



2022



LEGISLATIVE SESSION RECAP: BILLS IMPORTANT TO YOUR BUSINESS

The 2022 legislative session adjourned on May 4th, 2022. Here's what you need to know about this year's short session and the bills passed by the legislature. Please note these bills have not all yet been signed by the Governor. All full bills are available at cga.ct.gov and have been linked in the subtitles below.

THE BUDGET

SPENDING

The legislature passed the final version of their approximately \$24.2 billion budget. The biggest winners centered around childcare and human services with increasing programs under the Department of Developmental Services, Department of Social Services, Department of Mental Health and Addiction Services, and the Office of Early Childhood.

Some items of note in the budget include:

- \$100 million for grants to municipalities for reducing the motor vehicle mill rate
- \$80 million for childcare through the Office of Early Childhood
- \$4.3 million for rail operations
- \$1 million for CDL Training at Community Colleges
- \$111.5 million for the Office of Early Childhood
- \$35 million for Healthcare Workforce Needs at both public and private schools
- \$15 million for CT Summer at the Museum Program
- \$11 million for magnet schools to cover 1 year worth of tuition
- \$22.5 million for outdoor recreation
- \$50 million for affordable housing
- \$23 million for outfitting 5G on Rail Cars
- \$150 million for infrastructure match dollars (ARPA)
- \$100,000 for Education Technology Training at Gateway
- \$65,000 for seminar programs for small businesses

TAX RELIEF

Tax relief measures in the budget include:

- Lowering the cap on motor vehicle property taxes to 32.46 mills.
- Expanding the 50% tax credit for employers that pay up to \$5,250 toward an employee's Connecticut Higher Education Supplemental Loan Authority student loans.
- Extending the suspension of the 25 cents-per-gallon state gas tax until November 30th.
- Providing a \$250 per child tax credit, capped at a maximum of three children per household.
- Providing \$40 million of relief for federal unemployment debt by reducing the state's unemployment solvency tax for one year in an amount equal to the first year of a likely four-year increase in the federal unemployment taxes (FUTA).

THE ARTS

DECD TO INCLUDE ARTS AND CULTURE IN THEIR STRATEGIC PLANNING

The Department of Economic & Community Development (DECD) is required to enhance the economic impact of the arts and culture industries by including the industries in their strategic statewide marketing plan and providing visitor services. (EFFECTIVE OCT. 1, 2022)

BANKING

CLOSING OF BANK ACCOUNTS

When closing a deposit account, financial institutions will be required to notify account holders the reason why their account is being closed, within 5 business days. (EFFECTIVE OCT. 1, 2022)

LOW-COST BANK ACCOUNTS

Certain banking institutions are required to offer CT residents a "basic banking account" beginning July 1st, 2023. These accounts must offer a debit card, ATM access, check cashing for checks issued by the institution where the consumer holds the account, and electronic monthly statements at no additional charge, and not charge fees for overdraft, insufficient funds, or low balance. The banking commissioner would also be required to provide credit to banks or credit unions for offering these accounts. (EFFECTIVE JAN. 1, 2023)

BIOSCIENCE

RESEARCH & DEVELOPMENT TAX CREDIT

Included in the budget was the creation of a study on whether to expand the Research & Development tax credit to pass-through entities to be conducted by the DECD. (SECTION 158)

RARE DISEASE ADVISORY COUNCIL

(SECTION 48) A CT Rare Disease Advisory Council is established to advise and make recommendations to the Department of Public Health, and other state agencies, regarding the needs of the people in the state living with a rare disease. (EFFECTIVE JULY 1, 2023)

CHILDCARE

CHILDCARE INVESTMENTS

The budget included more than \$155 million towards investment in childcare and early childhood development programs. This includes \$50 million in early childcare provider stabilization payments, \$1.5 million in a childcare apprenticeship program, \$20 million in Seed Children's Services Fund, and more.

SMALL BUSINESS CHILD CARE INCENTIVE PROGRAM

Additionally, the DECD Commissioner will identify the economic barriers experienced by those seeking to open a childcare center, group childcare home, or family childcare home, and develop a plan to address those barriers. No later than January 1st, 2023, should the Commissioner report this plan. (EFFECTIVE UPON PASSAGE)

CHILDCARE FACILITIES NEAR COLLEGES & UNIVERSITIES

The Office of Early Childhood and the Board of Regents for Higher Education will develop a plan to increase childcare facilities on or near each regional community technical college and state university campus. (EFFECTIVE JULY 1, 2022)

ECONOMIC DEVELOPMENT

CT INNOVATIONS

The max. amount of financial assistance that Connecticut Innovations may approve in an individual application was increased from \$150,000 to \$500,000. (EFFECTIVE JULY 1, 2022)

OUTDOOR DINING

Early in the session, the permitting of outdoor dining and retail activities was extended until April 30, 2023. This was previously authorized through the governor's executive orders during the early pandemic. (EFFECTIVE UPON PASSAGE)

ECONOMIC DEVELOPMENT STATUTES

Several revisions were made to economic development-related statutes, including:

(EFFECTIVE UPON PASSAGE)

- allowing DECD to contract with nongovernmental entities for the Small Business Express (EXP) program, which provides financial assistance to qualifying small businesses.
- allowing DECD to establish two new programs through which certain funding may be distributed for projects consistent with the state's Economic Action Plan: and
- requiring the Office of Workforce Strategy's chief workforce officer to develop a model student work release policy by July 1, 2023, and all boards of education to adopt it.

ENVIRONMENT

CLEAN AIR ACT

The Connecticut Clean Air Act bill had multiple components including:

(EFFECTIVE UPON PASSAGE)

- Authorizing the DEEP commissioner to adopt regulations implementing California's medium- and heavy-duty motor vehicle standards in Connecticut. If these regulations were adopted, it would be required to amend them whenever the California standards change.
- Requiring the state vehicle fleet, with the exemption of emergency vehicles, to be entirely electric by January 1st, 2030.
- Creating new construction requirements for state buildings to include level two EV charging stations in 20% of parking spaces designated for cars or light-duty trucks.
- Exempts from property tax level two EV charging stations located on commercial or industrial property, EV charging stations located on residential property, refueling equipment for fuel cell electric vehicles, and zero-emission school buses.
- Makes changes to the Connecticut Hydrogen and Electric Automobile Purchase Rebate program by expanding who can apply for the program including businesses, nonprofits, municipalities.

CLIMATE CHANGE MITIGATION

Timelines were set to reduce the level of emissions of greenhouse gases by codifying into statute that the state reduce the level of emissions of greenhouse gas to 0% from electricity supplied to electric customers in the state by January 1st, 2040. (EFFECTIVE JULY 1, 2022)

PRODUCER RESPONSIBILITY FOR GAS CYLINDERS

The establishment of statewide stewardship programs for gas cylinders supplied to consumer for personal, family, or household use and discarded at certain locations is required and gas cylinder producers must be part of an approved and implemented stewardship program by October 1st, 2025. (EFFECTIVE JULY 1, 2022)

LABOR

CAPTIVE AUDIENCE

A bill was passed that prohibits employers from disciplining or penalizing an employee, or threatening to, because an employer refused to attend a meeting, listen to speech, or view communications that convey the employer's opinion about religious or political matters. This excludes information required by law or necessary for employees to perform their jobs. (EFFECTIVE JULY 1, 2022)

WAGE THEFT

The penalties for prevailing wage job contractors and subcontractors that knowingly fail to pay their workers the prevailing wage was changed. The labor commissioner is required to issue a citation to violators and impose a \$5,000 fine for each violation. Current law required fines ranging from \$2,500 to \$5,000. (EFFECTIVE JULY 1, 2022)

CRIMINAL CONVICTIONS & OCCUPATIONAL LICENSING

Barriers removed for individuals with felonies, unrelated to various professions, who seek professional licensure. These include licenses necessary in professions such as barber, cosmetician, esthetician, social worker, nail technician, dietician, funeral director, security officer, accountant, and various other trades. (EFFECTIVE OCT. 1, 2022)

EXPERIENCE RATES

The Labor Department is required to study the effects on certain businesses that had their experience rate increase and report the findings of the study no later than January 1st, 2023. (EFFECTIVE UPON PASSAGE)

LABOR DEPARTMENT STATUTES

Various revisions were made to the Labor Department statutes, including:

(EFFECTIVE UPON PASSAGE)

- Removing a requirement for the commissioner to collect population and employment data to make projections about the workforce and data about present job requirements and potential needs of new industry.
- Requiring the commissioner to make the state's unemployment, laws, regulations, and other related materials available on the DOL's website.

MANUFACTURING

MANUFACTURING APPRENTICESHIP TAX CREDIT

Included in the budget was the Expansion of the Manufacturing Apprenticeship tax credit to pass-through entities. (SECTION 429)

MODEL STUDENT WORK RELEASE POLICY

Additionally, the DECD Commissioner will identify the economic barriers experienced by those seeking to open a childcare center, group childcare home, or family childcare home, and develop a plan to address those barriers. No later than January 1st, 2023, should the Commissioner report this plan. (EFFECTIVE UPON PASSAGE)

LOAN AUTHORITY

The CT Higher Education Supplemental Loan Authority (CHESLA) to provide financial assistance to students enrolled in postsecondary education programs. Previously, CHESLA only provided financial assistance to students attending in-state nonprofit higher education institutions or CT residents attending nonprofit higher education institutions. (EFFECTIVE OCT. 1, 2022)

TRANSPORTATION

RECRUITMENT PROGRAM FOR THE DEPARTMENT OF TRANSPORTATION

The Department of Administrative Services is required to engage in recruitment of entry-level engineering and maintainer one positions and transportation two positions for the Department of Transportation from July 1st, 2022, to June 30th, 2025. It also requires both the DAS and DOT commissioners to promote recruitment at public and independent institutions of higher education. (EFFECTIVE JULY 1, 2022)

THE CDL KNOWLEDGE TEST

The Department of Corrections and the Department of Motor Vehicles are required to make the Commercial Driver's License Knowledge Test available to incarcerated people who are reentering the community within 6 months and not subject to disqualification from driving a vehicle or a driving privilege suspension, revocation, or cancellation in any state. (EFFECTIVE OCT. 1, 2022)

WORKFORCE DEVELOPMENT

PROGRAMS FOR INCARCERATED PERSONS

The Chief Workforce Officer and Department of Corrections Commissioner are required to develop a plan to expand the state's current workforce development programming to incarcerated persons and persons reenter the community after incarceration, including technological training to support reintegration into the workforce. (EFFECTIVE UPON PASSAGE)

TECHNICAL EDUCATION, CAREERS SCHOOLS, AND PATHWAYS PROGRAMS

This bill creates requirements for the Department of Education, boards of education, and school counselors, including: (EFFECTIVE JULY 1ST, 2022)

- Requiring school counselors to provide information to middle school and high school students on the availability of (1) vocational, technical, technological, and post-secondary education and training at technical education and career schools, and (2) agricultural science and technology education at regional agricultural science and technology education centers.
- Requiring the development of best practices for school boards to use when setting up a Pipeline for Connecticut's Future program, including partnering with local businesses to offer students on-site training and course credit, by July 1st, 2023.
- Requiring the SDE commissioner to review existing state laws and regulations to identify obstacles in a board's ability to partner with local businesses and the success of pathways programs.

EXPANDING TRAINING PROGRAMS FOR HEALTH CARE

The Office of Workforce Strategy must develop an initiative to address the state's health care workforce shortage. This will include the expansion of existing health care related academic programs, the development of alternative academic programs for those who seek to make a career change into health care, the recruitment and retention of underserved populations in the health care workforce, development of distance learning initiatives, and development of on-the-job training initiatives. (EFFECTIVE UPON PASSAGE)

POST-COVID-19 WOMEN'S RETURN TO WORK PLAN

The Chief Workforce Officer, with the DECD and regional workforce development boards, will develop and implement a Post-COVID-19 Women's Return to Work Economic Development Plan. This plan could include partnerships with higher education institutions, business associations, childcare and transit providers, and business incentives to increase apprenticeship and internship opportunities for women. (EFFECTIVE UPON PASSAGE)

THE JOBSCT TAX REBATE PROGRAM

(SECTIONS 424-428 OF THE BUDGET) Companies in specific industries may earn rebates against the insurance premiums, corporation business, and pass-through entity (PE) taxes for reaching certain job creation targets under the JobsCT tax rebate program which was included within the budget. The rebate is based on the number of new full-time equivalent employees (FTEs) the business creates. The decisions on applications shall be made by the DECD Commissioner upon evaluating whether the business' proposed job growth would provide a net benefit to economic development and employment opportunities in the state. (EFFECTIVE JULY 1, 2022)

IN THE BUDGET

CT CAREER ACCELERATOR PROGRAM ACCOUNT. Establishes the CT Career Accelerator Program Account, anticipated to cost up to \$100,000 for a consultant, to provide income share agreements to assist eligible participants with tuition costs of Commercial Driver's License training programs. (SECTIONS 471-472)

DEBT FREE COMMUNITY COLLEGE PROGRAM. Expands the Debt Free Community College program to part time students. (SECTIONS 119-120)

TRAINING PILOT PROGRAM. Requires the Office of Workforce Strategy to establish a heating, ventilation, and air conditioning system pipeline training program. This program is designed to focus on individuals from underserved populations through pre-apprenticeship workforce pipeline training programs and wraparound services, job coaching, supportive services, and job placement support. (SECTION 372)

HEALTH CARE LOANS. Requires the establishment of a health care provider loan reimbursement program to provide loan reimbursement grants to employed in-state DPH-licensed health care providers. At least, 20% of these grants must go to regional community-technical college graduates. (SECTION 233)

BILLS THAT DID NOT PASS THE LEGISLATURE INCLUDE:

UNEMPLOYMENT FOR STRIKING EMPLOYEES

A bill that would have made striking workers eligible for unemployment benefits after being on strike for two consecutive weeks.

NONCOMPETE AGREEMENTS

A bill that would have invalidated all noncompete agreements if the employee was a non-exempt (hourly) employee, the employee was an exempt employee earning not less than 3 times the minimum wage, was an independent contractor earning less than 5 times the minimum wage, or if the employee believed the employment ended for cause attributable to the employer.

A FAIR WORK WEEK SCHEDULE

A bill that would have required employers to provide two weeks' notice of schedules to employees. Deviation from this schedule would have resulted in financial penalties to the employer. This would have applied to employers in retail, restaurant, or hospitality industries with 500 or more employees, or where all franchisees collectively have 500 or more employees.

THE EXPANSION OF CONNECTICUT PAID SICK DAYS

A bill that would have required every employer to provide every employee up to five sick days per year, and an additional two weeks of COVID-19 sick leave.

REDUCING PRESCRIPTION DRUG PRICES

A bill that would have prohibited pharmaceutical manufacturers from selling a prescription drug for a price higher than the drug's reference price.

**FOR MORE INFORMATION
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