



**Connecticut Marine Trades Association:  
2017 Legislative Session Summary**

**2017 Legislative Session Adjourns Without A Budget. Special Session Convened.**  
**Linda Kowalski & The Kowalski Group**  
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The 2017 Legislative Session will be remembered for the split control of the State Senate between the Republican and Democratic parties, 18-18 tie, and the narrow margin of control by the Democratic party in the House, 79 Democrats – 72 Republicans. This led to a session largely marked by gridlock. Hundreds of bills died with the adjournment of the General Assembly at midnight on June 7. The major task of the Legislature this session was to enact a budget that covers the upcoming two fiscal years. This did not happen, and the result is legislators will convene in a Special Session that could run for weeks. This report covers several of the larger issues that the General Assembly addressed, and updates you on specific matters of interest to CMTA.

Budget: The news just keeps getting worse for the State of Connecticut. Revenues continue to erode; a two-year deficit of \$5 billion is now projected. The Appropriations Committee could not come up with the votes to pass a budget, and the issue was at a stalemate throughout the session. Meanwhile, the inaction is prompting financial houses to begin downgrading the state's bond rating. The issue will come to a critical juncture on July 1 when the new fiscal year begins. A two-year deficit of \$5 billion is a staggering challenge. Whether there are the votes to eliminate the deficit with just spending cuts remains to be seen. Deep cuts would invariably target programs throughout state government. If new revenues are put on the table, we are concerned as to whether this could include new or expanded levies on businesses.

Special Session: Before adjourning, legislators called themselves into a Special Session for the purposes of enacting a budget for Fiscal Year 2018 (which runs from July 1, 2017, to June 30, 2018) and Fiscal Year 2019 (July 1, 2018 to June 30, 2019). The "call" of the session is fairly narrow and relates to general fund expenditures and any required capital expenditures. The intent is to prevent a rerun of many bills that were already debated during the session. On the other hand, if legislation does affect the amount of money that the state would appropriate or receive in tax revenue, it could, conceivably, be considered. Leadership is suggesting that they want to try and bring a budget to closure the last week of June before the fiscal year ends. That is ambitious. If a budget is not adopted by June 30, it falls to the governor to hold back and delay expenditures to keep the state from being in a deficit. By August, a real crisis could occur as that is when the state pays out large amounts to the cities and towns in educational aid.

Lower Sales Tax on Boat Purchases: We were tenacious in promoting the idea of “jump starting” retail boat sales by lowering the sales tax on vessel purchases. Senate Bill 1048 was the vehicle for the effort. The bill cuts the sales and use tax in half, to 3.175 percent on boat sales. We made the case that sales are lost daily to Rhode Island (which has no tax) and other states that have lower rates for boat purchases. The bill was approved, overwhelmingly, by the Finance, Revenue and Bonding committee, 43-8, and sent to the State Senate. As indicated in this report, gridlock caused many bills to die on the calendar. Passage of SB 1048 could result in a revenue loss to the state according to the OFA Fiscal Note on the bill, when we believe the opposite was likely to be the result. We continue to educate and lobby urban area legislators on our proposal. CMTA did have a good showing on a number of days of members who came to the State Capitol to discuss this with state legislators. While this legislation (SB 1048) did not move forward, it may be considered as part of the state budget that is currently being negotiated.

Anti-Business Initiatives Not Enacted: One piece of good news is that bills that would have put more of a burden on the business community were not enacted. Legislation was introduced, for example, to mandate a five-year phase-in of the minimum wage to \$15/hour. We were part of a coalition that opposed the bill; it would cause businesses to retrench or actually lay off employees. Another set of bills related to mandating paid family and medical leave. We pointed out this could be a major disincentive for businesses to locate in Connecticut, something that the state could not afford in view of its very weak job growth. These two issues are a priority of the labor community; it is likely we will see them once again in the 2018 Legislative Session.

#### Bills of Interest to CMTA:

- HB 7141 Concerning secured and unsecured lending, passed both chambers, as amended, and awaits the Governor’s signature. The legislation makes various changes to the banking laws. Note Section 11 concerning Sales Finance Companies. The bill additionally prohibits sales finance companies and their control persons from:
  1. soliciting, advertising, or offering rates or other financing terms for a retail installment contract or a retail installment loan unless those rates or terms are actually available at the time;
  2. making any false or deceptive statement or representation, including regarding rates or other financing terms or conditions, or engaging in bait and switch advertising;
  3. making any payment, threat, or promise to influence the independent judgment of anyone in connection with the business of a sales finance company; or
  4. failing to truthfully account for money that belongs to a party to a retail installment contract or retail installment loan.*(OLR Bill Analysis of sHB 7141 (as amended by House "A"))\**
- HB 7019, a bill that dealt with minor revisions to banking statutes, which Rep. Lesser, the House Banking Chair, said combined 10 bills when he amended it on the House floor the last night of the session. Section 12 dealt with retail installment and installment contracts including sales finance companies. The bill expands this definition to include those companies that subsequently assign, convey, or transfer their interests in the contracts or loans, but continue to service them. As a result, the bill subjects these contract or loan servicers to all the sales finance company licensure requirements.
- SB 520 would require a manual to be developed by the state outlining the safe construction of residential piers and docks (Died).

- HB 5584, now Public Act 17-158, requires the Department of Economic and Community Development to establish a telephone “hotline” to assist small businesses regarding how to start and develop a business and to assist with their questions about state government policies and programs (Passed).
- SB 944, now Public Act 17-39, clarifies existing law's protections for nonconforming uses, buildings, and structures. It specifies that municipal zoning regulations cannot terminate or deem abandoned a nonconforming use, building, or structure unless the property owner voluntarily discontinues the nonconforming use, building, or structure with the intent not to reestablish it. The bill also specifies that demolishing or deconstructing a nonconforming use, building, or structure is not, by itself, evidence of an owner's intent to abandon the use, building, or structure. The bill was signed by the Governor on June 9th. Effective July 1, 2017. (Passed)
- SB 836, Civil Penalties of the DEEP, this bill adds a law requiring owners of significant hazard dams or similar structures to develop and implement an emergency action plan that must be updated every two years with the DEEP and CEO of pertinent municipalities that might be affected. Now Public Act No. 17-78.
- SB 995 would require Recycle CT Foundation, Inc. to create a public awareness program of problems caused by marine debris, such as plastic bottles, that are being thrown into the state's waters and washing up on beaches and shorelines. It would have attempted to decrease this debris. (Died)
- HB 5590, now Public Act No. 17-207, creates a Workforce Training Authority and related Workforce Training Authority Fund, creates two workforce programs in statute, and makes a number of other changes to laws related to workforce development. (Passed)

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Once again, we appreciate those CMTA members who took the time to contact their state legislators about important legislation this session. We believe those personal contacts can really work! Finally, we will continue to keep you updated as the Special Session continues, and the budget is dealt with. We will forward the Public Acts of interest.

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