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Mortgage Relief Bill Highlights Final Day Of Legislative Session

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Hours before the legislature's 2008 session ended, the state Senate unanimously passed a comprehensive mortgage-relief bill that would help thousands of subprime mortgage holders threatened with foreclosure.

The Senate moved swiftly in bipartisan fashion to help cash-strapped homeowners through programs that would give them more-affordable interest rates, allowing them to remain in their homes. Gov. M. Jodi Rell said she was eager to sign the bill into law, giving a bipartisan gloss to a session consumed in recent weeks by partisan rancor.

The state's deteriorating fiscal condition — with a budget deficit as high as \$80 million — cast a large shadow over the Capitol in the session's final days. Despite opposition from her fellow Republicans, Rell agreed with the Democratic majority not to change the second year of the two-year budget that was passed last year. With Rell threatening to veto any spending bill that would throw the budget out of balance, lawmakers were constrained from raising issues they would normally bring up in the closing days — draining the energy from the usual crush of closing-day business.

"In the end, it's not like any session that I've seen before," said Rell, who has spent the past 24 years at the Capitol as a legislator, lieutenant governor and governor.

Rell skipped the annual end-of-session speech, in which the governor often showers legislators with bouquets of compliments for a job well done. Instead, she delivered brief remarks to reporters at her Capitol office.

"I decided that everybody's temper is just getting a little too short right now," Rell said about six hours before adjournment. "By midnight, I think everyone's going to be a little tired."

Wednesday marked the final regular session day for House Speaker James Amann, who is retiring after 18 years in the legislature and four years as speaker. Amann delivered an emotional speech early today, saying that lawmakers had accomplished plenty during his two terms in office.

"I'll never forget it," Amann told a packed House chamber. "It's been the best four years of my life. ... Thank you for the privilege of being your speaker."

The Senate's action on mortgage relief came on a day when numerous bills were dying on the calendar because of lack of action. As the final hours approached, lawmakers had not yet crafted final deals on a boatload of bills that included pension revocation for corrupt state officials, comprehensive ethics reform, and mandatory sick leave for workers at companies with 50 or more employees — a state law that would have been a first in the nation. With threatened filibusters and parliamentary maneuvers, opponents worked to delay certain bills so that time would expire without a vote.

Some lawmakers and Rell complained that the General Assembly was moving too slowly on the final day of the session and could have accomplished more this year.

Amann, though, said it was important that the legislature did not place any extra burdens on taxpayers by maintaining an \$18.7 billion budget in the new fiscal year that will increase spending by 4.1 percent.

"If we did one thing, we didn't raise taxes, and we're able to tailgate," Amann said. "No new taxes and tailgating. The highlights of the year."

Amann was referring to the defeat of the "open container" bill Tuesday, one of the controversial bills of the session. Drivers and passengers are currently allowed to keep open bottles of alcohol in their cars, and some lawmakers had feared that a new law could cause problems at University of Connecticut football games because fans often have open containers in their vehicles. When questions were also raised about the impact on games at the Yale Bowl in New Haven, the bill was withdrawn and essentially killed.

One of the biggest pieces of unfinished business Wednesday was the failure to extend the state's controversial real estate conveyance tax for another two years. Knowing that the issue could not be resolved in the closing hours, Senate President Pro Tem Donald Williams announced that there will be a special session on the issue. No date has been set.

But several hours after the announcement by Williams, Amann said he had not signed off on a special session. "No agreement yet," he said. "We're still talking."

Since the legislature failed once again to pass pension revocation for corrupt state officials, Sen. Gayle Slossberg said that she wants ethics reform to be part of the agenda for the special session. The House and Senate have clashed bitterly for months over different versions of pension revocation, and Slossberg crossed swords with her co-chair on the committee that oversees ethics, Rep. Christopher Caruso of Bridgeport. Lawmakers talked about sending a bill to a conference committee to resolve their differences.

"I don't think the Senate ever wanted pension revocation," Caruso said. "That's why they never negotiated with me or the Speaker on it before passing their bill. They just said, 'Here it is — swallow it,' and they knew we couldn't do that."

Slossberg countered late Wednesday that she thought Caruso had been "blocking it" as it sat on the House calendar Tuesday and Wednesday without action. Caruso said the decision to bring the bill up was House leaders', not his. "Well, let's just say he's been less than helpful," Slossberg said of Caruso.

Amid bitter recriminatory pronouncements between committee leaders in the upper and lower chambers, they both looked to a special session, which would last a day or days, to reach a reconciliation that they could not realize in three months.

The Connecticut Conference of Municipalities and the state's Realtors have been locked in a bitter, months-long battle over whether the increased conveyance tax should be allowed to expire or whether it should be extended for another two years. The tax was imposed in 2003 under then-Gov. John G. Rowland in order to fill a budget gap, and many real estate agents argue that the temporary tax should have ended by now under a "sunset" provision. But the tax has been extended, and CCM has been pushing for it to be extended for another two years.

Williams said he has no doubt that the tax will be extended before the "sunset" date of June 30, which is the end of the state's fiscal year.

"I'm 100 percent confident as to the Senate," Williams said.

The organization's executive director, James Finley, said the \$40 million generated by the tax has become crucial to cities and towns. Realtors, however, say the tax has become particularly onerous as some sellers are now taking a loss on the sale of their homes in a weak real estate market.

In a dust-up that erupted over the issue, Amann was perturbed by a quote in The Courant in which Finley said it was ironic that the Republican "do something" budget could be seen as a better deal for municipalities than the Democratic plan. Amann disagreed sharply, referring to the Republican plan as the "do something dumb" budget.

Mortgage Relief

In the Senate Democratic caucus's top priority of the day, the mortgage-relief legislation defines subprime or nonprime loans, imposes requirements on lenders to protect borrowers, creates a mediation program and offers, as a last resort, financial assistance to head off foreclosures.

Sen. Bob Duff, D-Norwalk, banks committee co-chairman, said the bill puts Connecticut "on the path to defining responsible lending."

The \$141 million program will be implemented by the Connecticut Housing Finance Authority, largely with existing funds held by CHFA and the state banking department. It includes \$64 million for financial aid. The money would be used to rewrite variable mortgages with interest rates that have risen beyond the ability of borrowers to pay.

Sen. Mary Ann Handley, D-Manchester, said she lived in the same neighborhood for 40 years without

seeing a foreclosure sign.

"Right now, within a half-mile of my house, there are three foreclosure signs," Handley said. She called them signs of "society deep in trouble."

Senate Minority Leader John McKinney, R-Fairfield, said the state will be worse off "financially and in every other way possible if we allow this problem to cause hundreds or thousands to lose their homes."

Republicans set aside their bitterness over the state budget to join Democrats in passing the mortgage relief bill.

"I think there are certain issues that are beyond politics," McKinney said.

The legislature's Republican minority, which was not a party to the budget deal cut by Democratic legislators and the GOP governor, launched a series of futile parliamentary challenges in the waning days of the session in both houses to force a debate on their budget alternative. The GOP budget included a gas-tax holiday, estate tax relief, an early retirement plan and 1 percent budget increases for nursing homes and nonprofit providers of state services.

"The extent to which they have gone to deny us a vote on the budget is evidence of how good our budget proposal is," McKinney said.

Williams said that if the Republicans have a beef on the budget, they should take it up with the Republican governor.

Toy Safety

Advocates are hailing the Senate's passage of legislation that would remove lead and asbestos from children's toys starting next year.

The bill, which now goes to Rell, would limit the amount of lead in products that are manufactured or sold after July 1, 2009. On the same date, it would become illegal to use asbestos in children's toys, and paint that is sprayed on children's products would need to meet certain standards.

"Now that the science has been allowed to emerge, policymakers have a responsibility to take immediate action to phase out bisphenol A and phthalates from common, everyday products like food and beverage containers," said Sarah Uhl, of the Coalition for a Safe and Healthy Connecticut.

Family Magistrates

A Senate-approved bill, to require the state's nine family magistrates to undergo legislative confirmation like judges, died without receiving House action Wednesday. The measure gained initial momentum from controversy arising over Rell's appointment early this year of Christopher Oliveira, a GOP activist

from Old Lyme, as a \$121,615-a-year family support magistrate.

It would have required Oliveira and the state's eight other magistrates — who hear cases in state courthouses involving paternity, as well as child and spousal support for thousands of single mothers — to retroactively undergo the same legislative confirmation process as judges. Up to now, the magistrates have been appointed directly by the governor, with no confirmation process. Democratic leaders said they will bring up the bill again next year.

Legislative Retirees

Amid the less-hectic-than-usual pace of the final day, lawmakers took time at the start of the day to honor their colleagues who are not seeking re-election.

Many were surprised by the retirement of Rep. Michael Christ, an East Hartford Democrat who recently ran for majority leader and lost to Rep. Denise Merrill of Storrs. As a deputy majority leader, Christ helped run the floor operation for House Democrats in recent years and kept the legislation flowing.

Another fellow Democrat in East Hartford, Rep. Christopher Stone, also received plaudits from his colleagues. Christ remarked that the third member, Rep. Henry Genga, better not retire this year because "in two short speeches, he has become the dean of the East Hartford delegation."

Republicans Michael Caron of Danielson and 84-year-old Julia Wasserman of Newtown, among others, were hailed on the House floor as they retire from their longtime legislative careers.

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