SpecialReport

2026 Acts Affecting Business and Jobs

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Notice to Readers

This report provides summaries of new laws (public acts and special acts) significantly affecting businesses and jobs enacted during the 2026 regular legislative session. It does not summarize acts that affect only (1) specific types of businesses (such as garages or construction companies) or (2) business sectors covered in other Acts Affecting reports, such as those concerning agriculture, banking, health professions, housing and real estate, and insurance. OLR's other Acts Affecting reports are, or will soon be, available on OLR's website.

Each summary indicates the public act (PA) or special act (SA) number. Not all provisions of the acts are included. The report does not include vetoed acts unless the veto was overridden. Complete summaries of public acts are, or will soon be, available on OLR's website.

Readers are encouraged to obtain the full text of acts that interest them from the General Assembly's website or the Connecticut State Library.

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Business and Community Development Assistance

AI Small Business Program Plan

This session, the legislature passed a law requiring the Department of Economic and Community Development (DECD), in consultation with other state agencies and public institutions of higher education, to develop a plan to establish an artificial intelligence (AI) small business program. Under the law, the program must (1) provide financial assistance to eligible small businesses to adopt and use AI to improve productivity and the quality of the business's products or services and (2) establish a competitive small business environment for the development and use of AI technologies. As a condition of receiving financial assistance under the new program, recipients must train their employees to work with AI and prepare employees whose jobs may be displaced by AI for new jobs with the business (SA 26-23, effective from passage).

DECD Financial Assistance Cap

This session, the legislature passed a law increasing, from $10 million to $25 million, the cap on financial assistance that DECD or Connecticut Innovations, Inc. can award for a business project over a two-year period without legislative approval. The new law also eliminates prior law's separate $20 million cap for biotechnology business projects (PA 26-122, § 4, effective July 1, 2026, and applicable to income and tax years beginning on and after January 1, 2026).

Small Business Boost Program

A new law renames the Small Business Express Program as the "Small Business Boost Program" to conform with current DECD practice. The law also replaces a program component (the Minority Business Revolving Loan Fund) with a "Connecticut opportunity fund," which the law establishes. In doing so, it shifts eligibility for loans provided under this component of the program from minority-owned businesses to small businesses in historically underserved communities with owners who (1) are first time businesses owners without access to traditional lending, (2) are located in a concentrated poverty census track, (3) have limited incomes, or (4) meet other similar criteria. The law additionally requires the DECD commissioner to collect data on loan recipients, including their geographic distribution, income levels, and other indicators of access to capital (PA 26-122, §§ 1, 2, 9, 25 & 26, primarily effective July 1, 2026).

Small Businesses Concierge Services

A law passed this session requires the DECD commissioner to designate an existing department employee to give Connecticut small businesses concierge services, which includes providing information and assistance about DECD-administered economic or community development projects and programs (PA 26-135, effective October 1, 2026).

Business Law and Practice

Administration Dissolution of Corporations

Existing law allows the secretary of the state (SOTS) to administratively dissolve a corporation under certain circumstances, such as when the corporation defaults on filing its required annual report. When a business corporation or non-stock corporation is more than one year behind on filing its annual report, SOTS may notify it of the pending dissolution by sending an email to the email address last shown on the secretary's records. A new law makes an exception for domestic corporations that have not yet filed an annual report or do not have an email address on record, in which case the notice may be sent by first class mail to any one of the incorporators listed on the certificate of incorporation (PA 26-81, §§ 8 & 9, effective upon passage).

Automated Employment-Related Decision Technology

A new law generally requires businesses that use an automated decision technology (technology that processes personal data and uses computation to generate an output) in making an employment-related decision to give written notice to employees and applicants that it is using the technology and the categories and sources of their personal data the technology will analyze, among other things. If the business uses this technology to interact with employees or applicants, it must disclose to them in plain language that they are interacting with automated technology.

It also specifies that using an automated technology in a way that discriminates against someone based on certain traits (for example, race, religion, or gender identity) is not a defense against a complaint alleging these discriminatory practices (PA 26-15, §§ 7-14, effective October 1, 2026).

The Connecticut Business Registry

The Connecticut Business Registry is the data and filing history of all businesses that form or register with SOTS (as a corporation, limited liability company, or any other business entity) and made available to the public on the state's centralized business website. Existing law allows SOTS to verify data that is submitted to the Connecticut Business Registry. Existing law allows SOTS to dissolve, forfeit, revoke, or cancel any registered business entity whose data she cannot verify. A new law allows SOTS to also redact any address and name that cannot be verified. If a filing was made for a legitimate entity, and SOTS cannot verify the data, the new law allows her to mark each unauthorized filing for the entity to notify the public that the filing is unauthorized and restore the data that was on the registry before the unauthorized filing (PA 26-81, § 6, effective October 1, 2026).

Cooperative Corporations

A new law generally allows cooperative associations to organize as cooperative corporations instead and lays out how they must be organized and governed. Among other things, for cooperative corporations, the new law:

1. generally limits board members to a one-year term or until a successor is elected, but lays out how a cooperative corporation's bylaws may allow for staggered terms of up to five years;
2. requires the bylaws to set out members' rights and qualifications, but members must have at least one share of capital stock;
3. adjusts quorum requirements for voting; and
4. otherwise aligns cooperative corporations' governance standards and balloting provisions with the Connecticut Nonstock Corporation Act (PA 26-59, effective October 1, 2026).

Employment Promissory Notes

Prior law generally prohibited employers with at least 26 employees from requiring their employees to execute an agreement (or "promissory note") that requires the employee to repay the employer (including for training) if he or she does not stay at the job for a certain length of time This session, the legislature expanded this law to cover all employers, regardless of their size (PA 26-12, § 4, effective October 1, 2026).

Another new law also created an exception to Connecticut's employment promissory note ban. The new law allows employers to require, as a condition of employment, an employee to sign a promissory note to fully or partially repay any fee related to the federal H-1B visa the employer paid on the employee's behalf (PA 26-122, § 5, effective upon passage).

Nonprofits' Risk Pooling

A new law requires the insurance commissioner, within available appropriations, to:

1. study the feasibility of (a) allowing nonprofits to pool their liability insurance policies; (b) establishing a captive insurance company, risk management agency, or a program to insure the pool's risk; and (c) establishing any other insurance program to address state-contracted nonprofits' needs;
2. develop a proposed plan to establish the company, agency, or program described above and a related financial analysis to assess the appropriate structure of it to ensure its financial and operational viability; and

3. report on the study, proposed plan, and financial analysis to the legislature, by November 1, 2026 (PA 26-47, § 1, effective upon passage).

Rounding the Price of Retail for In-Person Cash Transactions

Recently, the federal government stopped manufacturing new pennies. In light of this, a new law requires a person selling goods or services at retail to round a price down to the nearest five cents (for prices ending in one, two, six, or seven cents) or up to the nearest five cents (for prices ending in three, four, eight, or nine cents) when conducting an in-person transaction with someone paying cash (PA 26-128, § 2, effective January 1, 2027).

Surveillance Pricing

Beginning July 1, 2027, a new law generally prohibits retailers and third-party delivery services from using surveillance pricing either in-person or online. It also requires those who are doing business, but are not retailers, that use surveillance pricing to increase the price of a consumer good or service online to make certain disclosures in their online advertisements, among other places (PA 26-130, §§ 11 & 19, primarily effective July 1, 2027).

Trade Names

A new law makes various changes in laws that govern certain business entities operating in the state. Among other things, it expands the trade name law by:

1. requiring town clerks to record trade names and have trade name certificates issued from the Connecticut Trade Name Registry;

2. prohibiting the use of specific words in trade names and voiding any trade name entered on the Connecticut Trade Name Registry that contains a prohibited word (for example, corporation, limited liability company or partnership, or statutory trust);

3. modifying trade name renewal, amendment, and cancellation procedures;

4. requiring town clerks to retain all trade name records received and created, regardless of the date, in compliance with the record retention periods set by the public records administrator; and

5. specifying that after January 1, 2025, a copy of the record, as reflected on the Connecticut Trade Name Registry and bearing a facsimile of the secretary's signature, is presumptive evidence in all courts in Connecticut of the facts in the trade name record (PA 26-81, §§ 1-5, effective October 1, 2026).

Consumer Protection

Connecticut Data Privacy Act

A new law makes various changes to the Connecticut Data Privacy Act (CTDPA), which is the state law that establishes a framework on how data controllers and processors may process personal data and provides consumers with certain rights over their data. Among other things, the new law:

1. modifies what is considered publicly available information (and therefore not subject to CTDPA) and allows consumers to delete certain information that is made into a consumer profile;
2. generally limits the use of facial recognition technology to matching still images or video to a database and requires certain signage where the technology is used, among other requirements; and
3. prohibits controllers from selling precise geolocation data (PA 26-64, §§ 12-17, as amended by PA 26-100, §§ 45 & 66, most provisions effective October 1, 2026).

Data Brokers

A new law generally requires data brokers who sell or license brokered data in the state on or after January 1, 2027, to be actively registered with the Department of Consumer Protection (DCP). It requires the DCP commissioner, by July 1, 2028, to establish a program that, among other things, allows consumers to submit a free request to have all registered data brokers delete their personal data. Data brokers must also check this program at least once every 45 days (PA 26-64, §§ 1-10, as amended by PA 26-100, §§ 39-43, effective October 1, 2026).

Direct-to-Consumer Genetic Testing Companies

A new law gives consumers a property right in and exclusive control over their biological samples that are given to a direct-to-consumer genetic testing company and their results. It requires these companies to disclose certain policies and procedures to consumers and get a consumer's consent for various uses of their genetic data. The new law applies to "direct-to-consumer genetic testing companies," which are individuals or entities that, in the ordinary course of business in Connecticut, offer genetic testing directly to a consumer or collect, use, or analyze genetic data given by a consumer. These are not licensed health care services providers who, within the scope of their practice, order genetic testing for a medical purpose (PA 26-64, §§ 17-19, effective October 1, 2026).

Funeral Service Contracts

A new law establishes a funeral service guaranty account to provide restitution to victims of unlawful practices related to funeral service contracts. It also requires (1) providers of these contracts to give purchasers a copy of DCP's fact sheet on funeral service contracts and (2) purchasers to attest in the contract that they had time to review the fact sheet. The new law also creates a working group to study issues related to prepaid funeral service contracts, consumer protections for purchasers, and the guaranty account (PA 26-57, effective upon passage, except the fact sheet provisions are effective July 1, 2026).

Health Care and Veterinary Providers and Third-Party Financing

Beginning January 1, 2027, a new law prohibits health care and veterinary care providers from, among other things:

1. promoting or offering to consumers third-party financing in certain ways;
2. completing or submitting a consumer's application for third-party financing;
3. charging a third-party financing account for a service, or a portion of it, before the date the service is provided, unless the cost is incurred earlier;
4. discussing third-party financing terms and conditions with a consumer without providing a written disclosure form; and
5. charging a third-party financing account for all or a portion of the cost of an ancillary product under certain circumstances (it also specifies a 30-day period for the return and refund of most ancillary products).

The new law defines third-party financing as a line of credit, loan, or open-end credit plan (such as a credit card) that is offered or extended by a third party (PA 26-6, as amended by PA 26-100, § 38, effective January 1, 2027).

Hotels and Lodgings and Human Trafficking

A new law requires, beginning January 1, 2027, owners or operators of hotels, motels, inns, or similar lodgings to annually register with the DCP. As of that same date, the new law authorizes DCP to examine and enter locations to access records to ensure compliance with certain existing laws related to guest recordkeeping, employee training on human trafficking, hourly rate discounts, and notices about services for human trafficking victims that must be posted. It allows DCP to impose a civil penalty for violating these laws and increases the penalty for violations of the notice posting requirement (PA 26-98, effective October 1, 2026).

Residential Solar and Energy Storage System Sales

Starting February 15, 2028, a new law requires sellers of residential solar photovoltaic or energy storage systems and their sales representatives to carry identification and give consumers a handbook, which the new law requires to be developed. Beginning February 15, 2027, these sellers must (1) generally limit in-person residential solicitations to between 9:00 a.m. and 7:00 p.m., or a shorter period set by a municipal ordinance and (2) annually report to DCP about people that, in partnership with the seller, provide financing, installation, or related consumer services that include in-person interaction with consumers.

The new law also specifies that the sale, lease, or rent of one of these solar or storage systems is covered by the Home Solicitation Sales Act and changes the penalties for violating it (PA 26-16, most provisions effective October 1, 2026).

Solicitations

A new law sets requirements for any person or business that solicits (directly advertises to a person) a fee for (1) filing a document with SOTS or (2) retrieving a copy of a certificate or public record from SOTS. For example, any person who solicits under the new law must include a specified statement in the solicitation indicating it is an advertisement. It also prohibits them from using a formator language that makes the document appear to be issued by the government or imposing a legal duty on the person being solicited. Violations of the new law constitute deceptive acts or practices under the Connecticut Unfair Trade Practices Act (CUTPA) (PA 26-81, § 7, effective January 1, 2027).

Various Licensing and Consumer Protection-Related Provisions

A new law makes a number of minor changes to licensing requirements for various occupations, including eliminating registered interior designer continuing education requirements, extending the licensing period for professional engineers and land surveyors from one to two years, specifying when an applicant must complete a real estate licensure exam, expanding the scope of plumbing and piping work, and requiring businesses in certain trades to designate a contractor of record.

Among other things, the new law also:

1. broadly extends to establishments certain provisions on adulterated or misbranded food in vending machines and specifically allows DCP to prohibit establishments from selling adulterated or misbranded food until the conditions are remedied;

2. requires donation bins in public places that are for charities to include the charity's DCP registration number; and

3. transfers responsibility for the Real Estate Guaranty Fund to DCP, specifies when interest accrues on awards from various guaranty funds, and requires an applicant for an award from the Home Improvement Guaranty Fund to state that he or she made a good faith effort to collect what is owed before receiving a fund payment (PA 26-100, §§ 1-21 & 69, various effective dates).

Employee Compensation and Benefits

This session, the legislature enacted multiple laws related to compensation and benefits for employees in certain specific fields. For example, the legislature passed a law requiring the Department of Administrative Services (DAS) to annually adjust all Connecticut Fire Academy adjunct fire instructors' hourly compensation to reflect the most recently ratified agreement between the state and the State Employees Bargaining Agent Coalition (PA 26-115, effective July 1, 2026). It also made changes to the minimum wage laws by, among other things, (1) prohibiting the Department of Labor (DOL) commissioner from counting tips as part of the state's minimum wage requirement for employees of cannabis establishments, dispensaries, or producers and (2) exempting from the state's minimum wage and overtime laws anyone who has entered into a contract to play minor league baseball under a collective bargaining agreement's terms (PA 26-12, §§ 6 & 40, effective October 1, 2026).

For more information on changes to employment-related laws for professions in specific fields, such as education, first responders, and healthcare, see OLR's other 2026 Acts Affecting reports.

Paycheck Transparency

A new law requires certain employers with at least 100 employees (including the state and municipalities) to create a guide for employees on pay codes for overtime and pay differentials, such as (1) shift differentials, (2) on-call pay, (3) hazard pay, (4) callback pay, (5) holiday or weekend pay, or (6) geographic pay differentials. The guide must be updated when certain new pay codes are added and also include contact information for the designated office or person who will handle employee disputes about calculations of hours and pay differentials.

The law requires each guide, if applicable, to include at least 10 pay codes and be posted on the employer's website, and employers must include a link to the guide on each record of hours given to an employee and give the link to new employees upon hire (PA 26-12, § 38, effective October 1, 2026).

Payroll Tax Working Group

A new law creates a 14-member working group to study and provide recommendations on establishing a payroll tax program for state employees. Among other things, the study must examine (1) program participation considerations, including whether it should be mandatory or optional and the role of union negotiations; (2) payroll tax rates and credits for different wage levels; (3) any statutory wage reductions for participating; (4) methods to mitigate lower Social Security benefits caused by participating; and (5) any financial impact on state revenue if participation were mandatory for both employers and employees. The working group must report its findings and recommendations to the Finance, Revenue and Bonding Committee by January 1, 2027 (PA 26-68, § 249, effective upon passage).

Pre- and Post-Shift Hours

Under state overtime law, an employee's "hours worked" includes all time that the employee must be on the employer's premises, including time that the employee must wait on the premises while no work is provided by the employer. This session, the legislature passed a new law that specifies that "hours worked" also includes time the employee spends in security screenings required by the employer (PA 26-68, § 201, effective October 1, 2026).

Prevailing Wage Law Changes

A new law sets a process for the state comptroller to withhold payment to a contractor or subcontractor who has violated the state's prevailing wage law. It requires the comptroller, after the DOL commissioner issues a related stop work order, to notify the contractor or subcontractor that it must comply within 10 business days. If the contractor or subcontractor remains noncompliant after that period, the comptroller may withhold payment until the (1) DOL commissioner releases the stop work order; (2) contractor or subcontractor pays any related penalties; or (3) parties finalize a settlement agreement (PA 26-17, effective October 1, 2026).

Separately, the legislature also made changes to the record keeping requirements for employers covered by state prevailing wage laws (including similar laws that apply to certain projects funded by DECD, renewable energy projects, and work on state highways). It passed a law that generally requires these employers to keep daily attendance records of the workers on a covered project and submit them weekly to the agency overseeing the project.

The new law also specifies that when the DOL commissioner determines the prevailing wages required on a public works project, the portion that covers payments, contributions, and member benefits (such as health insurance and retirement benefits) must be determined at the journeyman rate. Prior law did not specify a particular rate to be used in this determination (PA 26-68, §§ 371-373, effective January 1, 2027).

Sub-Minimum Wage Task Force

The legislature created a task force to study additional services, funding, and benefits that may support people with disabilities who earn less than the minimum wage, as allowed under a federal "14(c) certificate." The task force must (1) examine the potential benefits and existing impediments to the state's use of those additional services and (2) make recommendations on funding sources and benefits the state can provide (PA 26-12, § 5, effective upon passage).

Wage Range and Benefits Disclosure in Public and Internal Job Advertisements

This session, the legislature expanded the existing wage disclosure law to require an employer to include a position's wage or wage range, and a general description of the position's benefits, in its public and internal job advertisements. Under the new law, benefits include (1) health insurance; (2) retirement; (3) fringe; (4) paid leave; and (5) any other compensation, other than wages, offered with a position.

Among other things, the law requires the disclosure of benefits to an applicant to occur at earliest of either (1) when the applicant requests it or (2) before there is a discussion or an offer of compensation, if the information has not already been disclosed in the position's public or internal job ad (PA 26-12, § 2, effective October 1, 2026).

Employers

Contractor Worker Retention

This session, the legislature enacted a law that generally requires entities that take over certain service contracts at covered locations (cultural centers, shopping malls, and industrial sites, for example), contract out services, or receive property in a sale or transfer to retain the terminated contractor's employees for at least 90 days. It requires advance notice to (1) a contractor whose contract will be terminated or not renewed, (2) employees, and (3) the union representing employees.

The new law also specifies that terminated contractors can take disciplinary action against an employee (such as termination) if the employee's attendance or performance records would lead a reasonably prudent employer to take similar action. These actions must be consistent with state law or the employee's collective bargaining agreement and occur before the (1) start of the successor service contract or (2) successor employer gets control of the site or sites covered by the contract (PA 26-68, § 247, effective July 1, 2027).

Electronic Surveillance of Employees

A new law requires employers who electronically monitor their employees to (1) include the specific workplace locations that may be monitored in the notice they are already required to post about the types of monitoring they conduct, (2) post the notice in the locations where monitoring may occur, and (3) give prospective employees a written statement on prohibited activities that may be monitored without prior written notice.

Under the new law, an employer is not required to disclose the specific locations that they are electronically monitoring their employees if the employer has reasonable grounds to monitor for security and employee safety. It also exempts airports from these disclosure requirements (PA 26-73, effective October 1, 2026).

Layoff Notices

This session, the legislature enacted a law requiring each employer that must, under federal law, give written notice to DOL before plant closings and mass layoffs to also disclose whether the layoffs are related to the employer's use of AI or another technological change (PA 26-15, § 26, effective October 1, 2026).

Non-Charge for Employees Paid Benefits Through the Shared Work Program

Beginning January 1, 2027, a new law reinstates a provision similar to one repealed in 2025 on an unemployment insurance (UI) tax "non-charge" for employers using a shared work program. Under the law, this non-charge applies when the state is in an extended benefit period or high unemployment period (generally, when the unemployment rate exceeds 6.5% for three months).

The new law requires that the non-charge continue until the U.S. labor secretary notifies the state DOL commissioner that the extended benefit period or high unemployment period has been triggered off (PA 26-68, § 195, effective October 1, 2026).

Second Injury Fund

This year, the legislature limited the amount self-insured employers may be reimbursed from the second injury fund (SIF) to a three-year period. By law, these employers may transfer liability for certain workers' compensation claims to SIF and request reimbursement for certain benefits they already paid out (for example, claims paid out to cover an employee's lost wages from other companies).

The law specifies that SIF may only reimburse an employer within two years from when it paid the benefits to the employee. However, this allowed reimbursement for benefits from before this two-year deadline (for example, making a lump sum restitution payment to cover underpaid benefits for an extended period of time). Therefore, the law limits the amount that SIF reimburses to a three-year period (thus making self-insured employers liable for any additional amounts owed to an employee outside that period) (PA 26-94, § 8, effective July 1, 2026).

Warehouse Workers

A new law limits the extent to which employers at certain warehouse distribution centers can require their employees to meet production quotas. It generally applies to employers that employ at least (1) 250 employees at a single warehouse distribution center in the state or (2) 1,000 employees at multiple warehouse distribution centers in the state. Among other things, the new law also:

1. requires the covered employers to give their employees a written description of their quotas and any adverse employment actions they may face for failing to meet them,
2. prohibits the employers from using quotas that prevent compliance with the state law on meal periods or interfere with the employee using the bathroom, and
3. requires employers to give copies of their quota records to employees who believe that meeting a quota caused a violation.

Under it, employees aggrieved by a violation of the law may bring a civil action in Superior Court, which may assess civil penalties (PA 26-1, §§ 50-57, effective July 1, 2026).

Environment, Health, and Safety

Bottle Bill Revisions

This session, the legislature passed two acts that make several changes to the state's beverage container redemption law ("bottle bill"). Among other things, they (1) replace the prior redemption center registration with a licensure requirement and require license applicants to pay a $2,500 application fee and (2) increase the fines for violating the bottle bill's requirements and gives municipal police enforcement authority over those violations.

Starting April 1, 2026, the new laws also reduce the handling fee distributors pay to certain redemption centers by up to one cent if the redemption center does not use certain scanning technology to redeem beverage containers. This reduction ends July 1, 2027, or when the redemption center uses the specified scanning technology to redeem beverage containers at its facility, whichever comes first. Additionally, the new laws prohibit willfully collecting or charging a refund value on beverage containers not purchased in Connecticut and make violations a class A or B misdemeanor or class D felony, depending on the volume of containers (PA 26-2, effective upon passage, and PA 26-148, effective October 1, 2026, except the provision modifying redemption center handling fees is effective upon passage).

Breastfeeding and Expressing Milk in the Workplace

This session, the legislature passed a law that requires employers to provide reasonable break times for an employee to express breastmilk for the employee's nursing child or to breastfeed at the workplace, in addition to the employee's scheduled breaks (PA 26-12, § 32, effective October 1, 2026).

Federal ADA Information Posting

A new law requires the DOL commissioner to post downloadable information about the federal Americans with Disabilities Act (ADA), including its definition of a disability and how it relates to reasonable accommodations in the workplace. It requires employers to give their employees written notice about their right to reasonable accommodations under the ADA, and allows employers to meet the requirement by displaying the information posted by the DOL commissioner (PA 26-12, §§ 30 & 31, effective October 1, 2026).

Heat Safety Standards Task Force

A new law creates a task force to study workplace heat safety standards, including examining (1) best practices to prevent employees' exposure to the risk of heat illness and (2) other states' laws and regulations on heat safety standards (PA 26-68, § 202, effective upon passage).

Targeted Development

Connecticut-Germany and Connecticut-India Trade Commissions

This session, the legislature established the Connecticut-Germany Trade Commission and the Connecticut-India Trade Commission to advance bilateral trade and investment between the state and Germany and India, respectively. Additionally, the new law requires the commissions to initiate joint action on policy issues, promote business and academic exchanges, and encourage mutual economic support and infrastructure investment. Beginning by February 1, 2028, the commissions must annually report to the governor, DECD, and the Commerce Committee on their activities and recommendations for policy and legislative changes needed to carry out their duties (PA 26-78, effective upon passage).

Economic Development Strategic Plan

Existing law requires the DECD commissioner to prepare an economic development strategic plan for the state every four years after consulting with various state entities and quasi-public organizations. A new law requires the commissioner, for strategic plans developed on or after July 1, 2026, to consult with the Connecticut Academy of Science and Engineering (CASE) and consider plans to foster innovation in advanced manufacturing, AI, quantum computing, robotics, and other emerging technologies. It also requires the plan to include a strategic technology plan that has an analysis of how the plan will promote economic growth and development in the state (PA 26-15, § 28, effective upon passage).

First Generation and Emerging Business Initiative Advisory Board

A new law renames the Minority Business Initiative Advisory Board as the “First Generation and Emerging Business Initiative Advisory Board” and shifts the board’s focus from minority-owned businesses and employment to promoting equitable growth and generational wealth. The board must develop and administer programs to foster financial literacy and strengthen generational wealth (PA 26-122, § 3, effective upon passage).

Freight Rail, Sea Lanes, and Ports Working Group

This session, the legislature passed a law requiring the Connecticut Port Authority executive director (or his designee) to convene a working group to study and make recommendations on, among other things, policies and incentives to encourage the use of freight rail, sea lanes, and ports to transport goods in the state (PA 26-63, § 25, effective July 1, 2026).

Grant Program for High Poverty-Low Opportunity Census Tracts

A new law expands an existing grant program under which the DECD commissioner must fund eligible projects in concentrated poverty census tracts, including projects to (1) build or renovate mixed-income housing, (2) create or improve workforce development programs, and (3) build or renovate public infrastructure. The new law allows the program to also fund eligible projects undertaken by a certified community development corporation. It also sets a 90-day deadline for DECD to review and evaluate program applications (PA 26-68, § 350, effective July 1, 2026).

Projects in CMDA Development Districts

The legislature changed the process for the Connecticut Municipal Development Authority (CMDA) to enter into an agreement with a private developer, owner, or lessee of a building or improvement in a development district providing for a payment to CMDA in lieu of real property taxes. Under the act, these agreements are no longer a required condition of a private right of development within these districts. Instead, they are optional and may only be arranged with the host municipality's consent. Unchanged by the recent legislation, these agreements must require that good faith effort be made to hire, or cause to be hired, qualified minority business enterprises to provide construction services and materials, in an effort to achieve a minority business enterprise utilization goal of 10% (PA 26-68, §§ 56 & 57, effective upon passage).

Test Bed Technologies Program

A new law creates a process for state agencies to administer pilot test programs to test the effectiveness of certain technologies, products, or processes at reducing operating costs. It creates a process for small contractor or minority business enterprise applicants to submit projects for consideration, and allows an agency to temporarily use a project that the DAS commissioner evaluates and then recommends. It also establishes a process for agencies to procure projects that a pilot test program has shown to promote operational cost reduction, including a waiver of competitive bidding or proposal requirements (PA 26-131, effective October 1, 2026).

Taxes

This session, the legislature made numerous changes to the laws on business tax credits and incentives. Most notably, these changes:

1. create a research and development tax credit for qualifying small businesses that applies against the state's personal income tax;
2. create an income tax credit for income-eligible family caregivers who incur eligible expenditures to care for and support an eligible family member;
3. create a sales and use tax exemption for nonelectronic school supplies that are bought for nonbusiness purposes;
4. increase the exemption amount for sales tax-free week from $100 to $300 and adds backpacks and cleated shoes to the list of items that can be bought tax-fee;
5. create a tax credit for qualifying employers that provide certain transportation benefits to employees who commute to and from work;

6. replace the three state cannabis taxes that are based on the amount of THC in a product with a single tax of 10.75% of the product's sales price; and

7. conform the state corporation business tax to recent changes in the federal deduction for domestic research and experimental expenditures and disallows the retroactive application of these changes (PA 26-21, PA 26-68 and PA 26-76, various sections and effective dates).

For more information on these laws, as well as other acts affecting property taxes and business tax credits and incentives, see OLR's 2026 Acts Affecting Taxes report.

Workforce Development

Advanced Nuclear Energy Workforce

This session the legislature passed a law requiring the Connecticut Council for Advancing Nuclear Energy Development to study the demand for skilled labor in the advanced nuclear energy industry. The study can include recommendations for legislation needed to (1) meet the need for skilled trades workers and other services and (2) promote developing a skilled labor workforce to meet the industry's needs (PA 26-46, effective July 1, 2026).

Career Training Program Changes

A new law makes changes to three career training programs by:

1. eliminating a requirement for the chief workforce officer (CWO) to establish a human services career pipeline program (the officer must still develop a plan for this type of pipeline program);

2. extending, to January 1, 2027, the deadline for the Office of Workforce Strategy (OWS) to implement a program to support individuals pursuing a commercial driver's license (CDL) and changing the other types of trainings that can be added to this program; and

3. eliminating the requirement that OWS establish a heating, ventilation, and air conditioning system pipeline training pilot program (PA 26-85, effective July 1, 2026, except the CDL training program changes are effective upon passage).

Clay Arsenal Workforce Readiness Program

A law passed this session requires the CWO to establish the Clay Arsenal Workforce Readiness Program to connect Hartford's Clay Arsenal neighborhood's residents with employment, training, and career advancement opportunities. The CWO must report on the program, including participating employers and performance outcomes, annually to the legislature, beginning by January 1, 2027 (PA 26-68, § 208, effective October 1, 2026).

Code Official Career Pathway Working Group

A new law requires the state fire marshal to convene a working group within DAS to study the code official career pathway. The study must include an analysis of any statutory or regulatory changes needed to make entry into the code official career pathway more accessible in the state. By January 1, 2027, the working group must report its findings and recommendations to the Public Safety and Security Committee and the DAS commissioner (PA 26-110, § 1, effective upon passage).

Connecticut Workforce and a Productivity Gap Plan

A new law requires the Office of Policy and Management secretary to submit a plan to the General Assembly, by January 1, 2027, to ensure that technological advancements increase worker capability instead of making it obsolete, and that productivity gains lead to a more skilled workforce. This plan must develop (1) a mechanism to reinvest capital when business output and labor costs become materially decoupled; (2) steps the state can take to minimize this decoupling; and (3) a plan for a workforce and productivity gap contribution from employers (PA 26-68, § 274, effective upon passage, as amended by PA 26-76, § 59, effective January 1, 2027).

DOL Workforce Development Information

This session, the legislature enacted a law requiring the DOL commissioner, by January 1, 2027, to create a centralized webpage on DOL's website with information, resources, and materials on workforce development organizations and opportunities (PA 26-145, effective October 1, 2026).

High Quality Internship Program Best Practices

A new law requires the UConn Board of Trustees and Board of Regents for Higher Education (BOR) to jointly identify best practices for high-quality internship programs. Using this information, BOR must design a syllabus and online training course, provided through Charter Oak State College, that employers may take to help them offer high quality internship programs. The new law also requires reports to the legislature on employers completing the training, internship opportunities available to higher education students through their institution's career services offices, and state agency internship programs.

The new law also requires, by January 1, 2028, the Department of Revenue Services to study the revenue impact of expanding the human capital investment tax credit to cover intern compensation (PA 26-12, §§ 57-61, various effective dates).

Police Officer and Firefighter Career Pipeline Program

New legislation requires the CWO to develop a plan to establish a police officer and firefighter career pipeline program that at least includes (1) a strategy to increase the number of state residents pursuing careers as police officers or firefighters and (2) an estimate of funding needed to support a police officer and firefighter career pipeline program. The CWO must submit a report on the plan to the legislature by January 1, 2027 (PA 26-12, § 74, effective upon passage).

Private Sector Educator Externships

A new law requires the education commissioner to establish a two-year pilot program for educator externships for certified educators. The program must allow the educators to participate in experiential learning with private sector employers so they can align classroom instruction with current industry standards and workforce needs (PA 26-12, § 26, effective upon passage).

Study on AI Impact on State Workforce

A new law requires UConn's Institute for Municipal and Regional Policy (IMRP) to conduct a study to understand and track AI's impact on the state's workforce and develop a comprehensive strategy to address the impact. IMRP must submit the study's results and the comprehensive strategy to the General Law Committee by January 1, 2027 (PA 26-15, § 29, effective upon passage).

Workforce Housing Options

A new law requires the housing commissioner and Connecticut Housing Finance Authority to seek a partnership with one or more municipalities or hospitals in the state to increase workforce housing options. By January 1, 2028, they must give the Finance, Revenue and Bonding Committee a report detailing the status of the partnership and any recommendations on other ways to increase these housing options (PA 26-68, § 351, effective July 1, 2026).

Workforce Navigator

A new law requires each of the state's regional workforce development boards to employ a regional workforce navigator to coordinate with the boards, the Governor's Workforce Council, and DOL to connect people in adult education programs and public high school students with workforce opportunities such as internships, apprenticeships, and job shadowing opportunities (PA 26-76, § 66, effective October 1, 2026).

Youth Employment and Training Funding Allocation

A new law changes how DOL must allocate youth employment and training funds to the regional workforce development boards. Instead of specifying the percentage of the funds that each board must receive (as under prior law), it generally requires the funds to be allocated based on each workforce development region's number of (1) students who are eligible for free or reduced-price lunch; (2) economically disadvantaged youth; and (3) at-risk students (PA 26-76, § 53, effective July 1, 2026).

Miscellaneous

Electronic Surveillance Systems and Self-Service Kiosks in Employee Lounges

This session, the legislature enacted a law that allows third-party vendors that operate self-service kiosks to use an electronic surveillance system in certain areas designed for employees (for example, employee locker rooms or lounges) as long as it (1) does not record sound or voice and (2) only records the kiosk's checkout area and the area where products are displayed for sale. In addition, employers cannot ask to view the vendor's surveillance video except when the vendor reports an alleged theft by an employee, and the vendor cannot release or provide any access to it unless required by law (PA 26-89, effective October 1, 2026).

Study of Natural Gas Rates for Commercial Customers

A new law requires the DEEP commissioner to study natural gas rates for commercial customers to determine whether demand charges cause a significant number them to be charged rates that do not fairly reflect their gas usage. If the commissioner determines that the demand charges are unfairly increasing their rates, she must make detailed recommendations for how the charges may be recalculated or otherwise applied (SA 26-4, effective October 1, 2026).

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