

PA13-288

HB6451

House	4480-4486	7
Labor	585, 940, 941, 1073-1074	5
Senate	5465, 5467-5468	3
		15

H – 1162

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2013**

**VOL.56
PART 13
4177 – 4511**

pat/gbr
HOUSE OF REPRESENTATIVES

55
May 16, 2013

Total Number Voting	133
Necessary for Passage	67
Those voting Yea	133
Those voting Nay	0
Those absent and not voting	17

DEPUTY SPEAKER BERGER:

The bill passes as amended in concurrence with
the Senate.

Will the Clerk please call Calendar Number 115.

THE CLERK:

Calendar 115 on Page 3 of today's Calendar,
Favorable Report of the Joint Standing Committee on
Labor and Public Employees, Substitute House Bill 6451
AN ACT IMPROVING THE TIMELINESS AND EFFICIENCY OF THE
DEPARTMENT OF LABOR'S UNEMPLOYMENT INSURANCE TAX
OPERATIONS.

DEPUTY SPEAKER BERGER:

Representative Tercyak.

REP. TERCYAK (26th):

Thank you very much, Mr. Speaker. I move for
acceptance of the Joint Committee's Favorable Report
and passage of the bill.

DEPUTY SPEAKER BERGER:

pat/gbr
HOUSE OF REPRESENTATIVES

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May 16, 2013

The motion before the Chamber is acceptance of the Joint Committee's Favorable Report and passage of the bill. Will you proceed, Representative?

REP. TERCYAK (26th):

Thank you very much, Mr. Speaker. This bill is related to a bill we passed previously, H.B. 6452 that required all employers subject to the state's unemployment law to file their quarterly wage reports electronically unless they get an annual waiver from the Department.

This will establish more rules about that. I apologized when we brought out 6452 for not being more foresighted in getting these bills combined, but now is the time and what, in discussions in this bill as it moved through the process, we had talked about ways to make it better. We have that opportunity here.

Through you, Mr. Speaker. Thank you very much.

DEPUTY SPEAKER BERGER:

Thank you, Representative. Would you move adoption of the bill? Did you move adoption, Representative?

REP. TERCYAK (26th):

I move adoption.

DEPUTY SPEAKER BERGER:

pat/gbr
HOUSE OF REPRESENTATIVES

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The motion before the Chamber is adoption of the bill. Will you remark further? Will you remark further? Representative Smith of the 108th.

REP. SMITH (108th):

Thank you, Mr. Speaker. Good afternoon, sir.

DEPUTY SPEAKER BERGER:

Good afternoon, Representative.

REP. SMITH (108th):

Mr. Speaker, the Clerk has an amendment. It's LCO 7163. Would you please ask the Clerk to call it and I be allowed to summarize.

DEPUTY SPEAKER BERGER:

Will the Clerk please call LCO Number 7163 designated House Amendment "A".

THE CLERK:

House "A", LCO 7163 introduced by Representatives Miner, Smith, et al.

DEPUTY SPEAKER BERGER:

The Representative seeks leave of the Chamber to summarize the Amendment. Is there objection to summarization? Is there objection to summarization? If not, please proceed, Representative with summarization.

REP. SMITH (108th):

Thank you, Mr. Speaker. The Amendment is a good Amendment. It's one in which it helps clarify some of the language in the bill in the sense as the Chairman indicated. There's some electronic filings now that are going to be required when you form a new business. There's 30 days to do so, and if you fail to do so there was a fee or a penalty in here for \$100, and this Amendment what it does is, it reduces that from \$100 to \$50.

And then there is also another portion of the bill, which requires electronic filings for quarterly returns and reports to the unemployment administrator. There was a fine associated with that as well of \$50 in the underlying bill and this Amendment changes that to \$25.

And more importantly, Mr. Speaker, this Amendment deals with Lines 138 through 143, the language that's in the underlying bill stated that if there was any transfer of any asset from one business to another it would trigger a reporting requirement.

Now, you can imagine what that might do if you simply transfer a computer or a fax machine or a coffee machine or any piece of equipment from one entity to another, it would require a substantial

amount of filings, so we have changed the language to comply with the language that's already in the statutes to require a substantial transfer of all at once business assets to another entity before the trigger kicks in.

So I would ask my colleagues to support the Amendment. I think it's a good one and I believe it's a friendly Amendment as well. Thank you, Mr. Speaker.

DEPUTY SPEAKER BERGER:

Thank you, Representative. Will you comment further on the Amendment, Senate "A". I mean, House "A", I'm sorry. House "A". Representative Tercyak.

REP. TERCYAK (26th):

I'm sorry, thank you very much, Mr. Speaker. I agree, this is a friendly Amendment. Good idea as well. I hope everybody votes for it.

DEPUTY SPEAKER BERGER:

The question before the Chamber is adoption of House Amendment Schedule "A". Will you remark further on the Amendment? Will you remark further on the Amendment?

If not, I will try your minds. All those in favor of House Amendment Schedule "A" signify by saying Aye.

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HOUSE OF REPRESENTATIVES

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May 16, 2013

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER BERGER:

Opposed? The Ayes have it. The Amendment
passes. Will you remark further on the bill as
amended? Will you remark further on the bill as
amended?

If not, will staff and guests please come to the
Well of the House. Will Members please take your
seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by Roll.
The House of Representatives is voting by Roll.

Will Members please return to the Chamber
immediately.

DEPUTY SPEAKER BERGER:

Have all the Members voted? Have all the Members
voted? If all the Members have voted, the machine
will be locked and the Clerk will take a tally. The
Clerk will announce the tally.

THE CLERK:

Bill Number 6451 as amended by House "A".

Total Number Voting 134

Necessary for Passage 68

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HOUSE OF REPRESENTATIVES

61
May 16, 2013

Those voting Yea 128

Those voting Nay 6

Those absent and not voting 16

DEPUTY SPEAKER BERGER:

The bill as amended passes.

Representative Hwang of the 134th, for what
purpose do you rise, sir?

REP. HWANG (134th):

· Thank you, Mr. Speaker. A point of introduction.

DEPUTY SPEAKER BERGER:

Please proceed.

REP. HWANG (134th):

Thank you, Mr. Speaker. We have in our Chamber
standing right next to me and Representative Kupchik,
the illustrious principal of one of our elementary
schools, Mill Hill Elementary, Blue Ribbon I guess a
while back and he is here supporting one of our kids
that have been selected in the Secretary of State
Poster Program.

So I would ask this Chamber to give a warm, warm
welcome to an educator who makes a huge difference in
the kids' lives, and I want to recognize
Representative Fawcett along with that as well.

(APPLAUSE.)

**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2013**

**VETO
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5161 - 5482**

Calendar 626, House Bill Number 6451. Madam President, would move to place that item on our Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, the Clerk, I believe, is now in possession of Senate Agenda Number 6.

THE CHAIR:

Mr. Clerk -- sir, we have to stand at ease for one second. Yes, we are, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, I move all items on Senate Agenda Number 6, dated Wednesday, June 5, 2013, to be acted upon as indicated and that the agenda be incorporated by reference in the Senate Journal and the Senate Transcript.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, I would ask for suspension for taking up an item on Senate Agenda Number 6, which appears under letter "B," disagreeing actions coming from the Calendar.

THE CHAIR:

Senator Looney.

SENATOR LOONEY:

Yes, Madam President. Madam President, if the clerk would now list the items on the Consent Calendar and then if we might move immediately for a vote on the Consent Calendar.

THE CHAIR:

Mr. Clerk.

THE CLERK:

House Bill 6342, Senate Bill 430.

On page 9, Calendar 626, House Bill 6451.

On page 13, Calendar 683, House Bill 6694.

And on page 21, Calendar 209, Senate Bill 1033.

THE CHAIR:

At this point, I call for a roll call vote. The machine will be open for the last Consent Calendar of this session.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Senators please return to the chamber. Immediate roll call on Consent Calendar Number 3 has been ordered in the Senate.

THE CHAIR:

Senator Bartolomeo, would you like to join us in a vote. Thank you, ma'am.

Since all members have voted, all members have voted the machine shall be closed.

Mr. Clerk, will you call the tally.

THE CLERK:

Consent Calendar Number 3

Total Number Voting	35
Those voting Yea	35
Those voting Nay	0
Those absent and not voting	1

THE CHAIR:

The Consent Calendar has passed.

At this time, I just want everybody to know that under Senate Resolution Number 33, I will appoint three members to inform the House of Representatives that the Senate is ready to meet in a joint convention.

Senator Bartolomeo, Senator Ayala and Senator Linares, take your time because they're not ready, but you're the three that are going to go when it's time to go.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, we have completed our work for the 2013 session with about 17 minutes to spare and thank everyone for their extraordinary work and dedication and commitment to institution of the General Assembly in the State of Connecticut and, Madam President, would move that the Senate stand adjourned sine die.

THE CHAIR:

Mozel Tov.

Ladies and gentlemen, congratulations.

Senator Williams.

**JOINT
STANDING
COMMITTEE
HEARINGS**

**LABOR AND
PUBLIC EMPLOYEES
PART 2
365 - 714**

2013

1 February 26, 2013
 tk/gbr LABOR AND PUBLIC EMPLOYEES 2:00 P.M.

CHAIRMEN: Senator Osten,
 Representative Tercyak

MEMBERS PRESENT:

SENATORS: Osten, Gerratana,
 Markley

REPRESENTATIVES: Tercyak, Smith,
 Esposito, Kinger, Miner,
 Williams

SENATOR OSTEN: Public hearing for February 26th to order. We're going to remind everybody that you don't need to read your whole testimony. We would prefer that even public officials keep it down to the three-minute timeframe. And we're going to -- I don't -- is Senator Loony here? We're going to go on to Commissioner Palmer. You're up.

SHARON PALMER: Well, good afternoon, Senator Osten, Representative Tercyak, and member of the committee, I guess. There are several bills on today's hearing agenda, which I testified in support of last week. And I just want to reiterate my support for these numbers, and these are new numbers on the bill. Our Senate 926 and 27, House 6449, 6450, 6451, and 6452.

HB5686 HB5701

HB6151 HB6432

HB6433 HB6434

SB927

And let me go on to the others that are up before you today. And they're all mainly technical bills. The first one is 909, Unemployment Conformity. This is part of our legislative package, and we need to have conformity with federal law. A state's failure to implement the penalty that's in this legislation would be ground for initiating conformity proceedings to deny certifying the state for grants. So we need to be in compliance with the penalties that

**JOINT
STANDING
COMMITTEE
HEARINGS**

**LABOR AND
PUBLIC EMPLOYEES
PART 3
715 - 1077**

2013



CONNECTICUT

TESTIMONY OF
 NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
 BY
 ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
 REGARDING

HB-5686, AAC MINIMUM BASE PERIOD WAGES AND ELIGIBILITY FOR
 UNEMPLOYMENT BENEFITS;
HB-5701, AAC MONTHLY REDUCTIONS OF UNEMPLOYMENT COMPENSATION;
HB-6451, AA IMPROVING THE TIMELINESS OF THE LABOR DEPARTMENT'S
 UNEMPLOYMENT INSURANCE TAX OPERATIONS;
HB-6452, AAC THE REQUIREMENT FOR ELECTRONIC FILING OF QUARTERLY
 UNEMPLOYMENT TAX RETURNS

BEFORE THE
 LABOR & PUBLIC EMPLOYEES COMMITTEE
 FEBRUARY 26, 2013

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

NFIB/Connecticut supports HB-5686 & HB-5701, both of which are pieces of legislation that aim to address issues with unemployment compensation benefits in the state and the burden that such an over-stressed system places on our state's small businesses. These common-sense bills pave the way for a healthy adjustment of eligibility and benefits, respectively. It must be noted, that Connecticut's small businesses have been straining under high unemployment taxes for some time now and have also suffered from recent surcharges. In order to ease this burden on our state's job creators, NFIB/Connecticut recommends that significant changes need to be made to the eligibility and administration of the state's unemployment benefits system in order to maintain long-term solvency and to ensure the fiscal health of our state's employers. In addition to the measures contained in HB-5686 & HB-5701, this could include additional efforts to target waste and fraud in the system and also to tighten up the work-search requirements for those receiving benefits. NFIB therefore urges passage of these two bills.

NFIB/Connecticut has series concerns with HB-6451 and opposes the bill as currently drafted. This legislation would particularly burden small and start-up businesses by mandating notification to the Department of Labor within 15 days of opening a small business, and subjecting non-compliant businesses (even if inadvertent), to significant fines and penalties. This 15-day requirement is unnecessary and should at the very least be expanded to allow small business owners the opportunity to get their business up and running before they may inadvertently miss such a tight deadline imposed by the Department of Labor. Many other states allow for a much more reasonable timeframe. For example, in Illinois the requirement is 30 days. Florida has an even more generous requirement, allowing the filing in the month following the calendar quarter in which employment begins.

NFIB/Connecticut also has serious concerns with HB-6452 and opposes the bill as currently drafted. Many small employers are accustomed to and actually prefer to make such filings manually and through the use of hard copy paper forms. Even in this day and age, there are small businesses that do not have computers and do almost everything manually or through the use of paper forms. Many other states also recognize this reality, which is especially true for the smallest of small businesses, and as such online filings are still optional for small businesses. For example, in Iowa, it is recommended that filings take place online, but it is not mandated. Colorado, Georgia, Pennsylvania all allow for paper filing, as does New Hampshire, which also allows for filing via facsimile. Admittedly, while the statutory sections being amended does allow for an exemption of sorts from the filing requirements if an employer "demonstrates to the satisfaction of the administrator that it lacks the technological capability to report such information in accordance with this subdivision", the burden should not be placed on the business, but rather the statute should contain a blanket-exemption from the electronic filing mandate as contemplated in this bill for small businesses under a certain size.

It is important for legislators to remember that small businesses must operate differently from large businesses; they do not have human-resources departments to track the changing standards and mandates that affect their workforce and workplace and handle all of their administrative matters. NFIB urges the legislature to simplify employment laws and processes for small business, eliminate burdensome mandates and prevent the expansion of cumbersome regulations that punish the small businesses that create the majority of Connecticut's jobs. Provisions such as those contained in HB-6451 and HB-6452 unfortunately run contrary to this goal. Therefore NFIB urges rejection of both aforementioned bills; unless they can be amended accordingly to take into account the concerns and unique needs of small businesses.

Connecticut Department of Labor



Sharon M. Palmer, Commissioner

**Public Hearing Testimony of
Sharon Palmer, Commissioner
Department of Labor
Labor and Public Employees Committee
February 26, 2013**

Good Afternoon Senator Osten, Representative Tercyak, Senator Markley, Representative Smith and members of the Labor and Public Employees Committee. Thank you for the opportunity to provide you with testimony regarding **House Bill 6451, AA Improving the Timeliness and Efficiency of the Department of Labor's Unemployment Insurance Tax Operations**. My name is Sharon Palmer and I am the Labor Commissioner.

I am here to speak in support of this bill. This bill will assist the Department in improving its operating efficiency by requiring employers to 1) pay a fee of \$50 if a tax and wage report is submitted by an entity that is not properly registered and 2) pay a \$100 penalty for failure to notify the department in writing within 15 days upon becoming an employer subject to the act or upon acquiring any part of the assets, organization, trade or business of another employer.

All states are mandated by the US Department of Labor to report on various Tax Division activities as part of a national Tax Performance System. Two such activities are timeliness of registration of new employers and timeliness of registration of successor employers. While still at or above the national average, our statistical measures have declined where we are in danger of jeopardizing our potential funding by not exceeding these core measures. By instituting these notice requirements and fees/penalties for non-compliance, we expect to significantly improve the timeliness of employer registrations.

Thank you for this opportunity to provide testimony here today. I am available to answer any questions you may have.



Testimony of Eric W. Gjede,
Assistant Counsel, CBIA

#27

Before the Committee on Labor and Public Employees
Hartford, CT
February 19, 2013

Testifying in Opposition to HB 6451 AA Improving The Timeliness And Efficiency Of The Labor Department's Unemployment Insurance Tax Operations

Good Afternoon Senator Osten, Representative Tercyak, and members of the Labor and Public Employees Committee. My name is Eric Gjede and I am assistant counsel at the Connecticut Business and Industry Association (CBIA) which represents more than 10,000 large and small companies throughout the state of Connecticut

CBIA opposes SB 866 because of the short, 15-day deadline it provides new business owners to notify the labor department that they have become subject to the unemployment compensation statutes. Failure to meet this deadline results in a fine of \$100. It also imposes a \$100 fine on any employer that submits a tax or wage report without a proper state unemployment compensation registration number.

While the business community supports the labor department's effort to become more efficient, imposing fines on new business owners that fail to comply with short timelines is not the way to best way to achieve it. CBIA suggests changing the proposed fifteen calendar days to thirty calendar days in order to provide more time for businesses to notify the labor department they have become subject to the unemployment compensation statutes

We urge the committee to oppose HB 6451 as it is currently drafted.