

Subject: Monday Morning Group Minutes
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To: avonchamber@sbcglobal.net

CBIA Monday Morning Group

February 28, 2011

Next meeting – Monday, March 7

Connecticut Business Day is scheduled for [Wednesday, March 9](#) – Register today! In addition to Gov Malloy as the keynote speaker, the morning will include four issue break-out sessions: Energy/Environment, Labor, Tax/Budget and Small Business.

Commerce (Lou Bach)- The Job Impact Statement bill, **SB-842**, that we're watching was sent to the Appropriations Committee last week.

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

Education (Lou Bach)- The Education Committee is hearing a number of bills today, including **HB-6432** AAC Closing the Achievement Gap. CBIA will be testifying in support of the bill with modifications that would give the proposed State Educational Resource Center an affirmative role in oversight and intervention regarding schools that have failed to meet minimum standards for five years or more.

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

Energy (Kevin Hennessy)- The Energy Committee has a couple of public hearings this week. The first one on Tuesday (3/1) deals with windfall profits, renewable issues, taxes on certain types of generators and other issues. Bills include:

- **SB-1081** AAC Class III Renewable Energy Credits. Which increases Connecticut's Class III Renewable Portfolio Standards from 4% to 15% by 2020.
- **HB-6459** AAC Renewable Resource Generation. Allows utilities to own up to 5 megawatts of Class I or II renewable resources.
- **SB-102** AA Expanding The Definition Of A Class I Renewable Energy Source. Expands the definition of Class I renewable resource to include waste heat recovered from a public water treatment plant
- Proposed **HB-5699** AA Providing Relief To Electricity Customers. Adopts a windfall profits tax on certain electric generators
- Proposed **HB-6026** AAC Nuclear And Coal Generating Facilities. Adds a 2 cent surcharge per kilowatt hour produced on nuclear and coal power generators
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Please contact Kevin Hennessy at Kevin.Hennessy@cbia.com for information regarding Energy.

Executive Nominations (Bonnie Stewart) - Executive Nominations is scheduled to meet Thursday and on their agenda is the nominations of DEP Commissioner Dan Esty and Labor Commissioner Glen Marshall.

Please contact Bonnie Stewart at Bonnie.Stewart@cbia.com for information regarding Executive Nominations.

GAE (Kevin Hennessy)- The GAE Committee has public hearings scheduled for Monday & Wednesday to hear **SB-1059**, AA Implementing the Recommendations of the Commission on Enhancing Agency Outcomes.

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

Healthcare (Eric George)- The Insurance Committee has a public hearing scheduled for tomorrow and on the agenda are two bills that were previously provisions in the defeated mega-mandate bill. They are:

- **HB-6472** AAC Health Insurance Coverage For Ostomy Supplies
- **SB-1085** AAC Health Insurance Coverage For Colonoscopies

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

Judiciary (Kevin Hennessy)– The Judiciary Committee has two public hearings scheduled for this week. Today on the agenda are mostly probate and court issues, while Friday's agenda includes:

- **SB-1073** AAC Apportionment Complaints. Allows liability to be apportioned to a person after the plaintiff withdraws a civil action against the person.
- **HB-6341** AAC The Statute Of Repose For Asbestos-Related Product Liability Claims. Removes the 60-year statute of repose in asbestos personal injury lawsuits.
- **HB-6424** AAC Medical Examinations In Personal Injury Actions. Requires a plaintiff to comply with a request for an independent medical examination in a personal injury action.
- **HB-6474** AAC The Resolution Of Liens In Workers' Compensation Cases. Revises the amount of reimbursement received by an employer that has paid workers' compensation benefits to an injured employee when the employee brings an action against a third-party tortfeasor and recovers damages.

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

Labor (Kia Murrell)– This week is a busy one for the Labor Committee in that two major proposals will be subject to public hearing and voted on soon afterwards:

[SB-913](#), AA Mandating Employers to Provide Paid Sick Leave to Their Employees. This is the fourth year that this proposal has been introduced in the Labor Committee. The basic idea is to mandate employers of 50 or more employees to provide at a minimum of one hour for every 40 hours worked by their employees.

Although CBIA sent out a legislative alert on this last week, it's critical to have testimony from as many employers as possible to help defeat this measure. Below is some text that can be easily used and adopted by your organization to inform employers about the bill's negative impact on business operations, labor costs and ability to grow and create jobs in the state during today's difficult economy.

While the bill now applies to employers of 50 or more, advocates are aiming to expand it to include smaller businesses. What's more it will:

- Make Connecticut the first state in the nation to mandate paid time off
- Increase your labor costs significantly if you provide any less than the state mandate for sick time *specifically*
- Prevent you from imposing attendance and other personnel policies that conflict with the state mandate
- Make your business less competitive with those in other states and regions

Take Action!

Please take a few moments to write a letter on behalf of your company, clients and/or members (on your official letterhead) to the Labor Committee, describing the effects of this proposal on your company) and email it to Kia.Murrell@cbia.com:

- Urge them to reject SB 913 because it is harmful to Connecticut jobs and businesses.
- Describe how it would harm your business, your employees and your workplace environment.
- Personalize it and put it in your own words, which is preferred by legislators. Be sure to use your company's letterhead if at all possible.

[SB-988](#) AAC Solvency of the Unemployment Trust Fund. This bill proposes to change the formula used for setting the Trust Fund reserve goal in order to better respond to future recessions. Currently, the Fund reserve goal is 0.8 of one percent (1%) of total payroll for all employers in the state. Under the current formula, that equals \$625 million. Under the new formula (the Average High Cost Multiple formula), the Fund reserve goal would be the average of the three worst recessionary benefit years looking back over the last 20 years. Under the AHCM formula, the new Fund reserve goal would be approximately \$1.1 billion.

Although in the past, the business community has objected to raising the Fund reserve goal too high, recent federal regulations now require all states to change their Fund reserve goals using the AHCM formula proposed here by year 2014, or they will no longer be eligible for interest free loans from the federal government in future recessions. In light of that fact, we must now decide how best to revise our unemployment taxing structure to better respond to future recessions without taking too much capital away from employers needed for job growth and economic development.

CBIA has been working with several other business organizations to determine what changes should be made to our unemployment tax structure and the benefits administration processes, but we need to hear from YOU.

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

Planning & Development (Bonnie Stewart) - The Planning & Development Committee is meeting today to approve several bills. On the agenda is **HB-5256** AAC Receipt By Electronic Mail Of Municipal Tax Bills. This would allow the towns to send tax bills electronically if they have the tax payers consent. Also on the agenda is **HB-6260** AAC The Jeopardy Collection Of Taxes. It requires that when a town tries to collect a jeopardy tax early, it must state in writing the reason for the early collection.

The Planning & Development Committee also has a public hearing scheduled for Wednesday, on the agenda are:

- **SB-64** AAC Alternative to Property Tax. Permits municipalities to impose municipal taxes, in addition to the property tax, so long as some property tax relief is given.
- **SB-80** AAC a Delinquent Property Tax Amnesty Program. Allows municipalities to wave penalties and interest on certain delinquent tax payments.
- **SB-130** AAC Land Value Taxation. Permits municipalities to tax land at a higher rate than land with dwellings.
- **SB-496** AAC a Municipal Tax Revenue Sharing System. Creates a municipal tax revenue sharing system where a certain amount of new revenues gained are shared amongst municipalities.
- **HB-5114** AA Authorizing Municipalities to Negotiate the Payment of Delinquent Property Taxes. Allows municipalities to negotiate payment of delinquent property taxes.
- **HB-5782** AAC the Hotel Tax. Increases the hotel tax and shares with the municipalities and tourism districts.
- **HB-6100** AAC Regional Property Tax Revenue Sharing. Requires regional economic development districts to develop guidelines for regional property tax revenue sharing.
- **HB-5143** AAC the Municipal Option to Adopt Assessment Rates Limiting Property Tax Increases on Residential Properties. Permits Hartford to limit residential property tax increases.
- **HB-5332** AA Requiring Municipalities that Regionalize to Provide Property Tax Relief. Requires municipalities that experience at least \$5 million in saving as a result of regional agreements to pass at least 50% of those savings to residents via tax credits.
- **SB-898** AAC Property Tax Relief for Low and Moderate Income Homeowners. Permits town to shift property tax burdens onto businesses.

Please contact Bonnie Stewart a Bonnie.Stewart@cbia.com for information regarding Planning & Development.

Spending & Taxes (Bonnie Stewart)- Pete Gioia reviewed the budget and tax package and answered questions. Per the request of the Appropriations Chairs we have put together a few recommendations to cut state spending (see attached).

The Finance Committee met last week and raised a few bills of concern. The unitary Tax is back again this year; that bill is called AAC Tax Fairness. Another one of concern is a bill regarding disclosure of taxpayer information when you use tax credits.

Also last week when the committee met two good bills came out of the meeting; the non-resident contractor bill and clarifying the burden in tax cases.

No hearing date has been set yet for the Finance Committee.

There are a slew of property tax measures being heard in the Planning & Development Committee this week. Please see the Planning & Development section for more information.

For more information on the state budget please contact Pete Gioia at Pete.Gioia@cbia.com. For additional information on the Governor's proposed tax package please contact Bonnie Stewart at Bonnie.Stewart@cbia.com.

Transportation (Eric Brown)- The Transportation Committee has a public hearing today and on the agenda are:

- **HB-5940** AA Requiring The Creation Of Strategic Plans For Passenger And Freight Rail Service

- **HB-6394** AAC Fare Increases On The New Haven Line And The Elimination Of The Transportation Strategy Board

On the Commerce Committee's public hearing agenda for tomorrow are two transportation bills we are watching:

- **SB-1003** AAC The Connecticut Airport Authority
- **SB-1067** AAC The Creation Of A Quasi-Public State-Wide Port Authority

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.

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