

# The O'Leary Group, LLC

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## ACEC Legislative Update

### Transparency in Business

[S.B. 1037](#) AN ACT CONCERNING VERIFICATION OF CONTRACTOR EMPLOYEE ACTIVITY UNDER CERTAIN COMPUTER-RELATED STATE CONTRACTS. **(Bill Defeated)**

Transparency in Business was a concept introduced by a brand new, out of state vendor, which would require engineering companies and others to purchase their software to track and audit hours of work.

They hired two different lobbying firms to assist them in furthering this agenda. Through lobbying efforts and various testimony given by ACEC leadership, the bill was killed in the Government Administration and Elections Committee and never saw the light of either floor.

### State Contracting Standards Board

Three pieces of legislation were brought to the General Assembly in the 2019 legislative session. In summary, although we would like to see the SCSB eliminated, two bills enhancing the power and funding were killed. A third bill, H.B. 7087, passed and merely formalized what they are already authorized to do.

[S.B. 917](#) AN ACT CONCERNING THE STATE CONTRACTING STANDARDS BOARD AND REQUIREMENTS FOR PRIVATIZATION CONTRACTS. **(Bill Defeated)**

[H.B. 5418](#) AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE STATE CONTRACTING STANDARDS BOARD. **(Bill Defeated)**

[H.B. 7087](#) AN ACT CONCERNING THE REPORTING OF THE TRIENNIAL AUDIT OF STATE CONTRACTING AGENCIES BY THE STATE CONTRACTING STANDARDS BOARD.

### Budget

[H.B. 7424](#) AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH, 2021, AND MAKING APPROPRIATIONS THEREFOR, AND IMPLEMENTING PROVISIONS OF THE BUDGET.

The General Assembly's Democratic leaders, including Governor Lamont, agreed on a budget deal a week before the close of the legislative session. The early introduction of the budget left just enough time for both the House and Senate to pass this \$43 billion budget bill.

- ◇ Does NOT raise the income tax on the wealthy
- ◇ Does NOT include a sugary beverage or sugary snack tax
- ◇ DOES include new state wide tax on the sale of expensive homes
- ◇ Expands sales tax (Sec. 325 & 326)

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- ◇ Examples:
  - ◆ Dry cleaning services and laundry services, excluding coin- operated services
  - ◆ Interior design services
  - ◆ 10- cent surcharge on single use plastic bag
  - ◆ Parking
- ◇ Cities and town will continue to see state-funded aid and will not hold the burden of paying a portion of the teachers’ pension.

## Sales Tax on Engineering Services (Eliminated)

Early in the session, the Governor proposed his draft of the statewide budget. Included, was a sales tax on engineering services, among others. Through our work with OPM Undersecretary, Jonathan Harris, we were able to convince then to eliminate the sales tax on engineering services. In the final budget, this and a few other services were eliminated while other new fees were retained.

### Financial Summary

#### SUMMARY OF GENERAL FUND REVENUE RECOMMENDATIONS (In Millions)

Tax Type	Legislative Proposals	Eff. Date	Fiscal 2020	Fiscal 2021
<b>Personal Income Tax</b>	New credit when property taxes exceed 6.5% of AGI	1/1/2023	\$ -	\$ -
	Eliminate increased exemption for social security income	1/1/2019	24.2	17.4
	Eliminate exemption for pension and annuity income	1/1/2019	32.8	41.1
	Eliminate 5 year, \$500 credit for STEM college graduates	1/1/2019	3.9	7.9
	Permanently cap teachers' pension exemption at 25%	1/1/2019	8.0	8.0
	Subtotal Personal Income Tax		\$ 68.9	\$ 74.4
<b>Sales and Use Tax</b>	Eliminate the sales tax free week	7/1/2019	4.9	5.0
	Expand to legal services	1/1/2020	35.3	71.7
	Expand to accounting services	1/1/2020	5.0	10.2
	Expand to architectural services	1/1/2020	5.7	11.6
	<b>Expand to engineering services</b>	<b>1/1/2020</b>	<b>21.1</b>	<b>42.7</b>
	Expand to interior design services	1/1/2020	1.9	3.9
	Expand to real estate activities and agents/brokers	1/1/2020	33.8	68.6

## Firm Ownership

### H.B. 7299 AN ACT MAKING CHANGES TO DEPARTMENT OF CONSUMER PROTECTION ENFORCEMENT STATUTES.

In a concept that has been in the works for a couple of years, we worked with Atty. Don Doeg and lobbied DCP and their liaison Leslie O’Brien to get the matter finally resolved. H.B. 7299 was the big DCP bill and took care of the firm ownership issue once and for all.

## Tolls

Four possible tolling bills were voted out of the Transportation Committee early this session. Governor Lamont made it very clear to the members of the General Assembly that this is his top priority. This goes against his campaign promise of only tolling trucks. With a vast amount of push back from Connecticut republican’s, these bills have not come up for a vote and are still being drafted. These concepts will likely be heard in the summer special session.

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[S.B. 423](#) AN ACT CONCERNING FUNDING FOR CONNECTICUT'S TRANSPORTATION FUTURE.

[S.B. 1121](#) AN ACT CONCERNING PRIORITIZE PROGRESS.

[H.B. 7202](#) AN ACT CONCERNING THE SUSTAINABILITY OF CONNECTICUT'S TRANSPORTATION INFRASTRUCTURE.

[H.B. 7280](#) AN ACT CONCERNING SUPPORT FOR TRANSPORTATION INFRASTRUCTURE AND THE CREATION OF THE CONNECTICUT TRANSPORTATION FINANCE AUTHORITY.

## **Paid Family Medical Leave**

[S.B. 1](#) AN ACT CONCERNING PAID FAMILY AND MEDICAL LEAVE.

The paid family medical leave program would provide up to 12 weeks of partial wages to allow employees to take time off to care for a newborn child, an ailing relative, partner or close friend, or to deal with their illness.

- ◇ Funded by a payroll tax of one-half of one percent
- ◇ Employees can take up to three months a year
- ◇ Employees will be paid their salary a week, up to \$900.00
- ◇ Creates a 13-member quasi-public board that will oversee the program
- ◇ Gives the Governor the majority of the appointees to the board, swaying him away from a veto.

## **Increase in Minimum Wage**

[H.B. 5004](#) AN ACT INCREASING THE MINIMUM FAIR WAGE.

This legislation, already signed by Governor Lamont will increase the minimum hourly wage in Connecticut to \$15.00 through a series of gradual increases over the next several years, with the first one taking place this November. After the scheduled increases take effect, the new law requires the minimum wage to grow according to [federal economic indicators](#).

The new law requires the minimum wage to increase from its current level of \$10.10 to:

- ◇ \$11.00 on October 1, 2019;
- ◇ \$12.00 on September 1, 2020;
- ◇ \$13.00 on August 1, 2021;
- ◇ \$14.00 on July 1, 2022; and
- ◇ \$15.00 on June 1, 2023.

## **Special Session**

The 2019 Special Legislative Session has a tentative date of Summer 2019.

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[S.J. 44](#) RESOLUTION CONVENING THE GENERAL ASSEMBLY IN SPECIAL SESSION.