

Subject: Monday Morning Group Minutes
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Date: 11 Apr 2011 13:39:28 -0400
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CBIA Monday Morning Group

April 11, 2011

Next meeting – Monday, April 18

Education (Lou Bach)- We have several legislator meetings scheduled again this week to discuss measures that have come out of the Commerce and Education committees. With the Appropriations and Finance committees working on budget and tax packages, we're expecting the focus to be on those topics. Bills of interest on the House calendar for this week include:

- An important Alternative Route to Certification bill (**HB- 6434**) that would permit those working toward state teaching certification to count teaching time at an approved nonpublic school towards the classroom hours requirement for certification. We support.
- A bill (**HB-6231**) requiring the regional community-technical college system, the Connecticut State University (CSU) System, and the University of Connecticut to develop a general education core of courses would eliminate a serious hurdle for students who transfer from one system of higher education to another. It would also allow for seamless transfer of core course credits from one school to another. We support.
- The School Reform Delay bill (**HB-6498**) pushes back implementation of critical reforms passed last year. We oppose.

Please contact Lou Bach at Louis.Bach@cbia.com for information regarding Commerce.

Energy (Kevin Hennessy) - The CT Energy Advisory Board has its inaugural meeting Monday (4/11) to begin a comprehensive review of Connecticut's Renewable Energy Portfolio Standard (RPS). The all-day stakeholder forum at the DEP (9 a.m.-4:30 p.m.) is the first phase of preparing a comprehensive report about the costs/benefits of Connecticut's RPS.

Senator Stillman and Representative Ritter are hosting two events this week highlighting the negative aspects of **SB-1176** (the electric generators tax). The first is Monday (4/11) at Waterford Town Hall at 7 pm. The second is a press conference at the LOB on Wednesday (4/13) at 10:30 a.m. CBIA will be at the press conference.

Please contact Kevin Hennessy at Kevin.Hennessy@cbia.com for information regarding Energy.

Environment (Eric Brown)- Brownfield legislation (**HB-6526**) continues to be worked on with a meeting scheduled for tomorrow hosted by Commissioner Dan Esty that includes a number of CBIA Environmental Policies Council members.

This month's SIPRAC meeting is being held at DEP on Thursday morning and Commissioner Esty will be discussing issues of importance to companies with regulated air emissions. The 9 a.m. meeting is open to the public and free of charge.

The DEP is holding weekly meetings with interested stakeholders in an effort to fashion a compromise pertaining to stream flow regulations. At the same time, the Senate is considering **SB-1020**, which would clarify and prioritize the legislature's 2005 directive to DEP to adopt such regulations.

Please contact Eric Brown at Eric.Brown@cbia.com for information regarding Environment and Land Use.

GAE (Kevin Hennessy)- Has a meeting Monday (4/11) to act on bills referred from other committees.

Please contact Kevin Hennessy at Kevin.Hennessy@cbia.com for information regarding GAE.

Healthcare (Eric George)- The fiscal note for Sustinet (**HB-6305**) and Pooling (**HB-6308**)

were released.

As expected, SustiNet carries a sizable cost with it. While many of the provisions are expected to result in significant costs to the State (though indeterminate largely because it is unknown the risk profiles of those individuals who would be joining SustiNet), one provision alone would cost the State between \$222 million and \$478 million each year. This costly provision is the basic health plan which concerns providing state coverage to low-income individuals.

The fiscal note also projects that the cost to administer and operate SustiNet will be as much as \$6 million per year.

Arguably the most expensive provision of SustiNet, the health insurance public option, could not be fully priced because of the uncertainty of just who would join the program.

Similarly, the fiscal note for Pooling indicates this also would cost the State. The known costs (those concerning the administration of the program) would be hundreds of thousands of dollars. Other costs that could not be precisely determined include those associated with the public option (similar to SustiNet but on a much smaller scale) and lost tax revenue from the premiums tax.

Please contact Eric George at Eric.George@cbia.com for information regarding Healthcare.

Judiciary (Kevin Hennessy)– The Judiciary Committee's JF deadline is this week, Friday (4/15). The committee will be active this week with multiple meetings. Agendas are not available yet.

Please contact Kevin Hennessy at Kevin.Hennessy@cbia.com for information regarding Judiciary.

Labor (Kia Murrell)– Two Labor bills have now been referred to the Appropriations Committee and are awaiting action:

SB-986 AAC Additional Requirements for an Employer's Notice to Dispute Certain Care Deemed Reasonable for an Employee Under the Workers' Compensation Act. (CBIA Opposes) This bill severely limits an employer's or insurer's management of workers' comp cases by requiring them to obtain written approval from a workers' compensation commissioner before discontinuing, reducing, or denying an employee's course of medical treatment deemed reasonable or necessary by a physician or surgeon. To grant approval, the commissioner must find the proposed treatment unreasonable. It entitles the employee to a hearing and specifies the procedure that must be followed. Fiscal impact: OFA found that this bill will result in significant impact to the state and municipalities as it increases the number of routine examinations and treatments required to be covered and creates additional requirements for employers to dispute such treatments.

SB-23 AAC Employees Injured Between 1993 and 2006 and Social Security Offsets Under the Workers' Compensation Act. (CBIA opposes.) This bill increases workers' comp total incapacity benefits to claimants injured between 1993 and 2006 who are still subject to the Social Security offset. Requires employers and insurers to pay higher workers' comp claims for these claimants not originally accounted for in insurance premiums. The legislation will significantly increase workers' comp costs for covered individuals in the private sector. Fiscal impact on private-sector employers is definite and ongoing for the life of the claimant, but difficult to determine at this time.

We are still working on the issue of unemployment compensation and would like you to contact your legislators and encourage your members to do the same. For more information about the unemployment compensation system, please [click here](#).

Please contact Kia Murrell at Kia.Murrell@cbia.com for information regarding Labor.

Spending & Taxes (Bonnie Stewart)– Planning and Development has a meeting scheduled for today and on the agenda are:

- **SB-867** AAC Penalties For The Violation Of Mechanical Contractor Registration Requirements
- **HB-5068** AA Creating A Rebuttable Presumption For The Approval Of An Inland Wetlands Permit For A Dry Hydrant

Executive Nominations is scheduled to meet Thursday and on its agenda is the nomination of Catherine Smith for Commissioner of Economic And Community Development, as well as chair of Connecticut Innovations, Connecticut Development Authority and the Connecticut Housing Finance Authority.

The Tax Committee had its first meeting to approve bills last week. There are many tax

bills that CBIA is tracking:

- **SB-130** Requires the Secretary of the State to establish a pilot program which permits three municipalities to tax land at a higher rate than land with dwellings. It was approved by Planning & Development and it is expected to be referred to the Finance Committee.
- **SB-898** Allows municipalities to adopt different property tax rates based on an individual property owner's income. This bill was also approved by Planning & Development and it is expected to be referred to the Finance Committee.
- **SB-1007** the Governor's tax package, increases taxes by at least \$1.5 B by expanding and raising the state sales tax, increasing the rate on the personal income tax, imposing property taxes on certain personal property, creating a new electric generation tax, continuing the corporate surcharge and more. It is currently awaiting action in the Finance Committee.
- **SB-1213** Clarifies the standard of proof in tax appeals. This bill was approved by the Finance Committee last week.
- **SB-1214** Streamlines the treatment of nonresident contractors for tax purposes by, in part, permitting the Dept. of Revenue Services to set procedures to close out a nonresident contractor bond. It was approved by the Finance Committee last week.
- **SB-1218** Makes numerous changes to the tax statutes by, in part, restricting the issuance of certain nontax related permits and licenses, clarifying the process for offsets of tax refunds, making clearer the treatment of foreign companies for purposes of economic nexus, allowing business tax overpayments to be credited to later tax payments, mandating more taxpayers make tax payments by electronic funds transfer, requiring a purchaser to be liable for seller's withholding tax liability, and providing procedures for deficiency assessments in the case of certain taxes owed by employers and pass-through entities. It was approved by the Finance Committee last week.
- **HB-6387** Imposes personal property taxes on certain vessels and aircraft. It is awaiting action by the Finance Committee.
- **HB-6388** Makes numerous changes to state programs as proposed by the Governor in his budget including, but not limited to, eliminating the reimbursement to cities and towns for the PILOT Manufacturing, Machinery and Equipment (MME) and vessel PILOT grants, repealing the commercial vehicle property tax exemption, moving state information technology policy responsibility to the Office of Policy and Management, and eliminating the Workers' Compensation Commission's Rehabilitation Services program. It is awaiting action by the Finance Committee.
- **HB-6559** Permits municipalities to send tax bills to taxpayers via e-mail only when the taxpayer has affirmatively indicated their willingness to receive the bill electronically. It was approved by the Finance Committee last week.
- **HB-6560** Requires DRS to develop a list of every company in the state and indicate any credits, deductions or exemptions they've filed for under their tax return as well as dollars saved as a result of the credit, deduction or exemption. It is awaiting action by the Finance Committee.
- **HB-6586** Creates a dedicated stream of revenue (excess personal income tax as well as capital gains and interest revenues) to help lower certain liabilities and rebuild the state's Rainy Day Fund. It was approved by the Finance Committee last week.
- **HB-6624** Indicates that sales tax is owed when an online retailer uses a CT affiliate to sell its products. It was approved by the Finance Committee last week.
- **HB-6628** Implements an unpredictable as well as far more administratively burdensome corporate tax structure by mandating unitary reporting. It is awaiting action by the Finance Committee.

Please contact Bonnie Stewart at Bonnie.Stewart@cbia.com for information regarding spending & taxes.

Transportation (Eric Brown) - The Transportation Committee approved **SB-686**, which deals with applications to the State Traffic Commission and a study of land use permitting procedures. It is awaiting action by the Senate.

The two bills affecting the future governance of Bradley International Airport (**SB-925** and **SB-1003**) have also been approved by the Transportation Committee and are awaiting action by the Senate.

Please contact Eric Brown at Eric.Brown@cbia.com for information regarding transportation.

For other information, check out "[Inside the Capitol](#)," CBIA's public policy blog.

