



Connecticut Legislative Update

February 2021



The following report is from LDAC Lobbyist, Carrie Rand of Nome Associates.

Governor Lamont provided the legislature with his proposed \$46 billion biennial budget last week. Using the broad theme of the “Connecticut Comeback,” Lamont said the state has finally stabilized its finances with a projected operating surplus in the current fiscal year and a rainy day fund that is projected to grow to \$3.5 billion later this year.

The Governor’s budget mainly focuses on the state’s efforts to tackle the COVID-19 pandemic. Much of the “new” funding will be tied to education and getting the state’s economy back. Specific details will be worked out through the legislature, as this is the first step in the budget process that will continue through the Finance and Appropriations Committees and leadership of the House and Senate.

Of note, the budget includes two new sources of transportation revenue. First, Lamont said Connecticut will raise \$80 million per year by joining the multi-state Transportation Climate Initiative with Massachusetts and Rhode Island. The initiative is a regional cap-and-trade plan to raise money from wholesale fuel suppliers to combat climate change by seeking major reductions in motor vehicle pollution.

Estimates for gasoline price increases related to the initiative have ranged from 5 cents to 17 cents to 32 cents per gallon, depending on the projection. But Lamont’s budget director, Melissa McCaw, said that increases are not certain, adding that they could be in the range of 2 cents to 5 cents per gallon.

Second, the state would collect \$90 million annually from a special highway user fee on tractor-trailer trucks that has already been enacted in a similar way in New York and Oregon. Truck operators would pay fees that are based on the weight of the truck and the number of miles driven in Connecticut.

Administration officials estimate that a trip across the entire length of Connecticut on Interstate 84 would cost about \$20.

“This funding allows Connecticut to leverage \$1 billion worth of projects over the next five years,” Lamont said. “With these two alternatives, we can maintain our project schedule to keep or bring our roads and bridges up to a state of good repair and speed up your commute.”

According to McCaw, highway fees would not start until January 2023, and the state does not plan to sharply increase staffing at the weigh stations at the state borders in order to catch truckers. Truckers are required to register and then keep daily records of their mileage in the states that currently collect the tax.

The Governor closed with a promise to expand workforce development and the small business growth fund and to widen affordable housing, access to broadband connections, transit developments, and open choice school incentives.

We are continuing to work through the specific details of the budget and any effect they may have on LDAC members.

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Questions?

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