PA 13-184 — HB 6704
Emergency Certification

AN ACT CONCERNING EXPENDITURES AND REVENUE FOR THE BIENNIUM ENDING JUNE 30, 2015

SUMMARY: This act appropriates funds for state agencies and programs and estimates state revenues for FY 14 and FY 15. It carries forward unspent balances from prior years' appropriations and directs funds to be spent for specific programs and purposes, appropriates money for deficiencies in FY 13 appropriations, and transfers revenue from FY 13 to help balance the FY 14 and FY 15 budget. Among other things, the act:

1. extends the temporary (a) reduction in the state's share of retired teachers' health insurance costs and (b) increase in the share paid by the retired teachers' health insurance premium account,
2. requires the Department of Social Services (DSS) to discontinue the Medicaid program for low-income adults (LIA),
3. establishes within DSS the Medicaid Coverage for the Lowest Income Populations program, and
4. requires the budgetary reductions in FY 14 related to the discontinuance of the LIA program to be reflected as an appropriation reduction and thus not result in a spending cap adjustment for FY 14.

The act makes various state tax and revenue changes. Among other things, it:

1. requires the Department of Revenue Services (DRS) to establish a tax amnesty program that runs from September 16, 2013 to November 15, 2013;
2. extends, for two additional years, the temporary (a) cap on the maximum insurance premium tax liability that an insurer may offset through tax credits and (b) 20% corporation income tax surcharge;
3. extends the temporary tax on electric generation facilities for an additional three months, from July 1, 2013 to October 1, 2013;
4. starting June 1, 2015, exempts clothing and footwear costing less than $50 from the sales and use tax;
5. changes the point at which the sales tax on cigarettes is collected and remitted to the state; and
6. authorizes DRS to require retailers who are delinquent in paying sales taxes to electronically remit the sales tax due on certain sales by the end of the second business day after the sale.

The act modifies several existing tax credit programs. It:

1. reduces the state earned income tax credit (EITC) against the personal income tax for the 2013 and 2014 tax years,
2. establishes a two-year moratorium on film and digital media production tax credits for motion pictures for FY 14 and FY 15, and

3. allows the economic and community development commissioner to pay taxpayers holding urban and industrial sites reinvestment tax credits for their credit eligibility certificates using $40 million in bond proceeds authorized under the act.

The act makes numerous other changes, including (1) allowing the Connecticut Lottery Corporation to offer Keno games, in addition to the state lottery; (2) modifying amounts transferred to and from the General Fund; (3) expanding the list of projects eligible for funding under the local capital improvement program (LoCIP); and (4) increasing the fees a "nominee of a mortgagee" must pay to town clerks when recording documents.

EFFECTIVE DATE: July 1, 2013, unless otherwise noted below.

§§ 1-10 — FY 14 AND FY 15 APPROPRIATIONS

The act appropriates money from the state's 10 appropriated funds for state agency operations and programs in FY 14 and FY 15. Table 1 shows the net annual appropriations for each year from each fund.

Table 1: FY 14 & FY 15 Net Appropriations by Fund

§	*Fund*	*Net Appropriation*	
		FY 14	*FY 15*
1	General Fund*	$17,185,961,568	$17,504,795,861
2	Special Transportation Fund	1,243,182,080	1,322,312,395
3	Mashantucket Pequot and Mohegan Fund	61,779,907	61,779,907
4	Soldiers' Sailors' and Marines' Fund*	3,099,619	3,156,988
5	Regional Market Operation Fund	921,680	941,498
6	Banking Fund	26,608,448	27,845,849
7	Insurance Fund	30,744,674	31,968,453
8	Consumer Counsel and Public Utility Control Fund	24,868,827	25,384,201
9	Workers' Compensation Fund	23,199,856	24,789,229
10	Criminal Injuries Compensation Fund	3,380,286	2,787,016

*PA 13-247 (§§ 1 & 2) changes the General Fund net appropriation totals for FY 14 and FY 15 and eliminates the FY 15 appropriation for the Soldiers', Sailors', and Marines' Fund.

§§ 11-12 & 49 — UNALLOCATED GENERAL FUND, PERSONAL SERVICES, AND OTHER EXPENSES SAVINGS

For FY 14 and FY 15, the act requires the Office of Policy and Management (OPM) secretary to recommend spending reductions in each branch of government to annually reduce (1) General Fund, (2) personal services, and (3) other expenses expenditures. Table 2 lists the annual spending reductions for each branch. The provision concerning personal services reductions does not apply to the higher education constituent units.

Table 2: FY 14 & FY 15 Spending Reductions

Branch	*General Fund*		*Personal Services*		*Other Expenses*	
	FY 14	*FY 15*	*FY 14*	*FY 15*	*FY 14*	*FY 15*
Executive	$13,785,503	$13,785,503	$5,478,184	$16,675,121	$3,312,000	$3,312,000
Legislative	56,251	56,251	190,309	579,285	140,000	140,000
Judicial Department*	401,946	401,946	1,128,261	3,434,330	548,000	548,000

*PA 13-247 (§§ 78-80) changes Judicial Department to Judicial Branch.

EFFECTIVE DATE: Upon passage for the provision concerning personal services reductions.

§ 13 — FEDERAL REIMBURSEMENT FOR DSS PROJECTS

For FY 14 and FY 15, the act authorizes DSS to establish receivables for the anticipated reimbursement from the (1) health insurance and health information exchanges, (2) Medicaid data analytics system, (3) integrated eligibility management system, and (4) other related information technology systems. It must do so in compliance with advanced planning documents approved by the federal Department of Health and Human Services for developing these projects.
EFFECTIVE DATE: Upon passage

§ 14 — STEM CELL RESEARCH FUND

The act allows the Department of Public Health (DPH) commissioner to use up to $115,000 from the Stem Cell Research Fund in FY 14 for administrative expenses.

§ 15 — DEPARTMENT OF CHILDREN AND FAMILIES (DCF)-LICENSED PRIVATE RESIDENTIAL TREAMENT FACILITIES

For FY 14 and FY 15, the act eliminates per diem and other rate increases for private residential treatment facilities licensed by DCF.
EFFECTIVE DATE: Upon passage

§ 16 — MEMORANDA OF UNDERSTANDING (MOU) FOR ADMINISTRATIVE SUPPORT FUNCTIONS

By August 17, 2013, the act requires the DSS commissioner and the rehabilitation services, aging, and housing departments, in collaboration with OPM, to enter into one or more MOUs to ensure the effective continuity of services. The MOUs must include the administrative support functions DSS must provide to these departments, including human resources, payroll processing, purchasing, accounts payable, contracting, information technology, legal services, and additional services the agencies agree upon.
EFFECTIVE DATE: Upon passage

§ 17 — AUTHORITY TO TRANSFER PERSONAL SERVICES APPROPRIATIONS

The act authorizes the OPM secretary to transfer:

1. personal services appropriations in any appropriated fund from agencies to the Reserve for Salary Adjustments account to more accurately reflect collective bargaining and related costs; and
2. General Fund appropriations for Reserve for Salary Adjustments to any agency in any appropriated fund to implement salary increases; other employee benefits; agency costs related to staff reductions, including accrual payments; agency general personal services reductions; or any other authorized personal service adjustment.

§§ 18, 29, 32-33, 36-37, 40, 43, 46-48, 50-51, 54, 59-61, & 63 — FUNDS CARRIED FORWARD

Funds Carried Forward for the Same Purpose

The act carries forward various unspent balances from prior years' appropriations and requires them to be used for the same purpose in FY 14 or FY 15, rather than lapsing at the end of the fiscal year (see Table 3).

Table 3: Funds Carried Forward for the Same Purpose

§	Agency	Purpose	Amount	FY
18 (a)	OPM	Collective bargaining agreements and related costs for FY 12 and FY 13	Unspent balance	2014 2015
18 (b)	OPM	Collective bargaining agreements and related costs in General and Special Transportation Funds for FY 14	Unspent balance	2015
32	OPM	Health care and pension consulting contract	Unspent balance	2014 2015
33	OPM	Criminal Justice Information System	Unspent balance	2014 2015
36	Department of Motor Vehicles (DMV)	Commercial Vehicle Information Systems and Networks project	Unspent balance	2014 2015
37 (a)	DMV	Upgrading registration and drivers' license data processing systems	Unspent balance	2014 2015
37 (b)	DMV	Upgrading registration and drivers' license data processing systems	Up to $7 million	2014 2015
37 (c)	DMV	Upgrading registration and drivers' license data processing systems	Up to $8.5 million	2014 2015
40 (a)	Office of Legislative Management (OLM)	Health impact assessment study by the Connecticut Academy of Science and Engineering (CASE)	Unspent balance	2014
40 (b)	OLM	Disparity study by CASE	Unspent balance	2014
40 (c)	OLM	Eyewitness task force	Up to	2014

			$90,000	
40 (g)	OLM	Equipment items	Up to $20,000	2014
40 (i)	OLM	Personal services	Up to $350,000	2014
50 (d)	Department of Transportation (DOT)	Pay-As-You-Go Transportation Projects	Up to $4.1 million	2014
63*	State Comptroller – Miscellaneous	Adjudicated Claims	Unspent balance	2014

* Effective upon passage

Funds Carried forward for a Different Purpose

The act carries forward prior years' appropriations to FY 14 or FY 15 and requires them to be used for other purposes in the same agency, as shown in Table 4.

Table 4: Funds Carried Forward for a Different Purpose*

§	*Agency*	*Prior Purpose*	*New Purpose*	*Amount*	*FY*
40 (d)	OLM	Other Expenses	Old State House cupola	Up to $316,900	2014
40 (e)	OLM	Minor capital improvements	Old State House cupola	Up to $80,000	2014
40 (f)	OLM	Minor capital improvements	Capitol generator	Up to $100,000	2014
40 (h)	OLM	Other Expenses	Higher Education Committee strategic plan	Up to $150,971	2014
46 (a)	Office of Governmental Accountability (OGA)	Other Expenses	Initial case/document management software	Up to $107,000	2014
46 (b)	OGA	Office of the Child Advocate	Record and data conversion into a new case/document management system	Up to $20,000	2014
46 (c)	OGA	Freedom of Information Commission	Record and data conversion into a new case/document management system	Up to $75,000	2014
46 (d)	OGA	Office of the Victim Advocate	Record and data conversion into a new case/document management system	Up to $20,000	2014
47	Department of Economic and Community Development	Office of Military Affairs	ARTE Inc. ($25,000 each year)	Up to $50,000	2014 2015
51 (a)*	DMV	Other Expenses	Efforts related to providing motor	Up to $750,000	2014

			vehicle licenses for persons who cannot provide the DMV commissioner with proof of legal residence in the U.S.		
51 (b)*	DMV	Equipment	Efforts related to providing motor vehicle licenses for persons who cannot provide the DMV commissioner with proof of legal residence in the U.S.	Up to $100,000	2014
59 (a)	Permanent Commission on the Status of Women (PCSW)	Other Expenses	Institute for Women's Policy Research pay equity study	Up to $5,000	2014
59 (b)	PCSW	Other Expenses	Yale Health Research women's health review	Up to $2,500	2014
59 (c)	PCSW	Other Expenses	Partnership for Strong Communities homelessness study	Up to $2,500	2014
60 (a) (1)	DRS	Personal Services	Sales and use tax collection enhancements	Up to $110,000	2014
60 (b)	DRS	Other Expenses	Sales and use tax collection enhancements	Up to $700,000	2014
61 (c)	State Department of Education (SDE)	Magnet Schools	*Sheff* programming, including supplemental magnet transportation costs	Up to $2.3 million	2014

* PA 13-247 (1) adds an item this list (§ 75) and (2) repeals the two carry forwards for DMV and replaces them with carry forwards and transfers for the same purposes (§ 379).

Funds Carried Forward and Transferred

The act carries forward and transfers the amounts shown in Table 5.

Table 5: Funds Carried Forward and Transferred*

§	*Agency*	*Amount*	*From*	*To*	*FY*
29**	SDE	Unspent balance	School Readiness Quality Enhancement	Office of Early Childhood's (OEC) School Readiness Quality Enhancement	2014

				Account: improve the quality of early childhood programs	
43 (a)	Department of Emergency Services and Public Protection (DESPP)	Up to $25,000	Fleet Purchase	Other Expenses: civilian medal of honor	2014
43 (b)	DESPP	Up to $500	Fleet Purchase	Other Expenses: civilian medal of honor	2015
48 (a)	OPM	Up to $65,000	Personal Services	Litigation/ Settlement account	2014
48 (b)	OPM	Up to $115,000	Other Expenses	Litigation/ Settlement account	2014
48 (c)	OPM	Up to $40,000	Automated Budget System and Data Base Link	Litigation/ Settlement account	2014
48 (d)	OPM	Up to $215,000	Justice Assistance Grants	Litigation/ Settlement account	2014
48 (e)	OPM	Up to $375,000	Innovation Challenge Grant Program	Litigation/ Settlement account	2014
48 (f)	OPM	Up to $40,000	Revenue Maximization	Litigation/ Settlement account	2014
48 (g)	OPM	Up to $37,000	Main Street Investment Fund Administration	Litigation/ Settlement account	2014
48 (h)	OPM	Up to $500,000	Tax Relief for Elderly Renters	Litigation/ Settlement account	2014
48 (i)	OPM	Up to $475,000	Regional Planning Agencies	Litigation/ Settlement account	2014
48 (j)	OPM	Up to $145,000	Property Tax Relief Elderly Freeze Program	Litigation/ Settlement account	2014
50 (a)	DOT	Up to $4.2 million	Rail Operations	Pay-As-You-Go Transportation Projects account	2014
50 (b)	DOT	Up to $1.5 million	Personal Services	Pay-As-You-Go Transportation Projects account	2014
50 (c)	DOT	Up to $200,000	Transit Improvement Program	Pay-As-You-Go Transportation Projects account	2014
54 (a)	Department of Energy and Environmental Protection (DEEP)	Up to $1,242,604	Personal Services	Other Expenses	2014
54 (b)	DEEP	Up to $172,396	Fringe Benefits	Other Expenses	2014
54 (c)	DEEP	Up to $685,000	Fringe Benefits	Equipment	2014

60 (a) (2)	DRS	Up to $40,000	Personal Services	State Comptroller – Fringe Benefits: (1) $10,000 for Employers Social Security Tax and (2) $30,000 for State Employees Health Service Cost, for sales and use tax collection enhancements	2014
61 (a)	SDE	Up to $330,000	Magnet Schools	Interdistrict Cooperation Account: grant to Sound School summer youth program	2014
61 (b)	SDE	Up to $170,000	Magnet Schools	Neighborhood Youth Centers account: grant to New Haven YMCA ($85,000 in each FY)	2014 2015

* PA 13-247 (§§ 95 & 383) adds items to this list.
** Effective upon passage

§§ 19 & 20 — TOBACCO HEALTH AND TRUST FUND ALLOCATIONS

The act allocates money from the Tobacco and Health Trust Fund for the programs and purposes shown in Table 6.

Table 6: Tobacco and Health Trust Fund Allocations

Agency	*Program/Purpose*	*FY 14*	*FY 15*
UConn Health Center	Connecticut Health Information Network	$500,000	$500,000
DPH	Adult asthma program, within the Easy Breathing Program	150,000	150,000
	Children's asthma program, within the Easy Breathing Program	250,000	250,000
	Connecticut Coalition for Environmental Justice: Community Asthma Outreach and Education Program	150,000	150,000
	Regional emergency medical services coordinators	500,000	500,000
DSS	Medicaid: smoking cessation programs	3,400,000	3,400,000
	Other Expenses: UConn-Medicaid Partnership	200,000	200,000
Department of Developmental Services (DDS)	Implement the recommendations of DDS study of issues related to the needs of people with autism to enhance and improve the services and supports for these individuals and their families	500,000	750,000

§ 21 — STATE PAYMENTS FOR RETIRED TEACHERS HEALTH INSURANCE

The act extends, to FY 14 and FY 15, the temporary (1) reduction in the state's share of retired teachers' health insurance costs and (2) increase in the share paid by the retired teachers health insurance premium account.

By law, the determining factor in how a retired teacher receives health coverage is whether the teacher participates in Medicare. Those who do may choose a Medicare supplement plan provided by the Teachers' Retirement Board (TRB). Those who do not can continue to participate in the health plan their last-employing board of education offers to its active teachers.

By law, annual premiums for the basic TRB plan are split equally among (1) the General Fund; (2) the retired teacher; and (3) the retired teachers' health insurance premium account, which is funded by active teachers, who contribute 1.25% of their salaries to it. For FY 13, the law reduced the state's share to 25% and increased the share paid by the retired teacher's health insurance premium account to 42%. The act continues these changes for FY 14 and FY 15.

As for retired teachers covered under local board health plans, the law requires the TRB to provide a monthly subsidy to the local boards to offset retired teachers' local plan premiums. Retirees are responsible for paying the difference between the subsidy and the premium cost. By law, the state General Fund pays one-third of the subsidy and the retired teachers' health insurance account pays two-thirds. For FY 13, the law reduced the state's contribution to 25%, thus increasing the account's contribution to 75%, of the subsidy. The act continues these changes for FY 14 and FY 15.

§§ 22 & 23 — TRANSFERS AND FUNDING ADJUSTMENTS TO MAXIMIZE FEDERAL MATCHING FUNDS

The act allows the governor, with the Finance Advisory Committee's (FAC) approval, to transfer all or part of an agency's General Fund appropriation, at its request, to another agency to take advantage of federal matching funds, as long as both agencies certify that the receiving agency will spend the money for the original purpose. Federal funds generated from transfers can be used to reimburse General Fund spending, expand services, or both, as the governor, with FAC approval, determines.

The act also allows the governor, with FAC approval, to adjust an agency's General Fund appropriation to maximize federal funding to the state. The governor must report on any adjustment to the Appropriations and Finance, Revenue and Bonding committees.

§§ 24 & 26 — TRANSFERS TO DISPROPORTIONATE SHARE OR MEDICAID ACCOUNTS

The act allows the OPM secretary to transfer all or part of any FY 14 or FY 15 General Fund appropriation for the UConn Health Center or the Department of Veterans' Affairs to the Disproportionate Share – Medical Emergency Assistance account or DSS's Medicaid account in order to maximize federal reimbursement.

§ 25 — DSS PAYMENTS TO DMHAS HOSPITALS

The act requires DSS to spend money appropriated to it for FY 14 and FY 15 for Department of Mental Health and Addiction Services (DMHAS) – Disproportionate Share payments when and in the amounts OPM specifies. DSS must make payments to DMHAS hospitals for operating expenses and related fringe benefits. Hospitals must reimburse the comptroller for the fringe benefit payments and deposit the other funds to "grants – other federal accounts." Unspent disproportionate share funds in the "grants" account must lapse at the end of each fiscal year.

§ 27 — BIRTH-TO-THREE PROGRAM

For FY 14 and FY 15, the act requires SDE to annually transfer $1 million of the federal special education funds it receives to DDS for the Birth-To-Three Program to carry out special education-related responsibilities consistent with federal special education law.

§ 28 — PRIORITY SCHOOL DISTRICT GRANTS

The act distributes the priority school district grant appropriation to state education programs in the amounts shown in Table 7.

Table 7: Priority School District Grant Allocations

Grant	*FY 14*	*FY 15*
Priority School Districts	$40,932,755	$40,452,571
Extended School Building Hours	2,994,752	2,994,752
School Accountability	3,499,699	3,499,699

§§ 30-31, 39, 42, 44, & 65 — RESERVED AMOUNTS FROM LINE-ITEM APPROPRIATIONS

The act reserves certain amounts from line items in agency budgets for various purposes, as shown in Table 8.

Table 8: Reserved Amounts from Line-Item Appropriations

§	*Agency*	*Appropriation For*	*Reserved For*	*Amount*	
				FY 14	*FY 15*
30 (a)	DMHAS	Pre-Trial Alcohol Substance Abuse Program	Regional action councils	Up to $1.1 million	Up to $1.1 million
30 (b)	DMHAS	Pre-Trial Alcohol Substance Abuse Program	Governor's Partnership to Protect Connecticut's Workforce	Up to $510,000	Up to $510,000
31	UConn	Operating	Connecticut	$250,000	$250,000

		Expenses	Center for Advanced Technology		
39	Department of Labor	Jobs First Employment Services	Grant to WorkPlace in Bridgeport	Up to $100,000	Up to $100,000
42	Board of Regents for Higher Education	Connecticut State University: Initial stages of collection and arrangement of the official papers of former Governor William O'Neill	Grant to Institute of Municipal and Regional Policy to assist in the development of the Connecticut-specific model within the Pew-MacArthur Results First Initiative	Up to $150,000	Up to $150,000
44	SDE	School Accountability	Implementation of the Connecticut Fiscal State Tracking and Accountability Report System	Up to $250,000	Up to $250,000
65	Department of Housing	Housing/Homeless Services	Norwich/New London Continuum of Care to facilitate rehousing and homelessness prevention in southeastern Connecticut	Up to $250,000	Up to $250,000

§ 34 — DDS COST SETTLEMENTS WITH PRIVATE PROVIDERS

During FY 14 and FY 15, the act requires private organizations providing services under contract with DDS to reimburse DDS for 100%, or an alternate amount identified by the DDS commissioner and approved by the OPM secretary, of the difference between the actual expenses incurred and the amount the organization received from DDS under the contract.

§ 35 — PRIVATE OCCUPATIONAL SCHOOL STUDENT PROTECTION ACCOUNT

The act overrides statutory restrictions to allow the Office of Higher Education (OHE) to spend up to $400,000 in FY 14 and up to $475,000 in FY 15 from the private occupational school student protection account.

§ 38 — FILLING STATE EMPLOYEE POSITIONS

The act limits the number of positions state agencies may fill to the number recommended by the Appropriations Committee as revised by later General Assembly enactments and set out in the Office of Fiscal Analysis report on the FY 14-15 budget. It allows these numbers to be exceeded only upon the governor's recommendation and FAC approval.

§ 41 — OPERATION FUEL ENERGY ASSISTANCE

For FY 14 and FY 15, the act transfers $1 million from funds collected through the systems benefit charge on electric utility customers to DEEP for energy assistance through Operation Fuel. It reserves $100,000 of the transferred funds for a grant to Operation Fuel for its administrative expenses.

§ 45 — NEWBORN SCREENING ACCOUNT

For FY 14 and FY 15, the act allocates $1.15 million annually, rather than the statutorily required $500,000, to the General Fund's newborn screening account. The funding comes from fees DPH charges institutions for comprehensive newborn testing, parent counseling, and treatment. DPH must use the money (1) to buy upgraded screening technology and (2) for its testing expenses.

§ 52 — MUNICIPAL AID REDUCTIONS

For FY 15, the act requires the OPM secretary to recommend municipal aid spending reductions to reduce General Fund expenditures by $10 million in that year.

§ 53 — HEAD START GRANT PROGRAM FUNDING

For FY 13, the act authorizes the SDE commissioner to use up to 25%, rather than at least 25% as under prior law, of Head Start grant program funding for enhancing program quality if federal funding reductions would otherwise reduce the number of children served. The act allows the Office of Early Childhood (OEC's) executive director to do the same for FY 14.
EFFECTIVE DATE: Upon passage

§ 55 — FEDERAL REIMBURSEMENT FOR MEDICAID EXPANSION

For FY 14 and FY 15, the act authorizes DSS and DMHAS to establish receivables for the (1) anticipated federal reimbursement for expenditures resulting from the Medicaid expansion beginning on or after January 1, 2014 and (2) reimbursements from DSS' Medicaid and DMHAS' General Assistance Managed Care accounts.

§ 56 — APPROPRIATIONS FOR NONFUNCTIONAL – CHANGE TO ACCRUALS

The act bars the OPM secretary from allotting funds from the Nonfunctional – Change to Accruals line item accounts in each of the state's 10 appropriated funds, regardless of the law requiring the governor, through OPM, to allot appropriations before they can be spent. These line items represent the change to accruals in agency budgets due to the conversion to GAAP-based budgeting.

§ 57 — FATHERHOOD INITIATIVE

The act requires DSS' FY 14 and FY 15 appropriations for the Fatherhood Initiative to be equally distributed each year to the following organizations: Families in Crises, Madonna Place, New Opportunities Inc., New Haven Family Alliance, Career Resources Inc., and Family Strides Inc.

§ 58 — FY 13 SURPLUS FUNDS

The act allows the comptroller to designate up to $220.8 million in FY 13 General Fund revenue to be counted as General Fund revenue in FY 14 ($190.8 million) and FY 15 ($30 million).
EFFECTIVE DATE: Upon passage

§ 62 — FY 13 DEFICIENCY APPROPRIATIONS

The act appropriates a total of $142 million from the General Fund to cover deficiencies in various state agencies and programs for FY 13, as shown in Table 9.

Table 9: FY 13 General Fund Appropriations

Agency	*For*	*Total*
State Comptroller	Personal Services	$600,000
State Comptroller	Other Expenses	600,000
State Comptroller – Miscellaneous	Adjudicated Claims	4,900,000
DESPP	Personal Services	13,800,000
DMHAS	General Assistance Managed Care	12,500,000
DSS	Personal Services	6,000,000
DSS	Medicaid – Acute Care Services	80,500,000
Correction	Personal Services	23,100,000
TOTAL		142,000,000

EFFECTIVE DATE: Upon passage

§ 64 — TRANSFERS BETWEEN MEDICAID ACCOUNTS

For FY 13, the act allows the comptroller, with the OPM secretary's approval, to transfer sums between DSS Medicaid appropriations, regardless of the laws requiring FAC approval for certain transfers. Under the act, the comptroller may transfer any DSS Medicaid appropriations that would otherwise lapse into any other DSS Medicaid appropriations that, if not for such transfers, would otherwise end in a deficit position at the end of the fiscal year. The comptroller must make the transfers on or after July 1, 2013, but before the accounts are closed for the

fiscal year. The transfers may not exceed the total FY 13 appropriations for the Medicaid accounts in the aggregate.
EFFECTIVE DATE: Upon passage

§ 66 — MUNICIPAL AID ADJUSTMENT ACCOUNT

The act establishes the municipal aid adjustment account in the General Fund and requires the OPM secretary to spend account funds in FY 14 and FY 15 for grants to municipalities. (PA 13-247 (§ 127) overrides this provision by creating the same account and requiring the OPM secretary to spend account funds for grants to specified municipalities.)

§§ 67-69 — ELIMINATION OF LIA PROGRAM AND ESTABLISHMENT OF NEW MEDICAID COVERAGE GROUP

The act requires DSS to discontinue the LIA program as of January 1, 2014. This program serves primarily childless adults with incomes of up to about $500 per month.

The act also establishes within DSS the Medicaid Coverage for the Lowest Income Populations program, pursuant to a provision in the federal Patient Protection and Affordable Care Act (ACA), as amended (42 USC § 1396a (10)(A)(i)(VIII)). The federal act requires states to offer Medicaid coverage to childless adults up to age 65 with incomes under 133% of the federal poverty level (about $1,275 per month) beginning January 1, 2014.

This act specifies that no state appropriation is authorized for the new program from January 1, 2014 through December 31, 2016. Under the ACA, the federal government reimburses states 100% of the costs of providing this coverage during this period.

PA 13-234 (§ 156) repeals the statute requiring DSS to establish LIA.

Budgetary Reductions Related to LIA Discontinuance

The act requires the budgetary reductions in FY 14 related to the discontinuance of the LIA program to be reflected for FY 13 in the same way budgetary reductions in FY 02 for the payment of Medicare Part B premiums were reflected for FY 01.

In FY 02, the legislature restructured the way in which the state pays the federal government for Medicare Part B premiums for certain DSS clients who are eligible for both Medicaid and Medicare Part B coverage. Rather than appropriate funding for the premium payments through the General Fund as it had in prior years, the legislature directed DSS to pay them from a nonlapsing account, created for that purpose, containing revenue received from the U.S. Department of Health and Human Services for any applicable costs. Funding these payments from a non-appropriated fund reduced the appropriation for Medicare Part B premiums beginning in FY 02. This payment restructuring was reflected as an appropriation reduction and, consequently, did not result in an adjustment to the FY 01 appropriation for the premium payments used to calculate the spending cap for FY 02.

The act requires the budgetary reduction related to the discontinuance of the LIA program to also be reflected as an appropriation reduction, thus not result in an adjustment to the FY 13 appropriation for LIA used to calculate the spending cap for FY 14.
EFFECTIVE DATE: January 1, 2014, except for the budgetary reduction provision, which is effective July 1, 2013.

§ 70 — TAX AMNESTY PROGRAM

The act requires the DRS commissioner to establish a tax amnesty program for individuals, businesses, or other taxpayers that owe Connecticut state taxes (other than motor carrier road taxes) to DRS. The amnesty runs from September 16, 2013 to November 15, 2013 and covers any taxable period ending on or before November 30, 2012.

Amnesty Conditions

The DRS commissioner must prepare an amnesty application that requires applicants to specify the taxes and taxable periods for which they seek amnesty. The act allows the commissioner to require that taxpayers file amnesty applications electronically.

If a taxpayer files the application during the amnesty period and pays all the taxes owed for the applicable tax periods, plus interest, the commissioner must waive applicable civil penalties and refrain from seeking criminal prosecution for those periods. The commissioner may only grant amnesty to affected taxpayers (i.e., those who owe taxes for the applicable tax periods) who pay the taxes and interest that the commissioner determines they owe when they file their applications.

If the commissioner grants amnesty, the affected taxpayer relinquishes all unexpired administrative and judicial appeal rights as of the payment date. The act bars taxpayers from receiving any refund or credit of amnesty tax payments. Failure to pay all amounts due invalidates the amnesty. A taxpayer is not entitled, by virtue of penalty waivers and interest reductions under the amnesty, to any refund or credit of previously paid amounts. The commissioner may not consider any request to cancel the unpaid portion of any erroneously or illegally assessed tax, penalty, or interest in connection with any amnesty application.

Interest Reduction

If a taxpayer pays the taxes due by November 15, 2013, the act reduces the interest rate on those taxes to one-fourth of the interest that the department's records show to be due and payable as of the application's filing. (The interest rate on overdue taxes is generally 1% per month.) Any tax due for the applicable tax periods paid after the filing deadline is subject to interest of 1% per month or part of a month from the date it was originally due until the payment date.

Amnesty Exclusions

The act bars any amnesty for those who:

1. are parties to any criminal investigation or criminal litigation pending on July 1, 2013 in any federal or Connecticut court,
2. are parties to a closing agreement with the DRS commissioner,
3. have made a compromise offer that has been accepted by the commissioner, or
4. are parties to a managed audit agreement.

Penalty for Failing to File for Amnesty

The act imposes a penalty on any taxpayer who (1) owes any tax for the applicable tax periods for which a tax return was required, but not previously filed and (2) fails to file a timely amnesty application. The penalty (1) is equal to 25% of the tax owed and (2) may not be waived. It applies in addition to any other applicable interest and penalties under existing law.

Implementation

The act gives the DRS commissioner authority to do anything necessary to implement the program in a timely fashion.

§ 71 — STEM CELL RESEARCH AND TOBACCO AND HEALTH TRUST FUNDS

For FY 14 and FY 15, the act (1) reduces, from $12 million to $6 million, the annual disbursement from the Tobacco Settlement Fund to the Tobacco and Health Trust Fund and (2) eliminates the transfer of $10 million from the Tobacco Settlement Fund to the Stem Cell Research Fund.

A related act, PA 13-239 (§§ 13 & 32), authorizes up to $10 million in state general obligation (GO) bonds each year in FYs 14 and 15 for the Stem Cell Research Fund. PA 12-1, December Special Session, eliminated the FY 13 transfer to the Stem Cell Research Fund and authorized up to $10 million in state GO bonds for this purpose.

§ 72 — INSURANCE PREMIUM TAX CREDIT LIMIT

The act extends, to 2013 and 2014, the temporary cap on the maximum insurance premium tax liability that an insurer may offset through tax credits. In doing so, it reimposes the insurance premium tax credit classification that applied in 2011.

The caps are part of a structure that, under existing law, (1) classifies insurance premium tax credits into three types for calendar years 2011 and 2012, (2) specifies the order in which an insurer must apply the three credit types to offset liability, and (3) establishes the maximum liability that an insurer can offset in those years by claiming one or more of these types of credits.

Under prior law, in 2011, (1) type one credits were film and digital media production, entertainment infrastructure, and digital animation tax credits; (2) type two credits were insurance reinvestment credits; and (3) type three credits were all other tax credits. In 2012, film and digital media production and entertainment infrastructure credits were moved from type one to type three.

The act applies the 2011 tax credit classification to calendar years 2013 and 2014. It also requires taxpayers with credits from several programs to claim them according to the schedule that applied in both 2011 and 2012 and which is shown in Table 10.

Table 10: Order and Reduction Schedule for Claiming Insurance Premium Tax Credits under the Act

Credit Types Claimed	*Order of Applying Credits*	*Maximum Reduction in Tax Liability*
Type 3	Not applicable	30%
Types 1& 3	1. Type 3 2. Type 1	Type 3 = 30% Sum of two types = 55%
Types 2 & 3	1. Type 3 2. Type 2	Type 3 = 30% Sum of two types = 70%
Types 1, 2, & 3	1. Type 3 2. Type 1 3. Type 2	Type 3 = 30% Type 1 & 3 = 55% Sum of all types = 70%
Type 1 & 2	1. Type 1 2. Type 2	Type 1 = 55% Sum of two types = 70%

EFFECTIVE DATE: Upon passage and applicable to calendar years starting on or after January 1, 2013.

§§ 73-74 — CORPORATION INCOME TAX SURCHARGE

The act extends the 20% corporation income tax surcharge for two additional years, to the 2014 and 2015 income years. Companies must calculate their surcharges based on their tax liability, excluding any credits. As under existing law, the surcharge for 2014 and 2015 applies to companies that have more than $250 in corporation tax liability and either (1) have at least $100 million in annual gross income in those years or (2) file combined or unitary returns, regardless of the amount of annual gross income.

EFFECTIVE DATE: Upon passage

§ 75 — FILM AND DIGITAL MEDIA PRODUCTION TAX CREDIT MORATORIUM

With one exception, the act establishes a two-year moratorium on issuing film and digital media production tax credits for motion pictures for FY 14 and FY 15. It does so by (1) barring the issuance of tax credit vouchers for motion pictures and (2) excluding motion pictures from the types of qualified productions eligible for the credits for those years. It creates an exception for FY 15 for a motion picture that conducts at least 25% of its principal photography days in a Connecticut facility that (1) receives at least $25 million in private investment and (2) opens for business on or after July 1, 2013. PA 13-247 (§ 129) later modified the moratorium by barring, for FY 14 and FY 15, the issuance of tax credit vouchers for motion pictures that have not been designated as state-certified productions prior to July 1, 2013.

Other types of qualified productions continue to be eligible for tax credits during FY 14 and FY 15, including documentaries; long-form, specials, mini-series, series, music videos, or interstitial television programming; relocated television productions; interactive television or games; videogames; commercials or infomercials; and any digital media format created primarily for public viewing or distribution.

EFFECTIVE DATE: July 1, 2013, and applicable to tax credits issued on or after that date.

§ 76 — ELECTRIC GENERATION TAX

The act extends the temporary tax on electric generation facilities for an additional three months, from July 1, 2013 to October 1, 2013.

By law, the tax is 1/4 of one cent per net kilowatt hour (kwh) of electricity generated and uploaded into the regional bulk power grid at Connecticut facilities. It applies to all electricity except that generated (1) exclusively through use of a fuel cell or alternative energy system, such as a solar or wind system; (2) by a resources recovery facility; or (3) by a customer-side distributed energy facility (e.g., cogeneration systems) with a generating capacity of up to 65 megawatts.

The act also extends to FY 14 the comptroller's authority to count as revenue any generation tax revenue DRS receives within five business days after the July 31 following the end of the fiscal year. Currently, he may do so for FY 12 and FY 13.

EFFECTIVE DATE: Upon passage

§§ 77 & 78 — SALES AND USE TAX ON BOATS

The act (1) exempts from the sales and use tax boats docked in Connecticut for 60 days or less and (2) reduces, from 7% to 6.35%, the sales and use tax rate on boats costing more than $100,000.

EFFECTIVE DATE: July 1, 2013, and applicable to sales occurring on or after that date.

§§ 77-78 & 123 — MUNICIPAL REVENUE SHARING ACCOUNT

The act eliminates laws requiring the DRS commissioner to deposit the following amounts into the Municipal Revenue Sharing Account, thus requiring these funds to go to the General Fund:

1. 1.57% of the revenue from the 6.35% sales and use tax on most taxable goods and services;
2. 1.43% of the revenue from the 7% sales and use tax on specified luxury items; and
3. 33% and 20%, respectively, of the revenue from the state real estate conveyance tax of (a) 0.75% on sales of unimproved land and certain bank-owned property and on the first $800,000 of the sale price of residential property and (b) 1.25% on sales of nonresidential property,

other than unimproved land, and any amount of the sale price of a residential property that exceeds $800,000.

Under prior law, the OPM secretary had to use the account to distribute (1) manufacturing transition grants to municipalities and (2) any remaining funds according to a specified municipal revenue sharing formula.

§ 79 — SALES AND USE TAX EXEMPTION FOR CLOTHING AND FOOTWEAR

Starting June 1, 2015, the act exempts from the 6.35% sales and use tax most clothing and footwear costing less than $50. The exemption does not apply to:

1. special athletic and protective clothing and footwear not normally worn except for its specialized use and
2. jewelry, handbags, luggage, umbrellas, wallets, watches, and similar items that people carry but do not wear.

§§ 80 & 81 — SALES AND USE TAX COLLECTION AND REMITTANCE

Sales Tax Remittance Program

For taxable periods from October 1, 2013 to April 1, 2014, the act authorizes the DRS commissioner to require taxpayers (i.e., retailers) who are delinquent in paying sales taxes to electronically remit the sales tax due on sales made by credit or debit card or electronic transfer during the applicable tax period. Affected taxpayers must remit these taxes through a DRS-approved payment processor by the end of the second business day after each applicable sale. The commissioner must prescribe a specific file format for the program and make it available by August 15, 2013.

Notice to Taxpayer. The act requires, by October 1, 2013, DRS to notify, in writing, taxpayers that must comply with these requirements. DRS may send the notice by first-class mail addressed to the taxpayer at the location in its records. The notice must contain a complete listing of DRS-approved processors.

Eligible Sales Tax Processors. In order to be approved by the commissioner, the act requires payment processors to:

1. use the commissioner-prescribed file format;
2. identify the (a) specific software, and any third-party software, they use and (b) software's and processing's specifications;
3. assure that the software and processing will provide record transactions sufficient for collecting and auditing taxable sales; and
4. make available any additional information the commissioner requires.

Taxpayer Requirements. Taxpayers that fail to comply are subject to penalties under the sales and use tax law, including the revocation of their sales tax seller's permits. Existing law authorizes the commissioner, after a hearing, to suspend or revoke a taxpayer's sales tax seller's permit if he or she fails to comply with the sales tax law. In addition, by law, taxpayers that fail to remit sales taxes on time are subject to interest and penalties (1% for each month or part of a month the payment is overdue, plus a penalty of 15% of the deficiency or $50, whichever is greater, for negligent or intentional nonpayment and 25% of the deficiency for nonpayment due to fraud).

DRS Commissioner's Analysis of Sales Tax Collection and Remittance Methods

The act requires the DRS commissioner to analyze methods to enhance sales and use tax collection and remittance by retailers and, by February 1, 2014, report his findings and recommendations to the Finance, Revenue and Bonding Committee.

The commissioner's analysis must consider the:

1. amount of sales and use taxes that are annually uncollected or consistently delinquent;
2. availability and effectiveness of alternative methods to collect sales and use taxes, including the electronic remittance program for delinquent taxpayers the act establishes; and
3. advisability of requiring more frequent due dates for remitting the taxes.

He must also consider whether these methods are likely to reduce deficiencies and increase collections.

§ 82 — SALES TAX ON CIGARETTE SALES

This act changes the point at which the sales tax on cigarettes is collected and remitted to the state, and who pays the tax.

Under prior law, licensed cigarette dealers collected sales tax on cigarettes from customers at the point of purchase and remitted the tax to the state. The act instead requires "stampers" (i.e., anyone allowed to buy unstamped cigarettes and put cigarette tax stamps on them) and non-stamping licensed cigarette distributors to (1) collect sales tax on cigarettes they sell to licensed dealers and (2) remit the tax the same way as other sellers (i.e., retailers). It continues to require licensed dealers to collect the tax when selling cigarettes to a customer, but the act allows them to claim a credit against the sales tax equal to the amount of taxes they paid to the distributor or stamper.

The act applies to two transaction chains, both initiated by stampers. Under the first transaction chain, when a stamper sells stamped packages of cigarettes to a licensed dealer, the sale must be treated as a retail sale and not a "sale for resale" (i.e., wholesale). The stamper must (1) collect sales tax from the dealer, even if the licensed dealer presents a valid resale certificate; (2) separately state the tax on its invoice; and (3) file sales tax returns and remit the tax to the state the same way as retailers.

The act requires licensed dealers to similarly collect the tax when they sell a stamped package of cigarettes to a customer, but when calculating the sales price, dealers cannot include the tax amount paid to the stamper. The act allows the dealer to claim a credit against the sales tax due during a reporting period on its retail cigarette sales equal to the amount of tax it paid to the stamper during the same reporting period.

The second transaction chain starts when the stamper sells stamped cigarettes to a non-stamping distributor, who then sells them to a licensed dealer. The act requires that the sale between the non-stamping distributor and the dealer be

treated as a retail sale and not a sale for resale. The same requirements that apply to the stamper in the above transaction apply to the non-stamping distributor. Similarly, when the licensed dealer sells the cigarettes to customers, it must collect the tax and remit it the same way it does for cigarettes purchased directly from a stamper.
EFFECTIVE DATE: July 1, 2013, and applicable to sales occurring on or after that date.

§ 83 — EARNED INCOME TAX CREDIT (EITC)

Prior law established a refundable state EITC equal to 30% of the federal credit for the same tax year. The act (1) reduces the EITC from 30% to 25% for the 2013 tax year, (2) increases it to 27.5% for the 2014 tax year, and (3) restores it to 30% for subsequent tax years.
EFFECTIVE DATE: Upon passage and applicable to tax years beginning on or after January 1, 2013.

§§ 84-86 — KENO

The act allows the Connecticut Lottery Corporation to offer Keno games, in addition to the state lottery, generally subject to the same requirements as other lottery games, including those concerning lottery sales agents, advertisements, and prizes. In Keno, players win prizes by correctly guessing some of the numbers generated by a central computer system using a random number generator, rabbit ear, or a wheel system device using numbered balls. The system draws 20 numbers from a field of 80.

In establishing Keno, the corporation must comply with any revenue agreement the state, through OPM, makes with the Mashantucket Pequot and Mohegan tribes to share Keno revenue. The act authorizes OPM to enter into such agreements requiring the state to pay up to 12.5% of the gross Keno revenues (i.e., the total amount wagered minus prize payouts).
EFFECTIVE DATE: Upon passage

§§ 87-88 & 102 — SPECIAL TRANSPORTATION FUND (STF) TRANSFERS

As Table 11 shows, the act changes the amounts annually transferred to the STF from the (1) revenue generated by the petroleum products gross earnings tax and (2) General Fund. It also adds a one-time transfer from the STF to the General Fund of $76.5 million for FY 14.

Table 11: Transfer Changes to STF (In Millions)

FY	Transfers from the Petroleum Products Gross Earnings Tax Revenues			Transfers from the General Fund			One-Time Transfers from the STF to the General Fund
	Prior	Act	Difference	Prior	Act	Difference	Act

	Law			Law			
2014	$222.7	$380.7	$158.0	$172.8	$0	($172.8)	$76.5
2015	226.8	379.1	152.3	172.8	2.1	(170.7)	0
2016	231.4	377.3	145.9	172.8	152.8	(20.0)	0
2017 and there-after	231.4	377.3	145.9	172.8	162.8	(10)	0

§§ 89, 99-107,109, & 111 — TRANSFERS TO THE GENERAL FUND

As Table 12 shows, the act transfers funds from various sources to the General Fund. (See Table 11 above for FY 14 transfer from the STF to the General Fund.)

Table 12: Transfers to the General Fund*

§	Source	Amount (millions)	FY
89	Probate Court Administration Fund	$1.0	2014
99	Connecticut Resources Recovery Authority (CRRA)	Up to 35.0	2014
100-101	Public, Educational and Governmental Programming and Educational Investment Account (PEGPETIA)	3.4	2014
		3.5	2015
103-104	State Banking Fund	8.0	2014
		3.0	2015
105	Regional Greenhouse Gas Initiative (RGGI) Account	5.0	2015
106-107	Clean Energy Finance and Investment Authority (CEFIA)	6.2	2014
		24.2	2015
109	Tobacco and Health Trust Fund	3.5	2014
111	1998 Tobacco Master Settlement Agreement	Up to 40.0	2014

* PA 13-247 (§§ 149-150, 378, & 388) later changed the State Banking Fund and CEFIA transfers and repealed the RGGI transfer.

EFFECTIVE DATE: Upon passage, except the CRRA and PEGPETIA transfers are effective July 1, 2013.

§§ 90 & 91 — ECONOMIC RECOVERY NOTES (ERNS)

The act extends by two years, from July 1, 2016 to July 1, 2018, the maturity date for the ERNs issued to fund the FY 09 deficit. It also authorizes the treasurer to issue refunding bonds for the ERNs without certifying that the state reasonably expects to achieve net debt service savings as a result of the refunding.
EFFECTIVE DATE: Upon passage

§ 92 — GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) IMPLEMENTATION

Existing law establishes a procedure to amortize and pay off in annual increments the unreserved negative balances that have accumulated in state funds as a result of not applying GAAP in the past. The procedure requires the comptroller to establish an opening combined balance sheet for all appropriated funds based on GAAP and set up as a deferred charge on the combined balance sheet the accrued and unpaid expenses and liabilities and other adjustments for GAAP purposes.

Under prior law, the state had to pay off this deferred charge in equal annual increments over 15 years, starting in FY 14. The act instead requires the state to make these payments over 13 years, starting in FY 16. PA 13-247 (§ 235) contains an identical provision, in addition to others that make further changes to how the state identifies and reports the accumulated GAAP deficit.

A related act, PA 13-239 (§§ 68 & 69), (1) authorizes the treasurer to issue up to $750 million in bonds, notes, or other obligations to reduce the state's accumulated GAAP deficit; (2) commits the state to paying off the remaining deficit in annual increments over 13 years, beginning in FY 16; and (3) authorizes actions to assure bondholders that the state will do so.

§§ 93 & 94 — LOCAL CAPITAL IMPROVEMENT PROGRAM (LOCIP) EXPANSION AND MUNICIPAL GRANTS

LoCIP, administered by OPM, reimburses municipalities for the cost of eligible local capital improvement projects, such as road, bridge, and public building construction activities. The act expands the list of projects eligible for LoCIP funding to include:

1. bikeway and greenway establishment;
2. land acquisition, including open space, and costs associated with making land available for public use;
3. technology acquisition related to implementing the State Department of Education's Common Core State Standards;
4. technology upgrades, including improvements to expand public access to government information through e-portals and kiosks; and
5. for FY 13 and FY 14 only, (a) snow removal equipment and (b) capital expenditures made to improve public safety or facilitate regional cooperation.

The act allows a municipality to apply for LoCIP funds to reimburse any FY 13 expenditures it incurred for any of these newly eligible projects regardless of the application deadlines set under existing law.

Prior law required LoCIP applications to include a certification that the project for which the municipality was requesting reimbursement was consistent with its local capital improvement plan. The act allows the OPM secretary, for any fiscal year, to (1) authorize reimbursement for any of the additional projects before the municipality has added the project to its local capital improvement plan and (2) require the municipality to certify that it is taking steps to amend its plan to include the project.

EFFECTIVE DATE: Upon passage for the expansion of LoCIP eligible projects.

§ 95 — URBAN AND INDUSTRIAL SITES REINVESTMENT TAX CREDITS

The act (1) allows the economic and community development commissioner to pay taxpayers holding urban and industrial sites reinvestment tax credits for their credit eligibility certificates and (2) authorizes up to $40 million in bonds for this purpose, $20 million of which is available on July 1, 2014.

By law, the eligibility certificates allow taxpayers to claim credits for investing in certain real estate projects significantly affecting the economy. The credit equals 100% of the invested amount, but must be claimed over 10 years according to a statutory schedule. The credits may be assigned to other taxpayers or carried forward for up to five years.

§ 96 — PROPERTY TAX ASSESSMENT OF APARTMENTS IN CAPITAL CITY ECONOMIC DEVELOPMENT DISTRICT

The act requires Hartford to assess all apartments with four or more units that the Capital Region Development Authority constructs or converts in the statutorily designated Capital City Economic Development District the same way it assesses residential property with three or fewer units throughout the city. In doing do, it lowers the assessments for these apartments.

Under existing law, Hartford sets different assessment ratios for different classes of property. The assessment ratio for apartment property (55% for the 2012 assessment year) proportionately increases each year until it reaches 70% by the 2015 assessment year. The assessment ratio for residential property (29.2% for the 2012 assessment year) increases by up to 5% each year depending on the growth in property tax revenue. By requiring apartments in the district to be assessed the same as residential property, the act lowers the assessment ratio for these apartments. The act's requirements apply to apartments in the district that receive a certificate of occupancy on or after July 1, 2013.

EFFECTIVE DATE: July 1, 2013, and applicable to assessment years starting on or after October 1, 2013.

§§ 97 & 98 — RECORDING FEES

The act (1) increases the fees a "nominee of a mortgagee" must pay to town clerks when recording documents, including warranty deeds, quitclaim deeds, mortgage deeds, or mortgage assignments, and (2) specifies how the fee revenue must be allocated. Under prior law, anyone recording these documents paid $10 for recording the first page and $5 for each additional page. They also paid $2 for each mortgage assignment after the first two assignments. The recording party also paid separate $3 and $40 recording surcharges, a portion of which was remitted to the state and used to capitalize various accounts.

Under the act, a "nominee of a mortgagee" is any person who (1) serves as mortgagee in the land records for a mortgage loan that is registered on a national electronic database that tracks changes in mortgage servicing and ownership interests in residential mortgage loans on behalf of its members and (2) is a nominee or agent for the promissory note's owner or the note's subsequent buyer, transferee, or owner.

The recording fee schedule depends on whether the document is a mortgage assignment in which the nominee appears as the assignor. In the case of a mortgage assignment in which the nominee appears as the assignor, there is a flat

$159 fee for the entire assignment, including the surcharge required under prior law. For any other document, the fee is $116 for the first page, $5 for each additional page, $2 for each mortgage assignment after the first two assignments, plus a $43 recording surcharge.

The act also specifies how the fees collected from nominees must be allocated, as Table 13 shows.

Table 13: Nominee Fee Revenue Allocation Requirements

Document	*State Share*	*Municipal Share*
Any document recorded by a nominee except mortgage assignments in which nominee appears as assignor	$110, of which: • $74 goes to the General Fund and • $36 to the Community Investment Account	$49, of which: • $39 goes to the municipality's general revenue and • $10 to the town clerk's fund Town also keeps any fees for additional pages
Mortgage assignment in which nominee appears as assignor	$127, of which: • $31 goes to the General Fund, • $36 to the Community Investment Account, and • $60 to the State Banking Fund for Foreclosure Mediation Program	$32 which goes to the municipality's general revenue

PA 13-247 (§§ 81 & 82) contains similar recording fee provisions that are effective July 15, 2013.

§ 108 — MUNICIPAL VIDEO COMPETITION TRUST ACCOUNT

The act prohibits deposits into the municipal video competition trust account for FY 14 and FY 15. Prior law required the comptroller to deposit into the account up to $5 million each fiscal year from the gross earnings tax on certified competitive video service providers (i.e., certain cable TV companies).
EFFECTIVE DATE: Upon passage

§§ 110-112 — TOBACCO MASTER SETTLEMENT AGREEMENT LITIGATION SETTLEMENT

The act specifies how litigation settlement funds received under the 1998 Master Settlement Agreement must be spent. Specifically, it (1) reserves up to $40 million of the funds to reduce the act's FY 14 aggregate appropriation for Nonfunctional-Change to Accruals and (2) directs up to (a) $10 million to the General Fund for FY 14 and (b) $13 million to a nonlapsing fund to fund

enforcement activity related to the agreement. (PA 13-247 (§ 43) (1) directs the $13 million earmark to a nonlapsing account, rather than fund; (2) specifies that the attorney general and DRS must use these funds for enforcement activities; and (3) authorizes the OPM secretary to determine when these amounts are made available and their amounts.)
EFFECTIVE DATE: Upon passage

§§ 113-122 — REVENUE ESTIMATES

The act adopts revenue estimates for FY 14 and FY 15 for appropriated state funds as shown in Table 14.

Table 14: Revenue Estimates for FY 14 and FY 15

Fund	*FY 14*	*FY 15*
General Fund	$17,190,050,000	$17,507,500,000
Special Transportation Fund	1,243,700,000	1,322,700,000
Mashantucket Pequot & Mohegan Fund	61,800,000	61,800,000
Soldiers', Sailors', and Marines' Fund	3,100,000	3,200,000
Regional Market Operation Fund	1,000,000	1,000,000
Banking Fund	26,609,000	27,847,000
Insurance Fund	30,745,000	31,968,000
Consumer Counsel & Public Utility Control Fund	24,919,000	25,384,000
Workers' Compensation Fund	23,709,000	25,235,000
Criminal Injuries Compensation Fund	3,410,000	3,310,000

EFFECTIVE DATE: July 1, 2011 for the revenue estimate provision concerning the Criminal Injuries Compensation Fund (PA 13-247 (§ 380) makes this provision effective July 1, 2013, rather than July 1, 2011).

OLR Tracking: RP:TA:PF:RO