

STATE OF CONNECTICUT
EXECUTIVE CHAMBERS

DANNEL P. MALLOY
GOVERNOR

GOVERNOR'S OFFICE

June 9, 2016

BILL NOTIFICATION
RELEASE No.13

For Immediate Release

Governor Dannel P. Malloy signed the following legislation of the 2016 Regular Session on June 9th.

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| HB 5468
SA 16-9 | AN ACT ESTABLISHING A TASK FORCE TO STUDY ISSUES RELATING TO THE RECRUITMENT OF MANUFACTURING TEACHERS AND ESTABLISHING A TASK FORCE TO STUDY PROFESSIONAL DEVELOPMENT AND IN-SERVICE TRAINING REQUIREMENTS FOR EDUCATORS.
This bill shall take effect from passage. |
| HB 5470
SA 16-10 | AN ACT ESTABLISHING A PILOT PROGRAM FOR MINORITY STUDENTS IN HIGH SCHOOL TO PURSUE A COLLEGE DEGREE IN EDUCATION.
This bill shall take effect July 1, 2016. |
| SB 295
SA 16-17 | AN ACT CONCERNING RADIOLOGICAL AND IMAGING SERVICES.
This bill shall take effect from passage. |
| HB 5189
PA 16-122 | AN ACT AUTHORIZING AN ADMINISTRATIVE PENALTY FOR CERTAIN LITTERING VIOLATIONS AND REQUIRING CERTAIN REPORTS AND DISCLOSURES BY PRODUCT STEWARDSHIP ORGANIZATIONS IN THE STATE.
This bill shall take effect from passage. |
| SB 187
PA 16-124 | AN ACT CONCERNING TRANSFERS OF GUARDIANSHIP AND SUBSTANTIATED ALLEGATIONS OF ABUSE OR NEGLECT BY A GUARDIAN.
This bill shall take effect October 1, 2016. |
| SB 365
PA 16-126 | AN ACT CONCERNING CHILD ENDANGERMENT WHILE DRIVING UNDER THE INFLUENCE.
This bill shall take effect October 1, 2016. |

SB 458 AN ACT CONCERNING THE OFFICE OF THE CLAIMS COMMISSIONER.
PA 16-127 This bill shall be effect from passage.

SB 461 AN ACT CONCERNING A SMALL MINORITY BUSINESS REVOLVING LOAN FUND.
PA 16-128 This bill shall be effect from passage.

HB 5467 AN ACT ESTABLISHING A RED RIBBON PASS PROGRAM.
PA 16-132 This bill shall take effect July 1, 2016.

HB 5496 AN ACT CONCERNING CERTAIN VIRTUAL NET METERING FACILITIES.
PA 16-134 This bill shall be effect from passage.

HB 5540 AN ACT CONCERNING THE STATE WATER PLAN.
PA 16-137 This bill has various effective dates. Read the text [here](#).

HB 5553 AN ACT CONCERNING MAGNET SCHOOL TUITION.
PA 16-139 This bill shall be effect from passage.

HB 5564 AN ACT CONCERNING CASH REFUNDS FOR GIFT CARD BALANCES.
PA 16-140 This bill shall take effect October 1, 2016.

HB 5583 AN ACT CONCERNING AN AGREEMENT REGARDING ANNUAL WATER LEVEL DRAW DOWNS
PA 16-141 AT BASHAN LAKE IN THE TOWN OF EAST HADDAM.
This bill shall take effect from passage.

HB 5601 AN ACT CONCERNING REGIONALISM.
PA 16-144 This bill has various effective dates. Read the text [here](#).

HB 5606 AN ACT CONCERNING THE CONNECTICUT REVISED UNIFORM FIDUCIARY ACCESS TO
PA 16-145 DIGITAL ASSETS ACT.
This bill shall take effect October 1, 2016.

HB 5637 AN ACT MAKING MINOR AND CONFORMING CHANGES TO CERTAIN TAX STATUTES.
PA 16-146 This bill has various effective dates. Read the text [here](#).

HB 5640 AN ACT CONCERNING COMPELLED DISCLOSURE OF CELLULAR TELEPHONE AND INTERNET
PA 16-148 RECORDS AND FRAUD COMMITTED THROUGH TELEPHONE SOLICITATION.
This bill shall take effect October 1, 2016.

HB 5407 AN ACT CONCERNING THE DIVISION OF STATE-WIDE EMERGENCY TELECOMMUNICATIONS.
PA 16-150 This bill shall take effect October 1, 2016.

SB 178 AN ACT CONCERNING THE LEGISLATIVE COMMISSIONER'S RECOMMENDATIONS FOR
PA 16-163 TECHNICAL REVISIONS TO THE EDUCATION AND EARLY CHILDHOOD STATUTES.
This bill shall take effect from passage.

SB 2 AN ACT SUPPORTING VETERAN-OWNED SMALL BUSINESSES.
PA 16-184 This bill shall take effect October 1, 2016.

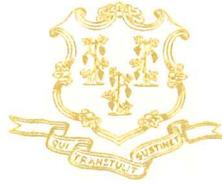
- SB 136 AN ACT REGULATING THE USE OF JETTED ARTICULATED VESSELS AND CERTAIN WATER
PA 16-187 SKIING DEVICES.
This bill shall take effect from passage.
- SB 179 AN ACT CONCERNING EDUCATION ISSUES.
PA 16-188 This bill has various effective dates. Read the text [here](#).
- HB 5469 AN ACT CONCERNING STUDENT DATA PRIVACY.
PA 16-189 This bill has various effective dates. Read the text [here](#).
- SB 183 AN ACT CONCERNING THE PROGRAM OF FAMILY ASSESSMENT RESPONSE.
PA 16-190 This bill shall take effect from passage.
- SB 205 AN ACT CONCERNING WOMEN VETERANS.
PA 16-192 This bill shall take effect October 1, 2016.
- SB 272 AN ACT CONCERNING THE USE OF MICROGRID GRANTS AND LOANS FOR CERTAIN
PA 16-196 DISTRIBUTED ENERGY GENERATION PROJECTS AND LONG-TERM CONTRACTS FOR CERTAIN
CLASS I GENERATIONS PROJECTS.
This bill shall take effect July 1, 2016.
- SB 305 AN ACT ESTABLISHING A STATE FILM PERMITTING PROCESS.
PA 16-200 This bill shall take effect October 1, 2016.
- SB 306 AN ACT CONCERNING THE OFFICE OF THE PERMIT OMBUDSMAN AND ASSISTANCE FOR
PA 16-201 BIOSCIENCE COMPANIES.
This bill shall take effect October 1, 2016.
- SB 401 AN ACT CONCERNING THE CONNECTICUT BIOSCIENCE INNOVATION FUND AND
PA 16-204 INVESTMENTS BY CONNECTICUT INNOVATIONS, INCORPORATED.
This bill shall take effect July 1, 2016.
- SB 463 AN ACT CONCERNING THE PENALTY FOR VIOLATION OF A MUNICIPAL ORDINANCE
PA 16-208 CONCERNING THE OPERATION OF A DIRT BIKE, ALL-TERRAIN VEHICLE OR MINI-
MOTORCYCLE.
This bill shall take effect October 1, 2016.

Governor Dannel P. Malloy vetoed the following legislation of the 2016 Regular Session on June 9th.

- SB 397 AN ACT CONCERNING A MUNICIPAL OPTION FOR PROPERTY TAX ABATEMENTS FOR
PA 16-177 ARTS AND CULTURE.
This bill would have been effective October 1, 2016. The Governor vetoed the bill.
Scroll down to read the veto message.

HB 5636 AN ACT CONCERNING THE APPRENTICESHIP TAX CREDIT AND THE TAX CREDIT
PA 16-183 REPORT.
This bill would have had various effective dates. The Governor vetoed the bill.
Scroll down to read the veto message.

As of this date, the Governor has signed two hundred sixteen (216) bills and vetoed eight (8) bills of the 2016 Legislative Session. The Governor has signed four (4) bills and has exercised line item veto authority on PA 16-2 of the 2016 May Special Session.



Dannel P. Malloy

GOVERNOR
STATE OF CONNECTICUT

June 9, 2016

The Honorable Denise W. Merrill
Secretary of State
30 Trinity Street
Hartford, CT 06106

Dear Madam Secretary:

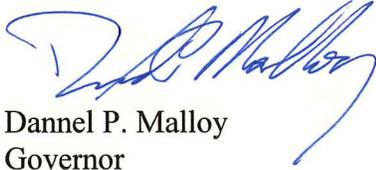
I hereby return, without my signature, Senate Bill 397, *An Act Concerning A Municipal Option for Property Tax Abatements for Arts and Culture*. This bill gives municipalities the ability to abate up to one hundred percent of the property taxes due for any property used for arts or culture, including properties used by for-profit entities.

The law already exempts *nonprofit* organizations from paying property taxes on arts and cultural facilities as long as they use them for scientific, educational, literacy, historical, or charitable purposes. If this bill were to become law, municipalities would be subject to pressure to exempt *for-profit* entities, such as movie theaters, from property taxes as well. This legislation does not differentiate between enterprise zones and other areas, and could therefore encourage competition between municipalities to grant tax breaks that result in sprawl development rather than development in regional hubs. While I have been a longtime supporter of the arts and other cultural activities, I do not think the state should be encouraging exemption of for-profit entities from taxation without limitation.

Furthermore, there are numerous programs already in existence that provide municipalities with the means to incentivize business development. For example, the Connecticut City and Town Development Act (CGS § 7-480) allows municipalities to acquire, develop, and improve property, convey property to private developers, and lend money to these developers if they cannot obtain financing from banks or other traditional lenders. Municipalities may grant a 100% property tax exemption for up to 20 years for property developed under this act. Finally, municipalities themselves, including those represented by the Council of Small Towns, actively opposed this legislation.

For these reasons, I disapprove of Senate Bill 397, *An Act Concerning A Municipal Option for Property Tax Abatements for Arts and Culture*. Pursuant to Section 15 of Article Fourth of the Constitution of the State of Connecticut, I am returning Senate Bill 397 without my signature.

Sincerely,



Dannel P. Malloy
Governor



Dannel P. Malloy

GOVERNOR
STATE OF CONNECTICUT

June 9, 2016

The Honorable Denise W. Merrill
Secretary of State
30 Trinity Street
Hartford, CT 06106

Dear Madam Secretary:

I hereby return, without my signature, House Bill 5636, *An Act Concerning the Apprenticeship Tax Credit and the Tax Credit Report*. This bill would allow owners or shareholders of pass-through entities such as S corporations, partnerships, and limited liability companies to claim the manufacturing apprenticeship tax credit against the personal income tax and would revise the requirements for a report on existing tax credits.

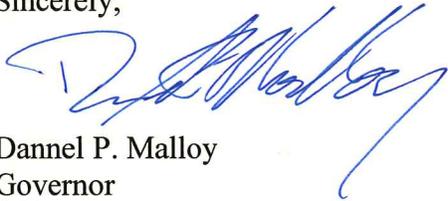
Under current law, entities that are unable to use manufacturing apprenticeship tax credits themselves because they are not subject to the corporation business tax may sell them to other entities that have sufficient liability to use them. Current law also imposes reasonable limits on a corporation's total reduction in its tax liability through the use of tax credits. HB 5636 would instead allow individual partners in, or shareholders of, pass-through entities to claim the tax credits on their personal income tax returns, without any limit on the amount of reduction in an individual's tax liability. Allowing business tax credits to be claimed against the personal income tax would open the door for other similar proposals and increase the likelihood that the credits will result in a revenue loss to the state. The Office of Policy and Management estimates that the bill could result in an additional annual revenue loss of approximately \$100,000 starting in FY 2018 from additional use of the credits. In addition, the Department of Revenue Services (DRS) will incur a significant unbudgeted expense to implement this change on tax forms and in the Taxpayer Service Center. I stand ready to work with the proponents of the bill to pass legislation that includes a reasonable limit on individual tax liability, but I cannot support this legislation as written.

Finally, House Bill 5636 makes changes to the overall scope and responsibility for analysis of tax incentives for economic development. Currently, the Department of Economic Development (DECD), in conjunction with DRS, produces a report every three years assessing the economic and fiscal impact of the state's tax credit and abatement programs. This bill would transfer responsibility for and control of that report to the Legislative Program Review and Investigation

Committee. I consider this change unnecessary and unwarranted. The last report produced by DECD and DRS in 2014 was 169 pages long and used modified and updated methodology in recommending how to achieve maximum benefit from the incentives offered. Those agencies have the subject matter expertise to provide independent actionable analysis and recommendations based on measurable, verifiable standards, as seen in the most recent report. For the elements of the legislation that can be accomplished without statutory authority, I encourage the proponents of this section of House Bill 5636 to work with DECD as it prepares its 2017 report to the legislature.

For this reason, I disapprove of House Bill 5636, *An Act Concerning the Apprenticeship Tax Credit and the Tax Credit Report*. Pursuant to Section 15 of Article Fourth of the Constitution of the State of Connecticut, I am returning Substitute House Bill 5636 without my signature.

Sincerely,



Dannel P. Malloy
Governor