

Business-related Legislation

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This year, the General Assembly approved scores of proposals that have some connection to, or impact on, the state's business community. Here are brief descriptions of new public acts (and the identifying number of the bills). For more detailed information about the measures, contact CBIA's Government Affairs representative indicated for that subject area.

Notes:

Effective dates are Oct. 1, 2009, unless otherwise noted. (If "Effective upon passage" is noted, that means the act will be effective upon the governor's signature.)

Measures marked with (*) asterisk have not yet been signed by Gov. Rell. (as of 6/30/09)

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STATE BUDGET AND STATE & LOCAL TAXES

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• **PA 09-1 (SB-1801, special session)** — sets a \$37.7 billion, two-year state budget that increases taxes by \$2.5 billion, including a 25%, three-year surcharge on the corporation tax and an increase in the income tax on earnings of \$250,000 or more. (**Gov. Rell vetoed this bill.**)

Special Act 09-1 (SB-835)— allows up to \$64.1 million in special tax obligation bonds for the Department of Transportation's Bureau of Engineering and Highway Operations, to be used for capital resurfacing and road reconstruction projects. (Effective: April 22, 2009)

PA 09-2 (SB-2001, Special Session)—makes available federal stimulus dollars for summer jobs, provides additional spending for certain state agencies, cuts the FY 2009 state budget by \$81.5 million, and decouples state and federal corporate taxes when cancellation of debt income is concerned. (Effective: June 26, 2009)

PA 09-60 (SB-997)*— permits municipalities to (1) postpone a current revaluation phase-in until assessment year 2011, (2) delay property revaluation that is scheduled for the 2008, 2009, or 2010 assessment year until the 2011 assessment year and (3) agree to join together to revalue their property even if it would occur after when their individual statutory schedules require.

(Effective: July 1, 2009)

PA 09-196 (HB-6041)* —requires tax assessors to determine the fair market value of large income-producing properties based on the sale of comparable properties regardless of location; and allows assessors to request net income and expense data any time they value income-producing property. (Effective: Various dates)

PA 09-200 (SB-931)* —clarifies that any company that manufactures as well as installs materials for a paving contract is eligible for certain manufacturing sales tax exemptions. (Effective: Upon passage)

PA 09-202 (SB-1033)* —establishes a tax credit for the construction of "green buildings." (Effective: July 1, 2009)

PA 09-236 (SB-379) —establishes criteria under which a municipality (currently applies only to New London) may apply, by Dec. 31, 2009, to participate in a pilot program allowing the municipality to prepare a plan for taxing land at a higher rate than buildings; does not, however, authorize the municipality to implement the land-value tax. (Effective: July 1, 2009)

BUSINESS LAW & LIABILITY

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PA 09-38 (HB-6643)—authorizes the state to revoke the authority of certain out-of-state business entities for failing to have an agent for service of process for at least 60 days.

PA 09-55 (SB-963)—adopts provisions of the Model Business Corporation Act which makes Connecticut a more attractive place in which to incorporate.

PA 09-59 (SB-1089)—provides immunity from damages in a lawsuit for acts arising out of negligence in providing or maintaining an automatic external defibrillator.

PA 09-62 (SB-358)—prohibits people from selling, giving, or transferring machine guns to anyone under age 16.

PA 09-68 (SB-964)—requires the same confidentiality protection for material voluntarily submitted to the attorney general in antitrust investigations as currently given to subpoenaed information; increases civil penalties for violators of the Connecticut antitrust act in cases brought by the

attorney general.

PA 09-69 (SB-1029)—authorizes workers' compensation commissioners to appeal a Judicial Review Council decision to the Supreme Court. (Effective: May 27, 2009)

PA 09-83 (HB-6640)—increases from \$165 to \$300 per month the penalty the state can impose on a foreign business entity for doing business in Connecticut without required registration.

PA 09-152 (SB-1157)* —increases certain court filing fees. (Effective: July 1, 2009)

PA 09-158 (SB-1127)* —expands protections to individuals with mental disabilities under state nondiscrimination requirements.

PA 09-178 (SB-1099)* —allows an appeal of a Compensation Review Board decision even if it is not considered final under the provisions of the Uniform Administrative Procedures Act or appeals from the Superior Court.

PA 09-193 (HB-6339) —extends the definition of racketeering activity under the Corrupt Organizations and Racketeering Activity Act (CORA) to include violations by broker-dealers of the federal Currency and Foreign Transactions Reporting Act; and makes CORA applicable to securities fraud and related offenses under the Uniform Securities Act.

PA 09-215 (HB-6248)* —allows motions in Superior Court to revive a judgment for money damages if the deadline to enforce the judgment has not expired.

PA 09-222 (HB-6642)* —makes it a crime for someone, for financial gain, to knowingly procure or attempt to procure a client, patient, or customer in cooperation with a "provider."

PA 09-239 (SB-838)* — increases criminal penalties for identity theft and the dissemination of personal information. (certain provisions effective from passage, the majority of sections are effective Oct. 1, 2009)

PA 09-240 (SB-894)* — requires private-passenger automobile insurance providers to share their clients' policy limits (and certain other pertinent information) upon the request of a Connecticut lawyer or a sworn affidavit from an injured party.

PA 09-243 (SB-1128)* — increases penalties for thefts of telecommunications equipment that interrupt emergency telecommunications services; imposes certain requirements on scrap metal

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processors when they receive scrap equipment, wire or cable that could be used in the transmission or distribution of electricity; and provides penalties for unlicensed motor vehicle recyclers.

ECONOMIC DEVELOPMENT

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• **Special Act 09-16 (SB-1068)** —allows the state Department of Economic and Community Development to apply for federal stimulus dollars to promote green jobs, energy conservation and other green investments. (**Gov. Rell vetoed this act.**)

PA 09-19 (HB-5930)—requires state agencies, when proposing new regulations, to include in the fiscal note an analysis of the fiscal impact on small businesses.

EDUCATION

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PA 09-1 (HB-6901, Special session) —improves the quality of public school education by making it easier for mid-career professionals to become teachers via the Alternate Route to Teacher Certification program and offers ways to help charter schools. (Effective: July 1, 2009)

PA 09-241 (SB-1014) *—promotes the use of technology to improve the quality of public education. (Effective: July 1, 2009)

ENERGY

CBIA contact: Kevin Hennessy
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PA 09-31 (HB-5694)—requires owners of residential buildings to give utilities and heating fuel dealers access to meters and other facilities on their premises; establishes verification requirements for the termination of residential utility service.

PA 09-192 (HB-6284) *—under this green building act, the state must require certain buildings qualifying as new construction or major alteration of a residential or nonresidential building to meet or exceed optimum building construction standards for thermal envelope or mechanical systems. (Effective: Upon passage)

PA 09-202 (SB-1033) *—establishes a tax credit for taxpayers who build “green buildings” that meet or exceed the applicable Leadership in Energy and Environmental Design (LEED) Green Building Rating System gold certification or equivalent standard. (Effective: July 1, 2009, with

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the credits applying to income years starting on or after January 1, 2012)

PA 09-218 (HB-6306) *—requires the Department of Public Utility Control to establish a code of conduct setting minimum standards for transactions between gas companies and their affiliates; limits when propane dealers can terminate service to certain residential customers; and requires electric distribution companies to submit an integrated resource plan on even numbered years (rather than an annual basis).

• **PA 09-238 (SB-586)** — allows the towns of Canton, Avon and Burlington to study the feasibility of hydroelectric generation at the Collinsville dams on the Farmington River. (**Gov. Rell vetoed this bill.**)

ENVIRONMENT AND LAND USE

CBIA contact: Eric Brown
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PA 09-56 (SB-1020)—defines “certified pesticide applicator,” limits the use of pesticides at day care facilities to such professionals; imposes new notification requirements and extends to July 1, 2010, the deadline for applying lawn care pesticides on elementary school playing fields. (One-year extension is effective upon passage.)

PA 09-103 (HB-6572)—prohibits the manufacture, sale or distribution of any reusable food or beverage container containing bisphenol-A, or any infant formula or baby food stored in containers with bisphenol-A. (Effective: Oct. 1, 2011)

PA 09-105 (SB-824)—authorizes the DEP to adopt regulations concerning marine dealer registration fees and make various changes regarding marine surveyors. (Effective: July 1, 2009)

PA 09-112 (SB-3)—prohibits construction of an ash residue disposal site in Franklin and Windham and the construction or operation of food-to-energy plants in municipalities meeting certain criteria. (**Gov. Rell vetoed this bill.**)

PA 09-141 (SB-271) —streamlines the development of brownfield sites where former industrial mills are located. (Effective: June 25, 2009)

PA 09-165 (HB-6466) *—requires regional plan-

ning organizations to establish a voluntary process in which applicants to state or local government agencies can request a pre-application review of proposed projects.

PA 09-181 (HB-5254) *—allows developers more time to complete certain projects by resetting the statutory deadlines municipal agencies may impose on projects approved between July 1, 2006 and July 1, 2009. (Effective: July 2, 2009)

PA 09-190 (HB-5861) *—sets a 60-day deadline for the departments of Environmental Protection, Public Health, Transportation and the State Traffic Commission to conduct a preliminary review for any petition, application or request filed by a municipality to determine whether all pertinent information has been provided.

PA 09-211 (SB-995) *—allows the DEP to issue individual authorizations for the beneficial reuse of solid waste in a manufacturing process, in order to make a product or as an effective substitute for a commercial product.

PA 09-229 (SB-891) — supersedes current state laws regarding the management of fertilizer and certain milk products; prohibits municipal regulation of fertilizer management and creates a milk producer grant program. (Effective: Various dates)

PA 09-230 (HB-6467) *—defines “smart growth” and “principles of smart growth” and requires the Continuing Legislative Committee on State Planning and Development to study how to incorporate these principles into the state plan of conservation and development, with recommendations to be submitted to the General Assembly by Feb. 1, 2010. (Effective: Upon passage)

PA 09-231 (HB-6585) *—enables two or more municipalities that are part of the same federal economic development district to promote regional economic development and share the tax revenues from new economic development.

PA 09-236 (SB-379) * —establishes criteria under which a municipality (currently applies only to New London) may apply, by Dec. 31, 2009, to participate in a pilot program allowing the municipality to prepare a plan for taxing land at a higher rate than buildings; does not, however, authorize the municipality to implement the land-value tax. (Effective: Upon passage)

FINANCIAL INSTITUTIONS

CBIA contact: Bonnie Stewart
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PA 09-48 (SB-764)—allows insurance carriers to enter into certain derivative transactions (swaps, options, forwards, futures, caps, floors, collars, and similar instruments or combinations of them)

as long as the transactions are considered prudent to their business lines. (Effective: May 20, 2009)

PA 09-71 (SB-873)—allows state agencies to enforce the compliance of licensees, registrants, certificate holders and holders of charters with state law that requires anyone who possesses “personal information” to safeguard it; specifies a financial institution’s adherence to the Gramm-Leach-Bliley Act equates to compliance with the state requirement on safeguarding personal information.

PA 09-100 (SB-617)—makes numerous changes to Connecticut’s banking laws including in part: authorizing the banking commissioner, for a limited time, to process applications for “expedited” banks, prohibiting charging a fee to apply to move a Connecticut bank’s main office, and clarifying the laws relevant to, and permissible activities of out-of-state banks. (Effective: Various dates)

PA 09-189 (HB-5099) *—clarifies that a retailer’s petition filing or bankruptcy petition filing for Chapter 7 or 11 can’t be deemed as a default under a retail installment contract or installment loan contract where repossession of a vehicle is concerned.

PA 09-207 (SB-949) * —in part, makes residential mortgage fraud a crime, changes the home loan interest rate for what’s considered “non-prime,” makes numerous changes to the laws concerning interest rates, and permits the banking commissioner to determine if certain mortgage professional license applications are abandoned. (Effective: Various dates)

PA 09-208 (SB-950) *—changes a number of things concerning consumer credit. (Effective: Various dates)

PA 09-209 (SB-948) * — implements the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE) by mandating conditions on licensing for mortgage professionals; also makes numerous changes to the state’s foreclosure laws. (Effective: Various dates)

HEALTH CARE

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PA 09-21 (HB-6266)—protects acupuncturists from individuals inappropriately using their titles.

PA 09-22 (HB-6301)—allows pharmacists to accept electronic prescriptions for certain controlled substances. (Effective: July 1, 2009)

PA 09-41 (SB-458)—requires doctors to notify patients about mammography results and related risks as appropriate.

PA 09-46 (SB-46)—requires health insurance

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carriers to disclose their medical loss ratios (the ratio of medical claims to earned premium).

PA 09-49 (SB-959)—permits patients and doctors, under certain circumstances, to request an “expedited external appeal” of a coverage denial from their health insurance carrier when the internal appeal process has been exhausted.

PA 09-51 (HB-5023)— increases health care costs (especially for small businesses) and limits companies’ flexibility in crafting their plan designs by mandating health care plans cover physician-ordered and medically necessary wound care supplies for the treatment of epidermolysis bullosa. (Effective: Jan. 1, 2010)

PA 09-58 (SB-781)—allows certain optometrists to prescribe and dispense contact lens that contain certain therapeutic drugs or other substances.

PA 09-76 (SB-1010)—among other things, requires hospitals to notify emergency service organizations when they transport a patient with an infectious disease.

PA 09-77 (HB-6264)—revamps rules for Office of Health Care Access surveys and studies concerning the state’s health care facility utilization. (Effective: July 1, 2009)

PA 09-95 (SB-1079)—allows any state agency participating in the Connecticut Health Information Network to disclose, under some circumstances, certain personally identifiable health information provided the agency otherwise protects the information.

PA 09-115 (SB-301)— increases health care costs (especially for small businesses) and further limits these companies’ flexibility in crafting plan designs by mandating that their health care plans cover certain autism and autism spectrum-related care services. (Effective: Jan. 1, 2010)

PA 09-123 (HB-5019)—under certain circumstances, prohibits insurance carriers from considering an individual’s history of taking a prescription drug for anxiety in setting that individual’s rates. (Effective: Jan. 1, 2010)

PA 09-124 (HB-5433)—increases health care costs (especially for small businesses) and limits these companies’ flexibility in crafting their plan designs by mandating that their health care plans cover services provided to stepchildren.

(Effective: Jan. 1, 2010)

PA 09-125 (HB-5635)—limits ultrasounds to be performed only for medical or diagnostic purposes, and only if ordered by a licensed health care provider acting within the scope of his or her practice. (Effective: July 1, 2009)

PA 09-126 (HB-5669)—allows an employer to not pay for a terminated employee’s health insurance premiums following most terminations, and requires the carrier to credit the employer any prorata premium paid on behalf of such employee.

PA 09-128 (HB-6200)—allows physicians to prescribe and administer long-term antibiotic therapy to patients for the treatment of Lyme disease, and protects these physicians from state enforcement actions related to such treatment. (Effective: July 1, 2009)

PA 09-135 (HB-6531)—limits the scope of a health insurance carrier’s preexisting conditions claim investigation to only those preexisting conditions that directly relate to the claim. **(Gov. Rell vetoed this act.)**

PA 09-136 (HB-6540)—increases health care costs (especially for small businesses) and limits flexibility in crafting health plan designs by mandating that health care plans cover certain prescription eye drop refills. (Effective: Jan. 1, 2010)

PA 09-147 (HB-6582)*—opens the very expensive state employee health plan to small businesses and other groups on an unregulated, self-insured and financially risky basis. (Effective: Various dates)

PA 09-148 (HB-6600)*—sets in motion a fully state-run health care system in Connecticut by implementing the “SustiNet Plan” under an unregulated, self-insured and financially risky system. (Effective: July 1, 2009)

PA 09-157 (SB-1080)—among other things, requires certain chain restaurants to disclose certain nutritional information (including calories) related to their standard menu items. **(Gov. Rell vetoed this bill.)**

PA 09-179 (HB-5018)* —establishes the review and analysis of all existing and proposed health benefit mandates in Connecticut to determine their relative costs and benefits. (Effective: July 1, 2009)

• **PA 09-188 (HB-5021)**—increases health care costs (especially for small businesses) and limits flexibility in crafting plan designs by mandating that health care plans cover certain prosthetic devices, certain bone marrow testing procedures, certain wellness programs, certain ostomy appliances and supplies, wigs for certain people who can’t grow hair, and certain colonoscopy services **(Gov. Rell vetoed this bill.)**

PA 09-204 (SB-47)*—expands the types of fee information that a health insurance carrier is required to provide physicians and also prohibits carriers from making changes to its contracts with physicians with certain exceptions. (Effective: Jan. 1, 2010)

PA 09-206 (SB-1048)*—requires the state to create a pharmaceutical bulk purchasing plan aimed at purchasing, in bulk, pharmaceuticals for participants in the state's public health insurance programs, including HUSKY, SAGA, Charter Oak and ConnPACE. (Effective: July 1, 2009)

INSURANCE

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PA 09-72 (SB-895)—requires automobile insurance carriers to notify individuals of underinsured motorist coverage. (Effective: Jan. 1, 2010)

PA 09-134 (HB-6448)—adds to the requirements of insurance disclosures in lease agreements under the Connecticut Consumer Leases Act.

PA 09-164 (HB-6447)—makes changes to the laws governing standard fire insurance policies.

PA 09-237 (SB-457)*—prohibits an automobile insurance carrier from requiring an insured to use a specific repair shop or stating that repairs will be delayed or unguaranteed if the insured chooses its own repair shop.

PA 09-240 (SB-894)*—requires an automobile insurance carrier to disclose what the policy limits are to a requesting party within 30 days of receiving such written disclosure request.

LABOR AND EMPLOYMENT

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PA 09-6 (HB-6193)—makes various technical changes to certain provisions of state labor statutes. (Effective: May 4, 2009)

PA 09-25 (HB-6462)—requires employers of mechanics, laborer and similar job classifications to maintain and provide monthly reports to the Department of Labor about the wages and hours worked by these employees.

PA 09-33 (HB-6190)—allows the state Department of Labor (DOL) to release grant-related data about employees for unemployment compensation purposes to certain contractors doing business with the federal gov-

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PA 09-69 (SB-1029)—authorizes state workers' compensation commissioners to appeal to the Connecticut Supreme Court a Judicial Review Council decision. (Effective: May 27, 2009)

PA 09-70 (SB 710)—updates the Connecticut Family and Medical Leave Act to reflect recent changes to the federal FMLA. (Effective: May 27, 2009)

PA 09-101 (HB-6185)—prohibits employers from discriminating against employees based on gender in compensation; and creates civil penalties for employers who refuse employees access to their personnel files upon request.

PA 09-104 (SB-778)—allows companies performing construction on certain public works projects to present sufficient evidence of workers' compensation insurance as an alternative to producing a physical certificate of insurance. (Effective: June 2, 2009)

PA 09-106 (HB-6186)—expands whistleblower protections for employees who provide information concerning CONN-OSHA violations in the workplace by prohibiting the publication of the employee's name in certain public records concerning the alleged violation.

PA 09-146 (SB-785)*—requires that all requests for payment on contracts between the state and private entities for construction projects of \$100,000 or more include detailed information regarding the nature, description and history of the work performed to ensure timely payments are made in accordance with the law. (Effective: July 1, 2009)

PA 09-178 (SB-1099)—allows an appeal of a Compensation Review Board decision even if it is not considered final under the provisions of the Uniform Administrative Procedures Act or appeals from the Superior Court.

• **PA 09-183 (HB-6502)**—requires private contractors doing business with the state to pay their employees the same prevailing wage rates and benefits as employees working under the union agreement covering the same work. **(Gov. Rell vetoed this act.)**

MISCELLANEOUS

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PA 09-18 (HB-5414)—requires contractors to include a detailed disclosure provision in new home and home improvement construction contracts. (Effective: July 1, 2009)

PA 09-102 (HB-6433)—increases, from \$200,000 to \$500,000, the minimum gross revenue threshold requirement for a charity's annual report to be audited. (Effective: July 1, 2009)

PA 09-129 (HB-6328)—requires retailers to allow certain individuals access to their employee restrooms under certain circumstances.

• **PA 09-157 (SB-1080)**—among other things, requires certain chain restaurants to disclose certain nutritional information (including calories) related to their standard menu items. **(Gov. Rell vetoed this act.)**

PUBLIC SAFETY

CBIA contact: Kia Murrell
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PA 09-76 (SB-1010)—among other things, requires hospitals to notify emergency service organizations when they transport a patient with an infectious disease.

PA 09-192 (HB-6284)*—under this green building act the state must require certain buildings qualifying as new construction or major alteration of a residential or nonresidential building to meet or exceed optimum building construction standards for thermal envelope or mechanical systems. (Effective: July 1, 2010)

TRANSPORTATION

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PA 09-50 (SB-6648)—revises a variety of laws concerning motor vehicle manufacturers, distributors and dealers, as well as laws pertaining to franchise agreements between them. (Effective: Upon passage)

• **PA 09-186 (SB-6649)**—makes numerous changes to laws governing the operations of the Department of Transportation (DOT). **(Gov. Rell vetoed this act.)**

PA 09-187 (SB-1081)*—makes numerous changes to laws and operations of the Department of Motor Vehicles (DMV). (Effective: Various dates) ■