

2024 Legislative Session Recap

Connecticut Manufacturers' Collaborative

Every legislative session is unique in its own way, and the 2024 “short” legislative session was certainly not an exception to that rule. There was a committee that failed to move forward on any legislation. The Appropriations and Finance, Revenue and Bonding Committees opted not to make any significant spending or tax policy adjustments to the biennial budget and tax package enacted during the 2023 legislative session. One of the hottest topics the legislature had been expected to deal with this year (electric vehicles) did not take up much time or attention at all. Finally, the two chambers passed relatively few bills, often spending entire days debating just one or two items before adjourning for the evening.

The most pressing issue was the spending of the remaining \$350-400 million in American Rescue Plan Act (ARPA) dollars before the deadline to return unspent funds to the federal government. These funds, plus any additional funding allocated to but not yet spent by state agencies, are the only funding sources legislative leaders modified this year. Other key bills involved paid sick leave, artificial intelligence regulation, drug pricing, affordable housing, climate change, and junk fees. While these proposals received a lot of media attention, only one of them would ultimately be enacted into law. The rest are likely to return in the 2025 legislative session.

Notably, the much-anticipated issue of if and how Connecticut might comply with the so-called “electric vehicle mandate” fizzled out on the House calendar. After initial proposals that would have required Connecticut to adhere to California’s zero-emissions standards for all new passenger and commercial vehicles, including light-duty and heavy-duty trucks, did not move forward through regulations, the legislature’s Transportation Committee instead put forth a comprehensive bill (HB-5485) that would have created a 40-member Electric Vehicle Coordinating Council. The Council was to be tasked with studying and developing strategies needed to ensure future deployment and integration of electric vehicles in Connecticut. Despite being proposed as only a Council, there were still concerns among legislators from both parties about the direction and speed the state was moving. Additionally some legislators want further clarification of whether Connecticut is indeed still going to follow the California standard or instead the federal EPA standard as is done in other states. Although legislation dealing with electric vehicles and their impact on Connecticut, from consumers to the grid, and everything in between, did not go anywhere this year, the issue is not going away.

Throughout the 2024 legislative session, there were approximately 1464 bills and resolutions introduced, and Statehouse Partners tracked more than 60 bills on behalf of the Connecticut Manufacturers’ Collaborative. Bills that passed the General Assembly that impact CMC’s membership are detailed below.

SB 13: AN ACT INCENTIVIZING STUDENT LOAN REPAYMENT ASSISTANCE

SB 13 expands the student loan payment tax credit for qualified employers that make eligible student loan payments on a qualified employee's behalf. It does so by allowing the employer to claim the credit for eligible payments it made to a student loan servicer on a qualified employee's behalf on any student education loan, rather than only loans the Connecticut Higher Education Supplemental Loan Authority (CHESLA) issued. It also establishes requirements an employer must follow when filing for a credit refund or exchange with the Department of Revenue Services (DRS).

SB 222: AN ACT CONCERNING CHANGES TO THE PAID FAMILY AND MEDICAL LEAVE STATUTES

SB 222 makes various changes in the state's paid family and medical leave insurance (PFMLI) law, Family and Medical Leave Act (CTFMLA), and family violence leave law. Among other things, the bill:

1. codifies requirements for employers to register with and submit reports to the PFMLI Authority, which administers the program;
2. sets a process for the authority to recover benefit overpayments and penalties;
3. allows the governor to enter into a memorandum of understanding (MOU) with the state's federally recognized tribes to allow employees of the tribe or any tribally owned business to participate in the PFMLI program;
4. requires health care providers to display an authority-developed or -approved informational poster about the PFMLI program;
5. allows claimants to receive PFMLI benefits concurrently with benefits from the state's Victim Compensation Program within certain limitations;
6. broadens the state's family violence leave law to also allow leave for sexual assault victims; and
7. defines a "municipality" under the PFMLI law and CTFMLA.

Lastly, the PFMLI law requires the authority to annually report certain information such as the program's participation, trust fund balance, and claimant demographics. The bill changes the annual reporting date from July 1 to September 1.

SB 292: AN ACT CONCERNING THE USE OF PFAS IN CERTAIN PRODUCTS

Beginning October 1, 2026, SB 292 bans using, selling, or offering for sale as a soil amendment any biosolids (i.e., residue from treating domestic sewage) or wastewater sludge that contains PFAS.

Beginning July 1, 2028, the bill allows the manufacturing, selling, or offering or distributing for sale, of 12 categories of products if they contain intentionally added PFAS only if the manufacturer labels the products and gives prior written notice to DEEP. Without labeling and notice, their manufacturing, selling, or offering or distributing for sale is banned. The covered product categories are apparel, carpets or rugs, cleaning products, cookware, cosmetics, dental floss, fabric treatments, children's products, menstruation products, ski wax, textile furnishings, and upholstered furniture. Beginning January 1, 2028, the bill bans manufacturing, selling, or offering or distributing for sale, these products if they contain intentionally added PFAS. (This ban applies to new products only and to any identifiable component of them, even if the product's manufacturer is not the component's manufacturer.)

Beginning January 1, 2026, the bill allows the distribution, sale, or offering for sale of new (or not previously used) outdoor apparel for severe wet conditions that contain PFAS only if the product (and any online listing for it) includes a clear disclosure stating, "Made with PFAS chemicals."

Also beginning on January 1, 2026, the bill requires anyone selling turnout gear (protective clothing for firefighters and emergency medical service personnel) that contains intentionally added PFAS to provide written notice to the purchaser at the time of sale of this fact and the reason PFAS are in the gear.

Beginning January 1, 2028, the bill bans manufacturing, selling, or offering or distributing for sale, outdoor apparel for severe wet conditions and turnout gear if they contain intentionally added PFAS. To help with carrying out the bill's various provisions, the bill allows DEEP to participate in creating a multijurisdictional clearinghouse for manufacturers' information, including a database for products containing intentionally added PFAS. It also allows DEEP to impose fees to cover the department's costs related to the bill.

HB 5002: AN ACT CONCERNING EARLY CHILDHOOD CARE AND EDUCATORS

HB 5002 requires Office of Early Childhood (OEC), within available appropriations, to create a Tri-Share Child Care Matching Program for New London County (1) in which child care costs are shared equally between participating employers, employees, and the state and (2) that runs for at least two years. Under the bill, OEC must choose a regional or statewide organization to administer the program.

To participate in the program, employers must have a physical facility in New London County that is its employees' principal workplace. Employees must: 1. be employed by a participating employer, 2. live in Connecticut, 3. have a principal workplace in New London County, and 4. not be receiving other public assistance for child care costs.

HB 5005: AN ACT EXPANDING PAID SICK DAYS IN THE STATE

HB 5005 expands the state's paid sick leave program that applies to businesses with 50 or more employees that fall under the definition of "service worker" by phasing in over three years the requirement that employers with one or more employees provide leave to all employees. The bill also removes the manufacturer exemption, expands the number of family members leave can be used to care for, and allows for the accumulation of 1 hour of leave for every 30 hours worked. Employees may begin to use the leave after 120 days of employment. Employers do have the option to allow employees to carry over leave or provide it all at the start of the next year. The law allows employees to retain sick leave balance when transferring job sites with the same employer or when there is a successor employer and makes it explicit that employees are not required to find a replacement worker for themselves should they need to use sick leave.

Unfortunately, the bill also removes the ability for employers to ask for medical documentation to validate the reason an employee used sick leave and imposes requirements that employers retain records regarding employee paid sick leave usage for 3 years.

The bill creates a task force to study the establishment of paid sick leave tax credits for small employers with less than five employees.

HB 5431: AN ACT ESTABLISHING THE STABILIZATION SUPPORT AND ARPA REPLACEMENT FUND

HB 5431 establishes an account known as the "Connecticut families and workers account." Monies deposited into the fund shall be used by the Comptroller for the purposes of assisting low-income workers. The bill specifies any balance at the end of the fiscal year shall be carried forward and be available for the next fiscal year.

The bill additionally carries forward up to \$3 million of appropriated lapsing funds in the State Comptroller – Fringe Benefits account for State Employees Health Service Costs to be deposited into the Connecticut families and workers account to be used in FY 25.

The bill is a compromise put forward by the house in lieu of a bill that would provide unemployment benefits to striking workers. The Governor has publicly stated he is considering vetoing this bill.

HB 5436: AN ACT CONCERNING EDUCATOR CERTIFICATION, TEACHERS, PARAEDUCATORS AND MANDATED REPORTING REQUIREMENTS

Section 10 provides for an appointment to the CT Business & Industry Associations' education affiliate on the Connecticut Educator Preparation and Certification Board.

Section 17 allows the State Board of Education to issue an initial educator certificate for trade and industrial occupations in comprehensive high schools to an applicant who has:

1. provided a written request from a local or regional board of education,
2. obtained a high school diploma or its equivalent,
3. completed a minimum of three years of approved successful work experience appropriate to the field for which such certificate is sought, which may include not more than two years of specialized appropriate schooling,
4. completed a minimum of six semester hours of credit in professional education in areas such as (A) teaching vocational and industrial education, or (B) foundations of education, educational psychology, adolescent psychology, psychology of learning, curriculum and methods of teaching, classroom instruction and management, multicultural diversity, or equity issues in education, and
5. completed a course of study in special education comprised of not fewer than three semester hours, which shall include study in understanding the growth and development of exceptional children, including children with a disability, gifted and talented children and children who may require special education, and methods for identifying, planning for, and working effectively with special needs children in the regular classroom. An initial educator certificate for trade and industrial occupations in comprehensive high schools shall authorize the holder to teach in a comprehensive high school trade and industrial program in grades six to twelve, inclusive, except

such initial educator certificate for trade and industrial occupations in comprehensive high schools shall not be valid to teach in the Technical Education and Career System.

An applicant who is otherwise eligible for an initial educator certificate for trade and industrial occupations in comprehensive high schools, but is deficient in meeting the course requirements to the extent of not more than six semester hours of credit and a course of study in special education may be issued an interim educator certificate, valid for one year, which may be reissued for a second year by the Commissioner of Education.

HB 5523: AN ACT CONCERNING ALLOCATIONS OF FEDERAL AMERICAN RESCUE PLAN ACT FUNDS AND PROVISIONS RELATED TO GENERAL GOVERNMENT, HUMAN SERVICES, EDUCATION AND THE BIENNIUM ENDING JUNE 30, 2025. (The "Budget")

- Section 17: Requires the DOC commissioner to prepare and equip the department and its postsecondary education partners to use allocated funding under the vocational village program for programs that produce economic and other benefits, including inmate employment opportunities;
- Section 44 and 45: Modifies the Connecticut Hydrogen and Electric Automobile Purchase Rebate Program (CHEAPR) rebate amount for residents of environmental justice communities from up to 100% more than the standard rebate to at least 200% more than the standard rebate; requires certain proceeds from the Regional Greenhouse Gas Initiative to be used for the CHEAPR program (rather than the CHEAPR account) and other programs that support DEEP's engagement with environmental justice communities;
- Section 56: Extends, from five years to 10, the time period for which certain municipalities are deemed to be distressed municipalities after being removed from the annual list published by DECD; and
- Sections 82 to 85: Requires the Connecticut Municipal Redevelopment Authority (MRDA) to provide members, by request, assistance on developing project criteria and regulations to increase housing production; authorizes it to establish criteria to evaluate its projects' potential impacts; eliminates a requirement that members appoint a local development board.

KEY DEAD BILLS:

SB 135: AN ACT ESTABLISHING A MAXIMUM CHARGE FOR CERTAIN OCCUPATIONAL LICENSES, CERTIFICATIONS, PERMITS AND REGISTRATIONS

SB 135 would have capped at \$100 various Department of Consumer Protection (DCP) occupational registration, certification, and license fees. In general, the capped fees are annual credentialing fees for individuals, such as contractors in the trades.

Licenses, certification or registrations that would have been impacted include those for: public accountants, architects, real estate brokers, limited or unlimited contractor in the trades, tradespersons license, swimming pool builders, residential stair lift technicians, mechanical contractors, television and radio service dealers, telecommunications infrastructure layout technicians, landscape architects, new home construction contractors, home improvement contractors, community association managers, home inspectors, appraisers, and pharmacists.

The bill died in the house.

SB 157: AN ACT CONCERNING A RESEARCH AND DEVELOPMENT EXPENSE TAX CREDIT FOR PASS-THROUGH ENTITIES (DEAD)

SB 157 would have established a tax credit for research and development expenses for pass-through entity business in the state that would have created parity between pass-through entity business and businesses formed as corporations. Unfortunately, like all tax credit proposals this year, the bill died in the Finance, Revenue & Bonding Committee.

HB 5164: AN ACT CONCERNING UNEMPLOYMENT BENEFITS

HB 5164 would have allowed striking employees to access unemployment benefits after a period of two consecutive weeks of striking.

HB 5247: AN ACT CONCERNING EMPLOYEE HEALTH BENEFIT CONSORTIUMS (DEAD)

HB 5247 would have allowed small employers to band together through a trade association to offer fully-insured and self-funded health benefit plans. The bill fell victim to a disagreement between leadership of the Insurance and Real Estate Committee and heavy opposition from members of the Senate Democratic Caucus.

HB 5269: AN ACT CONCERNING NONCOMPETE AGREEMENTS (DEAD)

HB 5269 would have eliminated the use of non-compete agreements for 1. any hourly employee, 2. any salaried employee earning less than three times the minimum wage, or 3. independent contractors earning five times the minimum wage. Also, would have required that non-competes be provided to a prospective employee at least ten days before the deadline to accept an offer of employment. Imposed similar requirements on exclusivity agreements. The bill died in the Judiciary Committee. Despite this, you may want to seek legal guidance on use of noncompete agreements in the wake of the Federal Trade Commission rule banning agreements for all employees other than executives.

HB 5468: AN ACT CONCERNING TIME TO PLAN FOR SEPARATION FROM EMPLOYMENT

HB 5468 would have required employers to give their employees at least 12 months' notice before changing their policies on payments for unused accrued paid leave when an employee separates from employment.

Under the bill, “paid leave” includes compensatory time, vacation time, personal days off, or other paid time off.

The bill was not called for debate in the house.