

2017 State Legislative Session Wrap-Up

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This report, along with all testimony provided to the legislature and other HBRAC advocacy information is posted online at www.hbact.org/2017Session.

The regular state legislative session ended at midnight on June 7, five and a half months after it began in early January. **Given the new political dynamics after the Nov. 2016 election, few major issues were adopted, which some would say is success in and of itself.** The state Senate is tied with 18 Republicans and 18 Democrats. In the State House, Democrats hold a razor thin 79-72 majority that subjects their majority to only a 4-vote swing. And, Democrat Governor Malloy was at odds with legislators of both parties, including proposing a state budget that generated criticism from opposite ends of the political spectrum.

Dominating all other issues this year, again, is the worsening state budget deficit. For all advocates and organizations, it's been tough to break through the "noise" of budget talks. Democrats and Republicans in both the House and Senate as well as the Governor have all proposed different solutions to close the already massive and growing budget deficit. Most, but not all, realize that more revenues from higher taxes are not politically possible nor economically wise. Not resolved during the regular session, a special session to adopt a new state budget will be held sometime this summer. It's reported the various sides of the budget issues are still not close to agreement, with the Governor threatening to veto both Democrat and Republican proposed budgets.

Second tier yet highly lobbied and controversial issues consumed much of the legislature's remaining time. It did approve a third satellite casino in East Windsor to be operated by the Pequot and Mohegan Tribes. It passed a Constitutional lock box for transportation funds, although opposed by many Republicans who argued it was a lock box with the key held by the legislature, thereby defeating its purpose. The legislature passed legislation to regulate Uber drivers, addressing opioid prevention and addiction, and bail bond reform (a priority for Gov. Malloy).

In addition to items noted below under HBRAC's specific issues, the legislature failed to pass legislation addressing the following hotly debated topics: legalization of marijuana for recreational use, tolls on CT highways, police misconduct, Tesla direct sales, campaign finance reform, and workplace regulations (such as pay equity, paid family and medical leave, and a minimum wage increase to \$15/hr).

HBRAC's Specific Issues

While we worked on many issues throughout the session, the summary below is from our Issues List on which we focused our Annual Home Building Industry Day (HBID) at the Capitol, held on April 26. Many thanks to the members and sponsors who attended HBID and helped us bring our messages to legislators.

HBRAC Bills/Issues that Passed (HB = House Bill, SB = Senate Bill):

- **Sec. 30 of HB 7222 (Eff. 7-1-17).** The Dept of Public Health's jurisdiction to regulate small community wastewater system (i.e., traditional septic systems) was increased from 5,000 gpd

to 7,500 gpd. This means new housing communities of 50 bedrooms or less (versus 33 bedrooms or less) will be regulated by DPH. Larger communities will continue to be regulated by DEEP. We supported further changes, such as the same jurisdiction change for regulating alternative or advanced treatment (AT) systems, but DPH opposed going this far.

- **SB 944 (Eff. 7-1-17).** Strengthens the property rights enjoyed by owners of nonconforming uses, buildings or structures by adding the following underlined sentences to the Zoning Enabling Act's existing nonconformity provisions ("regulations" in this statute refers to local zoning regulations): Sec. 8-2: "... Such regulations shall not prohibit the continuance of any nonconforming use, building or structure existing at the time of the adoption of such regulations. Such regulations shall not provide for the termination of any nonconforming use solely as a result of nonuse for a specified period of time without regard to the intent of the property owner to maintain that use. Such regulations shall not terminate or deem abandoned a nonconforming use, building or structure unless the property owner of such use, building or structure voluntarily discontinues such use, building or structure and such discontinuance is accompanied by an intent to not reestablish such use, building or structure. The demolition or deconstruction of a nonconforming use, building or structure shall not by itself be evidence of such property owner's intent to not reestablish such use, building or structure."
- **HB 6880, (Eff. from passage).** Changes to 8-30g, Affordable Housing Appeals Act, that allow municipalities to more easily qualify for a temporary moratorium from the Act by allowing the construction of affordable housing or counting certain mobile home park units not previously eligible to be counted. No changes were made to the appeals process itself or the reasons a municipality can use to deny an 8-30g application. Much worse changes from SB 535 were not taken up by either chamber, except for a serious effort to include an inclusionary housing (IZ) requirement, which fortunately was not successful. The HBRACKT worked very hard explaining to legislative leaders and the Governor's office IZ's severe disruption to the housing marketplace.
- **HB 5584 (Eff. 10-1-17).** Establishes a small business hotline within DECD to assist businesses with advice on business formation, networking resources and financial assistance resources.
- **SB 353 (Eff. from passage).** Changes the licensed trade hiring ratio between journeyman and apprentices to 1:1 for the first three apprentice hires. Thereafter, the hiring ratio is 3 journeymen to 1 apprentice. Current law is 1:1 for the first two apprentice hires.

Bills/Issues that Did Not Pass

- **SB 1036, property tax exemption for homes under construction.** While the HBRACKT's top priority this session, we knew it was a long shot to get this one thru the process. It did pass the Planning & Development Committee unanimously, but legislators on both sides of the aisle in Appropriations were hesitant to place any more burden on municipalities, knowing that various budget versions would reduce state aid for them. It died there on an 11-36 vote.
- **SB 806 and HB 7175, crumbling concrete issues.** While we supported the creation of a fund to begin to help impacted homeowners (SB 806), we worked against ill-conceived new testing requirements to prevent future problems (HB 7175). Financial help for impacted homeowners did not obtain enough statewide support. And, SB 806's partial funding solution to add a \$12

annual charge to everyone's homeowners insurance policy met resistance from House leadership. There likely will be some relief in the special session to be held this summer. Competing versions of solutions to the crumbling concrete issue remain in play. An HBRAC suggestion that may be considered is the adoption of a training program for contractors so more builders can help fix impacted homes. The competition may help bring down costs.

On the requirement to test aggregates or even finished concrete for the mineral pyrrhotite, there was much misinformation at the beginning of the session that generated this proposal. However, the facts are that there is no standard pyrrhotite test in the U.S., Canada or elsewhere that can be used for batching concrete or for foundation construction. Nobody knows yet how much pyrrhotite is too much. And, tests to determine the presence of the mineral are unreliable at best. However, knowing that the issue has been caused by too much pyrrhotite in aggregates from the one known gravel pit that generated the problem, the logical solution to avoid future problems is to prevent those specific aggregates from being used in concrete batching.

- **SB 818, relief from penalties for first-time paperwork violations of state agency regulations.** While it passed the Senate 26-10 despite Sen. Ted Kennedy's misunderstanding and misrepresentation of the bill on the Senate floor, it was not taken up by the House.
- **HB 7063, requires plain language summary of proposed regulations and any compliance requirements on businesses or individuals.** The House amended the bill by adding the provisions of SB 818, and passed the amended bill 138-10, but it was not taken up in the Senate.
- **HB 6461, unemployment compensation reforms.** The Speaker of the House expressed concerns with the extent of the UC reforms in this bill and it was not taken up.
- **SB 747, requiring employers to provide work schedules to all employees 24 hours in advance.** Impossible to implement for most employers, especially in construction, it was not taken up in the Senate after the Labor Committee passed it on a 8-5 vote.
- **Favorable tax changes we supported** were not adopted (e.g., repeal of business entity tax, property tax exemption for the first \$10,000 in business personal property, and exempting all social security income from the state income tax). But, no tax or spending issues were taken up because of the failure to adopt a new state budget. These and many other tax changes could be included in the state budget to be adopted in special session.

As identified in the HBRA of CT's new strategic plan, approved by the state Board of Directors on May 10, effective advocacy is clearly the state association's number one goal. While a new plan is in place, our timeless mission remains the same: "Using Effective Advocacy and New Knowledge to Solve Our Member's Problems."

In the new strategic plan, we've identified a number of strategies to improve our advocacy program beyond its already excellent reputation. So, stay tuned for more great work to come, all of which will continually enhance the membership value proposition for all HBRA members. Working together as a strong organization, our new strategic plan and advocacy work will help fulfill our Vision: "Building CT's Economy, Communities & Better Lives, One Home at a Time."