



**Substitute House Bill No. 6685**

**Public Act No. 05-262**

**AN ACT CONCERNING FISCAL ACCOUNTABILITY OF STATE GOVERNMENT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective July 1, 2005*) (a) No later than November thirtieth each year, the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and finance, revenue and bonding shall meet with the Secretary of the Office of Policy and Management, the director of the legislative Office of Fiscal Analysis, and such other persons as they deem appropriate, to consider the items submitted pursuant to subsection (b) of this section.

(b) On or before November fifteenth, annually, the Secretary of the Office of Policy and Management and the director of the legislative Office of Fiscal Analysis shall each submit the following to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and finance, revenue and bonding: (1) An estimate of state revenues, expenditures and ending balance for each fund, for the current biennium and the next ensuing three fiscal years, and the assumptions on which such estimates are based; (2) the projected tax credits to be used in the current biennium and the next ensuing three fiscal years,

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and the assumptions on which such projections are based; (3) a summary of any estimated deficiencies in the current fiscal year, the reasons for such deficiencies, and the assumptions upon which such estimates are based; (4) the projected balance in the Budget Reserve Fund at the end of each uncompleted fiscal year of the current biennium and the next ensuing three fiscal years; (5) the projected bond authorizations, allocations and issuances in each of the next ensuing five fiscal years and their impact on the debt service of the major funds of the state; (6) an analysis of revenue and expenditure trends and of the major cost drivers affecting state spending, including identification of any areas of concern and efforts undertaken to address such areas, including, but not limited to, efforts to obtain federal funds; and (7) an analysis of possible uses of surplus funds, including, but not limited to, the Budget Reserve Fund, debt retirement and funding of pension liabilities.

Sec. 2. Section 2-24a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

No bill without a fiscal note appended thereto which, if passed, would require the expenditure of state or municipal funds or affect state or municipal revenue in the current fiscal year or any of the next ensuing five fiscal years shall be acted upon by either house of the General Assembly unless said requirement of a fiscal note is dispensed with by a vote of at least two-thirds of such house. Such fiscal note shall clearly identify the cost and revenue impact to the state and municipalities in the current fiscal year and in each of the next ensuing five fiscal years.

Sec. 3. Section 2-17 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2005*):

Any member-elect of either house of the General Assembly, prior to the beginning of the regular session in the January following [his] such

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member's election, may introduce any bill for a public or special act by filing the same with the clerk of the House or Senate, who shall assign to each such bill a House or Senate serial number and shall cause to be made a sufficient number of photo-offset copies of such bill. Each such bill shall be filed in triplicate and shall be typewritten or printed, without interlineation or erasure, on paper eight and one-half by thirteen inches or eight and one-half by fourteen inches in size, the second and third copies to be on yellow-colored and blue-colored paper, respectively, of the same size and format as the original. Any member-elect offering such bill shall endorse by signing thereon [his] such member-elect's name in some conspicuous place and shall attach thereto a statement of its purpose in not more than one hundred and fifty words, which are to be typewritten or printed at the end of the bill under the caption "statement of purpose". The head of each state department, board, commission or other state agency shall file [his] such head's requests for legislative enactment in the form of bills, appended to each a summary and a fiscal note containing the information required pursuant to section 2-24a, as amended by this act, with the clerk of the House or Senate on or before January fifteenth of the odd-numbered year and on or before February eighth in the even-numbered year. Such head of each state department, board, commission or other state agency requiring assistance from the Legislative Commissioners' Office in the preparation of such bills shall submit requests for such assistance on or before December first of each year.

Sec. 4. Subsection (c) of section 2-71c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2005*):

(c) The legislative Office of Fiscal Analysis shall assist the General Assembly and the Legislative Department, legislative commissions and legislative committees in a research and advisory capacity as

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follows: (1) Reviewing department and program operating budget requests; (2) analyzing and helping to establish priorities with regard to capital programs; (3) checking executive revenue estimates for accuracy; (4) recommending potential untapped sources of revenue; (5) assisting in legislative hearings and helping to schedule and prepare the agenda of such hearings; (6) assisting in the development of means by which budgeted programs can be periodically reviewed; (7) preparing short analyses of the costs and long-range projections of executive programs and proposed agency regulations; (8) keeping track of federal aid programs to make sure that Connecticut is taking full advantage of opportunities for assistance; (9) reviewing, on a continuous basis, departmental budgets and programs; (10) analyzing and preparing critiques of the Governor's proposed budget; (11) studying, in depth, selected executive programs during the interim; (12) performing such other services in the field of finance as may be requested by the Joint Committee on Legislative Management; (13) preparing the fiscal notes, required under section 2-24, upon favorably reported bills which require expenditure of state or municipal funds or affect state or municipal revenue; [and] (14) preparing at the end of each fiscal year a compilation of all fiscal notes on legislation and agency regulations taking effect in the next fiscal year, including the total costs, savings and revenue effects estimated in such notes; and (15) every second and fourth year after the effective date of each enacted bill, review the fiscal note of such bill to compare it to the fiscal note prepared at the time such bill was enacted. The governing body of any municipality, if requested, shall provide the Office of Fiscal Analysis, within two working days, with any information that may be necessary for analysis in preparation of such fiscal notes. Each officer, board, commission or department of the state government shall assist the Office of Fiscal Analysis in carrying out its duties and, if requested, shall make its records and accounts available to the office in a timely manner, except that where there are statutory requirements of confidentiality with regard to such records and accounts, the identity

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of any person to whom such records or accounts relate shall not be disclosed.

Sec. 5. Subsection (g) of section 3-20 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2005*):

(g) (1) With the exception of refunding bonds, whenever a bond act empowers the State Bond Commission to authorize bonds for any project or purpose or projects or purposes, and whenever the State Bond Commission finds that the authorization of such bonds will be in the best interests of the state, it shall authorize such bonds by resolution adopted by the approving vote of at least a majority of said commission. No such resolution shall be so adopted by the State Bond Commission unless it finds that there has been filed with it ~~[(1)]~~ (A) any human services facility colocation statement to be filed with the Secretary of the Office of Policy and Management, if so requested by the secretary, pursuant to section 4b-23; ~~[(2)]~~ (B) a statement from the Commissioner of Agriculture pursuant to section 22-6, for projects which would convert twenty-five or more acres of prime farmland to a nonagricultural use; ~~[(3)]~~ (C) prior to the meeting at which such resolution is to be considered, any capital development impact statement required to be filed with the Secretary of the Office of Policy and Management; and ~~[(4)]~~ (D) such requests and such other documents as it or said bond act require, provided no resolution with respect to any school building project financed pursuant to section 10-287d or any interest subsidy financed pursuant to section 10-292k shall require the filing of any statements pursuant to [subdivision (1), (2) or (3) of this subsection] subparagraph (A), (B), (C) or (D) of this subdivision and provided further any resolution requiring a capital impact statement shall be deemed not properly before the State Bond Commission until such capital development impact statement is filed. Any such resolution so adopted by the State Bond Commission shall

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recite the bond act under which said commission is empowered to authorize such bonds and the filing of all requests and other documents, if any, required by it or such bond act, and shall state the principal amount of the bonds authorized and a description of the purpose or project for which such bonds are authorized. Such description shall be sufficient if made merely by reference to a numbered subsection, subdivision or other applicable section of such bond act.

(2) The agenda of each meeting shall be made available to the members of the commission not later than four business days prior to the meeting at which such agenda is to be considered. The day of the meeting shall count as one of the business days. The agenda of each meeting, or any supporting documents included with such agenda, shall include a reference to the statute or public or special act which is the source of any funds to be used for any project on such agenda, including any contingency funds and any reuse or reallocation of funds previously approved for any other use or project, and a notation of the outside source from which any funds for any such project were received, if any.

(3) Upon adoption of a resolution, the principal amount of the bonds authorized therein for such purpose or project shall be deemed to be an appropriation and allocation of such amount for such purpose or project, respectively, and subject to approval by the Governor of allotment thereof and to any authorization for such project or purpose that may otherwise be required, contracts may be awarded and obligations incurred with respect to any such project or purpose in amounts not in the aggregate exceeding such authorized principal amount, notwithstanding that such contracts and obligations may at a particular time exceed the amount of the proceeds from the sale of such bonds theretofore received by the state. In any such resolution so adopted, the State Bond Commission may include provision for the

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date or dates of such bonds, the maturity of such bonds and, notwithstanding the provisions of any bond act taking effect prior to July 1, 1973, provision for either serial or term, sinking fund or other reserve fund requirements, if any, due dates of the interest thereon, the form of such bonds, the denominations and designation of such bonds, registration, conversion and transfer privileges and the terms of redemption with or without premium and the date and manner of sale of such bonds, provisions for the consolidation of such bonds with other bonds including refunding bonds for the purpose of sale as provided in subsection (h) [hereof] of this section, limitations with respect to the interest rate or rates on such bonds, provisions for receipt and deposit or investment of the good faith deposit pending delivery of such bonds and such other terms and conditions of such bonds and of the issuance and sale thereof as the State Bond Commission may determine to be in the best interest of the state, provided the State Bond Commission may delegate to the Treasurer all or any part of the foregoing powers in which event the Treasurer shall exercise such powers until the State Bond Commission, by adoption of a resolution prior to exercise of such powers by the Treasurer shall elect to reassume the same. Such powers shall be exercised from time to time in such manner as the Treasurer shall determine to be in the best interests of the state and the Treasurer shall file a certificate of determination setting forth the details thereof with the secretary of the State Bond Commission on or before the date of delivery of such bonds, the details of which were determined by the Treasurer in accordance with such delegation.

(4) The State Bond Commission may authorize the Commissioner of Economic and Community Development to defer payments of interest or principal, or a portion thereof, in the case of a troubled loan, as defined in subdivision (1) of subsection (e) of section 8-37x, made by the commissioner under any provision of the general statutes.

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