

2017 Veto Package

(Updated for the June Special Session)

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Summary

This report lists each vetoed act from the 2017 regular legislative session and the June special session. It also provides a brief summary of each vetoed act, including the final vote tally and excerpts from the governor's veto message. The report also includes a numerical summary of previous vetoes by the current governor.

A vetoed act will not become law unless it is reconsidered and passed again by a two-thirds vote of each legislative chamber. The legislature met for a veto session to consider regular session bills on July 24 and overrode the governor's veto of [PA 17-170](#).

On October 31, 2017, the governor signed [HB 1502 \(JSS\)](#), but used his line item veto authority on a provision appropriating funds for supplemental payments to hospitals. For more information on the governor's line item veto authority, see OLR Report 2017-R-0230, "[Gubernatorial Line Item Veto Power in Connecticut](#)."

Gubernatorial Vetoes

Sections 15 and 16 of Article Fourth of the Connecticut Constitution authorize the governor to veto bills. The governor may veto an entire bill or use a line-item veto on any provisions of a bill making appropriations.

2017 Regular Legislative Session Vetoes

The governor vetoed the following four public acts:

- [PA 17-153](#) *An Act Concerning Roofing, Window And Siding Consumer Warranties And Post-Sale Warranty Work Reimbursement For Power Equipment Dealers*
- [PA 17-159](#) *An Act Establishing A Tax Credit For Donated Agricultural Food Commodities Produced Or Grown By The Taxpayer*
- [PA 17-170](#) *An Act Concerning The Affordable Housing Land Use Appeals Procedure*
- [PA 17-227](#) *An Act Concerning The Use Of Combined Heat And Power And District Heating Systems And Requiring A Study Of The Viability Of New District Heating Networks In The State As Part Of The Comprehensive Energy Strategy*

2017 June Special Session Vetoes

- [PA 17-1](#) *An Act Concerning The State Budget For The Biennium Ending June 30, 2019, Appropriations And Implementing Provisions Therefor And Authorizing And Adjusting Bonds Of The State For Various Purposes*
- [PA 17-2](#) *An Act Concerning The State Budget For The Biennium Ending June 30, 2019, Making Appropriations Therefor, Authorizing And Adjusting Bonds Of The State And Implementing Provisions Of The Budget*

2017 Regular Legislative Session Veto Summaries

- [PA 17-153 – sSB 821](#) *An Act Concerning Roofing, Window And Siding Consumer Warranties And Post-Sale Warranty Work Reimbursement For Power Equipment Dealers*

This act (1) sets certain payment conditions and time frames for warranties on residential roofing, windows, and siding; (2) specifies that the warranty claims for farm, forestry, yard, and garden equipment include parts and hourly labor rates; and (3) prohibits suppliers from denying a warranty claim based on certain minor errors.

Senate Vote: 36 to 0 (May 18)

House Vote: 80 to 70 (June 7)

Excerpt from governor's veto message:

Under current law, manufacturers of residential roofing, window, and siding materials are permitted to establish their own timelines for their warranty processes, including claims processing. This bill changes that by imposing a strict 30-day time period for manufacturers to make a determination on a warranty claim. The inherent difficulty created by putting this requirement upon manufacturers is that often a product will fail not because of a manufacturer's defect, but because of improper installation. As such, manufacturers regularly conduct field inspections to gather more information to determine whether the product failure falls within the ambit of the warranty. They also review a wide variety of records and may perform audits of manufacturing and installation records. To require manufacturers to conduct all inspections, review all attendant documents and to make fully informed claims decisions within 30 days is simply unworkable.

The detrimental impact of this bill would be very real to Connecticut consumers; businesses could decide to not offer their products in our state or to tailor their warranties in Connecticut by adding in extra fees or adjustments in order to comply with the 30 day requirement.

[PA 17-159 – HB 5886](#)

An Act Establishing A Tax Credit For Donated Agricultural Food Commodities Produced Or Grown By The Taxpayer

This act authorizes tax credits based on the value of fruit, vegetables, poultry, and other agricultural commodities businesses grew or produced and donated to Department of Revenue Services (DRS) recognized food banks or emergency feeding organizations in Connecticut. The credit equals 15% of the market value of the donated commodities in the income year the taxpayer claims the credit, up to \$5,000. It can be applied against the personal income or corporation business tax (excluding any required employer withholding). Taxpayers who cannot claim the full credit in an income year may apply the unused portion to future taxes (i.e., carry forward) for the five immediately succeeding income years until they fully claim the credit.

House Vote: 147 to 0 (May 24)

Senate Vote: 36 to 0 (June 7)

Excerpt from governor's veto message:

The underlying purpose of this bill is certainly laudable. Nevertheless, by allowing for additional credits to be applied against personal income tax, there will be revenue loss to the General Fund and additional costs to the Department of Revenue Services. Additionally, this bill creates an entirely new category of credits against personal income tax, thus opening the door for other similar proposals and increasing the likelihood that the credits will result in a revenue loss to the state.

This act makes several changes to the affordable housing land use appeals procedure (“procedure”). The act makes it easier for municipalities to qualify for a temporary suspension of the procedure (i.e., moratorium) by:

1. expanding the unit types that count toward the moratorium;
2. establishing “bonus” housing unit-equivalent (HUE) points for certain unit types;
3. lowering the minimum number of HUE points smaller municipalities need for a moratorium; and
4. lowering the minimum number of HUE points municipalities with at least 20,000 dwelling units need for a moratorium, if the municipality previously qualified for a moratorium and adopts an affordable housing plan.

The act also:

1. requires municipalities to adopt an affordable housing plan every five years;
2. makes an additional type of mobile manufactured home count toward the affordable housing stock threshold at which municipalities are exempt from the procedure (i.e., 10%);
3. extends, from four to five years, the length of second and subsequent moratoria for municipalities with at least 20,000 dwelling units;
4. changes the definition of “median income” applicable to the incentive housing zone statutes, conforming it to the affordable housing land use appeals procedure statutes; and
5. makes technical and conforming changes.

House Vote: 116 to 33 (May 30)

Senate Vote: 30 to 6 (June 7)

Excerpt from governor’s veto message:

This bill would change several portions of the Affordable Land Use Appeals Act, Section 8-30g of the General Statutes, enabling municipalities to more easily deny proposed affordable housing projects and shield themselves from an appeals process designed to overcome local resistance to fair and affordable housing.

Every resident of Connecticut should have access to housing they can afford in the town where they work. So, too, should everyone be able to live affordably in the town that they choose, with access to good schools, safe neighborhoods, and basic services, regardless of their race, ethnicity, or income. However, for many lower-income residents who must work in areas of the state where the cost of housing is high, a long history of decisions and discriminatory policies has made securing that housing persistently difficult. Those decisions include the historical practice of red lining – denying mortgages to entire neighborhoods because of the residents' race or ethnicity – and passing restrictive zoning rules that make it nearly impossible to build multifamily housing, or that require home lots to be so large that only the wealthy can buy them. These kinds of rules effectively price people of limited means who work in such towns out of the market.

It is our responsibility as a state, and the responsibility of every city and town in Connecticut, to correct this injustice. It is also imperative for our state's economic vitality that we provide more housing for our workforce within a reasonable commuting distance of their jobs. We are far from attaining this goal.

This legislation takes affordable housing policy in the wrong direction. Its passage would perpetuate the harmful effects of bad economic policy and institutional segregation, damaging our state's economy and its moral foundation. The state stands ready to help any community willing to work with us to address an affordable housing shortage that hurts our economy and stands in contrast to principals of fairness and justice. This bill does not advance that goal.

[PA 17-227 – HB 6304](#) ***An Act Concerning The Use Of Combined Heat And Power And District Heating Systems And Requiring A Study Of The Viability Of New District Heating Networks In The State As Part Of The Comprehensive Energy Strategy***

This act creates a process through which the electric distribution company that serves Bridgeport (i.e., United Illuminating) can own and operate a combined heat and power (CHP) system that supplies thermal heat to Bridgeport's district heating company (a district heating system operated by the thermal energy transportation company authorized to provide thermal energy in Bridgeport).

The act also (1) allows a municipality, by vote of its legislative body, to abate all or a portion of the property tax for a property on which the CHP unit is constructed and (2) requires a study on the viability of new district heating networks in the state.

Lastly, the act requires future Comprehensive Energy Strategies (CES) to include a study on the viability of new district heating networks in the state, including recommendations for financing them. The law requires the commissioner to prepare a CES every three years, with the most recent one due by October 1, 2016. (The 2016 CES has not yet been completed.)

House Vote: 100 to 51 (June 6)

Senate Vote: 36 to 0 (June 7)

Excerpt from governor's veto message:

This bill would authorize the creation of a thermal heating loop in the City of Bridgeport that would be fully subsidized by all ratepayers of the local utility without proper consumer protections or appropriate regulatory oversight.

First, House Bill No. 6304 grants one developer in one municipality access to ratepayer funds to create a district thermal system without a competitive process to ensure that the best project is selected, with fair terms and at a reasonable price.

Second, it places all the financial risk on ratepayers and none on the private developer. The legislation requires ratepayers to cover all the costs of the fuel cell plant while forfeiting all revenues from the project's capacity and Renewable Energy Credits (RECs) to the developer. I have never signed a bill that does not credit back to ratepayers the value of the electricity, capacity, or RECs produced by the clean energy facility.

Third, the bill deprives PURA of any ability to refine the technical or the financial details of the system proposed under this bill. Not only can PURA not specify the standards for the utility's selection process, it cannot recommend changes to any other details.

I respect the proponents of this bill and their sincerity in proposing it. I am willing to work with them to make sure that Bridgeport can develop a clean, efficient district energy system that includes sufficient protections for the public and ratepayers, and I look forward to discussing how to do so. This bill, however, is not the right approach.

2017 June Special Session Veto Summary

[PA 17-1 JSS – HB 7501](#) *An Act Concerning The State Budget For The Biennium Ending June 30, 2019, Appropriations And Implementing Provisions Therefor And Authorizing And Adjusting Bonds Of The State For Various Purposes*

This act appropriates funds, implements various state tax and revenue changes, changes bond authorizations, and makes numerous other changes.

House Vote: 77 to 73 (September 16)

Senate Vote: 21 to 15 (September 15)

Excerpt from governor's veto message:

This bill would implement a budget for the 2017-2019 biennium. Unfortunately, this budget does not balance, risks potential litigation, and undermines our fiscal stability, educational system, and economic development efforts.

This budget adopts changes to the state's pension plans that are both financially and legally unsound.

The bill makes prospective unilateral changes to vested pension benefits, creating significant risk of a constitutional challenge, as well as exposure to potential litigation and hundreds of millions of dollars of liability.

This budget grabs "savings" today on the false promise of change a decade from now, a promise that cannot be made because no legislature can unilaterally bind a future legislature.

In addition to failing to address our pension obligations honestly, this budget undermines our efforts to grow our economy and our tax base

In sum, this budget is unbalanced, unsustainable, and unwise. It cuts hundreds of millions of dollars from our colleges and universities, endangering our economic competitiveness; it creates the near-certainty that our capital city will be plunged into bankruptcy; and it eviscerates proven funding and improvement programs for school districts with the greatest needs while sending more money to the wealthiest towns.

[PA 17-2 JSS – HB 1502](#) *An Act Concerning The State Budget For The Biennium Ending June 30, 2019, Making Appropriations Therefor, Authorizing And Adjusting Bonds Of The State And Implementing Provisions Of The Budget*

This act appropriates funds, implements various state tax, fee, and revenue changes, changes bond authorizations, and makes numerous other changes.

House Vote: 126 to 23 (October 26)

Senate Vote: 33 to 3 (October 26)

Excerpt from governor's veto message:

In signing this budget, I am also exercising my authority to disapprove certain distinct items of appropriation.

Pursuant to Section 16 of Article Fourth of the Constitution of the State of Connecticut, I have signed Emergency Certified Bill 1502, but I have exercised my authority, pursuant to said Section 16, to disapprove of the following items in Section 1, each of which makes a distinct appropriation of funds: \$598,440,138 in fiscal year 2018 for Hospital Supplemental Payments and \$496,340,138 in fiscal year 2019 for Hospital Supplemental Payments.

The provider tax on the hospitals and ambulatory surgery centers included in this budget is fundamentally flawed and is in violation of federal law. The bill impermissibly conditions the payment of the tax to the hospitals to the receipt of supplemental payments. The tax impermissibly establishes an unacceptable tax rate. Additionally, this bill requires the state to pay to certain hospitals the sum of \$1.09 billion in supplemental payments when it is unlikely that the revenue from the provider tax will ever be collected. The probability that the state will face a large and looming deficit is too great a risk and the uncertainty created shatters any illusion of fiscal stability achieved by this budget

In summary, Section 16 of Article Fourth of the Constitution gives me authority to disapprove of individual appropriations in this bill, which makes appropriations of money embracing distinct items. In order to address the establishment of a hospital tax that violates federal law and creates an obligation for the State to provide supplemental payments to hospitals of \$1.09 billion over the biennium, I hereby exercise that authority by disapproving of the above-noted items of appropriation within Emergency Certified Bill 1502, An Act Concerning the State Budget for the Biennium Ending June 30, 2019, Making Appropriations Therefor, Authorizing and Adjusting Bonds of the State and Implementing Provisions of the Budget.

Historical Context

Table 1 lists the number of vetoes for the current governor by legislative session.

Table 1: Vetoes by Legislative Session since 2011

<i>Governor</i>	<i>Legislative Session</i>	<i>Vetoes</i>	<i>Vetoes Overruled</i>	<i>OLR Veto Package Report</i>
Malloy	2011	6	0	2011-R-0270
Malloy	2011 June Special Session	0	0	-
Malloy	2011 October Special Session	0	0	-
Malloy	2012	8	0	2012-R-0278
Malloy	2012 June Special Session	0	0	-
Malloy	2012 June Special Session	0	0	-
Malloy	2012 December Special Session	0	0	-
Malloy	2013	8	0	2013-R-0284
Malloy	2014	8	0	2014-R-0179
Malloy	2015	9	0	2015-R-0144
Malloy	2015 June Special Session	0	0	-
Malloy	2015 December Special Session	0	0	-
Malloy	2016	8	3	2016-R-0087
Malloy	2016 May Special Session	0*	0	2016-R-0087
Malloy	2017 Regular Session	4	1	2017-R-0115
Malloy	2017 June Special Session	1*	**	2017-R-0115

* The governor used a line item veto on three provisions of SB 501 (2016) and on one provision of HB 1502 (2017 JSS).

**The veto report is published or revised prior to each veto-session.

AR:bs/tjo