



CONNECTICUT MORTGAGE BANKERS ASSOCIATION 2019 LEGISLATIVE REPORT

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Mortgage Lending

HB 6996 AN ACT EXTENDING THE FORECLOSURE MEDIATION PROGRAM.

This bill, which passed in concurrence, extends the state's foreclosure mediation program for four years, until July 1, 2023, at which time the court may not accept new mediation requests.

Under current law, the court may not accept mediation requests on or after July 1, 2019. The bill also designates the program as the "Ezequiel Santiago Foreclosure Mediation Program."

EFFECTIVE DATE: Upon passage

Status: Passed in concurrence.

Bill language as amended:

<https://www.cga.ct.gov/2019/amd/H/pdf/2019HB-06996-R00HA-AMD.pdf>

SB 320 AN ACT CONCERNING REAL ESTATE CLOSINGS AND ATTORNEYS AND LAW FIRMS PREFERRED BY MORTGAGE LENDERS.

This bill passed in concurrence, but only after being significantly amended.

The bill in its original form would have:

1. require anyone representing the legal interests of a party in a real estate transaction closing to be a Connecticut-admitted attorney in good standing, and
2. prohibited a mortgage lender from inducing or requiring a prospective mortgagor (i.e., borrower) to use an attorney or law firm the lender prefers (e.g., preferred attorney lists).

As originally drafted, a "real estate transaction" was defined as any transaction affecting the title to, or interest in, real property in Connecticut, including a mortgage refinance transaction.

Under the bill as amended, a "real estate closing" is a closing for the following:

1. A mortgage loan, excluding a home equity line of credit or other loan that is secured by real property in the state but does not require the issuance of a lender's or mortgagee's title insurance policy or
2. Any transaction where consideration is paid to change ownership of real property.

The amended version also eliminated the provision in the underlying bill prohibiting mortgage lenders from inducing or requiring a borrower to use specific attorneys or law firms (e.g., preferred attorney lists).

EFFECTIVE DATE: October 1, 2019

Status: Passed in concurrence.

Bill language as amended:

<https://www.cga.ct.gov/2019/ACT/pa/pdf/2019PA-00088-ROOSB-00320-PA.pdf>

SB 347 AN ACT CONCERNING CONTRACTS FOR THE SALE OF REAL PROPERTY LOCATED IN THIS STATE.

This bill, which did not pass, would have prohibited certain financial institutions, through contracts with a person purchasing real estate in Connecticut, from including a provision giving the buyer the option of using the institution's preferred provider of services that are essential to a real estate closing. These services include attorney, title insurance, or escrow services, or any other services the institution offers to provide on the buyer's behalf related to the closing.

Status: Failed to pass. Likely to be considered again in 2020.

SB 911 AN ACT CONCERNING THE OPENING OF A JUDGMENT OF STRICT

This bill, which failed to pass, would have limited the ways in which a judgment of strict foreclosure can be opened in a bankruptcy proceeding. Under current law, any bankruptcy petition, even one that does not invoke a bankruptcy stay, automatically opens a judgment of strict foreclosure. The bill would have prohibited the opening of a judgment of strict foreclosure unless an automatic bankruptcy stay arises upon the filing of a bankruptcy petition under the bankruptcy code.

Status: Failed to pass. Likely to be considered again in 2020.

HB 5254 AN ACT ESTABLISHING A PILOT PROGRAM AUTHORIZING MUNICIPALITIES TO IMPOSE A BUYERS CONVEYANCE FEE ON REAL PROPERTY TO FUND THE PURCHASE AND STEWARDSHIP OF OPEN SPACE.

This bill, which did not pass, would have enable certain municipalities to impose a conveyance tax on certain real property sales in order to generate funds for the preservation of open space.

Status: Failed to pass. Likely to be considered again in 2020.

SB 1135 AN ACT CONCERNING THE MUNICIPAL INTEREST RATE APPLICABLE TO DELINQUENT PROPERTY TAXES.

This bill, which did not pass, would have given municipalities the option of reducing the interest rate they charge on delinquent property taxes.

Under current law, property taxes accrue interest at a rate of 1.5% per month (18% per year) for each month or part of a month that elapses between the due date and the payment date.

The bill would have allowed a municipality, by vote of its legislative body to approve a rate of less than 18%.

Status: Failed to pass. Likely to be considered again in 2020.

HB 5974 AN ACT REQUIRING ACCEPTANCE OF PERIODIC AND PARTIAL PAYMENTS ON CERTAIN MORTGAGE LOANS ISSUED BY CONNECTICUT BANKS AND CONNECTICUT CREDIT UNIONS.

This bill, which did not pass, would have required Connecticut banks and credit unions to accept and credit, or treat as credited, periodic or partial payments on residential mortgage loans in accordance with the loans' terms.

Status: Failed to pass. Moderate chance to be considered in 2020.

HB 7178 AN ACT CONCERNING DISCLOSURES BY REAL ESTATE BROKERS AND SALESPERSONS.

This bill, which passed in concurrence, delays when a licensed real estate broker or salesperson acting as an agent must disclose whom he or she represents, thus applying to residential real estate transactions the same representation disclosure requirement existing law applies to commercial transactions.

Under current law, a broker or salesperson acting as an agent in a residential real estate (i.e., one- to four-family residential real property located in the state) transaction must disclose in writing whom he or she represents at the beginning of the first personal meeting about a (a) purchaser's or lessee's specific needs or (b) seller's or lessor's real property. The bill instead requires this disclosure to be made before a prospective purchaser or lessee signs the purchase contract or lease, respectively.

By law, the disclosure (1) is not required if the other party to the transaction is represented by another real estate broker or salesperson and (2) must be attached to any offer or agreement and signed by the prospective purchaser or lessee.

The bill also allows, rather than requires, the consumer protection commissioner to adopt implementing regulations for residential and commercial representation disclosures.

EFFECTIVE DATE: January 1, 2020

Status: Passed in concurrence.

Bill language:

<https://www.cga.ct.gov/2019/FC/pdf/2019HB-07178-R000348-FC.PDF>

SB 810 AN ACT PROHIBITING CERTAIN MORTGAGE LENDERS FROM CHARGING FEES TO BORROWERS AFTER RECEIVING A PAYMENT TO REINSTATE THE MORTGAGE.

This bill, which did not pass, would have required Connecticut banks and credit unions amount due on a reinstatement payment statement as long as the payment is made on or before the day the statement expires.

The bill also would have prohibited mortgagees from charging the mortgagor for any costs, expenses, or attorneys' fees incurred due to the mortgagor's default unless they were included on the reinstatement payment statement.

Status: Failed to pass. Likely to be considered again in 2020.

Crumbling Foundations

HB 7179 AN ACT CONCERNING CRUMBLING CONCRETE FOUNDATIONS.

This bill, which passed in concurrence, makes comprehensive changes to various statutes regarding crumbling concrete foundations. Those changes include:

- **Condominiums** - Changes the definition of "residential building" to include, among other things, buildings containing more than four condominium units. This change makes more buildings and building owners eligible for several assistance programs to support repairing or replacing concrete foundations that are crumbling due to the presence of pyrrhotite.
- **Technology Grant Program** - Establishes a concrete foundation replacement technology grant program to support ways to reduce the cost of repairing or replacing crumbling concrete foundations. The bill (1) appropriates \$8 million from the General Fund in FY 20 for these grants and (2) requires the Connecticut Foundations Solutions Indemnity Company (CFSIC) to assess and approve grant applications.
- Makes changes to the \$12 Healthy Homes Fund insurance surcharge, including by (1) changing when and on whom the surcharge is assessed and (2) requiring surplus lines brokers to collect and remit the surcharge on applicable policies.
- **Collapsing Foundation Supplemental Loan Program** - Requires the Connecticut Housing Finance Authority (CHFA) to administer a collapsing foundation supplemental loan program. Under the program, CHFA guarantees loans made by banks and credit unions in Connecticut to owners of residential buildings with pyrrhotite-damaged concrete foundations who are qualified to receive funds from Connecticut Foundation Solutions Indemnity Corporation.

Banks and credit unions with a physical location in Connecticut may participate in the program after providing advanced written notice to CHFA and the Department of Banking (DOB), on a form and manner they prescribe that includes the financial institution's contact information.

Participating institutions may issue loans of up to \$75,000, capped at an aggregate maximum of \$20 million for all loans. The loans have a maximum closing cost of \$800 and an interest rate equal to or less than that of a loan with similar terms and schedule offered by the Federal Home Loan Bank of Boston for Amortizing Advances through the New England Fund.

The loan program ends once CHFA processes and the comptroller pays \$2 million in claim guarantees. CHFA must then (1) stop all claims processing and (2) notify the comptroller and each eligible financial institution.

The bill (1) allows CHFA, DOB, and the comptroller to enter into a memorandum of understanding to implement the loan program.

- **Property Disclosure Report** - The bill also requires residential properties acquired by a judgement of strict foreclosure, foreclosure by sale or by deed in lieu of foreclosure to complete a newly created form regarding the properties foundation and the potential existence of the chemical pyrrhotite.

Completion of the form would only be required for those properties located in municipalities that have been identified by the Capitol Region Council Governments as being effected or have potential to be affected by crumbling foundations.

This bill allows buyers of residential real property to bring a civil suit to recover damages from any seller who fails to disclose actual knowledge of significant defects in the property as required by the residential disclosure report.

Original versions of the property disclosure report would have required sellers of foreclosed properties, regardless of their location, to complete the entire property disclosure report.

EFFECTIVE DATE: July 1, 2019, except for the Healthy Homes Fund surcharge and conforming provisions that are effective upon passage.

Status: Passed in concurrence.

Bill language as amended:

<https://www.cga.ct.gov/2019/amd/H/pdf/2019HB-07179-R00HA-AMD.pdf>

HB 5163 AN ACT CONCERNING DEFICIENCY JUDGMENTS AND RESIDENTIAL PROPERTIES WITH A CONCRETE FOUNDATION AFFECTED BY PYRRHOTITE.

This bill, which did not pass, would have prohibited a court from granting a deficiency judgement as a part of a mortgage foreclosure proceeding on a residential mortgage loan originated on or after October 1, 2019, where the mortgaged property has a concrete foundation that has deteriorated due to pyrrhotite.

The bill also have prohibited:

1. Mortgage lenders, correspondent lenders, or servicers from reporting to a credit rating agency or otherwise publicly disclosing that a residential mortgage loan entered on or after October 1, 2019, is subject to a deficiency judgement where the mortgaged property has a deteriorated concrete foundation due to pyrrhotite; and

2. Mortgage lenders or correspondent lenders from denying a residential mortgage loan application on the sole basis that the applicant was previously involved in certain actions involving residential real estate with a concrete foundation that deteriorated due to pyrrhotite.

Status: Failed to pass. Unlikely to be considered again in 2020.

Debt

HB 5681 AN ACT REQUIRING CERTAIN LENDERS AND CREDITORS TO REPORT THE FAVORABLE PAYMENT HISTORY OF DEBTORS WHO HAVE FILED A PETITION FOR BANKRUPTCY.

This bill, which did not pass, would have required creditors to report favorable payment histories of consumer debtors who have filed bankruptcy petitions to a nationally recognized consumer credit agency within 30 days after receiving a regular monthly or other periodic payment on a debt secured by a debtor's personal property.

Status: Failed to pass. Likely to be considered again in 2020.

HB 7236 AN ACT CONCERNING PROPERTY THAT IS EXEMPT FROM A JUDGMENT CREDITOR.

This bill, which did not pass, would have increased the homestead exemption. Under the bill, the value of an individual's homestead up to \$150,000 is exempt from execution. Current law exempts (1) \$75,000 or (2) \$125,000 if the money judgement is due to services provided at a hospital.

The bill also would have doubled, to \$7,000, the value of a motor vehicle exempt from execution.

Status: Failed to pass. Unlikely to be considered again in 2020.

Power of Attorney

SB 190 AN ACT REQUIRING FINANCIAL INSTITUTIONS TO ACCEPT PROPERLY EXECUTED POWERS OF ATTORNEY.

This bill, which did not pass, would have required a financial institution to accept an acknowledged power of attorney (POA) if it is prepared in the state statutory form for financial accounts or pursuant to the Connecticut Uniform Power of Attorney.

Under current law, anyone, including a financial institution, who is asked to accept a POA must, within seven business days of being presented with it, either accept it or ask for a certification, an English translation, or an attorney's opinion about it. And if the person asks for one of the three documents, then the POA must be accepted within five business days after receiving the requested document.

The bill would have eliminated this process for financial institutions only. Instead, a financial institution would have been required to accept a POA at the time it is presented for acceptance, regardless of whether or not the institution asks for a certification, translation, or attorney opinion. Under the bill, a financial institution could still ask for the documents, but it cannot refuse a POA or delay its acceptance without such documents.

Status: Failed to pass. Likely to be considered again in 2020.

SB 833 AN ACT CONCERNING VALIDATION OF CONVEYANCE DEFECTS ASSOCIATED WITH AN INSTRUMENT THAT WAS EXECUTED PURSUANT TO A POWER OF ATTORNEY.

This bill, which passed in concurrence, validates documents that convey, lease, mortgage, or affect a real estate interest recorded after January 1, 1997 if they are executed pursuant to a recorded power of attorney but the power of attorney is not recorded on the land records of the town where the instrument is recorded. These documents include deeds, mortgages, leases, powers of attorney, releases, assignments, and other instruments.

The bill does not validate documents with this defect if:

1. A legal proceeding to avoid and set aside the document has begun and a notice of *lis pendens* (i.e., pending legal action) has been recorded on the town's land records within 15 years after the challenged document is recorded or

2. The document fails to state consideration reflecting fair market value.

The bill's provisions do not apply to any conveyance where the document is executed by a fiduciary who is the grantee, mortgagee, leasee, release, or assignee designated in the document.

EFFECTIVE DATE: October 1, 2019

Status: Passed in concurrence.

Bill language:

<https://www.cga.ct.gov/2019/ACT/pa/pdf/2019PA-00085-R00SB-00833-PA.pdf>

Blight / Abandon Property

HB 7388 AN ACT PROTECTING A MORTGAGOR FROM AN UNREASONABLE INVASION OF HIS OR HER PRIVACY BY A MORTGAGE HOLDER.

This bill, which did not pass, would have prohibited the following actions:

1. An owner or servicer of a debt secured by a first mortgage (i.e., “mortgagee”) on a one-to-four-family residential dwelling from entering the secured property without permission or a court order and
2. Beginning October 1, 2019, a mortgagee from requiring, as a condition for obtaining a residential real property loan, a mortgagor to give it or its assignee the right to enter the property without permission or a court order.

The bill also specified that residential mortgage “property preservation clauses” giving mortgagees the right to secure, preserve, or protect property do not permit a mortgagee or its agents, employees, or representatives from entering the property involved without permission or a court order.

Status: Failed to pass. Likely to be considered again in 2020.

SB 1070 AN ACT CONCERNING ABANDONED AND BLIGHTED PROPERTY STEWARDSHIP.

This bill, which passed in concurrence, establishes a mechanism to rehabilitate abandoned properties in municipalities with populations of at least 35,000 by providing that if an owner of a residential, commercial, or industrial building fails to maintain it in accordance with applicable municipal codes, the Superior Court may appoint a receiver to make the necessary improvements.

Under the bill, “owners” are holders of legal title to, or of a legal or equitable interest in, a building. (Owners include heirs, assignees, trustees, beneficiaries, or building lessees, if the interest is a matter of public record). A “receiver” is a person or entity that takes possession of a building under the bill’s provisions to rehabilitate or otherwise dispose of it.

Lienholders and individuals and entities with development capacity may seek to be appointed as the receiver and, once appointed, are granted extensive powers to rehabilitate the property pursuant to a court-approved plan.

Once the property is rehabilitated, the court may approve its sale, free of any encumbrances. The bill (1) establishes a process for distributing sale proceeds and (2) requires the receiver to draft a deed after the sale that states that (a) recognizable and

marketable title to the property is vested in the purchasers and (b) prior ownership interests are extinguished.

EFFECTIVE DATE: January 1, 2020

Status: Passed in concurrence.

Bill language:

<https://www.cga.ct.gov/2019/ACT/pa/pdf/2019PA-00092-R00SB-01070-PA.pdf>

Summary of the legislation:

<https://www.cga.ct.gov/2019/BA/pdf/2019SB-01070-R02-BA.pdf>

HB 7277 AN ACT CONCERNING THE CREATION OF LAND BANK AUTHORITIES.

This bill, which passed in concurrence, establishes a framework for municipalities, either on their own or jointly with other municipalities, to create nonprofit land bank authorities (“authorities”) to acquire, maintain, and dispose of real property, except for brownfields (i.e., abandoned or underused sites where actual or potential pollution prevents redevelopment, reuse, or expansion).

It requires each authority to be governed by a board of directors and gives the board broad powers to carry out the authority’s purposes, including the power to enter into contracts and borrow money. It also gives authorities specific powers to acquire and dispose of property.

The bill exempts from state and local taxes any real property and interest in real property (“real property”) an authority holds and income it derives from the property. For any property conveyed by an authority, the bill requires municipalities to remit to the authority 50% of the taxes they collect on the property in the following five years. It also allows them to issue revenue bonds backed by the revenue from their assets (i.e., property sales).

EFFECTIVE DATE: Upon passage

Status: Passed in concurrence.

Bill language as amended:

<https://www.cga.ct.gov/2019/amd/H/pdf/2019HB-07277-R00HA-AMD.pdf>

State Budget

HB 7424 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH, 2021, AND MAKING APPROPRIATIONS THEREFOR, AND IMPLEMENTING PROVISIONS OF THE BUDGET.

This bill, which passed in concurrence, constitutes the State's biennial budget for fiscal years 2020-21.

The two-year \$43 billion budget makes the following tax policy changes:

- Caps on the amount of tax liability that can be used for the pass-through entity income tax credit at 87 percent down from the current cap of 93 percent;
- Imposes a 2% "mansion tax" on the sale of homes over \$2.5 million; and
- Imposes a 10-cent tax on plastic bags.
- Increases, from 1% to 6.35%, the sales and use tax rate on digital goods and certain electronically delivered software.
- Increases, from 6.35% to 7.35%, the sales and use tax rate on sales of (1) meals sold by eating establishments, caterers, or grocery stores and (2) liquors, soft drinks, sodas, and beverages ordinarily dispensed at, or in connection with, bars and soda fountains.
- Exempts from the real estate conveyance tax transfers of certain principal residences with concrete foundations that have deteriorated due to the presence of pyrrhotite.
- Sunsets the \$250 business entity tax beginning January 1, 2020.
- Extends the 10% corporation business tax surcharge for two additional years, to the 2019 and 2020 income years.
- Narrows sales tax expansion to dry cleaning, parking, and interior design services.

The bill also requires the Department of revenue services to study the following:

- Implementing a payroll tax;
- Implementing real-time sales tax remittance for certified service providers.

Another key element to the budget was the agreement between the hospitals and the Lamont administration. In general, the hospitals agreed to drop their 4-year lawsuit against the state in exchange for \$160 million in Medicaid supplemental payments and some unspecified changes in the hospital tax. The hospital tax/payment issue was responsible for nearly \$1 billion of the estimated \$1.5 billion FY20 budget deficit. Funds to cover this two-year agreement will come from the projected surplus.

An additional major item contained in this bill is a set aside of \$381 million in reserves that will be used to shift billions of dollars in state contributions owed to the teachers' pension fund between now and 2032 out to 2033 through 2049. This will allow for a leveling out of pension payments over a longer period of time but will result in millions more to be paid in debt service.

The Governor's request that town's pick up a portion of the teacher's pension payments was not included in the final version of the bill.

Lastly, the bill also calls upon the Comptroller's Office to find \$512.4 million in savings over the next two years in state employee pension and healthcare costs by requiring the office to negotiate provider payment agreements that will reduce expenses and restructure pension liabilities. It is unclear as to whether or not the state employee unions will agree to such savings.

Status: Passed in concurrence.

Bill language:

<https://www.cga.ct.gov/2019/ACT/pa/pdf/2019PA-00117-R00HB-07424-PA.pdf>

Summary of the legislation:

<https://www.cga.ct.gov/2019/BA/pdf/2019HB-07424-R01-BA.pdf>

Tolls

HB 7280 AN ACT CONCERNING SUPPORT FOR TRANSPORTATION INFRASTRUCTURE AND THE CREATION OF THE CONNECTICUT TRANSPORTATION FINANCE AUTHORITY.

The bill, which did not pass, would have established a two-step process for authorizing tolling by requiring the Department of Transportation (DOT) to develop a toll proposal and then submit it to the legislature for final approval.

The bill limited the DOT tolling proposal to I-95, I-91, I-84, and Route 15.

The DOT proposal would be deemed approved when (1) it was adopted by a majority vote in both the house and senate or (2) be deemed approved if the legislature fail to vote on the proposal within a specified timeframe.

Status: Failed to pass. Likely to be considered again in 2020.

Sports Betting

HB 7331 AN ACT CONCERNING SPORTS WAGERING IN THE STATE.

This bill, which did not pass, would have established a regulatory framework for sports wagering, once new tribal-state compacts are negotiated.

Status: Failed to pass. Likely to be considered again in 2020.

Recreational Marijuana

HB 7371 AN ACT CONCERNING THE RETAIL SALE OF CANNABIS.

This bill, which did not pass, would have established the regulatory structure to allow consumers over age 21 to purchase cannabis from a licensed retailer. The bill would have established a Cannabis Commission, within the Department of Consumer Protection, to among other things, issue licenses to retailers, manufacturers, cultivators, and laboratories.

Status: Failed to pass. Likely to be considered again in 2020.

Human Resources

HB 5004 AN ACT INCREASING THE MINIMUM FAIR WAGE.

This bill, which has been signed into law, increases the state's minimum hourly wage from its current \$10.10 to (1) \$11.00 on October 1, 2019; (2) \$12.00 on September 1, 2020; (3) \$13.00 on August 1, 2021; (4) \$14.00 on July 1, 2022; and (5) \$15.00 on June 1, 2023.

Beginning January 1, 2024, it indexes future annual minimum wage changes to the federal employment cost index (ECI). Starting on January 1, 2024, and by each January 1 after that, the bill requires the minimum wage to be adjusted by the percent change in the ECI (or its successor index) for all civilian workers' wages and salaries over the 12-month period ending on June 30 of the preceding year, as calculated by the U.S. Department of Labor (USDOL). In general, the ECI is a quarterly measure of the change in the cost of labor prepared by USDOL's Bureau of Labor Statistics.

EFFECTIVE DATE: October 1, 2019

Status: Passed in concurrence and signed into law.

Public Act 19-4:

<https://www.cga.ct.gov/2019/ACT/pa/pdf/2019PA-00004-R00HB-05004-PA.pdf>

SB 1 AN ACT CONCERNING PAID FAMILY AND MEDICAL LEAVE.

This bill, which passed in concurrence and has been signed by the Governor, creates the Family and Medical Leave Insurance (FMLI) program to provide wage replacement benefits to certain employees taking leave for reasons various reasons.

Under the bill, individuals eligible for benefits are those who earned at least \$2,325 during their highest earning quarter within their base and (1) are private-sector employees or certain "covered public employees," (2) were employed in the previous 12 weeks, or (3) are sole proprietors or self-employed people who voluntarily enroll in the program.

The program is funded by employee contributions, with collections beginning in January 2021. The Paid Family and Medical Leave Insurance Authority, which the bill creates, must annually determine the employee contribution rate, which cannot exceed 0.5%. The bill also caps the amount of an employee's earnings subject to contributions at the same amount of earnings subject to Social Security taxes (currently \$132,900).

A covered employee's weekly benefits under the program are generally calculated as 95% of his or her average weekly wage, up to 40 times the state minimum wage, plus 60% of his or her average weekly wage that exceeds 40 times the minimum wage, with total benefits capped at 60 times the minimum wage.

If employee contributions are at the maximum rate allowed and the authority determines that they are not sufficient to ensure the program's solvency, the bill requires it to reduce the benefit by the minimum amount needed to ensure the program's solvency.

The bill allows employers to alternatively provide benefits through a private plan, which must provide their employees with at least the same level of benefits, under the same conditions and employee costs, as the FMLI program. Private plans must meet certain requirements for approval, and employees covered by an employer's private plan do not have to contribute to the FMLI program.

The bill establishes the authority as a quasi-public agency to develop and administer the program. It creates a 15-member board of directors for the authority and requires it to, among other things, develop written procedures to implement the program in accordance with the law governing the adoption of procedures by quasi-public agencies.

EFFECTIVE DATE: Upon passage, except the provisions that (1) extend requirements for funds administered by the treasurer to the FMLI Trust Fund, bring the authority under certain laws that apply to quasi-public agencies, and create a non-charge for employer's unemployment taxes are effective July 1, 2019; (2) require the authority to conduct a public education campaign are effective January 1, 2020; (3) require the labor commissioner to adopt regulations are effective July 1, 2020; (4) affect the terms of the current FMLA are effective January 1, 2022; and (5) establish employer notice requirements are effective July 1, 2022.

Status: Passed in concurrence.

Bill language as amended:

<https://www.cga.ct.gov/2019/ACT/pa/pdf/2019PA-00025-R00SB-00001-PA.pdf>

Summary of the legislation:

<https://www.cga.ct.gov/2019/BA/pdf/2019SB-00001-R01-BA.pdf>

SB 3 AN ACT COMBATTING SEXUAL ASSAULT AND SEXUAL HARASSMENT.

This bill, which passed in concurrence, makes various changes concerning employee training on sexual harassment, sexual assault and discrimination complaints.

Under current law, Commission on Human Rights and Opportunities (CHRO) may require employers with at least 50 employees to provide their supervisory employees with two hours of training on federal and state sexual harassment laws and remedies available to victims. The bill expands this requirement to cover (1) employers of any size and (2) non-supervisory employees for employers with at least three employees.

The bill requires the new training to occur within one year of October 1, 2019, except that any employer who provided the bill's training after October 1, 2018, is not required to provide it a second time.

The bill also requires CHRO to develop and make available to employers a free, online training and education video or other interactive method that fulfills the bill's training requirements. As long as CHRO does so, the bill's required employee training must take place within six months of the hiring date, starting October 1, 2019, for (1) all new hires by employers with at least three employees and (2) all new supervisory hires by smaller employers.

Under the bill, the employers must provide supplemental training at least every 10 years to update employees on the content of the training and education.

EFFECTIVE DATE: October 1, except as noted in the summary linked below.

Status: Passed in concurrence.

Bill language as amended:

<https://www.cga.ct.gov/2019/ACT/pa/pdf/2019PA-00016-R00SB-00003-PA.pdf>

Summary of the Legislation:

<https://www.cga.ct.gov/2019/BA/pdf/2019SB-00003-R01-BA.pdf>

SB 64 AN ACT CONCERNING CAPTIVE AUDIENCE MEETINGS.

This bill, which did not pass, would have prohibited employers from requiring their employees to attend an employer-sponsored meeting with the employer if the meeting's primary purpose is to communicate the employer's opinion about political or religious matters

Under the bill, "employers" also include the employer's agents, representatives, or designees.

Under the bill political and religious matters were defined as:

1. "Political matters" relate to (a) elections for political office, (b) political parties, (c) legislation, (d) regulation, and (e) decisions to join or support any political party or political, civic, community, fraternal, or labor organization and;
2. "Religious matters" relate to (a) religious affiliation and practice and (b) decisions to join or support any religious organization or association.

Status: Failed to pass. Likely to be considered again in 2020.

