OFFICE OF LEGISLATIVE RESEARCH
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SpecialReport

2018 Veto Package

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Summary

This report lists the vetoed acts from the 2018 regular legislative session and provides for each a brief summary, the final vote tally, and excerpts from the governor's veto message. The report also includes a numerical summary of previous vetoes by Governor Malloy.

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 has scheduled a veto session to consider regular session bills on June 25, 2018.

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 provision of a bill making appropriations.

2018 Regular Legislative Session Vetoes

The governor vetoed the following seven public acts:

PA 18-35	*An Act Prohibiting The Executive Branch From Making Rescissions Or Other Reductions To The Education Cost Sharing Grant During The Fiscal Year*
PA 18-80	*An Act Extending The Manufacturing Apprenticeship Tax Credit To Pass-Through Entities*
PA 18-89	*An Act Concerning Classroom Safety And Disruptive Behavior*
PA 18-119	*An Act Concerning Election Day Registration Locations*
PA 18-140	*An Act Establishing The State Oversight Council On Children And Families*
PA 18-156	*An Act Concerning An Animal Abuse Registry*
PA 18-157	*An Act Concerning State Contract Assistance Provided To Certain Municipalities*

2018 Regular Legislative Session Veto Summaries

PA 18-35 — sSB 5171 ***An Act Prohibiting The Executive Branch From Making Rescissions Or Other Reductions To The Education Cost Sharing Grant During The Fiscal Year***

Overriding any general statute or special act, this act prohibits the governor from cutting education cost sharing (ECS) aid grants to towns by (1) using his rescission authority to reduce allotment requisitions or allotments in force or (2) making reductions in allotments in any budgeted agency to achieve General Fund budget savings. An allotment requisition is a state agency's formal quarterly request to the Office of Policy and Management (OPM) for the amount it needs to carry out an appropriation's purpose. An allotment in force is an allotment that OPM has granted. Existing law already exempts municipal aid from rescissions.

The act also revises provisions in the FY 18-19 budget act (PA 17-2, June Special Session) to exempt ECS aid grants from the allotment reductions OPM may make to achieve specified General Fund budget savings for FYs 18 and 19.

Senate Vote: 36 to 0 (May 9)
House Vote: 117 to 32 (May 2)

Excerpt from governor's veto message:
This bill would prevent any future governor from making rescissions to certain municipal grants without regard to communities' relative need or ability to fund their own spending decisions, and without regard to the seriousness of a financial emergency in the state. In doing so, it would help the wealthiest cities, towns, and residents at the expense of the poorest. It is understandable that legislators wish to provide more certainty to the municipalities and school districts that they represent. This bill, however, takes a misguided approach.

Substitute House Bill 5171 is designed to ensure that the gains made by our richest towns are secured forever, at the expense of our neediest communities and their residents. This is not only inequitable and wrong, it is also shortsighted, as it nurtures the vicious cycle of urban fiscal distress that threatens our urban centers with insolvency and leaves them little ability to grow our economy. For Connecticut to succeed during the coming years of fiscal recovery, we must abandon our penchant for protecting the comfortable at the expense of our poor and our cities.

PA 18-80 — SB 261 *An Act Extending The Manufacturing Apprenticeship Tax Credit To Pass-Through Entities*

This act extends the manufacturing apprenticeship tax credit to the personal income tax, thus allowing the owners and partners of qualifying companies organized as partnerships, limited liability companies, and other pass-through entities to claim the credit against that tax. Before this change, pass-through entities qualified for the credit, but could benefit from it only by selling, assigning, or transferring it to a corporation or other business entity liable for specified taxes.

Senate Vote: 36 to 0 (May 7)
House Vote: 148 to 0 (May 9)

Excerpt from governor's veto message:
This bill would allow owners or shareholders of pass-through entities such as S corporations, partnerships, and limited liability companies to claim the manufacturing apprenticeship tax credit against the personal income tax.

This bill, while ostensibly helpful to small businesses, would allow individual business owners and shareholders to reduce their individual personal tax liability, potentially to zero. That is the same flaw I pointed out when I vetoed a similar bill in 2016. This bill would result in a loss of $650,000 in revenue per year, an impact not accounted for in the amended budget I signed earlier this year.

While this bill may have been passed to help small businesses owners, it would also allow owners of large, complex institutions to greatly reduce their personal income tax liability without limits, instead of providing the benefits where they will create jobs — in small businesses themselves.

Allowing business tax credits to be claimed against the personal income tax would also open the door for other similar proposals and increase the likelihood that the credits will result in additional revenue loss to the state. In addition, the Department of Revenue Services (DRS) will incur a significant unbudgeted expense to implement this change on tax forms and in the Taxpayer Service Center.

As I indicated in my 2016 veto message, I stand ready, should there be an opportunity in the coming months, to work with the proponents of the bill to pass a version of this legislation that promotes investment in small businesses, includes a reasonable limit on individual tax liability, and offsets the significant lost revenue, but I cannot support this legislation as written.

PA 18-89 — sSB 453 *An Act Concerning Classroom Safety And Disruptive Behavior*

This act requires boards of education, as well as the State Department of Education, to address daily classroom safety as an additional part of the law requiring them to address bullying and teen dating violence. Under the law, "daily classroom safety" means a classroom environment in which students and school employees are not physically injured by other students, school employees, or parents; or exposed to physical injury to others. Among other things, the law (1) requires that boards of education address daily classroom safety in their safe school climate plans and (2) allows teachers to refer out of their classroom students who commit daily classroom safety violations and sets standards for the student's return.

Senate Vote: 36 to 0 (May 4)
House Vote: 124 to 25 (May 8)

Excerpt from governor's veto message:
This bill would create a new process to remove students from their classrooms who are alleged to have been involved in a situation where a student or teacher is injured, and would establish significant barriers to their return to the classroom without providing a framework to guarantee their continued learning.

As written, this bill creates too great a risk that students of color and those with disabilities will be disproportionately affected by its new removal powers. In fact, it runs counter to the ongoing efforts of Connecticut's dedicated educators and my administration to reduce exclusion from the classroom and to cut off the school-to-prison pipeline. It also creates significant risks of litigation and federal penalties that could result in disastrous financial sanctions.

Even though this bill is not in the best interest of our students and educators, nor a reflection of the values and excellence we espouse as a proud leader in public education, the proponents of the bill have raised important concerns that we should address together to refine and improve our restorative practices policy. I have asked the Commissioner of Education to convene a working group of teachers and administrators to address these concerns and improve support structures for students and teachers in the implementation of these new restorative practices, including potential legislation that can achieve the underlying goals of this bill without the significant legal and funding risks.

PA 18-119 — sHB 5426 *An Act Concerning Election Day Registration Locations*

Prior law required registrars of voters to designate a location within each municipality for completing and processing Election Day registration applications. This act requires town clerks to designate a location if the registrars of voters fail to agree on one at least 31 days before the election.

By law, a designated location must be one where registrars of voters have access to the statewide centralized voter registration system.

Senate Vote: 36 to 0 (May 9)
House Vote: 147 to 0 (May 4)

Excerpt from governor's veto message:
This bill allows for the town clerk to designate a municipality's election day registration location in the event that the registrars of voters of said municipality fail to agree on a location by the thirty-first day prior to election day.

While I understand the reasons behind this proposal and the logistical hurdles that municipalities face, I cannot support it. The bedrock of our electoral system is the election of two registrars of voters, one from each major party, to oversee each other. This balance provides the public with confidence that our elections are administered freely and fairly and without the undue influence of politics. Allowing a third municipal official, who is also a partisan elected official in the overwhelming number of instances in our state, tilts the scales in favor of that official's political party and potentially leads to the destruction of public faith in our electoral system.

PA 18-140 — sSB 188 *An Act Establishing The State Oversight Council On Children And Families*

This act renames the State Advisory Council on Children and Families as the State Oversight Council on Children and Families and increases its membership from 19 to 25. It replaces 13 members appointed by the governor with 12 members appointed by legislative leaders and one member appointed by the Juvenile Justice Policy and Oversight Committee chairpersons. It also adds (1) the Children's Committee chairpersons and ranking members, the child advocate, and the chief public defender, or their designees, to the council and (2) certain required qualifications for the six members who represent regional advisory councils.

The act also expands and modifies the council's duties, including requiring it to monitor, track, and evaluate the Department of Children and Families' (DCF) policies and practices related to child and youth safety, permanency, and well-being.

Senate Vote: 33 to 3 (May 4)
House Vote: 142 to 6 (May 9)

Excerpt from governor's veto message:
This bill reconstitutes the State Advisory Council on Children and Families (DCF) and renames it the State Oversight Council on Children and Families ("Oversight Council"). The Oversight Council replaces an existing executive branch advisory council with a body that is legislative and whose responsibilities are to oversee the operations of an executive branch agency. The bill also mandates that the Oversight Council monitor the agency budget track and evaluate all DCF policies and progress, including the requirement to implement the recommendations of the Oversight Council.

Senate Bill 188 represents significant interference with the orderly conduct of the essential functions of the executive branch.

I would urge the proponents to adopt a revised version of this bill, consistent with the draft agreed upon, that would avoid violating the separation of powers that insures a check and balance against overreach by the co-equal branches.

PA 18-156 — sSB 523 *An Act Concerning An Animal Abuse Registry*

This act requires the Department of Emergency Services and Public Protection to create and maintain, within available appropriations, a publicly-available registry of individuals who are convicted, or found not guilty by reason of mental disease or defect, of certain animal abuse crimes. Under the new law, first time animal abusers must maintain their registration for two years. Subsequent offenders must maintain it for five years. Failing to register or appropriately update registry information is a class D felony.

Senate Vote: 36 to 0 (May 4)
House Vote: 138 to 12 (May 9)

Excerpt from governor's veto message:
This bill would require the establishment and maintenance of a registry of all persons convicted of committing a crime involving animal abuse. Further, it adds a new class D felony for individuals who fail to register or who fail to timely notify authorities of name and address changes.

Cruelty to animals is a serious issue and individuals found guilty of cruelty to animals should receive appropriate punishment. I do not believe that an animal abuse registry accomplishes this goal. There is no conclusive evidence that on-line registries protect the public and in fact, such registries have unfortunately had the opposite effect. That is why the Sentencing Commission has recommended reforms to Connecticut's current registry for sex offenders to address these very issues. Registries frequently create barriers to employment, housing and other services, the necessary basic tools, such as employment, housing and other services, that enable offenders to be rehabilitated and which are proven building blocks in reducing recidivism.

Lastly, the establishment and maintenance of registries require significant resources to ensure accuracy and avoid reporting an individual in error. The budget enacted by the General Assembly does not provide resources to accomplish the requirements of this legislation.

PA 18-157 — SB 528 *An Act Concerning State Contract Assistance Provided To Certain Municipalities*

This act imposes several new conditions and requirements on state financial assistance to repay bonds and other debt for designated tier III and IV municipalities (i.e., those with higher degrees of financial distress and state oversight and control). Among other things, the act (1) requires the Appropriations and Finance, Revenue and Bonding committees to approve contracts for debt service assistance to such municipalities before OPM may execute a contract, (2) starting with the sixth year after receiving contract assistance, generally requires the legislature to reduce a municipality's appropriated statutory aid, excluding ECS, by the amount of its contract assistance, and (3) modifies criteria and procedure for changing a tier III municipality's designation to tier IV.

Senate Vote: 28 to 6 (May 5)
House Vote: 105 to 45 (May 9)

Excerpt from governor's veto message:
This bill makes significant, detrimental changes to the Municipal Accountability Review Board (MARB) authority and operations as established in Public Act 17-2 of the June Special Session, now codified in Chapter 117, Secs. 7-560 through 579 of the 2018 supplement to the general statutes with respect to municipalities that receive a Tier III or IV designation.

It is clear that Substitute Senate Bill 528 is a reflection of indignation on the part of some legislators that MARB exercised its statutory authority in coming to the aid of our capital city. However, I believe it is critical that the state have a viable mechanism in place to allow it to intervene in the case of other troubled municipalities in a way that is both effective and that holds those municipalities highly accountable. The MARB statute provides just such a framework. It is workable, it is working, and it should be left alone.

This bill would change the provisions of Sec. 7-576j in several detrimental ways: it would require the legislature's Appropriations Committee and Finance, Revenue and Bonding Committee to approve a debt service assistance contract before it can be executed. This requirement is onerous given the lack of timelines in the statute and extreme difficulty of achieving support in committees that have historically demanded that any benefit be provided equally to all communities. While it may seem "unfair" that a deeply troubled community gets a lifeline, the real unfairness would be to foreclose other communities from this option if their circumstances demand it in the future.

The bill would also reduce state aid to a municipality in year six of contract assistance, but that could occur sooner under certain circumstances.

The bill further requires additional MARB reporting to the Governor and the Appropriations Committee on the amount of funds needed by the Municipal Restructuring Fund for financial assistance for designated Tier II, III and IV municipalities with an approved restructuring plan.

Historical Context

Table 1 lists the number of acts vetoed by the current governor by legislative session, and how many were overridden. It also provides links to each year's veto package report.

Table 1: Vetoes by Legislative Session since 2011

Governor	Legislative Session	Acts Vetoed	Vetoes Overruled	OLR Veto Package Report
Malloy	2011 Regular Session	6	0	2011-R-0270
Malloy	2011 June Special Session	0	0	-
Malloy	2011 October Special Session	0	0	-
Malloy	2012 Regular Session	8	0	2012-R-0278
Malloy	2012 June Special Session	0	0	-
Malloy	2012 June 12 Special Session	0	0	-
Malloy	2012 December Special Session	0	0	-
Malloy	2013 Regular Session	8	0	2013-R-0284
Malloy	2014 Regular Session	8	0	2014-R-0179
Malloy	2015 Regular Session	9	0	2015-R-0144
Malloy	2015 June Special Session	0	0	-
Malloy	2015 December Special Session	0	0	-
Malloy	2016 Regular Session	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*	0	2017-R-0115
Malloy	2018 January Special Session	1	1	-
Malloy	2018 Regular Session	7	**	-

* 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:cmg