MAJOR ISSUES 2020 LEGISLATIVE SESSION





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Notice to Readers

Every year, the Office of Legislative Research (OLR) identifies and provides brief descriptions of important issues the General Assembly may face in the upcoming session. This report does not represent staff suggestions or recommendations. The office identifies issues based on interim studies; research requests; non-confidential discussions with legislators, other legislative participants, and executive branch agencies; as well as our general subject matter knowledge. We also consult with the Office of Fiscal Analysis (OFA) and the Legislative Commissioners' Office (LCO) when selecting issues. The report is organized according to the committee that has primary jurisdiction over an issue. Because more than one committee may consider aspects of the same issue, descriptions may overlap. Where appropriate, we provide links to OLR reports and other documents that contain additional information.

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Aging

Aging in Place

Like many states, Connecticut is confronting a growing elderly population, high nursing home Medicaid costs, and an increasing desire among seniors to remain in their own homes while receiving care (i.e., "aging in place"). In 2020, the legislature may again consider proposals intended to reduce the number of people in institutions and increase the number served by home and community-based services as part of an overall effort to "rebalance" Connecticut's long-term care system. Aging in place proposals may include (1) expanding eligibility for state programs (e.g., Connecticut Home Care Program for Elders) or (2) modifying the amount of resources a community spouse of someone receiving Medicaid nursing home care may keep.

Read OLR Report:

• <u>2019-R-0236</u>, 2019 State Programs for Older Adults

Tax Relief

In recent years, the legislature has explored proposals to reduce the overall tax burden on Connecticut's older residents to encourage them to remain in the state during their retirement years. The 2019 tax year marked the beginning of a six-year phase out of state income taxes on pension and annuity income for retirees whose federal adjusted gross income is less than \$75,000 for individuals and \$100,000 for married couples (see PA 17-2, June Special Session, § 641). In 2020, the legislature may revisit additional proposals to expand tax relief for retirees, such as (1) expanding eligibility for the state's Circuit Breaker and Renters' Rebate programs and (2) providing state income tax deductions for long-term care insurance premiums.

- <u>2018-R-0197</u>, Municipal Responsibility for Renters' Rebate Program Costs
- <u>2019-R-0034</u>, Local Option Property Tax Relief Programs for Homeowners
- <u>2019-R-0098</u>, Income Tax Deductions for Social Security and Pension Income
- <u>2019-R-0205</u>, Mandatory Property Tax Relief for Homeowners

Appropriations

Current Biennium

OFA is projecting a General Fund (GF) deficit of \$29.7 million in the current year (FY 20). This is primarily due to two factors: (1) tax refunds totaling approximately \$100 million and (2) agency deficiencies of \$84.3 million across seven agencies. The budget as adopted had a surplus of \$141.1 million for FY 20. OFA is estimating a GF surplus of \$183.8 million in FY 21, a slight improvement over the budgeted surplus of \$166.2 million.

Future Fiscal Years

OFA is projecting GF deficits in FY 22 (\$757 million), FY 23 (\$1.2 billion) and FY 24 (\$917 million). These deficits are primarily the result of changes in revenue policies, including (1) a Municipal Revenue Sharing Account diversion of \$375.9 million, (2) a Special Transportation Fund diversion of \$184.3 million, and (3) the loss of \$245.1 million in temporary revenue.

Budget Reserve Fund

The current balance in the Budget Reserve Fund (BRF) is \$2.5 billion, the highest in BRF history. In FY 20, a volatility adjustment transfer of \$318.3 million is anticipated to be deposited in the BRF, bringing the balance to \$2.8 billion. In FY 21, a volatility adjustment transfer of \$276.6 million is projected to be deposited in the BRF, which would increase the balance to \$3 billion, its statutory maximum level of 15% of appropriations. In FY 21 through FY 24, it is anticipated that the BRF balance will remain at the statutory cap of 15% of appropriations.

For more information:

• Fiscal Accountability Report FY 20 - FY 24, OFA (2019)

Banking

State-Owned Banks and Infrastructure Banks

A state-owned bank is a financial institution that is owned by the government and operated for the public interest. Its mission can be tailored narrowly to serve specific communities or purposes. Last session, the Banking Committee considered, but did not pass, two proposed bills to create a state-owned bank in Connecticut (2019 <u>HB 5970</u> and <u>HB 5973</u>). The latter would have required the banking department to study creating one specifically to serve the cannabis industry.

States can also create "infrastructure banks." These banks use initial capital to lend funds for infrastructure projects and then, through a revolving loan fund, use the repayments to finance future projects. In 2020, the legislature may revisit proposals from last session to:

- establish an infrastructure bank in Connecticut to finance improvements for things such as roads, bridges, ports, energy transmission and distribution, and telecommunication networks (2019 <u>SB 70</u>);
- expand the Connecticut Green Bank's duties to include developing programs to finance environmental infrastructure (2019 <u>SB 927</u>); and
- 3. study the establishment of a regional infrastructure bank (2019 <u>SB 71</u>).

Children

Birth-to-Three Program Expansion

The Birth-to-Three program strengthens families' capacities to meet the developmental- and healthrelated needs of their infants and toddlers under age 4 who have developmental delays or disabilities. A 2019 law created a Birth-to-Three Transition Working Group to study the provision of special education and related services during the period in which a child is no longer eligible for program services but is not yet enrolled in kindergarten (PA 19-184, § 2). The working group must report its findings and recommendations to the legislature by January 1, 2020. The legislature may consider proposals based on the group's recommendations, such as expanding the program's eligibility to include four- and five-year-old children.

Commerce

State Economic Development Assistance

The legislature may consider proposals from the Department of Economic and Community Development (DECD) to revamp the methods by which the state provides economic development assistance. According to a <u>recent article</u> in the Hartford Business Journal, the department may propose converting the Small Business Express program into a loan guarantee program. (Currently, the program provides direct loans and grants from the state.)

DECD may also propose an income tax rebate for companies in specified industries that create at least 25 jobs that pay above a certain income threshold. Under the proposal, the rebate would be twice as large for companies located in an opportunity zone.

Read OLR Report:

• <u>2018-R-0196</u>, Opportunity Zones

Transfer Act

Connecticut's property transfer law (i.e., "Transfer Act") regulates the transfer of real property on which, or a business operation from which, (1) hazardous waste was generated or processed or (2) a dry cleaning, furniture stripping, or vehicle body repair business operated. The Transfer Act generally requires the disclosure of environmental conditions and in some cases, investigation and remediation.

In 2019, the legislature passed <u>PA 19-75</u>, which among other things, reduced the number of properties and businesses subject to the Transfer Act by narrowing the types of hazardous waste that trigger the act's application. The new law also created a working group to examine the Transfer Act and recommend potential changes to it.

The working group must report its findings and recommendations to the Commerce and Environment committees by February 1, 2020. The legislature may consider additional revisions to the Transfer Act in 2020 based on the group's recommendations.

Education

Early Childhood Education

This session, the legislature may consider initiatives to support the expansion of early childhood education access in Connecticut, such as (1) pilot programs to expand home-based family child care programs or (2) methods to increase early childhood educators' compensation. In 2019, the legislature enacted a law requiring the Office of Early Childhood to develop a proposed compensation schedule for these educators, due to be completed by January 2021 (PA 19-61). The legislature may explore possible funding mechanisms for the proposed compensation schedule.

Minority Teacher Recruitment and Retention

In recent years, the legislature has considered ways to attract and retain more teachers from racial minority groups in order to make the state's public teaching corps more closely represent the racial and ethnic diversity of the student body. Approximately 9% of the state's teachers are minorities, while nearly 50% of the students are non-white. In 2019, the legislature passed <u>PA 19-74</u>, which included provisions aimed at attracting and retaining minority teachers. This year the legislature may consider additional measures, such as (1) expanding higher education loan reimbursements

for teachers (building on <u>PA 19-117</u>, §§ 262-263) or (2) enhancements to alternative route to certification programs.

Energy and Technology

Community Choice Aggregation

Community choice aggregation (CCA) programs allow local governments to combine the retail electricity customers within their jurisdiction and procure electricity for them. Nine states, including Massachusetts, New Hampshire, and New York, have enacted legislation that allow municipalities to form CCAs and establish procedures for them to do so. During the 2020 session, the legislature may consider similar legislation for Connecticut.

Read OLR Report:

• <u>2019-R-0293</u>, Community Choice Aggregation

Utility Shut-offs

After recent <u>reports</u> that utility shut-offs in the state have more than doubled over the past four years, the legislature may explore ways to improve how customers are notified about an impending shut-off and the programs that can help low-income customers pay their utility bills. The state's current payment assistance programs include the <u>Matching Payment Program</u>, the <u>Connecticut</u> <u>Energy Assistance Program</u>, and assistance provided through the nonprofit <u>Operation Fuel</u>.

Environment

Solid Waste Management

Over the last year, media reports have identified several solid waste management concerns in the state, including (1) incinerator shutdowns at the regional trash-to-energy facility (the Materials Innovation and Recycling Authority in Hartford), (2) increased recycling costs due in part to changes in the international recycling markets, and (3) the new 10-cent plastic bag fee and subsequent bag ban in 2021 (see <u>PA 19-117</u>, § 355). Additionally, the House Speaker recently convened the Blue Ribbon Legislative Panel on Recycling to discuss recycling efforts in the state and its associated costs.

Given this, the legislature may focus on solid waste and recycling issues during the 2020 session, including:

- changing the state's beverage container redemption law ("bottle bill") by replacing the deposit with a non-refundable fee to fund recycling programs, increasing the deposit value from five to 10 cents, increasing the handing fee that retailers and redemption centers receive for taking back containers, or expanding the law's scope to include juices, teas, nips, or sport drinks;
- 2. reducing plastics pollution by prohibiting balloon releases, restricting the availability of single-use plastic straws in restaurants, and eliminating other single-use items; or
- 3. revisiting a 2019 proposal to require certain paper and packaging producers to develop plans to increase the recycling of their products and decrease municipal costs to manage the products when they are no longer used (<u>HB 7295</u>).

Read OLR Reports:

- <u>2019-R-0223</u>, Issue Brief: Connecticut's Bottle Bill
- <u>2019-R-0177</u>, Plastic Straw Bans That Accommodate Individuals with Disabilities
- <u>2018-R-0254</u>, Banning Plastic Straws
- <u>2016-R-0093</u>, Bottle Bill Handling Fees

Finance, Revenue and Bonding

FY 20-21 Bond Package

To date, the legislature has not yet enacted a biennial bond package for FYs 20-21. The lack of a new bond package and the governor's preference for the lower use of bond funds have resulted in relatively low levels of bonding in 2019. Nevertheless, there continues to be pressure to provide the bond-funded state aid to municipalities, such as Town Aid Road (TAR) and the Local Capital Improvement Program (LoCIP).

During the 2020 session, the legislature is likely to continue the debate over the appropriate level of capital spending and the respective roles of the governor and legislature in determining that level. This could include reconsidering the bonding proposals raised during the 2019 session or raising other proposals.

- <u>2019-R-0305</u>, State Fiscal Controls
- <u>2018-R-0279</u>, Connecticut's Bonding Process

State Revenue and Taxes

During the 2020 session, the legislature is likely to follow up on specified revenue measures included in the FY 20-21 budget act. This could include evaluating the findings and recommendations of the Payroll Commission. The budget act charged the commission with analyzing data collected by the Department of Revenue Services (DRS) in order to implement an employer payroll tax beginning January 1, 2021.

The legislature may also consider the fee increase study the Office of Policy and Management secretary is scheduled to report to the Finance, Revenue and Bonding Committee by February 5, 2020. The budget act (<u>PA 19-117</u>, § 368) specifically required her to review the existing fees collected by each department and report at least \$50 million in recommended fee increases.

Additionally, the legislature may assess a plan to implement the use of certified service providers (CSPs) to collect, report, and remit sales and use taxes. The budget act (PA 19-117, § 331) requires the DRS commissioner to consult with the Streamlined Sales Tax Governing Board in developing the plan and report his findings to the Finance, Revenue and Bonding Committee by February 5, 2020.

Read OLR Report:

• <u>2019-R-0140</u>, Acts Affecting Taxes

For more information:

• Fiscal Accountability Report FY 20-FY 24, OFA (2019)

General Law

Crumbling Foundations

In recent years, the legislature has enacted laws to help property owners repair and replace residential homes with foundations that are crumbling due to the presence of pyrrhotite. PA 19-192 established a working group to (1) develop a model quality control plan for concrete aggregate quarries and (2) study the contactor workforce that repairs and replaces crumbling foundations. The working group must report its findings and recommendations to the General Law Committee by February 1, 2020. The legislature may consider additional proposals on this issue based on the group's recommendations.

Read OLR Reports:

- <u>2019-R-0225</u>, Testing Structural Concrete Aggregate for Pyrrhotite
- <u>2019-R-0213</u>, Connecticut Concrete Aggregate Quarries
- <u>2019-R-0211</u>, State Building Code: Pyrrhotite in Concrete Aggregate
- <u>2019-R-0226</u>, Regulating Aggregate Quarries: Other States
- <u>2019-R-0184</u>, Crumbling Concrete Foundations Legislation

Occupational Licensing

Recently, the <u>National Occupational Licensing Learning Consortium</u> concluded its work of developing an action plan to remove unnecessary barriers to labor market entry and improve license portability and reciprocity across states for certain occupations. Given this, the legislature may consider proposals to streamline its occupational licensing processes during the 2020 session.

For some occupations, such as home improvement contractors, Connecticut requires professionals to register with the state but does not require them to obtain a license (e.g., there are no experience or education requirements). This session, legislators may discuss ways of reducing the impact of unscrupulous registrants on Connecticut's consumers, while also accounting for the wide range of work they perform. Proposals addressing home improvement contractors may include modifications to the Home Improvement Guaranty Fund. This fund reimburses consumers who have obtained a judgment but are unable to collect from the registered home improvement contractor.

Read OLR Reports:

- <u>2019-R-0130</u>, Residential Contractor Registration
- <u>2019-R-0258</u>, Contractor Guaranty Funds in Other States
- <u>2019-R-0233</u>, New Home Construction Contractor Requirements

Government Administration and Elections

Increased Voter Registration Opportunities

This year the legislature may reconsider bills aimed at increasing voter registration opportunities, such as <u>sSB 24</u> or <u>sHB 7160</u> from the 2019 session. For example, it may consider proposals to expand the Election Day Registration (EDR) law by (1) guaranteeing that people who are in line by 8:00 p.m. at an EDR location may vote, not only register, as long as they are admitted as electors or

(2) authorizing registrars of voters to apply to the secretary of state to designate additional EDR locations.

The legislature may also consider proposals related to a 2016 memorandum of understanding (MOU) between the Office of the Secretary of the State and the Department of Motor Vehicles (DMV) on automatic voter registration (AVR). (Among other things, the MOU established a method, process, and timeline for developing an AVR system, and required that it be fully implemented by August 2018.) For example, the legislature may consider proposals (1) codifying the requirement that DMV use an electronic system to automatically transmit eligible applicants' voter registration applications to local registrars of voters, unless they opt out, and (2) authorizing voter registration agencies, such as public assistance offices, to transmit voter registration applications using the AVR system.

Quasi-Public Agency Oversight

The state's 17 quasi-public agencies were generally created to operate with more autonomy than public agencies. But following recent hearings on the Connecticut Port Authority's spending practices and operations, the legislature may seek to expand the controls that the state has over quasi-public agencies. For example, it may reconsider proposals similar to <u>HB 7327</u>, which as amended and passed by the House in the 2019 session, would have extended (1) open and public process requirements to quasi-public agency contracts and (2) prohibited activities under the ethics code to certain quasi-public agency consultants.

Read OLR Report:

• <u>2019-R-0218</u>, Quasi-Public Agency Boards of Directors

Higher Education and Employment Advancement

Community College Consolidation

In June 2018, approximately two months after the New England Commission of Higher Education (NECHE, formerly the New England Association of Schools and Colleges) rejected its original proposal, the Board of Regents for Higher Education (BOR) approved a plan to consolidate the state's 12 regional community-technical colleges into one accredited two-year institution by 2023. The legislature will likely continue to consider legislation related to the consolidation plan.

For more information:

- Endorsement of Revised Students First Plan, Connecticut BOR (2018)
- <u>Connecticut State Colleges and Universities (CSCU) Students First Update for NECHE</u> (April 2019)
- <u>NECHE letter to CSCU president</u> (July 2019)
- <u>CSCU president's letter to NECHE</u> (October 2019)

Housing

Housing for People Entering the Community After Incarceration

Special Act 18-14 required the Commission on Equity and Opportunity to study housing options for people reentering the community after incarceration. In 2019, the legislature considered several bills, including <u>sSB 54</u> and <u>sHB 5713</u>, to implement the study's recommendations and strengthen anti-discrimination protections for prospective renters with criminal records. Among other things, these bills limited a landlord's consideration of a prospective renter's convictions to those that (1) were for certain types of misdemeanors and felonies and (2) occurred within a designated lookback period. In 2020, the legislature may again consider legislation on this issue.

For more information:

• <u>Hope for Success: Returning Home</u>, Commission on Equity and Opportunity Reentry Working Group (2019)

Increasing Access to Affordable Housing

In recent sessions, the legislature considered bills aimed at increasing access to fair and affordable housing for all Connecticut residents. In 2020, the legislature may revisit proposals to (1) incentivize the creation and rehabilitation of affordable housing in a variety of locations or (2) address the impact of local zoning regulations.

The legislature may also consider how to expand affordable housing opportunities for groups that might not be served by traditional housing programs, such as municipal employees. For example, the legislature may reconsider 2019 workforce housing proposals (see <u>sSB 808</u> and <u>sHB 7226</u>), to study ways to increase housing options for municipal employees who want to live in the town where they work.

Human Services

Medicaid Nursing Home Rates

During the 2020 session, the legislature may follow up on specified Medicaid nursing home rate changes included in the FY 20-21 budget act (<u>PA 19-117</u>, § 302). The act eliminated the rate protection (called a "stop-loss") for nursing homes with occupancy rates under 70%. A "stop loss" provides these homes with a rate that is higher than what they would actually receive, because it is based on a 90% occupancy rate. This rate change will likely cost the nine affected nursing homes \$5.3 million. These homes are located in Bristol, Fairfield, Hamden, Shelton, Simsbury, South Windsor, Torrington, Wallingford, and Wolcott.

Medicaid Reimbursement for Midwives and Doulas

Currently, the state Medicaid program reimburses licensed nurse midwives approximately 90% of what it reimburses obstetrician-gynecologists (OB/GYNs) for providing the same service and does not reimburse doulas. This session, the legislature may revisit 2019 proposals to (1) require the Department of Public Health to regulate and certify doulas (<u>sSB 1078</u>), (2) extend eligibility for Medicaid reimbursement to state-certified doulas (<u>sSB 1078</u>), and (3) establish pay equity between licensed nurse midwives and OB/GYNs for providing the same Medicaid-eligible services (<u>sSB 837</u>).

Insurance and Real Estate

Rising Healthcare Costs

The cost of healthcare continues to be a concern for the Insurance and Real Estate Committee. The committee recently discussed prescription drug affordability, health policy commissions, and reinsurance at a <u>public forum</u>. In 2019, the committee considered several bills related to these topics, including <u>sHB 7267</u> as amended, which would have created a prescription drug importation program and required the Office of Health Strategy to monitor health care costs and apply for a federal reinsurance waiver.

This year, the committee may again consider legislation to lower the cost of prescription drugs, including by (1) establishing a prescription drug review board or a drug importation program or (2) prohibiting "pay for delay," which can postpone when a generic drug enters the market. The committee may also consider establishing a state reinsurance program, which can lower health insurance premiums by leveraging federal money to offset the cost of expensive claims.

Read OLR Reports:

- <u>2019-R-0138</u>, Drug Importation Programs
- <u>2019-R-0248</u>, Maryland Prescription Drug Affordability Board
- <u>2018-R-0218</u>, State Health Reinsurance Programs

Judiciary

Criminal Records Erasure ("Clean Slate")

This session, the legislature may again explore proposals to automatically erase, after a certain time period, criminal records for convictions of certain misdemeanors and decriminalized felony offenses. In 2019, the legislature considered, but did not pass, legislation that would have created a process for (1) record erasures for misdemeanor criminal convictions after three years and (2) in cases involving decriminalized offenses, the immediate physical destruction of police, court, and prosecutors' records (<u>sSB 691</u>).

Recreational Marijuana

Eleven states have legalized the possession of specified quantities of marijuana (cannabis) for recreational use by adults age 21 and older, generally regulating it in a manner similar to alcohol. Last year, multiple legislative committees in Connecticut favorably reported bills related to this issue. For example, the Judiciary Committee voted out a bill (2019 <u>sSB 1085</u>) that would have allowed (1) individuals age 21 or older to possess up to 1.5 ounces of cannabis under specified conditions and (2) anyone convicted for possessing up to that amount of cannabis to file a court petition to erase the related police, court, and prosecutorial records. In 2020, the legislature may again consider similar proposals.

Sexual Assault Civil Statute of Limitations

Last year, a new law extended the time period to file a civil lawsuit related to sexual assault, sexual abuse, or sexual exploitation for victims under age 21 (PA 19-16, as amended by PA 19-93). The new law applies to incidents arising on or after October 1, 2019. The legislation also created a <u>task</u> force to study whether the state should further amend the statutes of limitations for personal injury to minors and adults caused by sexual assault and related conduct. The task force must examine the statutes of limitations in Connecticut and other states, including a review of reviving claims that are otherwise time barred.

In 2020, the legislature may consider recommendations from the task force and other related proposals.

Read OLR Report:

• <u>2019-R-0191</u>, Changes in State Laws on Civil Statute of Limitations for Sexual Assault Victims

Labor and Public Relations

Criminal Histories and Employment

PA 19-142 established the Council on the Collateral Consequences of a Criminal Record to develop legislative recommendations to reduce or eliminate discrimination based on a person's criminal history. The council must report its recommendations to the Labor and Public Employees by February 2020, and the committee may decide to act on them.

Unemployment Compensation Fund Solvency

The Great Recession's prolonged period of high unemployment drove the state's unemployment compensation fund to insolvency in October 2009. This forced the state to borrow roughly \$1 billion from the Federal Unemployment Account, which employers had to repay for years through additional unemployment taxes. Now that the fund is solvent again, the legislature may consider ways to prevent it from insolvency in the future.

Read OLR Report:

• <u>2019-R-0227</u>, OLR Backgrounder: State and Federal Unemployment Tax

Planning and Development

Municipal Financial Stress and Taxpayer Burden

Municipalities across the state continue to face fiscal stress as their capacity to generate property tax revenue cannot keep pace with the rising cost of providing local services. At the same time, rising property taxes are straining many property owners' finances. This session, the legislature may again consider proposals geared toward supplementing municipal revenue streams or providing tax relief to certain property owners, like those living on fixed incomes.

- <u>2019-R-0205</u>, Mandatory Property Tax Relief for Homeowners
- <u>2019-R-0034</u>, Local Option Property Tax Relief Programs for Homeowners

Uniform Relocation Assistance Act

The state's Uniform Relocation Assistance Act (URAA) generally requires state and municipal agencies to compensate people who are displaced from their homes, farms, or businesses due to state or local government programs, including code enforcement actions. In some cases, municipalities can recoup their costs from at-fault landlords.

This session, the legislature may revisit a 2019 proposal (<u>HB 7318</u>) to specify when the URAA's requirements are triggered and the compensation that must be provided to displaced individuals.

Public Health

School Immunization Requirements

All states require children to receive certain vaccinations before school admission and grant exemptions for medical reasons. Like most states, Connecticut provides a religious exemption that generally allows parents or guardians to opt out of vaccinating their children if they document that doing so would contradict the religious beliefs of the child, parents, or guardian. In September 2019, Governor Lamont and the Department of Public Health commissioner announced their support of legislation to eliminate Connecticut's religious exemption from school immunization requirements. This session, the legislature will likely consider such proposals, which may include, among other things, (1) modifying the requirements to obtain a medical exemption and (2) grandfathering in children who already have a religious exemption under current law.

Read OLR Reports:

- 2019-R-0235, Nonmedical Exemptions from Childhood Immunization Requirements
- <u>2019-R-0241</u>, States Without Religious Exemptions to Childhood Immunization Requirements
- <u>2019-R-0243</u>, Public Education Options for Students Who Opt Not to be Immunized
- <u>2019-R-0245</u>, Connecticut's School Immunization Requirements

E-Cigarettes

In 2019, Connecticut enacted various changes to e-cigarette laws, such as (1) raising, from 18 to 21, the legal age to purchase e-cigarettes; (2) imposing a tax on the sale of e-cigarettes by wholesalers; and (3) requiring dealers who sell e-cigarettes online to obtain the signature of a person age 21 or older at the shipping address before delivery and require the signer to show proof of age (PA 19-13 and PA 19-117, §351). Additionally, the federal Food and Drug Administration

(FDA) recently announced a ban on the sale of flavored cartridge-based e-cigarettes, other than menthol and tobacco flavors, beginning in February 2020.

This session, the legislature may again consider proposals on the regulation of e-cigarettes, such as expanding the flavor ban to include (1) menthol-flavored e-cigarette cartridges and (2) flavored open-tank vaping systems, which are generally sold in age-restricted establishments and used by adults. These proposals may also include (1) expanding the locations where e-cigarette use is prohibited and (2) transferring responsibility for tobacco and e-cigarette regulation and enforcement to a single state agency, rather than multiple agencies.

Read OLR Reports:

- <u>2019-R-0096</u>, State E-Cigarette Taxes
- <u>2019-R-0279</u>, Connecticut's E-Cigarette Laws
- 2019-R-0280, E-Cigarettes and Minors

For more information:

• <u>FDA Guidance</u>: Enforcement Priorities for Electronic Nicotine Delivery Systems (ENDS) and Other Deemed Products on the Market Without Premarket Authorization (2020)

Public Safety and Security

Gaming Expansion

Sports Betting. In a 2018, the Supreme Court issued a decision allowing states to regulate sports betting (*Murphy* v. *NCAA et al.*, 138 S. Ct. 1461 (2018)). In light of this decision, in 2020 the legislature may revisit proposals to legalize and tax wagers on sports.

Read OLR Reports:

- <u>2018-R-0224</u>, Issue Brief: Sports Betting
- <u>2018-R-0256</u>, Connecticut Casino Gaming Timeline

Off-Reservation Casino. Following the recent opening of two Massachusetts casinos in Springfield and Boston, the legislature may again consider legislation regarding off-reservation casinos. Such proposals may include (1) modifying the current authorization for the East Windsor casino, (2) allowing the Mashantucket Pequot and Mohegan tribes to build a new casino in

Bridgeport, or (3) creating a request for proposals for an open-bid process to build an additional casino in another part of the state.

Read OLR Reports:

- <u>2018-R-0257</u>, Issue Brief: Off-Reservation Casino
- <u>2019-R-0106</u>, HB 7055: An Act Creating a Competitive Bidding Process for a Resort-Casino Facility

Transportation

Transportation Funding

Although recent legislative actions have stabilized the Special Transportation Fund (STF) through FY 23, additional transportation funding will likely be necessary in the future due to, among other things, the growth of Connecticut's infrastructure needs and STF-supported debt service. In November 2019, Governor Lamont and legislative leaders collectively proposed several options for increasing transportation funding. These included tolling all vehicles crossing specified bridges; tolling only trucks crossing specified bridges; and using a portion of the Budget Reserve Fund (i.e., Rainy Day Fund) to pay down pension debt, with the resulting debt service savings used for transportation purposes. The legislature may consider these and other proposals for increasing transportation funding.

Read OLR Reports:

- <u>2019-R-0003</u>, Taxes Paid by Motor Carriers in Connecticut
- <u>2019-R-0160</u>, Special Transportation Fund

For more information:

- Fiscal Accountability Report FY 20 to FY 24, OFA (2019)
- <u>Federal Highway Tolling Programs Fact Sheet</u>, FHWA (2018)

Financing Mechanisms

In addition to considering ways to increase transportation funding, the legislature may also explore alternative mechanisms for financing transportation projects. For example, it may consider proposals to reduce the use of special tax obligation (STO) bonds, which are secured by STF

revenue, and instead increase the use of general obligation (GO) bonds for transportation purposes.

The legislature may also consider seeking financing through the U.S. Department of Transportation's Build America Bureau, including loans under the Transportation Infrastructure Finance & Innovation Act (TIFIA) and Railroad Rehabilitation & Improvement Financing (RRIF) programs.

Veterans' Affairs

Veterans' Aid and Benefits

This session, the legislature may continue to explore proposals that increase aid to, and benefits for, Connecticut veterans. These proposals may include (1) increasing property tax exemption amounts; (2) expanding those who qualify for veterans' benefits; and (3) exempting specific groups of veterans from certain fees.

- <u>2019-R-0166</u>, OLR Backgrounder: State Veterans' Benefits
- <u>2019-R-0167</u>, State Benefits for Veterans' Spouses and Surviving Spouses
- <u>2019-R-0178</u>, OLR Backgrounder: Veterans' Property Tax Exemptions
- <u>2019-R-0179</u>, Benefits for Veterans Without Wartime Service