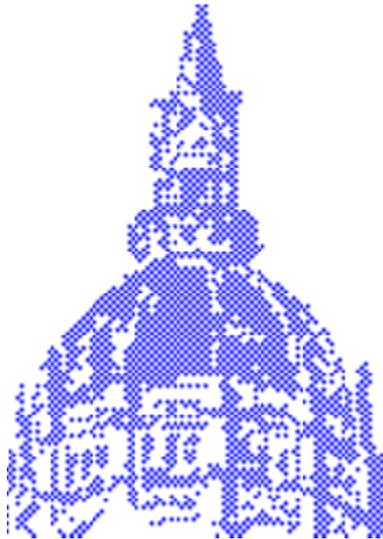


Office of Legislative Research  
Connecticut General Assembly



**OLR ACTS AFFECTING**

**BUSINESS**



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During the 2008 regular session, the legislature enacted many laws that affect businesses. Some affect a broad range of businesses while others affect specific types, such as manufacturing and filmmaking. This report summarizes those laws in lay terms, but we encourage you to read the acts that specifically interest you. You can obtain them online at [www.cga.ct.gov](http://www.cga.ct.gov) or from the Connecticut State Library or the House Clerk's Office. A detailed analysis of all 2008 laws will be available this fall when OLR publishes its *Public Act Summary* book. In the meantime, you can review completed analyses by visiting our web page ([www.cga.state.ct.us/olr](http://www.cga.state.ct.us/olr)).

## **BUSINESS LAW AND PRACTICE**

### ***Confidentiality of Social Security Numbers***

The legislature required anyone possessing personal information about another person to safeguard it and the computer files containing it and subjects violators to a civil penalty of \$500 for each violation, up to \$50,000 per event.

(**sHB 5686**, effective October 1, 2008)

### ***Release, Sale, and Accuracy of Conviction Information***

By law, consumer reporting agencies must comply with certain statutory procedures when providing employment related reports that include arrest and conviction records. The legislature eliminated the requirement that these agencies verify these records with the Judicial Department and instead imposed a new procedure that applies to anyone who purchases conviction data from that department. The procedure requires purchasers periodically to buy data updates and correct their records accordingly.

(**PA 08-53**, effective May 1, 2008)

### ***Child Product Safety***

The legislature established limits for lead in children's products. With certain exceptions, it made children's products that fail to comply with the limits banned hazardous substances. It also prohibited the sale of toys or other articles marketed for children under age 16 that contain asbestos.

The legislature also required retailers and other businesses selling a banned hazardous substance to complete a certificate of disposition to account for its disposal and post

notices when the Department of Consumer Protection designates an article as a banned hazardous substance.

(PA 08-106, effective October 1, 2008)

## **ECONOMIC DEVELOPMENT**

### ***“Connecticut Grown” Program***

The legislature expanded the “Connecticut Grown” program to include all farm products that have a traceable origin in Connecticut.

(PA 08-13, upon passage)

### ***Insurance Reinvestment Act***

A new law limits Insurance Reinvestment Act tax credits to investments made in insurance and reinsurance carriers; insurance agencies and brokerages; claim adjusting, third-party administration, advisory, and rate making services, and other specified insurance related activities.

(PA 08-82, effective October 1, 2008).

### ***Sports Advisory Board***

The legislature authorized the creation of a new board to advise it and the Culture and Tourism Commission about how to support the state’s sports industry.

(PA 08-89, effective upon passage)

## **Film Tax Credits**

A new law applies the film tax credits to 2006 insurance premium taxpayers. Under prior law, the credit applied against the corporation tax for income years starting on or after January 1, 2006 and against the insurance premium tax for income years starting on or after January 1, 2007. The credits equal 30% of the expenses incurred in Connecticut exceeding \$50,000.

(PA 08-142, effective upon passage)

## **FINANCE, INSURANCE AND REAL ESTATE**

### ***Captive Insurance Companies***

A new law permits a captive insurance company to be licensed and domiciled (have its principal place of business) in Connecticut to transact life, health, and commercial risk insurance and annuity business if it meets specified requirements concerning formation, capital and surplus, local office presence, ability to meet policy obligations, payment of certain fees and premium taxes, and annual reporting, among other things.

(PA 08-127, effective January 1, 2009)

### ***Insurance Department Fines***

The legislature increased fines the insurance commissioner may assess against insurance companies, related companies, and people for violating Connecticut's insurance laws.

(PA 08-178, effective October 1, 2008)

### ***Banking***

A new law allows the banking commissioner to, under certain circumstances, approve temporary offices or other facilities to provide banking and credit union services to the customers of certain state and foreign banks or credit unions affected by an emergency. It allows the commissioner to waive or suspend statutory or regulatory requirements for up to 90 days in order to further rapid service restoration after an emergency.

Among other things, the new law also requires (1) that certain licensees surrender their licenses within 15 days if they stop doing business in this state and (2) limited liability companies provide information about their members when applying for certain licenses.

(PA 08-199, effective October 1, 2008)

### ***Mortgage Crisis Job Training***

The legislature established a mortgage crisis job training program to provide rapid,

customized employment services, job training, repair training, and job placement assistance to borrowers who are unemployed, underemployed, or in need of a second job. Borrowers are eligible if they are at least 60 days delinquent on their mortgages and are referred by their Connecticut Housing Finance Authority lender, or demonstrate an imminent need to increase earnings in order to avoid delinquency or foreclosure.

(PA 08-141, effective July 1, 2008)

## **GOVERNMENT PROCUREMENT**

### ***On-Line Procurement***

The legislature allowed state contracting agencies to award contracts for goods or supplies through a "reverse auction," an online bidding process in which qualified bidders and proposers anonymously submit bids or proposals to provide goods or supplies pursuant to an invitation to bid or request for proposals. Agencies can use this method if it would benefit them and ensure a competitive contract award.

(PA 08-141, effective upon passage)

### ***Bid Preferences***

A new law requires state agencies to adjust the lowest qualified bid submitted by an out-of-state business that receives a bid preference in its

home state. Agencies must do this by adding a percentage increase equal to any preference the business receives in its home state. If an in-state business subsequently becomes the lowest qualified bidder, the agency must award the contract to that business if it agrees to meet the original lowest responsible qualified bid.

(PA 08-154, effective October 1, 2009)

### ***Architectural or Construction Management Services on School Construction Projects***

The legislature established a separate process by which local school districts must award contracts for architectural or construction management services on projects receiving state school construction grants.

(PA 08-169, effective July 1, 2008)

## **HEALTH CARE**

### ***Special Health Care Plans for Small Employers***

The legislature made several changes to laws concerning the offer and sale of health insurance plans to small employers to resolve inconsistencies between state and federal law.

(PA 08-33, effective upon passage)

### ***Group Health Insurance Policy Coverage***

A new law expands the benefits payable under a group health insurance policy for treatment received in a residential treatment facility.

(PA 08-125, effective January 1, 2009)

### ***Health Care Partnership***

A new law allows municipalities, certain municipal service contractors, nonprofit organizations, and small businesses to join the state employee health insurance plan for current and retired state employees.

(PA 08-183, effective September 1, 2008 for most provisions)

### ***Insurance Coverage for Autism Spectrum Disorder Therapies***

A new law requires certain group and individual health insurance policies delivered, issued, renewed, amended, or continued in Connecticut on or after January 1, 2009 to cover physical, speech, and occupational therapy services provided to treat autism spectrum disorders if the policies cover these services for other diseases and conditions.

(PA 08-132, effective January 1, 2009)

### ***Dependent Children Coverage***

Among other things, a new law revises the criteria for determining when a child loses coverage under a private health insurance policy that the legislature enacted in 2007 and made effective January 1, 2009.

(PA 08-147, effective January 1, 2009)

### **LABOR**

#### ***Unemployment Benefits for Military Spouses***

A new law makes permanent a military spouse's eligibility for unemployment compensation if he or she voluntarily leaves a job to accompany a spouse who must to relocate for active-duty service in the U.S. Armed Forces.

(PA 08-40, effective July 1, 2008)

#### ***Minimum Wage Increase***

The legislature raised the state minimum hourly wage from \$7.65 to \$8.00, beginning January 1, 2009, and to \$8.25 beginning January 1, 2010.

(PA 08-92, effective October 1, 2008 (Vetoed))

#### ***Minors in the Workplace***

The legislature reauthorized 15-year-olds to work as baggers, cashiers, or stock clerks in retail businesses under the same conditions that applied before a

prior authorization expired in 2007.

(PA 08-108, upon passage)

#### ***Minimum Wage Tip Credit***

Effective January 1, 2009, the legislature increased the minimum wage tip credit for hotel and restaurant employers from 8.2% to 11% for bartenders and from 29.3% to 31% for waiters, waitresses, and other service workers.

(PA 08-113, effective October 1, 2008)

#### ***Electronic Unemployment Compensation Tax Payments***

Starting with the first calendar quarter of 2009, a new law requires electronic payment of unemployment compensation taxes or payments in lieu of these taxes.

(PA 08-60, effective October 1, 2008)

#### ***Employment Regulation Law Violations***

A new law imposes the same \$300 civil penalty on employment regulation law violations that currently applies to wage and workers' compensation law violations.

(PA 08-75, effective upon passage)

## ***Construction Safety***

Among other things, the legislature extended construction safety requirements to all qualifying public works projects, including sewage and water treatment plants, site work, road and bridge work, parking lots, drainage systems, and other public projects. These requirements apply to repair and renovations projects costing \$100,000 or more and new construction projects costing \$400,000 or more.

(PA 08-83, effective January 1, 2009)

## ***Jurors***

A new law defines a day's work for jury duty. It specifies that an employee who serves eight hours of jury duty in a day is considered to have worked a legal day's work and prohibits the employer from requiring the employee to work more than eight hours. Violations constitute criminal contempt subject up to 30 days in prison, a fine of up to \$500, or both.

(PA 08-103, October 1, 2008)

## ***Automatic Enrollment in Retirement Plans***

The legislature permitted an employer to withhold a portion of an employee's wages and invest it in an automatic enrollment retirement plan under certain conditions. The law allows employers to deduct a certain

percentage of an employee's salary to invest in an automatic retirement plan unless the employee opts out of the plan or chooses to make contributions in a different amount. It specifies that the employer or other plan official who makes investment decisions on behalf of a participating employee is not liable for such decisions if certain requirements are met.

(PA 08-118, effective October 1, 2008)

## ***Permanent Labor Law Enforcement Commission***

A new law establishes a permanent commission to address the problem of employers that misclassify employees to avoid complying with state and federal labor, employment, and tax laws. The commission's members include the labor commissioner and the attorney general.

(PA 08-156, effective July 1, 2008)

## **LAND USE AND ENVIRONMENT**

### ***Recycling Covered Electronic Device***

A new law changes the way televisions manufacturers are billed for their share of recycled televisions and delays, by six months, the implementation of the state's recycling program.

(PA 08-35, October 1, 2008 for the billing changes and July 1, 2008 for the implementation delay)

### ***Global Warming***

A new law mandates reduction in state green gas emissions and makes changes designed to help the state achieve these reductions.

(**PA 08-98**, effective October 1, 2008)

### ***Environmental Justice Communities***

A new law identifies “environmental justice communities” and requires applicants seeking state approval for electric generating, waste treatment, and other similar facilities to engage the public and consult with municipal officials in these communities.

(**PA 08-94**, effective January 1, 2009)

### ***Open Space Land Donations***

A new law extends the carry-forward period for unused corporation tax credits for donating open space land from 15 to 25 years.

(**PA 08-179**, effective July 1, 2008)

## **TAXES AND FEES**

### ***Continuation of Water Liens***

The legislature extended, from one to two years, the time that a lien for delinquent municipal water rates and charges runs before it must be continued by

filing a certificate with the town clerk in the same way as a tax lien.

(**PA 08-43**, effective October 1, 2008)

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