



September 2013

## 2013 Connecticut Legislative Summary

### CONSTRUCTION

The 2013 Regular Session of the Connecticut General Assembly closed with a number of new laws on the books that impact the design and construction industries. The summaries below highlight the most significant of these. Links to background information on this legislation are included, and you may contact us for more information:

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### SMALL AND MINORITY BUSINESS ENTERPRISES

Changes were made to the Small Business Enterprise (SBE) and Minority Business Enterprise (MBE) set-aside rules with the enactment of [Public Act 13-304](#), somewhat misleadingly titled An Act Concerning the State Fleet and Mileage, Fuel and Emission Standards, the Certification of Minority Business Enterprises and Preference for a Bond Guaranty Program, which becomes effective October 1, 2013. The act received immediate criticism from the construction industry for its introduction and passage in the closing minutes of the last day of the session, without an opportunity for public discussion or debate. The act contains nothing about the state fleet, mileage, or emissions, but it does make significant changes to the state's small and minority business set-aside program.

The existing set-aside program requires that a minimum percentage of all contracts awarded by state agencies be awarded to SBEs (which must be based in Connecticut and have less than \$15 million in gross revenues) and MBEs (which are SBEs with at least 51 percent ownership by women, minorities, or people with disabilities). Parts of the act seek to promote greater participation in the set-aside programs while others address perceived abuses. The most immediate impact of the act may play out in its increase in minimum performance percentages for set-aside work. When the act goes into effect in October, a set-aside contractor must self-perform at least 30 percent (up from 15 percent) of its contract work, and it may not subcontract out more than 50 percent (up from 25 percent) of its work. The act also introduces a requirement that an SBE be independent, meaning that it can not be dependent upon anyone else in terms of personnel, facilities, equipment, other resources, and financial support, including bonding. The act also requires that owners of MBEs have managerial and technical competence and experience directly related to the MBE's principal business. Policing of sham companies was bolstered by the authorization of fines of up to \$10,000 for willful

falsifications on applications. The act also implements a preference program in which the Department of Economic and Community Development (DECD) commissioner is instructed to give priority to any prequalified contractor or substantial subcontractor for participation in the [Minority Bonding Guaranty Program](#) administered by DECD.

## NEXT GENERATION CONNECTICUT

[Public Act 13-233](#), entitled An Act Concerning Next Generation Connecticut, which became effective July 1, 2013, authorizes \$1.551 billion in new bonds for Next Generation Connecticut, a capital improvement program under the UConn 2000 infrastructure program. The act specifies the purposes of the Next Generation program, requires UConn to develop plans for capital and academic programs, and requires future progress reporting on such plans. UConn must submit the plan by July 1, 2015, to the legislature's Higher Education and Finance committees. The act extends Phase III of the UConn 2000 infrastructure program by six years, from 2018 to 2024. The allocation of the funding for the program is shown in the following table:

Project	Prior Authorization	New Authorization	Change
Academic and Research Facilities (new)	\$0	\$450	\$450
Avery Point Renovation (new)	\$0	\$15	\$15
Deferred Maintenance/Code/ADA Renovation Lump Sum	\$215	\$805	\$590
Equipment, Library, Collections, and Telecommunications	\$200	\$470	\$270
Hartford Relocation Acquisition/Renovation (new)	\$0	\$70	\$70
Parking Garage #3	\$15	\$78	\$63
Residential Life Facilities	\$90	\$162	\$72
Stamford Campus Improvements/Housing (adds housing)	\$3	\$13	\$10
Deferred Maintenance/Code/ADA Renovation Sum - Health Center	\$50	\$61	\$11
<b>Total Change</b>	<b>\$1,551</b>		

## DEPARTMENT OF TRANSPORTATION

As we previously reported in our [June 2012 Construction Solutions](#), last year the state authorized the Department of Transportation (DOT) to use design-build and CM-at-risk delivery for transportation projects. While the DOT has proceeded with patient deliberation in exercising its new authority, this year's legislative session brought hope for new projects from the DOT with the enactment of [Public Act 13-277](#), entitled An Act Concerning Revisions to the Transportation Statutes and the Designation of Roads and Bridges in Honor or in Memory of Persons and Organizations, effective July 1, 2013. Among the changes at the DOT included in this act are the authorization of the commissioner to include Vermont in discussions on the New Haven to Springfield rail line as well as the requirement that the DOT develop a railroad modernization initiative to improve commuter rail service and infrastructure, including electrifying the Danbury, New Canaan, and Waterbury branch lines by 2023 and expanding commuter parking. The act also requires that the Connecticut Airport Authority comply with the State Building Code, the Fire Safety Code, and other regulations governing state agencies.

## HOME IMPROVEMENT CONTRACTORS

In [Special Act 13-18](#), entitled An Act Requiring the Commissioner of Consumer Protection to Undertake a Study Regarding Home Improvement Contractors, effective July 1, 2013, the Department of Consumer Protection is charged with conducting a study of registered home improvement contractors. The study intends to inquire into the possibility of requiring testing and licensing instead of mere registration. It seeks to identify problems in the current system, to compare against similar systems in other states, and to make recommendations for improvement.

## STATE ETHICS

[Public Act 13-244](#), entitled An Act Concerning Revisions to the State Codes of Ethics, effective October 1, 2013, modifies several rules governing gifts to public officials. First, the exemption for gifts has been expanded so that it is permissible to give goods or services that support a public official's participation at an event. Also, ethics violations by public officials must now be based on their intentional acts. In contrast to the rule changes for public officials, those affecting the gift givers have become more strict. Under existing law, certain acts by state contractors and bidders are prohibited by ethical codes in [C.G.S. § 1-86e](#) and [§ 1-101nn](#). Now, in addition to any other penalties that may have existed previously, violators will also face liability in the amount of any financial advantage resulting from violation of those ethical rules. The act requires that the attorney general be notified immediately of such liabilities. For willful and egregious violations of § 1-101nn, contractors can also be disqualified for up to five years as a result of the act (this was previously the case for § 1-86e violations).

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