



CRCOG Weekly Legislative Report

2019 Legislative Session

May 23, 2019

Weekly Legislative Feature Issues:

There are less than two weeks left in the legislative session and the Connecticut General Assembly is working diligently in legislative session to pass bills.

There was one bill of particular note that the Senate debated on Wednesday, May 22nd for six and a half hours, [SB No. 1: AN ACT CONCERNING PAID FAMILY AND MEDICAL LEAVE](#), as amended by Senate Amendment Schedule A, [LCO No. 9302](#).

The Senate voted 21-15 to pass this bill out of the Senate and on to the House. Speaker of the House, Joe Aresimowicz said that this “may be an issue we have to caucus again. I’ve always said getting the bill to pass both chambers and getting the governor’s signature is very important. I’m not willing to wait on FMLA for the residents of the state of Connecticut, but we have to ensure we’re doing it the right way.

Governor Lamont in a press conference before the Senate convened stated that while he supports the implementation of paid family and medical leave throughout the state and several of the fundamental elements of the Senate bill, he cannot support the bill that the Senate will bring to the floor for debate.

For more detailed coverage of this action surrounding this bill, you can access the following article at this link: [CTNewsJunkie: Senate Sends Paid FMLA to House](#).

This past week has revealed new developments of particular interest to you:

AG: Bond Commission Bill would Violate Constitution

The Bond Commission Bill was passed by the Finance, Revenue, and Bonding Committee. Currently, the governor sets the agenda for the bond commission. The bill would shift control of the State Bond Commission from the executive branch to the legislative branch. Attorney General William Tong argues that this bill is unconstitutional for two main reasons:

1. Violates the separation of powers and does not allow the executive branch to execute laws concerned with bonds.
2. Violates the Constitution's presentment Clause which requires that a bill is passed both chambers of the General Assembly then presented to the governor for signature or veto. Tong claims that the bill would omit that process and allow a small group of legislators to act independently.

The bill has passed committee on a 46-4 vote and awaits action in the Senate. Governor Lamont's office supports the points that Attorney General Tong made and agrees that the bill is likely unconstitutional.

[Journal Inquirer: AG: Bond Commission Bill Would Violate Constitution](#)

Lamont's First Budget Could Hinge on Progressive Taxes

There has been a lot of controversy surrounding Governor Ned Lamont as he completes his first state budget. Although the governor campaigned on a pledge to not raise income tax, he avoided that option when he proposed his budget. Governor Lamont claims that taxing the rich is a bad idea, because it will result in Connecticut's biggest taxpayers moving out of the state. Some legislators believe that Lamont's plan is "too regressive." Hundreds of millions of dollars would be raised by canceling many sales tax exemptions. A new tax would be imposed on sugary beverages and municipalities would be forced to contribute to the teachers' pension fund.

The Finance panel proposed a less drastic sales tax expansion, dropping the sugary beverage tax and teachers' pension bills. The committee also proposed a tax hike on capital gains only for households already paying the maximum state income tax rate. The Finance, Revenue, & Bonding Committee expects the tax on capital gains to raise \$262 million per year by 2020-21. Sources say that private conversations between administration and legislative leaders include a scaled back surcharge on particular short-term capital gains defined as investments held for less than one year. This surcharge would bring in an estimated revenue of \$50 million per year, leaving Lamont over \$210 million in revenue and savings to balance into the budget.

If the governor and legislators cannot agree on taxing the rich, the middle class may be taxed going against Lamont's promise for property tax breaks for low and middle class households. Governor Lamont has proposed restoring the eligibility for low and middle income households without children to reduce their state income tax obligations by up to \$200. This proposal is now in jeopardy as the governor and legislators discuss alternatives.

House and Senate Democrats have continued to push for taxes on the wealthy since the start of the legislative session. These taxes can potentially be used to fund education, health care, municipalities, and more. Democrats have also proposed a 3-2-1 plan to boost marginal rates on state income tax. With this plan, couples earning:

- More than \$5 million would pay 9.99 percent
- More than \$1 million would pay 8.99 percent
- More than \$500,000 would pay 7.99 percent

There is also a "mansion tax," a statewide property tax of one mill for homes valued at or more than \$1 million. This mansion tax is estimated to bring in \$59 million per year.

Republicans in both chambers have offered no alternative budget and have admitted that they will vote against any plan with tax hikes. The Governor and Democrats of both chambers are left to resolve the budget on their own. Aresimowicz and Ritter have declined speculation on what will end up in the final plan. However, Democrats remain willing to work with the governor and are optimistic that they can gather the necessary votes.

[CT Mirror: Lamont's First Budget Could Hinge on Progressive Taxes](#)

Editorial: Little to Show of Lamont's Structural Change Agenda

Months have passed since Governor Ned Lamont has introduced his first budget address. Sadly, with only two weeks left of the legislative session, there has been little structural change.

Governor Lamont has told lawmakers that he plans to prioritize the teachers' pension fund. However, fellow Democratic legislators have rejected the governor's call for wealthy towns to start contributing to the pension fund for public school teachers. Trying to meet the governor's goal will take up a large portion of state funding.

Governor Lamont has counted on some "modest" concessions from state labor. The governor's call to adjust living costs for state retirees has been rejected. Governor Lamont has also proposed to set limits on what the state will pay out to hospitals, doctors, and particular medical procedures. Currently, the

state is required to pay whatever is charged and pensioners have no limitations on who they see for care. This call is not yet off the table but it seeming less likely as session days dwindle.

Governor Lamont has been getting pushback from Democratic legislators. It appears that legislators do not plan to address pension and debt obligations that will take up about one-third of the state's budget. The governor has proposed to cancel sales tax exemptions for large segments of the service industry.

The Finance, Revenue, and Bonding Committee has introduced a more modest sales tax expansion. Democratic legislators argue that the wealthy households can afford to pay more and still live lavish lifestyles. The governor worries that this tax hike will drive the highest taxpayers out of the state.

Republicans have refused to offer an alternative plan and will not support tax hikes leaves the governor and Democrats to resolve the budget alone. If Governor Lamont does not take a stand, we will end up with the same, mediocre budget we have seen in prior years.

[The Day: Little to Show of Lamont's Structural Change Agenda](#)

Lamont Leaves Tolls for Special Session

On Tuesday, Governor Ned Lamont admitted that the 2019 General Assembly session will end on June 5th without a vote on highway tolls. Governor Lamont plans to shift his focus onto developing a reliable budget that will serve as a fiscal blueprint for the next two years. The vote on highway tolls will be discussed during a special session.

Later Tuesday, Governor Lamont released a draft of the tolls bill. In the bill, the governor gives oversight to a Connecticut Transportation Commission made up of six lawmakers, six administration officials or appointees, and the state treasurer. It would be considered a legislative agency. The bill was the work of the administration and the co-chairs of the legislature's Transportation Committee.

Governor Lamont has suggested that his acceptance of a special election for tolls is a result of Senate Minority Leader Len Fasano-R of North Haven and House Minority Leader Themis Klarides- R of Derby.

The governor's plan to place tolls on the Merritt Parkway and Interstates 84,91, and 85 may be difficult. For passage, Lamont needs to win over 76 of 91 House Democrats and at least 18 of 22 Senate Democrats.

The bill would establish toll rates of 4.4 cents per mile for peak travel and 3.5 cents for off peak. The Department of Transportation would have the authority to vary the rates by 30 cents above or below published rates to account for any congestion pricing agreements with the Federal Highway Administration.

Pricing would be frozen for three years, then would be under the control of the Connecticut Transportation Commission. The bill requires discounts for state drivers and creates a way to lower fuel taxes if fiscal conditions permit. There are nine listed projects that need to be funded such as the Gold Star Memorial Bridge, the I-84 Viaduct, and improvements to I-95 at various exits.

[CT Mirror: Lamont Leaves Tolls for Special Session](#)

Tracked Bills:

Please see attached document.