



Substitute House Bill No. 5546

Public Act No. 14-227

AN ACT CONCERNING CERTAIN RECOMMENDATIONS OF THE AUDITORS OF PUBLIC ACCOUNTS, AN EXPANSION OF THE NEIGHBORHOOD ASSISTANCE ACT, CERTIFICATION OF MINORITY BUSINESS ENTERPRISES AND AN ALLOCATION TO THE LEGACY FOUNDATION OF HARTFORD.

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

Section 1. Section 4-61dd of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Any person having knowledge of any matter involving corruption, unethical practices, violation of state laws or regulations, mismanagement, gross waste of funds, abuse of authority or danger to the public safety occurring in any state department or agency or any quasi-public agency, as defined in section 1-120, or any person having knowledge of any matter involving corruption, violation of state or federal laws or regulations, gross waste of funds, abuse of authority or danger to the public safety occurring in any large state contract, may transmit all facts and information in such person's possession concerning such matter to the Auditors of Public Accounts. The Auditors of Public Accounts shall review such matter and report their findings and any recommendations to the Attorney General. Upon receiving such a report, the Attorney General shall make such investigation as the Attorney General deems proper regarding such

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report and any other information that may be reasonably derived from such report. Prior to conducting an investigation of any information that may be reasonably derived from such report, the Attorney General shall consult with the Auditors of Public Accounts concerning the relationship of such additional information to the report that has been issued pursuant to this subsection. Any such subsequent investigation deemed appropriate by the Attorney General shall only be conducted with the concurrence and assistance of the Auditors of Public Accounts. At the request of the Attorney General or on their own initiative, the auditors shall assist in the investigation.

(b) (1) The Auditors of Public Accounts may reject any complaint received pursuant to subsection (a) of this section if the Auditors of Public Accounts determine one or more of the following:

(A) There are other available remedies that the complainant can reasonably be expected to pursue;

(B) The complaint is better suited for investigation or enforcement by another state agency;

(C) The complaint is trivial, frivolous, vexatious or not made in good faith;

(D) Other complaints have greater priority in terms of serving the public good;

(E) The complaint is not timely or is too long delayed to justify further investigation; or

(F) The complaint could be handled more appropriately as part of an ongoing or scheduled regular audit.

(2) If the Auditors of Public Accounts reject a complaint pursuant to subdivision (1) of this subsection, the Auditors of Public Accounts

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shall provide a report to the Attorney General setting out the basis for the rejection.

(3) If at any time the Auditors of Public Accounts determine that a complaint is more appropriately investigated by another state agency, the Auditors of Public Accounts shall refer the complaint to such agency. The investigating agency shall provide a status report regarding the referred complaint to the Auditors of Public Accounts upon request.

(c) Notwithstanding the provisions of section 12-15, the Commissioner of Revenue Services may, upon written request by the Auditors of Public Accounts, disclose return or return information, as defined in section 12-15, to the Auditors of Public Accounts for purposes of preparing a report under subsection (a) or (b) of this section. Such return or return information shall not be published in any report prepared in accordance with subsection (a) or (b) of this section, and shall not otherwise be redisclosed, except that such information may be redisclosed to the Attorney General for purposes of an investigation authorized by subsection (a) of this section. Any person who violates the provisions of this subsection shall be subject to the provisions of subsection (g) of section 12-15.

[(c)] (d) The Attorney General may summon witnesses, require the production of any necessary books, papers or other documents and administer oaths to witnesses, where necessary, for the purpose of an investigation pursuant to this section or for the purpose of investigating a suspected violation of subsection (a) of section 17b-301b until such time as the Attorney General files a civil action pursuant to section 17b-301c. Upon the conclusion of the investigation, the Attorney General shall where necessary, report any findings to the Governor, or in matters involving criminal activity, to the Chief State's Attorney. In addition to the exempt records provision of section 1-210, the Auditors of Public Accounts and the Attorney General shall not,

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after receipt of any information from a person under the provisions of this section or sections 17b-301c to 17b-301g, inclusive, disclose the identity of such person without such person's consent unless the Auditors of Public Accounts or the Attorney General determines that such disclosure is unavoidable, and may withhold records of such investigation, during the pendency of the investigation.

[[d]] (e) (1) No state officer or employee, as defined in section 4-141, no quasi-public agency officer or employee, no officer or employee of a large state contractor and no appointing authority shall take or threaten to take any personnel action against any state or quasi-public agency employee or any employee of a large state contractor in retaliation for (A) such employee's or contractor's disclosure of information to (i) an employee of the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) of this section; (ii) an employee of the state agency or quasi-public agency where such state officer or employee is employed; (iii) an employee of a state agency pursuant to a mandated reporter statute or pursuant to subsection (b) of section 17a-28; or (iv) in the case of a large state contractor, an employee of the contracting state agency concerning information involving the large state contract; or (B) such employee's testimony or assistance in any proceeding under this section.

(2) (A) Not later than ninety days after learning of the specific incident giving rise to a claim that a personnel action has been threatened or has occurred in violation of subdivision (1) of this subsection, a state or quasi-public agency employee, an employee of a large state contractor or the employee's attorney may file a complaint against the state agency, quasi-public agency, large state contractor or appointing authority concerning such personnel action with the Chief Human Rights Referee designated under section 46a-57. Such complaint may be amended if an additional incident giving rise to a claim under this subdivision occurs subsequent to the filing of the

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original complaint. The Chief Human Rights Referee shall assign the complaint to a human rights referee appointed under section 46a-57, who shall conduct a hearing and issue a decision concerning whether the officer or employee taking or threatening to take the personnel action violated any provision of this section. The human rights referee may order a state agency or quasi-public agency to produce (i) an employee of such agency or quasi-public agency to testify as a witness in any proceeding under this subdivision, or (ii) books, papers or other documents relevant to the complaint, without issuing a subpoena. If such agency or quasi-public agency fails to produce such witness, books, papers or documents, not later than thirty days after such order, the human rights referee may consider such failure as supporting evidence for the complainant. If, after the hearing, the human rights referee finds a violation, the referee may award the aggrieved employee reinstatement to the employee's former position, back pay and reestablishment of any employee benefits for which the employee would otherwise have been eligible if such violation had not occurred, reasonable attorneys' fees, and any other damages. For the purposes of this subsection, such human rights referee shall act as an independent hearing officer. The decision of a human rights referee under this subsection may be appealed by any person who was a party at such hearing, in accordance with the provisions of section 4-183.

(B) The Chief Human Rights Referee shall adopt regulations, in accordance with the provisions of chapter 54, establishing the procedure for filing complaints and noticing and conducting hearings under subparagraph (A) of this subdivision.

(3) As an alternative to the provisions of subdivision (2) of this subsection: (A) A state or quasi-public agency employee who alleges that a personnel action has been threatened or taken may file an appeal not later than ninety days after learning of the specific incident giving rise to such claim with the Employees' Review Board under section 5-

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202, or, in the case of a state or quasi-public agency employee covered by a collective bargaining contract, in accordance with the procedure provided by such contract; or (B) an employee of a large state contractor alleging that such action has been threatened or taken may, after exhausting all available administrative remedies, bring a civil action in accordance with the provisions of subsection (c) of section 31-51m.

(4) In any proceeding under subdivision (2) or (3) of this subsection concerning a personnel action taken or threatened against any state or quasi-public agency employee or any employee of a large state contractor, which personnel action occurs not later than two years after the employee first transmits facts and information concerning a matter under subsection (a) of this section or discloses information under subdivision (1) of this subsection to the Auditors of Public Accounts, the Attorney General or an employee of a state agency or quasi-public agency, as applicable, there shall be a rebuttable presumption that the personnel action is in retaliation for the action taken by the employee under subsection (a) of this section or subdivision (1) of this subsection.

(5) If a state officer or employee, as defined in section 4-141, a quasi-public agency officer or employee, an officer or employee of a large state contractor or an appointing authority takes or threatens to take any action to impede, fail to renew or cancel a contract between a state agency and a large state contractor, or between a large state contractor and its subcontractor, in retaliation for the disclosure of information pursuant to subsection (a) of this section or subdivision (1) of this subsection to any agency listed in subdivision (1) of this subsection, such affected agency, contractor or subcontractor may, not later than ninety days after learning of such action, threat or failure to renew, bring a civil action in the superior court for the judicial district of Hartford to recover damages, attorney's fees and costs.

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[(e)] (f) Any employee of a state or quasi-public agency or large state contractor, who is found by the Auditors of Public Accounts, the Attorney General, a human rights referee or the Employees' Review Board to have knowingly and maliciously made false charges under subsection (a) of this section, shall be subject to disciplinary action by such employee's appointing authority up to and including dismissal. In the case of a state or quasi-public agency employee, such action shall be subject to appeal to the Employees' Review Board in accordance with section 5-202, or in the case of state or quasi-public agency employees included in collective bargaining contracts, the procedure provided by such contracts.

[(f)] (g) On or before September first, annually, the Auditors of Public Accounts shall submit, in accordance with the provisions of section 11-4a, to the clerk of each house of the General Assembly a report indicating the number of matters for which facts and information were transmitted to the auditors pursuant to this section during the preceding state fiscal year and the disposition of each such matter.

[(g)] (h) Each contract between a state or quasi-public agency and a large state contractor shall provide that, if an officer, employee or appointing authority of a large state contractor takes or threatens to take any personnel action against any employee of the contractor in retaliation for such employee's disclosure of information to any employee of the contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) or subdivision (1) of subsection (d) of this section, the contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of the contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation each calendar day's continuance of the violation shall be deemed to be

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a separate and distinct offense. The executive head of the state or quasi-public agency may request the Attorney General to bring a civil action in the superior court for the judicial district of Hartford to seek imposition and recovery of such civil penalty.

[(h)] (i) Each state agency or quasi-public agency shall post a notice of the provisions of this section relating to state employees and quasi-public agency employees in a conspicuous place that is readily available for viewing by employees of such agency or quasi-public agency. Each large state contractor shall post a notice of the provisions of this section relating to large state contractors in a conspicuous place which is readily available for viewing by the employees of the contractor.

[(i)] (j) No person who, in good faith, discloses information in accordance with the provisions of this section shall be liable for any civil damages resulting from such good faith disclosure.

[(j)] (k) As used in this section:

(1) "Large state contract" means a contract between an entity and a state or quasi-public agency, having a value of five million dollars or more; and

(2) "Large state contractor" means an entity that has entered into a large state contract with a state or quasi-public agency.

Sec. 2. Subsections (b) and (c) of section 32-605 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2014*):

(b) [In lieu of the audit required under section 1-122, the] The board of directors of the authority shall annually contract with a person, firm or corporation for a compliance audit of the authority's activities during the preceding authority fiscal year. The audit shall determine

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whether the authority has complied with its regulations concerning affirmative action, personnel practices, the purchase of goods and services and the use of surplus funds. The board shall submit the audit report to the Governor, the Auditors of Public Accounts and the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.

(c) The board of directors of the authority shall annually contract with a firm of certified public accountants to undertake an independent financial audit of the authority in accordance with generally accepted auditing standards. The board shall submit the audit report to the Governor, the Auditors of Public Accounts and the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding. [The books and accounts of the authority shall be subject to annual audits by the state Auditors of Public Accounts.]

Sec. 3. Subsection (g) of section 32-657 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2014*):

(g) The Stadium Facility Enterprise Fund, the revenue account, the operating expense account and any other account holding state moneys associated with the stadium facility shall be subject to the provisions of sections 3-112, 3-114, 4-32 and 4-33, except to the extent inconsistent with express provisions of this section, and shall be audited [on a comprehensive annual basis] as provided in section 1-122 by the Auditors of Public Accounts. [Such audits shall be conducted at the sole expense of the Auditors of Public Accounts and with advance notice to the secretary.]

Sec. 4. Section 12-635 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2014*):

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The Commissioner of Revenue Services shall grant a credit against any tax due under the provisions of chapter 207, 208, 209, 210, 211 or 212: (1) In an amount not to exceed one hundred per cent of the total cash amount invested during the taxable year by the business firm in programs operated or created pursuant to proposals approved pursuant to section 12-632 for energy conservation projects directed toward properties occupied by persons, at least seventy-five per cent of whom are at an income level not exceeding one hundred fifty per cent of the poverty level for the year next preceding the year during which such tax credit is to be granted; (2) in an amount equal to one hundred per cent of the total cash amount invested during the taxable year by the business firm in programs operated or created pursuant to proposals approved pursuant to section 12-632 for energy conservation projects at properties owned or occupied by charitable corporations, foundations, trusts or other entities as determined under regulations adopted pursuant to this chapter; (3) in an amount equal to one hundred per cent of the total cash amount invested during the taxable year by the business firm in a comprehensive college access loan forgiveness program located in an "educational reform district" as defined in section 10-262u, that has established minimum eligibility criteria including, but not limited to, years of enrollment in the educational reform district, grade point average, attendance record and loan forgiveness prerequisite; or [(3)] (4) in an amount not to exceed sixty per cent of the total cash amount invested during the taxable year by the business firm (A) in employment and training programs directed at youths, at least seventy-five per cent of whom are at an income level not exceeding one hundred fifty per cent of the poverty level for the year next preceding the year during which such tax credit is to be granted; (B) in employment and training programs directed at handicapped persons as determined under regulations adopted pursuant to this chapter; (C) in employment and training programs for unemployed workers who are fifty years of age or older; (D) in education and employment training programs for recipients in

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the temporary family assistance program; or (E) in child care services. Any other program which serves persons at least seventy-five per cent of whom are at an income level not exceeding one hundred fifty per cent of the poverty level for the year next preceding the year during which such tax credit is to be granted and which meets the standards for eligibility under this chapter shall be eligible for a tax credit under this section in an amount equal to sixty per cent of the total cash invested by the business firm in such program.

Sec. 5. Subsection (k) of section 4a-60g of the 2014 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2014*):

(k) (1) On or before January 1, 2000, the Commissioner of Administrative Services shall establish a process for certification of small contractors and minority business enterprises as eligible for set-aside contracts. Each certification shall be valid for a period not to exceed two years. Any paper application for certification shall be no longer than six pages. The Department of Administrative Services shall maintain on its web site an updated directory of small contractors and minority business enterprises certified under this section.

(2) The Commissioner of Administrative Services may deny an application for the initial issuance or renewal of such certification after issuing a written decision to the applicant setting forth the basis for such denial. The commissioner may revoke such certification for cause after notice and an opportunity for a hearing in accordance with the provisions of chapter 54. Any person aggrieved by the commissioner's decision to deny the issuance or renewal of or to revoke such certification may appeal such decision to the Superior Court, in accordance with the provisions of section 4-183.

(3) Whenever the Commissioner of Administrative Services has reason to believe that a small contractor or minority business

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enterprise who has applied for or received certification under this section has included a materially false statement in his or her application, the commissioner may impose a penalty not exceeding ten thousand dollars after notice and a hearing held in accordance with chapter 54. Such notice shall include (A) a reference to the statement or statements contained in the application alleged to be false, (B) the maximum civil penalty that may be imposed for such misrepresentation, and (C) the time and place of the hearing. Such hearing shall be fixed for a date not later than fourteen days from the date such notice is sent. The commissioner shall send a copy of such notice to the Commission on Human Rights and Opportunities.

(4) The commissioner shall hold a hearing prior to such revocation or denial or the imposition of a penalty, unless such contractor or subcontractor fails to appear. If, after the hearing, the commissioner finds that the contractor or subcontractor has wilfully included a materially false statement in his or her application for certification under this subsection, the commissioner shall revoke or deny the certification and may order that a civil penalty not exceeding ten thousand dollars be imposed on the contractor or subcontractor. If such contractor or subcontractor fails to appear for the hearing, the commissioner may, as the facts require, revoke or deny the certification and order that a civil penalty not exceeding ten thousand dollars be imposed on the contractor or subcontractor. The commissioner shall send a copy of any order issued pursuant to this subsection to the contractor or subcontractor named in such order. The commissioner may cause proceedings to be instituted by the Attorney General for the enforcement of any order imposing a civil penalty issued under this subsection.

Sec. 6. (*Effective July 1, 2014*) The sum of \$225,000 appropriated in section 1 of public act 13-247, as amended by public act 14-47, to the Judicial Department, for Children of Incarcerated Parents, for the fiscal

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year ending June 30, 2015, and allocated to the Greater Hartford Male Youth Leadership Program shall not be paid to said recipient and shall be reallocated and paid to the Legacy Foundation of Hartford during said fiscal year.

Approved June 13, 2014