

Act Number: 09-104
Bill Number: 778
Senate Pages: 1395, 1479-1481 5
House Pages: 6138-6146 8
Committee: General Law: 351-354, 542, 557-558 7

Page Total: 20

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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2009**

**VOL. 52
PART 5
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md
SENATE

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Committee -- first item, calendar page 39, Calendar Number 81, Senate Number 760, I would mark that item go.

Calendar 83 also marked go.

Calendar 99, marked go.

Moving to calendar page 40, Calendar 102 is marked PR.

Calendar 118, passed temporarily.

Calendar 119, Senate Bill Number 778, Mr. President, I would move to place that item on the Consent Calendar.

THE CHAIR:

Motion is on consent, without objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Mr. President. On Calendar 120, Senate Bill Number 818, Mr. President, I move to refer that item to the Committee on Public Health.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President. Calendar 121 should be passed temporarily.

Calendar 130, Senate Bill 776, Mr. President, I

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Agenda Number 3, Emergency Certified Bill 6716 and
House Bill -- correction, 6379.

Turning to the calendar, calendar page 2,
Calendar Number 475, Senate Resolution Number 19;
Calendar 476, Senate Resolution Number 20; Calendar
477, Senate Joint Resolution Number 74.

Calendar page 4, Calendar Number 139, Senate Bill
854.

Calendar page 6, Calendar 178, Senate Bill 873.

Calendar page 7, Calendar 194, Substitute for
Senate Bill 756.

Calendar page 8, Calendar 223, Substitute for
Senate Bill 46.

Calendar page 10, Calendar Number 240, House Bill
Number 6401.

Calendar page 12, Calendar Number 264, Substitute
for Senate Bill 1023.

Calendar page 14, Calendar 328, Substitute for
Senate Bill 814.

Calendar page 19, Calendar Number 400, House Bill
6351.

Calendar page 20, Calendar Number 402, Substitute
for House Bill 6193.

Calendar page 21, Calendar 408, House Bill 6322;

Calendar 409, Senate Bill 1013.

Calendar page 23, Calendar 423, Substitute for
Senate Bill 1010.

Calendar page 27, Calendar 443, Substitute Senate
Bill 1149; Calendar 447, Senate Bill 673; Calendar
448, Senate Bill 1029.

Calendar page 30, Calendar 459, House Bill 5138;
Calendar 461, House Bill 6406; Calendar 462,
Substitute for House Bill 6537.

Calendar page 39, Calendar Number 81, Substitute
for Senate Bill 760; Calendar 83, Senate Bill 762;
Calendar 99, Senate Bill 787.

Calendar page 40, Calendar 119, Substitute for
Senate Bill 778.

Calendar page 43, Calendar 171, Senate Bill 251.

Calendar page 46, Calendar Number 266, Senate
Bill Number 382.

Calendar page 51, Calendar Number 356.

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Mr. President, I believe that completes those
items previously placed on the first Consent Calendar.

The Senate is now voting by roll call on the
Consent Calendar, will all Senators please return to
the chamber. The Senate is now voting by roll call on
the Consent Calendar, will all Senators please return

to the chamber.

THE CHAIR:

The machine is open.

Members, please check the board to see if your vote is properly cast and properly recorded. If all members have voted, the machine will be locked.

Would the Clerk please take a tally.

THE CLERK:

Motion is on adoption of Consent Calendar Number 1. Total number voting, 35; those voting yea, 35; those voting nay, 0; those absent/not voting, 1.

THE CHAIR:

Consent Calendar 1 is passed.

Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Mr. President. Mr. President, the two items that appeared on Senate Agenda Number 3, have just been passed on the Consent Calendar. I would move that the first item from Senate Agenda Number 3, House Bill 6716, the emergency certified bill, I move for immediate transmittal of that item to the Governor.

THE CHAIR:

Motion is for immediate transmittal to the

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The bill passes in concurrence with the Senate.

Representative Rojas, for what purpose do you rise, sir?

REP. ROJAS (9th):

Thank you, Mr. Speaker. I'd like to register my vote in the affirmative.

SPEAKER DONOVAN:

(Inaudible)?

REP. ROJAS (9th):

No.

SPEAKER DONOVAN:

The machine's been closed, sir.

REP. ROJAS (9th):

The transcript?

SPEAKER DONOVAN:

We'll note it in the transcript. Thank you.

Would the Clerk please call Calendar 541.

THE CLERK:

On page 16, Calendar 541, (inaudible) for Senate Bill Number 778, AN ACT CONCERNING EVIDENCE OF WORKERS' COMPENSATION INSURANCE FOR CONTRACTORS ON PUBLIC WORKS PROJECTS, favorable report of the

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Committee on Insurance.

Representative Shapiro of the 144th. You have the floor, sir.

REP. SHAPIRO (144th):

Thank you, Mr. Speaker.

Mr. Speaker, I urge -- move acceptance of the joint committee's favorable report and passage of the bill in concurrence with the Senate.

Deputy Speaker Altobello in the Chair.

DEPUTY SPEAKER ALTOBELLO:

Question before the chamber is acceptance of the joint committee's favorable report and passage of the bill in concurrence with the Senate.

Please proceed, sir.

REP. SHAPIRO (144th):

Thank you, Mr. Speaker.

Mr. Speaker, this bill originated from the Department of Consumer Protection in an effort to streamline their registration process. Current law requires that the DCP can issue no new licenses or renew licenses without sufficient evidence that the applicant has workers' compensation insurance, and

this existing law further requires that this sufficient evidence be something in hard copy, in paper.

The hard copy requirement is a hardship right now. It requires a lot of manpower. We're asking more of all of our agencies to streamline and do things cheaper.

The ability to do this online would greatly streamline the process, make it quicker and cheaper; and in order to do this, all the person online would have to do is provide the name of the insurer, the policy number, the effective date of coverage and a certification that asserts that the information is correct.

And I move passage of the bill, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative Shapiro.

Representative Aman of the 14th. You have the floor, sir.

REP. AMAN (14th):

Good morning, Mr. Speaker. I do agree that by allowing renewals online, we're bringing something into the 20th century, and it's something that we not only should have this done, but other agencies should

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go ahead and do it

But I do have a couple of questions for the proponents of the bill.

DEPUTY SPEAKER ALTOBELLO:

Please proceed, sir.

REP. AMAN (14th):

Yes.

Through you, Mr. Speaker. The hard copies that have been turned in for years to the Department of Consumer Protection, were they audited, reviewed or even looked at by anyone at the Department?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Shapiro.

REP. SHAPIRO (144th):

Thank you, Mr. Speaker. And through you, to my good colleague, in all candor, the DCP spent very little time reviewing the hard copy certificates. It was a vast administrative burden, and it was not something they particularly relied on in making their decision to license or renew someone's license.

DEPUTY SPEAKER ALTOBELLO:

Representative Aman.

REP. AMAN (14th):

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The current law exempts the state from any liability if these workmen's compensation certificates which were hard copies were produced and now will be able to be done online with just an affidavit, released the state from any liability if the information may have been incorrect or the policy had lapsed or any other problems.

Does the change of law that we're currently contemplating change or have any effect on this release from liability for the state?

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Shapiro.

REP. SHAPIRO (144th):

Thank you. And through you, Mr. Speaker. The answer to that is no, it creates no change in state policy. It simply adds one other definition to the definition of what sufficient evidence is and all sufficient evidence as covered by the existing indemnification.

Through you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Representative Aman.

REP. AMAN (14th):

I thank the proponent of the bill for his questions -- for his answers.

As I remember the public hearing on this, both the Department of Consumer Protection thought it was a good idea and several of the trade organizations who at times talked about the fact that all of a sudden somebody had to jump in a car, run down to Consumer Protection to hand them a piece of paper that everyone knew was not going to be looked at was annoying to many people, and I think this does correct a bureaucratic problem and will make things a little easier for Consumer Protection and a little easier for our contractors.

Thank you very much, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative Aman.

Representative Bacchiochi of the 57th, you have the floor, ma'am.

REP. BACCHIOCHI (52nd):

Thank you, Mr. Speaker. Mr. Speaker, through you to the Chairman of General Law, please, does the Department of Consumer Protection support this bill?

DEPUTY SPEAKER ALTOBELLO:

Representative Shapiro.

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REP. SHAPIRO (144th):

Thank you, Mr. Speaker. The answer to that question is yes, they do support this bill.

DEPUTY SPEAKER ALTOBELLO:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you.

And through you, Mr. Speaker, would there be a fiscal impact with its implementation?

DEPUTY SPEAKER ALTOBELLO:

Representative Shapiro.

REP. SHAPIRO (144th):

Thank you, Mr. Speaker. Through you. No, there is no fiscal impact. In fact, we expect this to enhance their ability to do this in a cheaper fashion.

DEPUTY SPEAKER ALTOBELLO:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Mr. Speaker.

I do also support the bill. I think it will streamline a process for us and help our contractors work more efficiently and effectively

I hope this is a trend that we can continue to provide to our small businesses and other industries

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here in Connecticut, and I urge passage of the bill.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative Bacchiochi. Further on the bill, further on the bill.

If not, staff and guests retire to the well of the House. Members take their seats. Machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber, the House is taking a roll call vote. Members to the chamber, please.

DEPUTY SPEAKER ALTOBELLO:

Have all members voted? Have all members voted please check the board to make sure your vote is properly cast. If all members have voted, the machine will be locked.

Will the Clerk please take the tally? And would the Clerk please announce the tally?

THE CLERK:

On Senate Bill 778, in concurrence with the Senate.

Total number voting	113
Necessary for adoption	57
Those voting Yea	113

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Those voting Nay	0
Absent and not voting	38

DEPUTY SPEAKER ALTOBELLO:

The bill passes in concurrence with the Senate.

Will the Clerk please call Calendar 177 on page 4?

THE CLERK:

Calendar 177, House Bill Number 6231, AN ACT
CONCERNING THE DEPARTMENT OF BANKING, favorable report
by the Committee on Banks.

DEPUTY SPEAKER ALTOBELLO:

Representative Reed of the 102nd. You have the
floor, madam.

REP. REED (102nd):

Thank you, Mr. Speaker. And a fine good morning
to you.

Mr. Speaker, I move for acceptance of the joint
committee's favorable report and passage of the bill.

DEPUTY SPEAKER ALTOBELLO:

Question before the chamber is acceptance of the
joint committee's favorable report and passage of the
bill.

Please proceed, madam.

REP. REED (102nd):

Mr. Speaker, this bill prevents financial

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STANDING
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HEARINGS**

**GENERAL
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to start with Commissioner Farrell, if you please, followed by Representative Sawyer.

JERRY FARRELL: Good morning, Representative Shapiro, Senator Colapietro, the members of the General Law Committee. It's good to be back in front of General Law, this legislative session. You have my written testimony on a number of bills that are being advanced by the department, namely Senate Bill 778, which deals with the work comp statute; 779, which deals with wood burning fireplaces, furnaces; 780, which deals with the Charitable Funds Act, and 6301 that deals with e-Pharmacy.

Now I think most of these topics that members of the General Law Committee are quite familiar with. The one that is a little different for you, and maybe if I can explain and spend a couple minutes clarifying why it's before you, would be the amendments to the work comp statute contained in 778.

As you know, Department of Consumer Protection does a ton of occupational licensing. There is, I believe, 180 different categories of licenses that we give out. Now one of the requirements that's presently in statute is that we collect a certificate, a physical certificate, of Workmens' Compensation Insurance for those getting a license from the department.

For many years the department has not necessarily enforced this statute that, as you can imagine, with 221,000 licensees, there was a time for a couple months, I believe back in the early nineties, where the department attempted to do this and it became overwhelming, so at some point it was just set to the side. However, in the past three audits that the State Auditors have done of

our department, this issue has been noted all three times and we have said to the auditors in their most recent visit to the department that we're very committed to solving this by finding an alternative means to meet this requirement.

We're proposing that the statute be amended so that we do not necessarily have to collect a physical certificate, but so we collect the information that in the application that the licensee makes or the renewal of license that they make in subsequent years, that they would be required to say under oath, if indeed they have Workmens' Compensation insurance, what the policy number is, who the carrier is, and what the relevant dates of insurance are.

Approximately 32 percent of our licensees, current licensees, renew their licenses on line. So this information can be fairly easily captured as part of that electronic process with no further cost, no further fuss or muss to the state. So, I believe by amending the statute to say not necessarily the physical certificate, but the information under oath would solve the issue and, if I understand correctly, the true purpose of that statute to begin with was so that if the second injury fund had a need to go after certain contractors that that information would be there. So, at the end of the day, the second injury fund would still -- would actually have information that they're not presently having access to right now. So I would appreciate that most specifically. It's a little outside of the normal things that we talk about so I wanted to highlight that.

REP. SHAPIRO: Thank you, Commissioner. One follow-up question. With respect to records

retention, you can retain these electronic documents in the same manner that you were required to were physical documents?

JERRY FARRELL: Yes, I mean anything that we have that's electronic is going to have the same FOI requirements that a paper document would have. I actually envision that, in the grand scheme of things, it's easier to keep all these thing electronically that -- I mean you'd be amazed that -- we've done record retention recently of 30, 40 years worth of documents out of our basement. I think the building is, you know, has this sigh of relief that all of these documents got properly dealt with. Whereas, on the computer, you know, it can be kept indefinitely. You would have to buy some increased memory, but otherwise, I don't perceive a problem.

REP. SHAPIRO: Terrific. Thank you.

Do we have questions from the members?
Representative Aman.

REP. AMAN: Yes, thank you, Commissioner. I guess I have two questions on it. One, what does the department do or do they monitor someone's policy that's either expired or been cancelled for lack of payment? And the other one ties into your last remarks about using the records. Has anybody every asked, or who asks for using these records, that you're asking the applicant to supply and maintaining?

JERRY FARRELL: Well presently the records aren't kept at all. That as I said, after the requirement was initially passed sometime in the early nineties, there was a brief period of several months that the records were kept and after that, long before I ever became the Commissioner, you know, there was a decision

made that we weren't going to do this. But yet, the statute remains on the books and the auditors look at compliance with the statutes. So, no one's coming and looking at records right now because there's no records that exist. Arguably, it would be the second injury fund where there's a claim that the state is going to have pay that would be interested in these documents. That's my understanding.

We work with the Work Comp Commission to make sure that they believe this conforms with the requirements on that side of the street.

REP. AMAN: I guess it ties into my question of: If we stop the requirement completely, forget saying hard copy and electronic copy, would anybody notice or care?

JERRY FARRELL: I think, you know, that there's a good rationale that if the second injury fund feels that it's necessary to have this information and that they can pursue dollars that the state is presently paying out that should come from private pockets, we're happy to collect that information, especially where we can do it in a way that, you know, if it's going on the form, whether it's a paper form or an electronic form, as long as we're not collecting a physical certificate, there's really no cost to the state in doing that.

REP. AMAN: Thank you. To the Chairman, I request that somebody -- that the committee ask the Second Injury Fund what their feelings are on this before we go ahead and decide on the bill.

REP. SHAPIRO: Make it duly noted.

Do we have further for the Commissioner?



TESTIMONY
BOB MACCA
LEGISLATIVE CHAIR
CT PLUMBING, HEATING & COOLING CONTRACTORS ASSOCIATION
BEFORE THE
GENERAL LAW COMMITTEE
FEBRUARY 13, 2009

RE: SUPPORT – SB-788. AN ACT AMENDING THE WORKERS
COMPENSATION ACT

The Connecticut Plumbing, Heating & Cooling Contractors Association (CT-PHCC) *supports* provisions in SB-788, An Act Amending the Workers Compensation Act, which provides that a license applicant can provide the name of their insurer, policy number and effective dates of coverage in order to renew their license with the state Department of Consumer Protection.

SB778

This is a common sense measure that will make it easier to renew an occupational license online. Often times, a certificate of coverage is not available from the insurer and the applicant has to wait to renew their license until one is available. SB-788 addresses this situation by allowing the applicant to certify as to the workers' compensation coverage in place.

CT-PHCC urges your support for this bill.

CT-PHCC is a not-for-profit trade association that represents the professional plumbing, heating and cooling contractors in the State of Connecticut. CT-PHCC and its members are committed to protecting the health and safety of the public. Contractors who belong to the association have demonstrated reliability and trustworthiness and are licensed by the state of Connecticut.



STATE OF CONNECTICUT

DEPARTMENT OF CONSUMER PROTECTION

TESTIMONY OF DEPARTMENT OF CONSUMER PROTECTION COMMISSIONER
JERRY FARRELL, JR.

PRESENTED TO THE GENERAL LAW COMMITTEE

FRIDAY, FEBRUARY 13, 2009

Senator Colapietro, Representative Shapiro, Senator Witkos, Representative Bacchiochi and Honorable Members of the Committee. Thank you for providing me with the opportunity to comment on four DCP legislative proposals before you today.

SB-778 AN ACT AMENDING THE WORKERS' COMPENSATION ACT

Current law requires state agencies such as Consumer Protection to obtain "sufficient evidence" of workers' compensation insurance before they issue new or renewal licenses to applicants. Specifically, the law mandates that no license be issued unless a candidate submits proof of insurance coverage in the form of a "certificate". The intent of this 1986 legislation was to ensure that employers - such as home improvement contractors and new home construction companies - comply with state laws to provide workers' compensation coverage for their employees. If they do not, workers who are injured on the job must be paid by the State's Second Injury Fund.

The Department of Consumer Protection has been increasingly unable to fully comply with this "hard-copy" certificate requirement not only because it entails a labor-intensive, manual review process for tens of thousands of renewal applications but also because it conflicts with agency efforts to streamline and automate its services to the public which now include an online license renewal process. In 1995, the Department established a wholesale lockbox arrangement with a bank in order to ensure the immediate deposit of state funds and to expedite the issuance of renewal licenses to the public. This new process, however, necessitated the replacement of the "hard-copy" insurance declaration with a signed statement included on the renewal application form certifying to the appropriate workers' compensation insurance coverage. In 2001, we upgraded to a retail lockbox arrangement which does not allow any paperwork other than the renewal coupon and payment to be mailed to the bank. This situation of technical non-compliance was noted by the Auditors of Public Accounts in our audit reports for the fiscal years ending June 30, 2004 thru June 30, 2007. As a result, we have been working with the State Workers' Compensation Commission in order to address the needs of both agencies while ensuring compliance with the statutes.

Accordingly, I am requesting your approval for an amendment to the law that would allow us to accept a certified statement rather than a separate "hard-copy" workers' compensation

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SB780
HB6301

insurance certificate from tens of thousands of applicants for renewal license. It is significant to note that the Auditors of Public Accounts welcomed our intent to submit a legislative proposal that would add a fourth form of "sufficient evidence" for workers compensation insurance coverage. We have also implemented their suggestion that we work with the State Workers' Compensation Commission to share information about our licensees in order to reduce the number of uninsured employers operating in the State thereby protecting employees in the workplace and minimizing the number of claims that must be paid by the State's Second Injury Fund.

I am hopeful that you will approve our request for an amendment to the Workers' Compensation statutes so that we can continue to improve our delivery of services to Connecticut citizens wherever possible through the use of new technology. Passage of this particular bill will directly benefit the Connecticut businesses and citizens whose livelihoods are impacted by the timeliness of our services.

SB-779 AN ACT PROVIDING CONSUMER PROTECTIONS TO PURCHASERS OF OUTDOOR WOOD-BURNING FURNACES

This proposed legislation seeks to amend Section 22a-174k of the Connecticut General Statutes by requiring sellers of outdoor wood-burning furnaces (OWF's) to provide potential purchasers of such products in this state with the following:

- Three day right of cancellation
- Consumer information package that includes full disclosure of the current restrictions on locating and operating OWF's in Connecticut

Specifically, Senate Bill 779 would ensure that potential buyers in Connecticut are made aware of the restrictions governing OWF siting and operation before they complete the purchase of a device that they may not be able to legally install on their property. Furthermore, it facilitates the informed purchase of outdoor wood-burning furnaces and creates purchaser protections while promoting local air quality.

In addition to these proposed consumer protections, Section 2 (c) of the raised bill requires retailers to maintain a record of the notice to OWF purchasers for five years. We feel that this is unnecessary and ask that you strike this record-keeping requirement from the bill. Sufficient penalty is imposed on a seller/vendor for failure to issue the required notifications in advance of an OWF sale.

The Department of Consumer Protection urges the passage of Senate Bill 779 which was developed in concert with the Department of Environmental Protection because it provides additional protections to consumers. Since the purchasers of home improvement services, dating services, health club memberships and weight-loss programs all enjoy a three-day right of cancellation, we believe there should also be a buyer protection program for the purchasers of outdoor wood-burning furnaces.

As background, restrictions on the siting and operating of outdoor wood-burning furnaces were enacted by the General Assembly in response to citizens' complaints about the impact of OWF smoke on the air quality and public health. Since this legislation was passed in 2005, the