funding for dredging and infrastructure improvement, increasing cargo movement in Connecticut ports, marketing the ports to the domestic and international shipping industry, and planning and funding capital projects related to the state's ports. The authority will be guided by a board of directors composed of various state commissioners and members appointed by the governor and legislative leaders. In addition, a port authority working group will begin planning to transition the maritime functions of the Department of Transportation to the Port Authority.

Effective Oct. 1, 2015



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