**2024 Connecticut Legislative Bill Summary**

April 8, 2024

**Artificial Intelligence – Information Technology**

[**SB 2: An Act Concerning Artificial Intelligence**](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB2)

The bill establishes a framework for regulating Artificial Intelligence (AI) developers and deployers. It mandates reasonable care to protect consumers from algorithmic discrimination based on traits like age. Key provisions include documentation requirements, risk management policies, and impact assessments. The bill ensures AI disclosure to consumers and provides enforcement authority to relevant agencies.

Deployers failing to exercise reasonable care may face fines. The bill provides the AG and the DCP commissioner exclusive authority to enforce the AI provisions. It also deems violations CUTPA violations but does not provide a private right of action.

Other changes include establishing a new crime of unlawful dissemination of a synthetic intimate image; prohibiting anyone from distributing any deceptive media before an election or primary; establishing an advisory council and requiring various studies, including on health care providers using AI; requiring various agencies and higher education institutions to create certain training, certificate programs, and pilot programs.

Finally, unrelated to AI, the bill defines what remote health monitoring means as a part of telehealth services under the Connecticut Medical Assistance.

This bill is considered a work in progress at this time.

**Status**: Approved by the General Law Committee. Awaiting action by the Senate.

**CTCPA Position**: CTCPA opposes in part.

**Attestation Engagements**

[**SB 363: An Act Concerning Assorted Revisions to The Education Statutes**](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB363)

Section 4 of the bill extends the deadline for the certified reports required by the State Department of Education (SDE) by one month, from December 31 to January 31. The measure acknowledges school districts' difficulties meeting the December 31 deadline. The holiday season brings about a flurry of activities and obligations, making it exceedingly challenging for municipalities to compile the required data and CPAs to review it and promulgate the reports. This extension would provide much-needed relief, allowing for a more systematic and less stressful process.

CTCPA's Governmental Accounting & Audit (GAA) Committee has been instrumental in working with the Society to move this measure forward, and several committee members joined CTCPA in submitting testimony supporting the extension. Unfortunately, the State Department of Education Commissioner testified against the measure. CTCPA worked with members of our GAA Committee to respond to the Commissioner's comments and continued advocating for the extension. The GAA Committee chair, Katherine Patnaude of PKF O'Conner Davies, also arranged a meeting with the Connecticut School Building Officers and the GAA Committee to discuss the proposal further. These efforts were instrumental in overcoming the Commissioner's opposition to the extension, and the Education Committee approved it.

**Status**: Died in the Appropriations Committee.

**CTCPA Position**: Supported Section 4**.**

**[HB 5275: An Act Concerning Audits of Certain Nonstate Entities Receiving State Financial Assistance](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB5275)**

The bill would raise the single audit threshold from $300,000 to $500,000 for entities receiving state financial assistance.

CTCPA and members of the Not-for-Profit Organizations (NFP) Committee submitted testimony to raise the threshold and requested additional modifications to the measure. As requested by CTCPA's NFP Committee, we asked that the threshold be raised to $750,000 to align it with the federal limit. We also requested that language requiring the State Cost Standards be tied to the Federal Cost Standards. The Planning & Development Committee voted to raise the threshold from $300,000 to 500,000 when it acted on the bill and chose not to make any other changes at this time. We will continue encouraging the Planning and Development Committee members and other legislators to increase the threshold to $750,000. We will also work with the Office of Policy and Management (OPM) to align the state and federal cost standards.

**Status**: Approved by the Planning and Development Committee. Awaiting action by the House.

**CTCPA Position**: Supports but continues to seek a higher threshold**.**

[**HB 5394: An Act Concerning the Organization and Operation of the Metropolitan District of Hartford County**](https://cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB05394&which_year=2024)

This measure would have required annual audits of a quasi-public entity, the Metropolitan District Commission (MDC), by the Auditors of Public Accounts. CTCPA submitted testimony in opposition to this measure. We believe such a statutory change would set a dangerous precedent that would negatively impact the numerous public accounting firms that work for the public sector. Furthermore, we believe the bill would negatively impact the municipalities and quasi-public agencies that rely upon their public accounting firms for informed advice and counsel and issuance of timely audits. The Planning and Development Committee agreed and chose not to take further action on the measure.

**Status**: Died in the Planning & Development Committee.

**CTCPA Position**: Opposed.

**Business Liability**

[**SB 4: An Act Concerning Victims of Domestic Violence, The Unsolicited Transmission of Intimate Images By Means of an Electronic Communication Device And The Impermissible Use of Nondisclosure Agreements in the Workplace**](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB4)

This bill's provisions go beyond the stated purpose ofprotecting victims of domestic violence and preventing unsolicited transmission of certain images, potentially penalizing innocent employers. Banning nondisclosure agreements (NDAs) in employment agreements and settlements may discourage settlements and hinder privacy protections for employers and employees.

**Status:** Approved with modifications by the Judiciary Committee. Awaiting action by the Senate.

**CTCPA's Position:** Opposes section 3.

[**SB 361: An Act Concerning the Impermissible Use of Nondisclosure Agreements in the Workplace**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB361&which_year=2024)

While well intended, this measure focuses on employee perception, potentially elevating legal behavior into illegal behavior based on misperceptions. Additionally, it lacks specific definitions and imposes severe penalties on employers. Lastly, like SB 4, this bill would ban NDAs in employment agreements and settlements, which may discourage settlements and hinder privacy protections for employers and employees.

**Status:** Died in the Judiciary Committee.

**CTCPA's Position:** Opposed.

**Insurance – Health and Workers' Compensation**

[**HB 5247: An Act Concerning Employee Health Benefit Consortiums**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&which_year=2024&bill_num=5247)

This measure is a modern version of an Association Health Plan. It is believed that it could help reduce health insurance costs for small employers. The House widely supports it but has a few staunch opponents in the Senate.

**Status:** Died in the Insurance Committee with all other Insurance Committee bills. It is believed that this bill may resurface as an amendment.

**CTCPA's Position:** Supported.

[**HB 5325: An Act Concerning Payments and Benefits to Individuals with Partial Permanent Disabilities**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB05325&which_year=2024)

This measure substantially increases workers' compensation awards for spinal injuries and doubles the discretionary awards (31-308a) that workers' compensation commissioners may award. This measure would result in significantly higher insurance premiums for certain industry sectors.

**Status:** Approved by the Judiciary Committee. Awaiting action by the House.

**CTCPA's Position:** Neutral.

[**HB 5386: An Act Requiring Notice of An Objection, Discontinuance, or Reduction of Prescription Medication Under a Workers' Compensation Claim**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB5386&which_year=2024)

This bill requires employers or insurers to get prior approval from a workers' compensation commissioner to change or discontinue a prescription medicine and mandates an employer or insurer provide advance notice to employees when proposing to discontinue or reduce coverage of an employee's prescription medication.

**Status:** Approved by the Labor Committee. Awaiting action by the House.

**CTCPA's Position:** Neutral.

**Taxes – Finance, Revenue and Bonding**

[**SB 6: An Act Concerning Housing**](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB6)

This measure changes some state housing assistance laws and creates a new Housing Growth Fund and a tax credit program for owners that convert commercial buildings into residential developments. It is hoped that by offering tax credits, the program incentivizes repurposing commercial spaces, contributing to housing availability, and revitalizing neighborhoods.

**Status:** Approved by the Housing Committee. Awaiting action by the Senate.

**CTCPA's Position:** Supports.

[**SB 16: An Act Concerning Revenue Items to Implement the Governor's Budget**](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB16)

This measure contained the Governor's revenue recommendations to support his budget proposals. In part, the bill extends student loan tax credits for employers to all student loans, not just CHESLA loans, when an employer pays part of an employee's student loan. It also tries incentivizing employer investment in workforce housing by modifying the Workforce Housing Tax Credit program.

**Status:** Died in the Finance Committee. We expect to see pieces of the Governor's package emerge after negotiations between the Governor and legislative leaders occur.

**CTCPA's Position:** Neutral.

**[SB 251: An Act Concerning the Legislative Commissioners' Recommendations for Technical and Other Revisions to the Tax and Related Statutes](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB00251&which_year=2024)**

This measure only has technical revision proposed by the Legislative Commissioner's Office.

**Status:** Approved by the Finance Committee. Awaiting action by the Senate.

**CTCPA's Position:** Neutral.

**[SB 344: An Act Concerning Certain Tax Appeals, Accrual of Interest on Certain Tax Underpayments, and the Business Net Operating Loss Carry-Over Period](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB00443&which_year=2024)**

This bill ensures that interest does not accrue on the unpaid taxes resulting from the Employee Retention Credit (ERC) program and extends the NOL carryover from 20 to 30 years for losses occurring on or after January 1, 2025.

**Status:** Approved by the Finance Committee. Awaiting action by the Senate.

**CTCPA's Position:** Supports.

[**HB 5110: An Act Eliminating the Film Production Tax Credit**](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB5110)

This measure would have eliminated the film production tax credit.

**Status:** Died in the Finance Committee.

**CTCPA's Position:** Neutral.

**[HB 5167: An Act Concerning Property Tax Abatement for Certain First-Time Homebuyers](https://www.cga.ct.gov/ASP/CGABILLSTATUS/cgabillstatus.asp?selBillType=Bill&bill_num=HB05167&which_year=2024)**

This bill allows a town to abate up to $500 yearly for 5 years off the property taxes for first-time home buyers who purchase a home using a CHFA home loan.

**Status:** Approved by the Planning and Development Committee. Awaiting action by the House.

**CTCPA's Position:** Neutral.

[**HB : An Act Establishing a Farm Investment Property Tax Credit and Concerning the Threshold for Certain Optional Farm-Related Property Tax Exemptions**](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB5492)

This measure creates a 20% refundable tax credit for farm investments and raises the maximum property tax exemption threshold a town may approve for certain farm-related property.

**Status:** Approved by the Finance Committee. Awaiting action by the House.

**CTCPA's Position:** Neutral.

**Workforce**

[**SB 106: An Act Concerning Workforce Development Initiatives in the State**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB00106&which_year=2024)

This bill mandates that the Higher Education Board of Regents study existing workforce development programs.

**Status:** Approved by the Higher Education and Workforce Development Committee. Awaiting action by the Senate.

**CTCPA's Position:** Supports.

**[SB 135: An Act Establishing a Maximum Charge for Certain Occupational Licenses, Certifications, Permits, and Registrations](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB135)**

This measure caps many license, permit, registration, and certificate fees administered by the Department of Consumer Protection at $100 per year. CPA fees are included in this legislation.

**Status:** Approved by the General Law Committee. Awaiting action by the Senate.

**CTCPA's Position:** Supports.

[**HB 5502: An Act Concerning a Study of Programs Administered by the Economic and Community Development**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB05502&which_year=2024)

This measure requires the Commissioner of DECD to study programs administered by the Department.

**Status:** Approved by the Commerce Committee. Awaiting action by the House.

**CTCPA's Position:** Neutral.

[**HB 5503: An Act Concerning a Study of Workforce Shortages, Workforce Development and Training Availability**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB05503&which_year=2024)

This bill mandates that the Department of Economic and Community Development study several pipeline matters.

**Status:** Approved by the Commerce Committee. Awaiting action by the House.

**CTCPA's Position:** Supports.

**Labor and** **Employment**

[**SB 136: An Act Making Changes to the Connecticut Retirement Security Program Statutes**](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB136)

This bill makes several changes to the Connecticut Retirement Security Program; the measure focuses on reducing the waiting period for covered employees, increasing the default contribution level, automatic annual increases and investment flexibility, notice requirements and penalties for noncompliant employers, the regulatory authority for noncompliance provisions, liability protections, and administrative powers, website requirement repealed, and conforming changes. If adopted, the changes would go into effect on July 1, 2023.

**Status:** Approved by the Labor Committee. Awaiting action by the Senate.

**CTCPA's Position:** Neutral.

[**SB 222: An Act Concerning Changes to the Paid Family and Medical Leave Statutes**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB00222&which_year=2024)

The measure makes numerous changes to Connecticut's leave laws, including the Paid Family and Medical Leave Insurance program, the Family and Medical Leave Act, and Family Violence Leave provisions. Significant changes include **employer requirements and reporting, enhanced authority powers, tribal participation, health care provider obligations,** permissible **concurrent benefits, expanded family violence leave,** and the **definition of "municipality."** Lastly, the PFMLI law mandates annual reporting by the authority, covering program participation, trust fund balance, and claimant demographics—the reporting date shifts from July 1 to September 1.

**Status:** Approved by the Labor Committee. Awaiting action by the Senate.

**CTCPA's Position:** Neutral.

**[SB 223: An Act Concerning Workers Compensation](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB223)**

The bill mandates that the Workers' Compensation Commission conduct an in-depth study of the state's workers' compensation system.

**Status:** Approved by the Labor Committee. Awaiting action by the Senate.

**CTCPA's Position:** Neutral.

[**HB 5164: An Act Concerning Unemployment Benefits**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB05164&which_year=2024)

The bill changes eligibility for unemployment benefits by permitting striking workers to collect unemployment benefits after fourteen consecutive days. Claimants who are not actively participating in the labor dispute and do not belong to a trade, class, or organization of workers directly involved (e.g., non-union employees at a business temporarily closed due to a strike) can also qualify for benefits without delay.

**Status:** Approved by the Labor Committee. Awaiting action by the House.

**CTCPA's Position:** Neutral.

[**HB 5266: An Act Amending the Time to Protest Benefit Charges on an Employer's Unemployment Insurance Quarterly Statement**](https://www.cga.ct.gov/ASP/CGABILLSTATUS/CGABSSimilar.asp?bill_num=HB05266)

This bill limitsthe time limit for employers to file a written protest with the DOL regarding improperly charged benefits due to fraud or error would be reduced. Instead of 60 days, employers would have 40 days after receiving the statement to submit their protest.

**Status:** Approved by the Labor Committee. Awaiting action by the House.

**CTCPA's Position:** Neutral.

[**HB 5269: An Act Concerning Noncompete Agreements**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB05269&which_year=2024)

This measure restricts the use of noncompete agreements for employees and independent contractors. Key provisions include:

Noncompete agreements will be enforceable only if they meet specific requirements: Covered employees must earn at least three times the minimum wage, independent contractors must earn at least five times the minimum wage and covered employees must be exempt from the state's minimum wage laws.

The bill also places restrictions on exclusivity agreements. They are allowed only for exempt employees or independent contractors who meet the specified hourly wage thresholds set for noncompete agreements. Exclusivity agreements are also permissible if additional employment would endanger the safety of the worker, coworkers, or the public or substantially interfere with the employer's or contractor's reasonable and customary scheduling (excluding on-call shifts).

The bill explicitly states that exclusivity agreement provisions do not alter a worker's existing obligations to the employer. [These obligations include the common law duty of loyalty, conflict of interest laws, and related policies](https://lohp.berkeley.edu/collective-bargaining/bargaining-language-1/).

The bill does not apply to noncompete agreements for three professions under existing law: physicians, homemaker and companion services employees, and broadcast employees.

This measure allows an aggrieved worker or the state's attorney general to bring a civil action in Superior Court to seek remedies for violations of the bill.

**Status:** Approved by the Labor Committee. Awaiting action by the Senate.

**CTCPA's Position:** Neutral.

[**HB 5468:** **An Act Concerning Time to Plan for Separation from Employment**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB05468&which_year=2024)

This bill requires employers to provide 12 months' notice before changing such employer's policy regarding payment for unused accrued paid leave upon an employee's separation from employment. For purposes of this section, "paid leave" includes, but is not limited to, compensatory time, vacation time, personal days off, or other paid time off. CBIA opposes.

**Status:** Approved by the Labor Committee. Awaiting action by the House.

**CTCPA's Position:** Neutral.

**Workforce Development**

[**SB 106: An Act Concerning Workforce Development Initiatives in the State**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB00106&which_year=2024)

This bill will require the Board of Regents for Higher Education to study existing workforce development initiatives. It's likely to be a dummy bill. IF to the floor. CBIA is monitoring.

**Status:** Approved by the Labor Committee. Awaiting action by the Senate.

**CTCPA's Position:** Neutral.

[**SB 408:** **An Act Concerning Pre and Post Shift Hours**](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB408)

This bill amends the definition of "hours worked" by including the time an employee spends in security screenings required by an employer for purposes of chapter 558 of the general statutes.

**Status:** Approved by the Labor Committee. Awaiting action by the Senate.

**CTCPA's Position:** Neutral.

[**SB 409: An Act Concerning Wage Theft Responsibility**](https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB409#:~:text=AN%20ACT%20CONCERNING%20WAGE%20THEFT,portion%20of%20a%20construction%20contract.)

This bill makes any contractor entering into a construction contract jointly and severally liable for any unpaid wages due to any employee of any subcontractor in a direct contractual relationship with the contractor or any subcontractor of a subcontractor in a direct contractual relationship with the contractor for such employee's performance of labor included within the scope of the construction contract. The bill allows contractors to include provisions to remedy and request payroll from the subcontractors.

**Status:** Approved by the Labor Committee. Awaiting action by the Senate.

**CTCPA's Position:** Neutral.

[**SB 410: An Act Concerning Paid Internships for High School Students**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB00410&which_year=2024)

The bill allows 15-year-olds to participate in paid internships in their work-based learning programs. The internship cannot interfere with on-time graduation, is limited to 120 hours per calendar year, and must be paid minimum wage or greater.

Approved by the DOL and SDE.

**Status:** Approved by the Labor Committee. Awaiting action by the Senate.

**CTCPA's Position:** Neutral.

**[SB 412: An Act Concerning the Protection of Warehouse Workers in the State](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB00412&which_year=2024)**

This bm3asure establishes regulations for warehouse distribution centers in Connecticut. Depending on the number of employees, employers must disclose certain quota information. The bill places restrictions around quotas and how they may not be used.

The measure states how employers must maintain accurate records for three years and what information must be collected and maintained. The bill also details some of the employees' rights and injury monitoring and reporting.

**Status:** Approved by the Labor Committee. Awaiting action by the Senate.

**CTCPA's Position:** Neutral.

[**SB 413: An Act Concerning Predictable Scheduling**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB00413&which_year=2024)

The bill applies to certain large employers, including retail, food services, hospitality, and long-term healthcare services establishments. It requires covered employers (with 500 or more employees and 20 or more locations) to provide employees with a written statement of their hours and days of work. Employers must also furnish an estimated schedule for the next 14 days. It prohibits employers from requiring employees to work shifts that begin less than eleven hours after the end of their previous day's shift or during the eleven hours following the end unless there is a written agreement. Additional hours worked beyond the estimated schedule are required to be compensated.

The measure allows employees to bring a lawsuit if their rights are violated. [Whistleblower protections are provided for employees who report complaints to the state](https://www.congress.gov/bill/117th-congress/house-bill/2988).

**Status:** Approved by the Labor Committee. Awaiting action by the Senate.

**CTCPA's Position:** Neutral.

[**HB 5344: An Act Establishing First-Time Homebuyer Savings Accounts and a Related Tax Deduction and Credit**](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB05344&which_year=2024)

This bill creates a first-of-a-kind first-time home buyers' savings account where an employer receives tax credits for contributing. Like an HSA, the bill allows for a 10% contribution tax benefit. This bill was voted out of the committee unanimously.

**Status**: Approved by the Banks Committee. Awaiting House action.

**CTCPA Position**: Neutral