



Acts Affecting Business and Jobs

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July 20, 2017 | 2017-R-0140

Notice to Readers

This report provides summaries of new laws (public acts and special acts) enacted during the 2017 regular session that may affect a significant number of Connecticut businesses, especially their ability to start up, expand, and create jobs. It generally does not include acts that (1) affect only specific types of businesses (e.g., garages, construction companies) or (2) apply only to businesses in industry sectors that are covered in other Acts Affecting reports (i.e., Acts Affecting Agriculture, Acts Affecting Banking, Acts Affecting Energy, Acts Affecting Health Professions, Acts Affecting Insurance, and Acts Affecting Real Estate).

Each summary indicates the public act (PA) or special act (SA) number and includes the act's major provisions. Complete summaries of 2017 public acts are available on OLR's webpage:

<https://www.cga.ct.gov/olr/olrsums.asp>. Readers are encouraged to obtain the full texts of the acts that interest them from the Connecticut State Library, the House Clerk's Office, or the General Assembly's website: <http://www.cga.ct.gov>.

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Business Law and Practice

Corporation Law Revisions

A new law makes numerous revisions to the Connecticut Business Corporation Act, including the following:

1. establishes standards for director liability that are separate from those for director conduct,
2. establishes a statutory process for corporations to ratify and validate certain defective actions,
3. allows a corporation's certificate of incorporation to waive or limit a requirement that directors and officers disclose certain outside business opportunities,
4. establishes a process for a merger or share exchange to be effectuated without shareholder approval,
5. allows the certificate of incorporation or bylaws to require that any or all internal corporate claims be brought exclusively in certain courts, and
6. makes minor changes to certain definitions ([PA 17-108](#), effective July 1, 2017 for the LLC provisions and October 1, 2017 for the corporation-related provisions).

Model Food Code

A new law requires the Department of Public Health (DPH), by July 1, 2018, to adopt and administer the federal Food and Drug Administration's (FDA) Food Code as the state's food code for regulating food establishments. Under prior law, the department regulated these establishments under the Public Health Code.

Generally, the FDA Food Code establishes similar procedures and requirements as current DPH regulations in areas such as food inspector certification and food establishment inspections. Among other things, the new law (1) requires Class 3 and Class 4 food establishments to employ a "certified food protection manager" instead of a "qualified food operator" and extends the requirement to Class 2 food establishments; (2) allows DPH, under certain conditions, to publicly announce the identity of a food establishment that was the source of a food borne illness or outbreak; and (3) allows a food establishment to request, until June 30, 2018, a variance from the Public Health Code to use the sous vide cooking technique and acidification of sushi rice ([PA 17-93](#), various effective dates).

Travel Insurance

A new law authorizes the insurance commissioner to license individuals or business entities as “limited lines travel insurance producers” to sell travel insurance. It allows travel insurance producers to sell travel insurance through insurers or designated retailers and compensate travel retailers for offering travel insurance. It also establishes requirements for producers that are business entities. Under the new law, travel insurance covers certain personal risks incident to planned travel (e.g., trip cancellation or lost luggage) ([PA 17-187](#), effective October 1, 2017).

Consumer Protection

Eliminating Certain DCP Credentials

A new law eliminates certain Department of Consumer Protection (DCP) occupational licenses, registrations, certificates, and programs; thus, people performing these tasks no longer need a state credential. These credentials include (1) real estate student intern programs, (2) swimming pool assembler's license, (3) athlete agent registration, (4) shorthand reporter's license, (5) itinerant vendor's license, and (6) liquor wholesaler's salesman certificates ([PA 17-75](#), effective January 1, 2018).

Ticket Resales

A new law places certain conditions on the sale of tickets to an entertainment event, including generally prohibiting anyone from selling nontransferable tickets, unless employing a paperless ticketing system that gives purchasers the option to buy transferable tickets (e.g., paper tickets or e-tickets). It also prohibits anyone from denying a ticket holder admission to an entertainment event solely because the ticket was resold. An entertainment event includes a sporting event, concert, or theatrical or operatic performance, but it does not include a movie ([PA 17-28](#), effective January 1, 2018).

Entrepreneurship and Innovation

Additional Innovation Place Application Rounds

A new law allows CTNext, a Connecticut Innovations, Inc. (CI) subsidiary, to accept additional rounds of applications under the innovation place program for planning grants and innovation place designations. By law, the innovation place program’s purpose is to foster innovation and entrepreneurship in compact, mixed-use geographic areas with startups, growth-stage businesses, anchor institutions, and access to public transit. Entities such as corporations, municipalities, and higher education institutions may submit applications ([PA 17-244](#), § 1, effective July 1, 2017).

Angel Investor Tax Credit

A new law allows angel investors to receive tax credits for investing in eligible businesses in any industry, not only those in specified technology industries. It also generally restricts the amount of credits that may be awarded for investments in businesses in those technology industries by capping the amount of credits that CI can reserve for such investments at 75% of the annual credit cap. However, CI may exceed the cap if any unreserved credits remain after April 1 in a fiscal year ([PA 17-110](#), effective July 1, 2017).

Electronic Business Portal

The legislature passed a new law requiring the Department of Economic and Community Development (DECD) commissioner to (1) promote the secretary of the state's electronic business portal as a way to encourage entrepreneurship and (2) identify how it can be modified to make it easier for businesses to register with the state ([PA 17-103](#), effective October 1, 2017).

Small Business Hotline

A new law requires the DECD commissioner, by October 1, 2017, to establish and operate a hotline that provides information and guidance to entrepreneurs and small business operators on how to start and develop a business, identify networking resources, and access technical and financial assistance from state and quasi-public agencies ([PA 17-158](#), effective October 1, 2017).

Energy, Land Use, and Environment

Brownfield Land Banks

A new law authorizes the certification of new and existing nonprofit organizations as Connecticut Brownfield Land Banks, with access to the same brownfield remediation tools and incentives that are available to municipalities. Under the new law, a certified land bank may acquire, remediate, and sell only those brownfields that are identified in its banking agreement with one or more municipalities ([PA 17-214](#), effective July 1, 2017).

Hazardous Waste

The legislature passed a new law requiring the Department of Energy and Environmental Protection (DEEP) commissioner to adopt hazardous waste regulations consistent with recently adopted federal regulations on hazardous waste generators ([PA 17-242](#), § 1, effective October 1, 2017).

Kelp Oil

A new law authorizes DEEP, with the Department of Agriculture, to help businesses apply to the federal Environmental Protection Agency for approval of kelp oil as a feedstock for heating oil under the Renewable Fuel Standard Program ([PA 17-218](#), § 6, effective upon passage).

General Economic Development

CT-Made Logo

Under a new law, the DECD commissioner must develop a “CONNECTICUT-MADE” or “CT-Made” logo that Connecticut businesses can use to promote products that they manufacture or produce here ([PA 17-132](#), effective October 1, 2017).

Economic Trend Analysis

A new law creates a process to continuously analyze economic and business conditions and generate reports for legislators that, among other things, recommend appropriate policy options. These tasks must be performed by a private research organization selected by the CTNext board ([PA 17-164](#), effective upon passage).

Evaluation of Business Assistance and Incentive Programs

The legislature expanded state economic development program reporting and evaluation requirements. Under a new law, DECD must include additional information in its annual report, and submit the report to the Auditors of Public Accounts, not only to the legislature. Generally, the additional information must include (1) an analysis of each business assistance and incentive program, including those administered by another agency (e.g., the labor department), and (2) a description of DECD’s methodology for the analyses included in the report.

In addition, the new law requires the auditors to conduct performance audits of the state’s business assistance and incentive programs, which must include evaluations of DECD’s annual reports. It also requires the Commerce and Finance, Revenue and Bonding committees to hold at least one public hearing on the analyses DECD includes in its annual report and the performance audit ([PA 17-226](#) and [PA 17-219](#), both effective upon passage).

Public-Private Marketing Plan for Business Recruitment

A new law authorizes the formation of a working group to develop a unified and proactive marketing plan bolstered by private sector expertise, resources, and funds. The Commerce Committee's chairpersons must appoint the group, which may include a broad cross section of industry, higher education, and nonprofit sector representatives. The group must report its recommendations to the Commerce Committee by January 15, 2018 ([SA 17-18](#), effective upon passage).

Labor

Extended Work Hours for Older Adults and Persons with Disabilities

A new law removes the prohibition on employees working extended hours without their consent in manufacturing, mechanical, or mercantile establishments; restaurants; and various other settings if they are (1) age 66 or older, (2) designated by a medical or government authority as handicapped, or (3) a disabled veteran. Previously, if these individuals consented to working hours that exceeded state limits, they had to provide written certification from a licensed physician or advanced practice registered nurse that doing so would not injure their health.

The new law retains the extended work hour limits for individuals under age 18 who are not enrolled in and graduated from a secondary education institution (e.g., high school). Existing law generally applies stricter limits to individuals under age 18 who are enrolled in such an institution ([PA 17-202](#), §§ 81-83, effective October 1, 2017).

Income Withholding of Workers' Compensation

By law, when an employee under an income withholding order for child support makes a claim for workers' compensation benefits, his or her employer must promptly notify the dependent (i.e., spouse, former spouse, or child owed the support) or the Judicial Branch's Support Enforcement Services as directed. A new law requires employers to also include a copy of the income withholding order with the first report of occupational illness or injury to the workers' compensation carrier. Under the act, the carrier must withhold funds pursuant to the order and pay the withheld funds to the Department of Social Services' Office of Child Support Services ([PA 17-27](#), effective January 1, 2018).

Pregnant Employee Workplace Accommodation

The legislature enacted a law that expands the employment protections for pregnant women under the state's anti-discrimination law. The act requires employers to provide a reasonable workplace accommodation for a pregnant employee or applicant, unless the employer demonstrates that the accommodation would be an undue hardship. It applies to the state, municipalities, and any private employer with three or more employees ([PA 17-118](#), effective October 1, 2017).

Promotion of Loan Forgiveness Programs

A new law requires public service employers with more than 10 full-time employees to provide (1) informational materials about certain federal student loan forgiveness programs to newly hired employees within two weeks after their start date and (2) certain loan forgiveness certification forms to current employees upon request. In addition, the Office of Higher Education must create or copy federally-designed informational materials, make them available online, and distribute them to public service employers ([PA 17-206](#), effective July 1, 2017).

Unemployment Coverage for Certain Bus Drivers

A new law exempts certain professional drivers from coverage under the state's unemployment law. The exemption applies to drivers under a contract with another party if the driver:

1. drives a vehicle that (a) can transport at least eight passengers, including the driver, and (b) has a gross vehicle weight rating over 6,000 pounds;
2. owns the vehicle or holds it under a commercially reasonable bona fide lease that is not with the contracting party or a related entity;
3. is paid based on factors that can include mileage-based rates, a percentage of any rate schedules, time spent driving, or a flat fee;
4. can refuse to work without consequence and can accept work from many contractors without consequence; and
5. is not considered an employee under the unemployment law's "ABC" test ([PA 17-81](#), effective October 1, 2017).

Working Papers Issued From Private Schools

A new law extends to private schools the same authority as public school superintendents have to issue working papers (i.e., “certificates of age”) to minors, thus allowing them to be employed in certain settings. Specifically, it authorizes private schools to issue working papers certifying a minor’s age, which authorizes him or her to work in certain settings shown in Table 1 ([PA 17-68](#), § 18, effective July 1, 2017).

Table 1: Permitted Work Settings for Minors

<i>Age, at least</i>	<i>Work Setting</i>
16 years old	Manufacturing, mechanical, or theatrical industry; restaurant or public dining room; or bowling alley, shoe-shining establishment, or barber shop
15 years old	Commercial or retail establishment
14 years old	Municipal or private golf course

Workers’ Compensation Notice of Claim

The law generally requires private sector employees seeking workers' compensation benefits to submit a written notice of claim for compensation to either a workers' compensation commissioner or their employer's last known residence or place of business. A new law requires private sector employees who mail the notice to their employer to do so by certified mail. It also allows private sector employers to post a notice stating where employees must send the notice. If an employer does so, the countdown to the 28-day deadline for an employer’s response to the notice begins when the employer receives the notice at the posted address ([PA 17-141](#), effective October 1, 2017).

Targeted Industry Development

Bioscience

Connecticut Health Data Collaborative. A new law makes permanent the Commission on Economic Competitiveness's Connecticut Health Data Collaborative working group, and charges it with new tasks. Among other things, the working group must examine and make recommendations on initiatives related to (1) precision medicine and personalized health R&D and (2) health data access, privacy, and security ([PA 17-85](#), effective upon passage).

Evaluation of State Bioscience Investments. Under a new law, CI must obtain a set of metrics to assess the economic outcomes of the state’s bioscience investments, including job growth and multiplier effects. CI must report to the Commerce Committee about the metrics within 30 days after adopting them ([SA 17-2](#), effective upon passage).

Maintaining Bioscience Education Pipeline. To ensure that the state’s bioscience industry cluster has the scientists and technicians it needs to grow, the legislature authorized the formation of a working group to assess the capacity of the state’s public and private higher education institutions to meet that need and recommend how to improve it. The working group, which the Commerce Committee’s chairpersons must appoint, must report its findings to the legislature by January 15, 2018 ([SA 17-20](#), effective upon passage).

Microbiome Sector Development. The human “microbiome” is the DNA record of all the microbes that inhabit the human body, and a growing body of research suggests that understanding and manipulating the microbiome may fundamentally change the way a number of health conditions and diseases are diagnosed and treated. To establish Connecticut as a national leader in microbiome R&D, the legislature created a diverse working group to determine, among other things, the potential commercial applications of pure microbiome research. The working group must present its findings to the governor and the legislature by February 1, 2018 ([SA 17-16](#), effective upon passage).

Insurance

Domestic Surplus Lines Insurers. A new law allows the insurance commissioner to designate a domestic insurance company as a “domestic surplus lines insurer,” subject to certain conditions, thus allowing the insurer to market surplus lines insurance in Connecticut ([PA 17-125](#), effective July 1, 2017).

Insurance Industry Workforce Task Force. The legislature established a task force to study and develop strategies to develop, expand, and improve the state’s insurance industry workforce. The task force must report to the Insurance and Real Estate Committee by January 1, 2018 ([SA 17-10](#), effective upon passage).

Manufacturing

Online Mechatronics Courses. A new law requires that the Board of Regents develop, by January 1, 2018, a plan to offer online mechatronics courses at Central Connecticut State University and the community colleges. Mechatronics combines various engineering fields,

including mechanical, electronics, controls, and computer. Mechatronics professionals design and repair robotics and computer-aided manufacturing equipment, among other things. ([PA 17-242](#), § 2, effective upon passage).

Working Group on Manufacturing Training for Inmates. The legislature established a working group to develop a program to train inmates who are in the custody of the corrections commissioner for manufacturing jobs. The working group must (1) include various education, job training, and manufacturing representatives and (2) report its legislative recommendations to specified committees by January 15, 2018 ([PA 17-242](#), § 3, effective upon passage).

Tourism, Entertainment, and Culture

Bed and Breakfast Establishment (B&Bs) Occupancy Tax Rate. A new law applies a uniform 11% room occupancy tax rate to rent received by B&Bs and specifies that rent received by hotels, lodging houses, and B&Bs includes any meals that are included with the occupancy charge. Under prior Department of Revenue Services (DRS) practice, B&B room charges were allocated according to a schedule such that the percentage allocated to meals was taxed at the general 6.35% sales tax rate and the percentage allocated to the room was taxed at the 15% occupancy tax rate. Rent received by hotels and lodging houses continues to be subject to the existing 15% room occupancy tax ([PA 17-147](#), §§ 12-14, effective October 1, 2017, and applicable to sales occurring on or after that date).

Casino and Additional Off-Track Betting (OTB) Facilities Authorized. Connecticut may soon have a third casino. A new law authorizes the Mashantucket Pequot and Mohegan tribes, through a limited liability company jointly and exclusively owned by the tribes (i.e., MMCT Venture), to build and operate an East Windsor casino. The casino authorization is contingent on, among other things, the governor amending the current tribal agreements (e.g., compact and memoranda of understanding) and receiving approval from the legislature and the federal interior secretary. Once the casino is operational, MMCT must pay the state (1) 25% of the gross video slot machine revenue, with \$4.5 million annually given to six named municipalities and the remainder deposited into the General Fund; (2) 15% of the revenue from all other authorized casino games to be deposited into the General Fund; and (3) 10% of the revenue from all other authorized casino games to be deposited in the statewide tourism marketing account. MMCT must also annually contribute \$300,000 to the Connecticut Council on Problem Gambling ([PA 17-89](#), effective upon passage).

Another new law increases the maximum number of authorized OTB facilities from 18 to 24. Currently, there are 15 OTB facilities in the state ([PA 17-209](#), effective upon passage).

Connecticut Arts Endowment Fund. The legislature modified how the amount of grant funding available from the endowment fund is calculated, generally increasing the amount available in a given year. Under the new law, 4% of the four-year average market value of the fund may be used for grants to eligible organizations. Under prior law, the annual amount available for grants is the greater of the (1) total increase in the fund's market value, up to 5% of its total market value, or (2) fund's investment earnings ([PA 17-213](#), effective July 1, 2017).

Mixed Martial Arts (MMA). A new law limits the duration during which MMA promoters are liable to pay the health care costs that a competitor incurs from an injury, illness, disease, or condition resulting from an MMA match. Previously, the promoters were liable for costs during the entire duration of the injury, illness, disease, or condition. The new law requires that, just like boxing promoters, they provide (1) insurance coverage of at least \$20,000 for medical, dental, surgical, and hospital care and (2) death benefits of at least \$50,000 to the estate of an MMA participant who dies as a result of participating in an MMA match. It also eliminates the 5% gross receipt tax that boxing and MMA promoters were required to pay under prior law ([PA 17-116](#), effective October 1, 2017).

Taxes

Tax Changes

This session the legislature made numerous changes to the corporation, personal income, and sales tax laws that may affect businesses. These changes include:

1. authorizing DRS to require taxpayers who fail to remit sales tax on time to remit it weekly and specifying how the department must do so ([PA 17-147](#), § 4, effective January 1, 2018);
2. extending the deadline for filing corporation business tax returns, which varies depending on whether a corporation must file a corresponding federal return ([PA 17-147](#), §§ 24 & 25, effective upon passage and applicable to income years beginning on or after January 1, 2017);
3. shortening, from five to two years, the renewal period for sales tax permits issued on or after October 1, 2017 ([PA 17-147](#), § 3, effective October 1, 2017);
4. setting an earlier date of January 31, instead of the last day of February, by which certain employers and payers must file informational returns with DRS for personal income tax purposes, thus aligning this deadline to the deadline for employers to file income tax withholding data (i.e., federal W-2 forms) with DRS ([PA 17-147](#), § 38, effective upon passage and applicable to tax years beginning on or after January 1, 2017); and

5. authorizing the DRS commissioner, under certain conditions, to require employers and payers to deposit securities (e.g., bonds or cash deposits) to ensure their compliance with withholding tax requirements ([PA 17-147](#), §§ 5, 44 & 45, effective October 1, 2017 for the withholding tax and upon passage for sales and use and admissions and dues taxes).

For more information on tax changes that may affect businesses, see [Acts Affecting Taxes](#).

Workforce Development

Apprentice Hiring Ratios

The legislature passed a law establishing a working group to (1) discuss hiring ratios for apprentices, journeymen, and contractors and (2) study the hiring ratio relief process. The new law also reduces, by two, the number of people required to supervise three or more apprentices in certain trades, such as electrical and plumbing ([PA 17-76](#), effective upon passage).

Connecticut Early College Opportunity Program (CT-ECO)

A new law codifies the CT-ECO program, which in practice exists in several school districts, including Danbury, New London, Norwalk and Windham. It defines CT-ECO as collaboration between a school district's high schools, a local community college, and a company or business entity where a student may earn an industry-recognized, two-year postsecondary degree in addition to a high school diploma. The new law requires the Connecticut State Colleges and Universities president to create an outreach coordinator position to act as a liaison between high schools, community colleges, and businesses to develop workforce education and job training opportunities, including CT-ECO. It also requires that the Connecticut Employment and Training Commission include CT-ECO in its next statewide plan ([PA 17-207](#), §§ 5 & 6, effective upon passage for CT-ECO and October 1, 2017 for outreach coordinator).

Job Training Intake Form and Training Analysis Report

The legislature enacted a new law that requires the labor commissioner to gather data and analyze how well certain state job-training programs work. It requires the commissioner to develop and implement a universal intake form, with information necessary to report on the success of the program, that each person entering any American Job Center (formerly known as One Stop Job Centers) or regional workforce development board facility must complete. By December 1, 2017, and annually thereafter, the new law requires the commissioner to report to the Labor Committee on, among other things, how many people (1) used the job centers or workforce board job training programs and services and (2) obtained jobs after using the programs and services ([PA 17-207](#), § 2, effective July 1, 2017).

“Pipeline for Connecticut’s Future” Program

A new law allows boards of education to establish a Pipeline for Connecticut’s Future program. Under these programs, boards must partner with local businesses to offer students onsite training and course credit ([PA 17-173](#), § 11, effective July 1, 2017).

“Soft” Skills Program

A new law requires the labor commissioner to prepare and issue, by October 1, 2017, a request for proposals (RFP) for the development and implementation of a soft skills program. The RFP must require each submitted proposal to (1) demonstrate coordination with an emerging industry partner in the state in developing a soft skills curriculum and (2) provide any other information the commissioner deems necessary. The new law defines "soft skills" as character traits and interpersonal skills, such as social skills, communication skills, and attitudes, that characterize a person's relationship with other people and do not rely on acquired knowledge or technical skills ([PA 17-207](#), § 3, effective July 1, 2017).

Technical High School System

A new law allows the state technical high school system’s board to enter into cooperative arrangements with employers to provide postsecondary education ([PA 17-237](#), § 1, effective July 1, 2017).

Workforce Training Authority and Training Authority Fund Created

A new law creates a Workforce Training Authority and related Workforce Training Authority Fund and authorizes fund money to be used for training assistance to eligible recipients. The authority fund is authorized to accept any money the authority provides and private donations or gifts. Fund money may also be used to reimburse the fund’s administrator (i.e., the labor department) for administrative costs. The new law establishes a board to oversee the authority and set board procedures, including standards for paying administrative costs and details for the application process for eligible recipients ([PA 17-207](#), §§ 7- 9, effective upon passage).

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