

General Law Committee
JOINT FAVORABLE REPORT

Bill No.: SB-135

AN ACT ESTABLISHING A MAXIMUM CHARGE FOR CERTAIN
OCCUPATIONAL LICENSES, CERTIFICATIONS, PERMITS AND

Title: REGISTRATIONS.

Vote Date: 3/7/2024

Vote Action: Joint Favorable

PH Date: 2/22/2024

File No.:

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SPONSORS OF BILL:

Rep. Nicole Klarides-Ditria, 105th Dist.

Rep. Bobby G. Gibson, 15th Dist.

Sen. Ryan Fazio, 36th Dist.

Rep. Vincent J. Candelora, 86th Dist.

Rep. Tom O'Dea, 125th Dist.

Rep. Jason Perillo, 113th Dist.

Rep. Devin R. Carney, 23rd Dist.

Rep. Tami Zawistowski, 61st Dist.

Rep. Lezlye Zupkus, 89th Dist.

Rep. Tom Delnicki, 14th Dist.

Sen. Paul Cicarella, 34th Dist.

Rep. Kurt Vail, 52nd Dist.

Rep. Eleni Kavros DeGraw, 17th Dist.

Rep. Josh Elliott, 88th Dist.

Rep. Mitch Bolinsky, 106th Dist.

Rep. Jill Barry, 31st Dist.

Rep. Mark W Anderson, 62nd Dist.

Sen. Heather S. Somers, 18th Dist.

Sen. Jeff Gordon, 35th Dist.

Rep. Kerry S. Wood, 29th Dist.

Rep. Jaime S. Foster, 57th Dist.

Rep. Greg S. Howard, 43rd Dist.

Sen. Norman Needleman, 33rd Dist.

Rep. Rachel Khanna, 149th Dist.

Rep. Hector Arzeno, 151st Dist.

REASONS FOR BILL:

This bill establishes a maximum charge for certain occupational licenses, certifications, permits and registration. It provides that neither the Department of Consumer nor the Commissioner of Consumer Protection may charge a fee greater than \$100. It also specifies the renewal period and charges allowed.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

NATURE AND SOURCES OF SUPPORT:

Connecticut Hospital Association (CHA): Testified in support of this bill via correspondence: Testimony stated that CHA is facing a shortage of healthcare workers that encompasses clinical and nonclinical positions and extends across disciplines. Therefore, recruitment and retention are also affected, and Sections 25, and 26 of this bill will help address the shortage.

Richard Bernstein, CPA – Richard J. Bernstein CPA: Testified in support of this bill via correspondence. He testified that over the 30 years he has been a CPA he has seen a steady decline in young professionals in the State of CT. He stated that the licensing fees charged to CPAs in one of the significant barriers to licensure.

Lawrence Briand, CPA: Testified in support of this bill via correspondence. He testified that the reduction in fees will bring CT closer in line with surrounding states and encourage CT small business formation as well as increase employment in this industry.

Mark Catalano, CPA: Testified in support of this bill via correspondence stating that the current fees of over \$500 per year is much higher than other states and is also burdensome. He would support the cap that would help expand the base of CPAs licensed in CT.

Caucus – House Republicans: Testified in support of this bill via correspondence. The testimony stated that paying licensing fees are burdensome and discourages professionals from moving here. Capping fees at \$100 is a good start to a conversation on making CT a more desirable place to work and help foster a healthy population of licensed professionals.

Bryce Chinault, Director of External Affairs – Yankee Institute: Submitted written testimony twice in support via correspondence. Mr. Chinault testified that it is the right of all people to pursue employment and assumed benefits of occupational licenses are not worth the definitive costs they impose. He also testified that a competitive free market is the best regulator of poor business practices, not state agencies and boards. He went on to state that according to his research, CT is 15th most burdensome state for licensing for relatively low-income occupations. CT also has above average fees and days lost due to various requirements to enter these occupations. His research also stated that in 2018 CT would have been estimated to gain nearly 50,000 more people employed here if these licenses were repealed and approximately \$400 million reduction in economic activity. In his opinion this bill is a positive step towards reducing occupational licensure burdens.

Girish Chokshi, CPA – CMR PC: Testified via correspondence in support of this bill. He testified that there is a severe shortage of licensed CPAs both in our state and nationwide and this shortage threatens the availability of licensed proven professionals to perform vital financial services and protect the public interest. This bill is a step in the right direction in making the fees reasonable for CPAs.

Sean Daly, Business Manager/Financial Secretary – International Brotherhood of Electrical Workers: Testified via correspondence in support of this bill. He testifies in support of any efforts to recruit and train the next generation of what has been called the most indispensable career in America – licensed electricians. He stated that his agency believes in the high standards of their apprenticeship program and the State's licensing requirements have meant that CT has some of the world's best electricians. He also testified that this is a modest but important step to encourage the next generation to embark on the mission of becoming a licensed electrician.

Christopher Davis, Vice President – Public Policy – CBIA: Testified in support of this bill via correspondence. He testified that the financial cost for licensing is a barrier to entry for many individuals and the high-cost licensing is correlated to depressed levels of low-income entrepreneurship, holding our state back from unlocking its full economic potential. He went on to testified that this bill plays a critical role in helping lower the cost of employment for approximately ¼ of the state's workforce and makes CT a more attractive place to work.

Katherine Donovan, Sr. Auditor Manager – BDO-CTCPA: Testified in support via correspondence. She testified that the importance of CPAs in our economy cannot be overstated. Ensuring the financial integrity and transparency of businesses and non-profit organizations. The severe shortage this profession is facing in CT and across the country threatens to undermine the availability of qualified and licensed professionals necessary to meet the demand.

Eugene L. Esares, CPA – Owner: Testified via correspondence in support of this bill. He testified that he is more than 40 years in the profession and that CPAs play a vital role in our society. He testified that in this age where the public is becoming more distrustful of information provided by government and business, CPAs serve to represent a level of reliance guided by a rigid professional code of standards and ethics. This bill will ease the licensing burden as CT is among the highest in the country.

Ryan Fazio, Senator – 3rd District: Submitted testimony twice via correspondence in support to this bill. He testified that the cap on fees will reduce the burden on those licensed workers to benefit our residents especially the working class. CT's higher licensing fees places CT at a competitive disadvantage. He testified that passing this bill can reduce cost of living in our state and support the working-class families as well as create opportunity for all.

Moriah Gillis: Testified in support of this bill via correspondence. She testified that as an attorney representing subcontractors in CT, she can attest to the struggles CT small business owners face in collecting payment for services rendered. Pay if paid clauses have become standard in construction contracts and shift the risk of non-payment to the subcontractor who effectively has no bargaining power, etc. This bill would provide much needed support for small businesses in the state and promote growth.

Michael L. Nealy, Business Manager/Financial Secretary – Internal Brotherhood of Electrical Workers, AFL-CIO Local Union 35:

Testified in support of this bill via correspondence in support of this bill. Mr. Nealy testified that his Union is nationally acclaimed and cooperatively run a State certified joint Apprenticeship Training Centers throughout CT with hundreds of electricians currently being educated in TUITION FREE schools to build the new smart electric grid, wire schools, hospitals, power plants, EV charging stations, solar arrays, and much more of the critical infrastructure of CT. They support this bill as a reduction in fees is a modest but important step to encourage the next generation to embark on the mission of becoming licensed electricians.

Michael Rosario, Business Manager – UA Local 777 Plumbers & Pipefitters:

Testified via correspondence in support of this bill. He testified that membership of approximately 3,000 journeymen, retirees and apprentices, their members work on residential, commercial, educational and industrial projects from small renovations jobs to billion-dollar construction projects. They are in support of this bill.

Garrett Sheehan, President/CEO – Greater New Haven Chamber (GNHC)-QCC:

Testified via correspondence in support of this bill. Testimony on behalf of the chamber in support of efforts to make the occupational licensing system more inclusive by removing barriers to entry in the professions that require license. This fee cap and reduction opens the door to individuals who would like to pursue a career that requires an occupational license but cannot afford it. This bill will also create opportunities for people to create their own business or find employment opportunities while also addressing employers' concerns.

Harold Sparrow, President & CEO – YMCA of Greater Hartford:

testified via correspondence in support of this bill. He testified the YMCA throughout CT and the country seeks to empower people of all ages to be their best selves. Their company's mission is "Belong to Something Greater," promotes healthy bodies, minds and spirits. Much of their focus is to raising people up in Black and Brown communities in seeking to level the playing field and to give everyone a chance to lead, grow and thrive. He also testified that this bill works to that end by limiting the cost of fees for the permits, licenses and certifications to just \$100 a year. The current fee structure can be exclusionary and discriminatory to those who most depend on them for their livelihood. He stated that high-cost licensure can often lead to lower levels of entrepreneurship amongst those of lower incomes. He strongly urges passage of this bill.

Bonnie Stewart, Executive Director/CEO – CT Society of CPAs:

Submitted testimony twice via correspondence in support of this bill. She submitted her testimony of graphical data depicting that of the 52 United States, CT's Annual fee is \$565, and the State of Maine is the lowest annual fee of \$35.

Jean Tucker, CPA – JET CPA, LLC.:

Voiced Support of this bill via correspondence. Testimony stated that the fees to conduct business in the state have become cumbersome. Jean also stated that CPAs are held to a high standard of competency and there is a considerable investment in continuing education, high secure and effective software, and affiliation with other colleagues to maintain our own high standard of practice. Jean said that these fees more than doubled since joining the ranks and that the focus should be on educating and inviting the next generation of professionals not scaring them away with the

high fees. Their student loan debts are already mountainous. Let's not push them away, per Jean.

Kurt Vail, State Representative – CT General Assembly: Testified in support of this bill with some changes via correspondence. Rep. Vail testified that he hopes the committee will add language to the bill to support small businesses and ensure a timely chain of payment between owners, contractors and subcontractor on construction projects in the state. He testified that mechanic liens are not sufficient or practical protections for construction contracts and subs. Other states like Virginia, So. Carolina, New York and Nevada have all passed legislation that requires payment down the chain from owner to contractor and contractor to subcontractor based upon the timely completion of contracted work. He stated Virginia's law to replace Section 42-158j of the CT General Statutes and relevant statutory language.

The following individuals submitted written testimonies in support of this bill and testified that the cap on fees will allow for more entrants into the licensed professions and in comparison, with the fees of our neighboring states, as well as a step in the right direction and long overdue.

1. Laura Bulas, Managing Member – LRB Accounting LLC.
2. Holly Cheeseman, State Rep – 37th District.
3. Bryan Decker, Partner – PKF O'Connor Davies, LLP.
4. Ronald DeSoiza, CPA – PFK O'Connor Davies
5. Ellen Donadio
6. Nicholas Dubiago, Partner – Van Brunt Dubiago & Company, LLC
7. Frame Gerald, Partner – Novak Francella, LLC
8. David Gibbs, CPA/Partner
9. Gerard Frame, Partner – Novak Francella, LLC
10. David Gibbs, CPA/Partner – R.L. DePanfilis & Company LLC
11. Edward Granelli, Tax Partner – PKFOD
12. Ruth Gretz, CPA/Executive Director – RDM Financial Group Hightower
13. Julie Lopez, CPA – Owner
14. Mike Maksymiw. Executive Director – Aprio
15. Huyler Marsh
16. Richard Massaro – Connecticut CPA
17. Dan Massucci, CPA – Massucci & Associates
18. J. Preston Merritt, CPA – J.P. Merritt, Inc.
19. Nicholas Muratori
20. Brian Newman
21. Jack Nicklis
22. Patrick Odierno, CPA – PFK O'Connor Davies
23. Katherine Patnaude
24. Matthew Piechota, CPA
25. Michael Ruggiero, Partner – PKF
26. Jonny Sahlin, CPA – Jon Sahlin CPA, LLC.
27. Tom Shernow, CPA – WHG CPAs
28. Henry Slesinski, CPA – Owner
29. Keith Sullivan, CPA Partner – Zackin Zimyeski Sullivan CPA, LLC.
30. Robert Susalka, CPA

31. Rachel Tressy
32. Timothy Tuell, Cole Proprietor – Timothy Tuell CPA
33. Richard Wolfe, CPA – USI Insurance Services
34. Chloe Wood, CPA
35. Mark Catalano

NATURE AND SOURCES OF OPPOSITION:

None Expressed

Reported by: Michelle Adams

Date: March 19, 2024